



ANNUAL REPORT
2013-14

KNOWHOW

**AN INDUSTRIALIST.
A PHILANTHROPIST.
A STATESMAN.
A PATRIOT.**

**A MAN WHOSE LEGEND
IS EXCEEDED
ONLY BY HIS LEGACY.**

An industrialist who set up a multibillion dollar empire providing a livelihood to lakhs of people. A philanthropist who championed the cause of the poor. A visionary who foresaw a self-reliant India. A statesman who dedicated his life to the service of the nation. Shri O. P. Jindal. His spirit lives on.

Shri Om Prakash Jindal

7th August 1930 - 31st March 2005
Founder and Visionary, O. P. Jindal Group



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KNOWHOW

At JSW Steel, our definition of KnowHow not only includes the knowledge to do "How", but also "What", "When" and "Where". To succeed in business it is not just important to do the right things, but even more important to do them at the right time, at the right place and at the right cost.

It is the broader definition of KnowHow, that has governed our actions. It enables us to innovate every day and redefine the way we operate. It gives us the ability to adapt to changing market dynamics with precision and speed. As an organisation, It is part of our very strategic and operational DNA.

KnowHow has allowed us to optimally leverage the synergies from our merger with JSW ISPAT Steel, affording us logistical advantages and augmented capacities. It has provided us the foresight to develop future capabilities by way of technology enhancement and securing raw material. It has helped us create a diversified value-added portfolio to address growing demand for steel.

KnowHow has provided us the requisite capabilities to preserve existing profitability while generating long-term sustainable value. It helps us grow market share, improve efficiencies, manage our balance sheet, and deliver sustainable returns to our stakeholders.

Read on to know how.

[^] 43%

12.17 MT

Crude Steel Production

[^] 34%

11.86 MT

Saleable Steel Sales

FY 2013-14 OPERATIONAL HIGHLIGHTS

STANDALONE

^{^ 25%}
₹48,527 cr
 Gross Turnover

^{^ 39%}
₹8,783 cr
 Operating EBIDTA

₹1,335 cr
 Net Profit (PAT)

^{^ 26%}
₹44,529 cr
 Net Turnover

Increased sales volume of value-added and special grade steel products

Total saleable steel sales grew by 34% from 8.87 MT to 11.86 MT in a scenario where industry demand growth remained negligible at 0.6%

Focused on Retail Sales – increased reach and penetration

Improved margins from 17.8% to 19.4%, despite an inflationary environment, inferior quality of iron ore and higher procurement costs, achieving cost reduction nevertheless

Achieved growth and presence in various geographies

Enhanced galvanising/colour coated capacities by 2 lakh tonnes

Added new products to the portfolio through a consistent focus on innovation

JSW STEEL AT A GLANCE



JSW Steel Limited, the flagship company of the US\$ 11 billion JSW Group, part of the O.P. Jindal Group, is one of the lowest cost steel producers globally.

JSW Steel is India's leading steel manufacturer in terms of installed capacity. The Company is recognised globally for its high-end value-added steel. Nearly 40% of products are high-value steel due to our relentless focus on R&D and cutting edge technological advancements.

EXTENSIVE PORTFOLIO OF PRODUCTS

Hot rolled coils, sheets and plates

Cold rolled coils and sheets

Galvanised products

Galvalume products

Pre-painted Galvanised products

Pre-painted Galvalume products

TMT bars

Wire rods and special steel bars

Rounds and blooms

14.3 MTPA

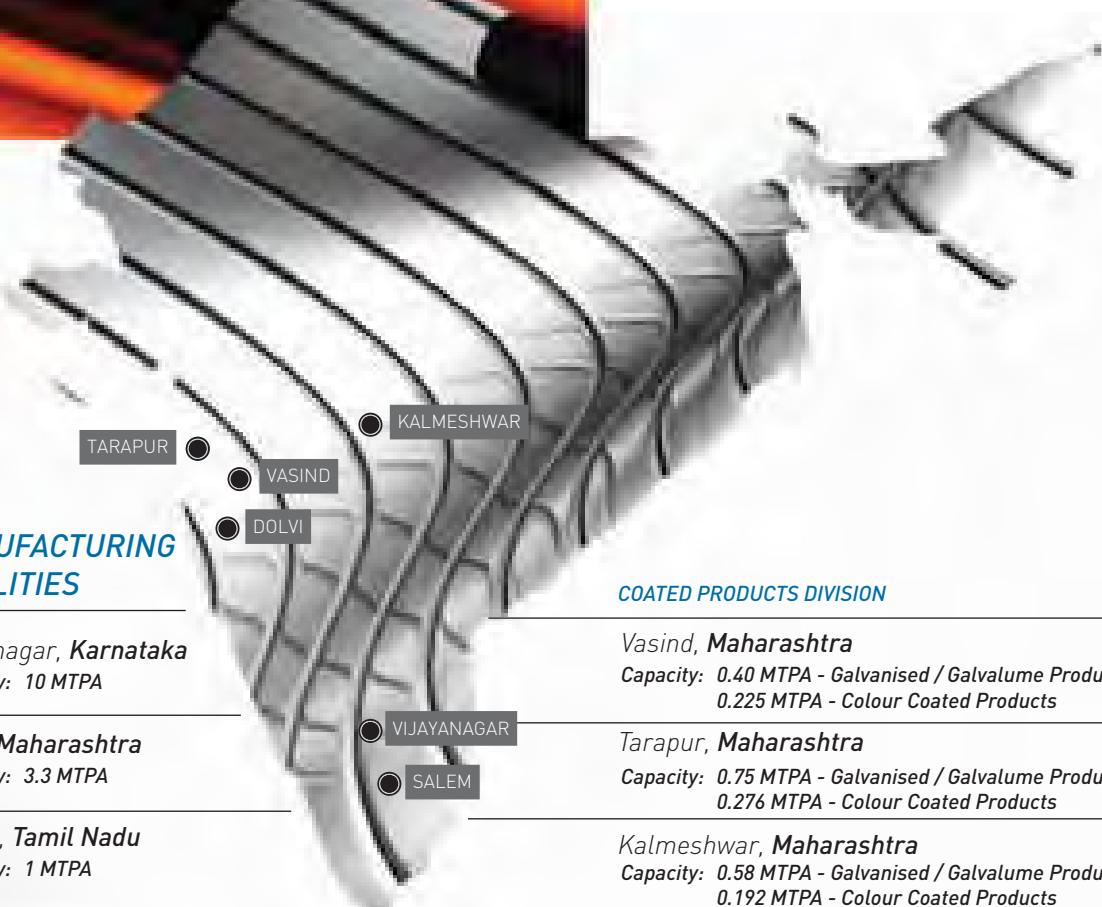
Steel Making Capacity

7th

Position among world-class steelmakers as per WSD in June 2014

Prime Minister's Trophy

for excellence in performance in 2012-13 for Vijayanagar Works which was adjudged the Best Integrated Steel Plant in India



MANUFACTURING FACILITIES

Vijayanagar, Karnataka
Capacity: 10 MTPA

Dolvi, Maharashtra
Capacity: 3.3 MTPA

Salem, Tamil Nadu
Capacity: 1 MTPA

COATED PRODUCTS DIVISION

Vasind, Maharashtra
Capacity: 0.40 MTPA - Galvanised / Galvalume Products
0.225 MTPA - Colour Coated Products

Tarapur, Maharashtra
Capacity: 0.75 MTPA - Galvanised / Galvalume Products
0.276 MTPA - Colour Coated Products

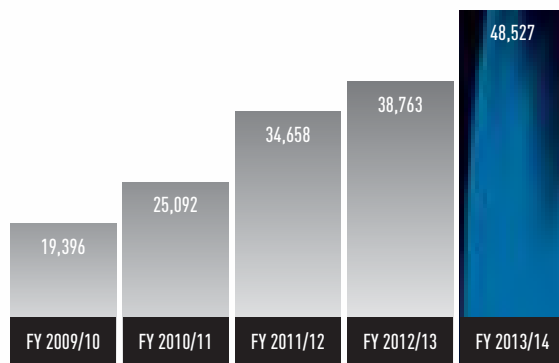
Kalmeshwar, Maharashtra
Capacity: 0.58 MTPA - Galvanised / Galvalume Products
0.192 MTPA - Colour Coated Products

KNOWHOW WE PERFORMED

STANDALONE

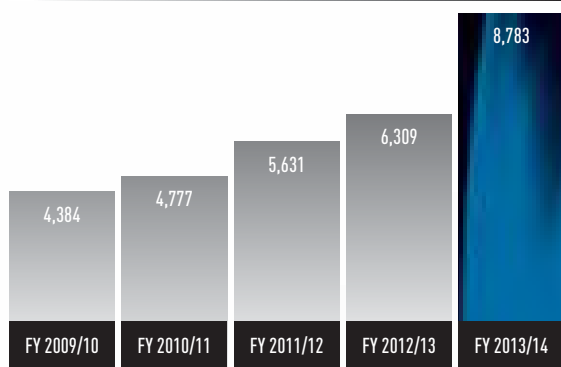
On a standalone basis, JSW Steel recorded its highest ever gross turnover of ₹48,527 crores for the year, posting a growth of 25% on a YoY basis. Simultaneously, it achieved the highest ever operating EBIDTA at ₹8,783 crores. As a result, operating EBIDTA margin improved to 19.4% from 17.8%, in the previous year, marked by several productivity and cost improvement measures initiated during the year.

HIGHEST GROSS TURNOVER ₹ crores



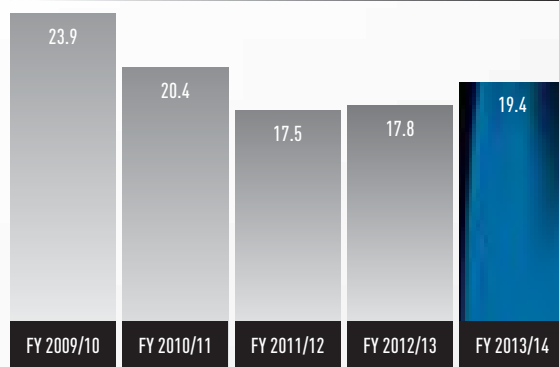
26.52% 5yr CAGR

HIGHEST EVER OPERATING EBIDTA ₹ crores

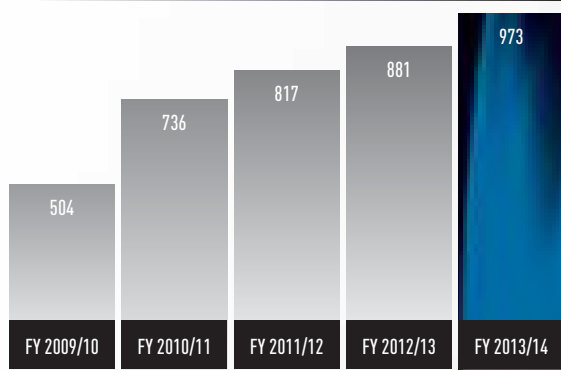


24.09% 5yr CAGR

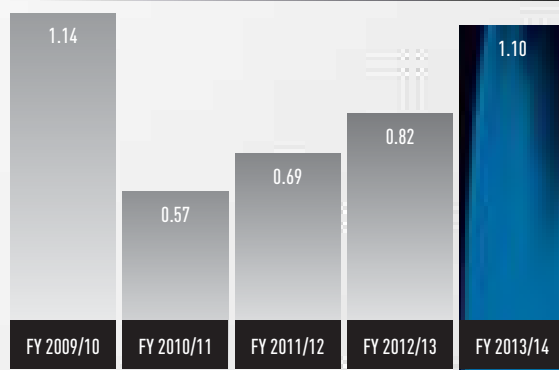
OPERATING EBIDTA MARGIN %

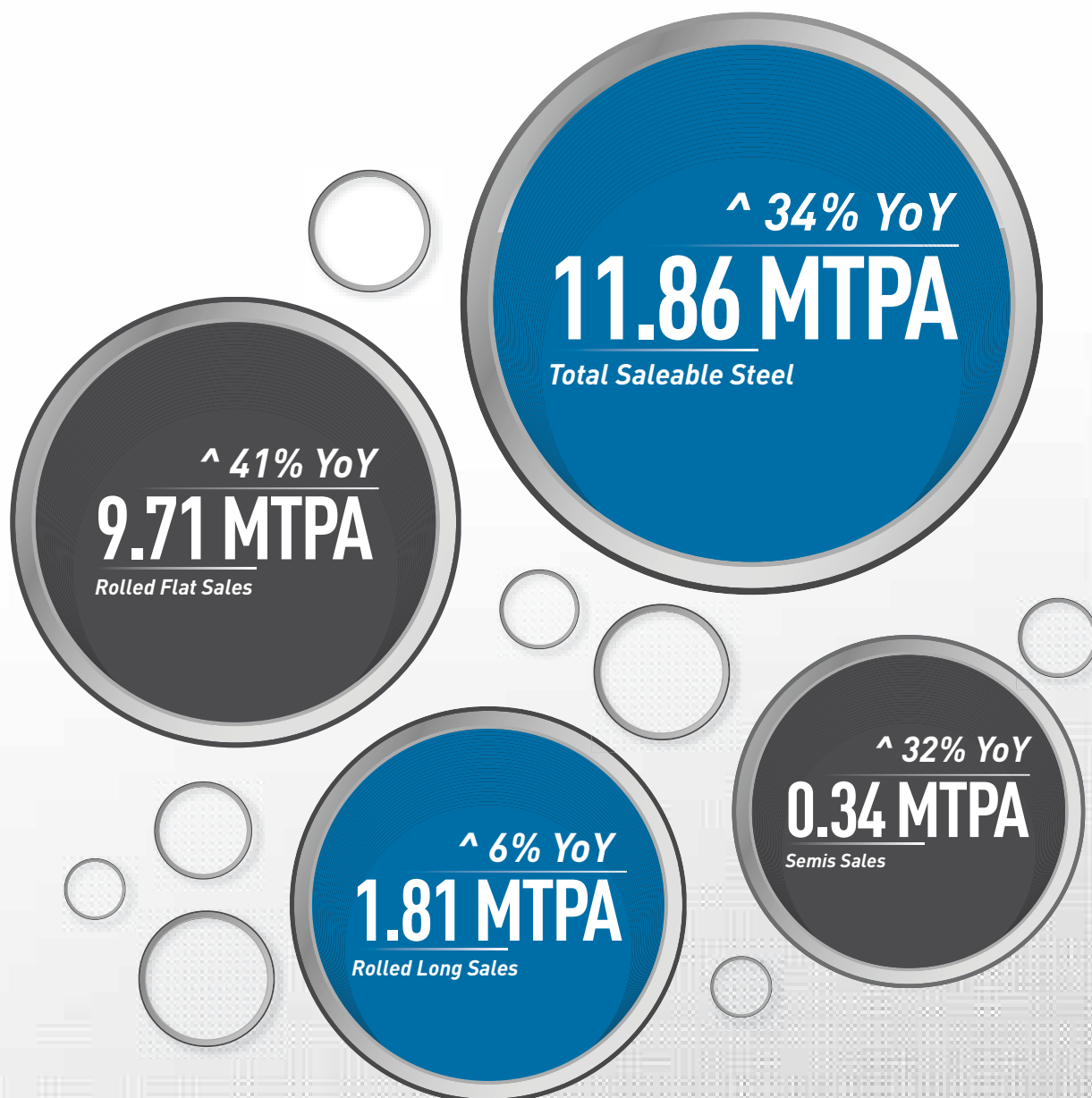


BOOK VALUE PER SHARE ₹



NET DEBT EQUITY RATIO





CONTRIBUTION TO GOVERNMENT AND SOCIETY ₹ crores

DIRECT TAXES



CONTRIBUTION TO SOCIETY

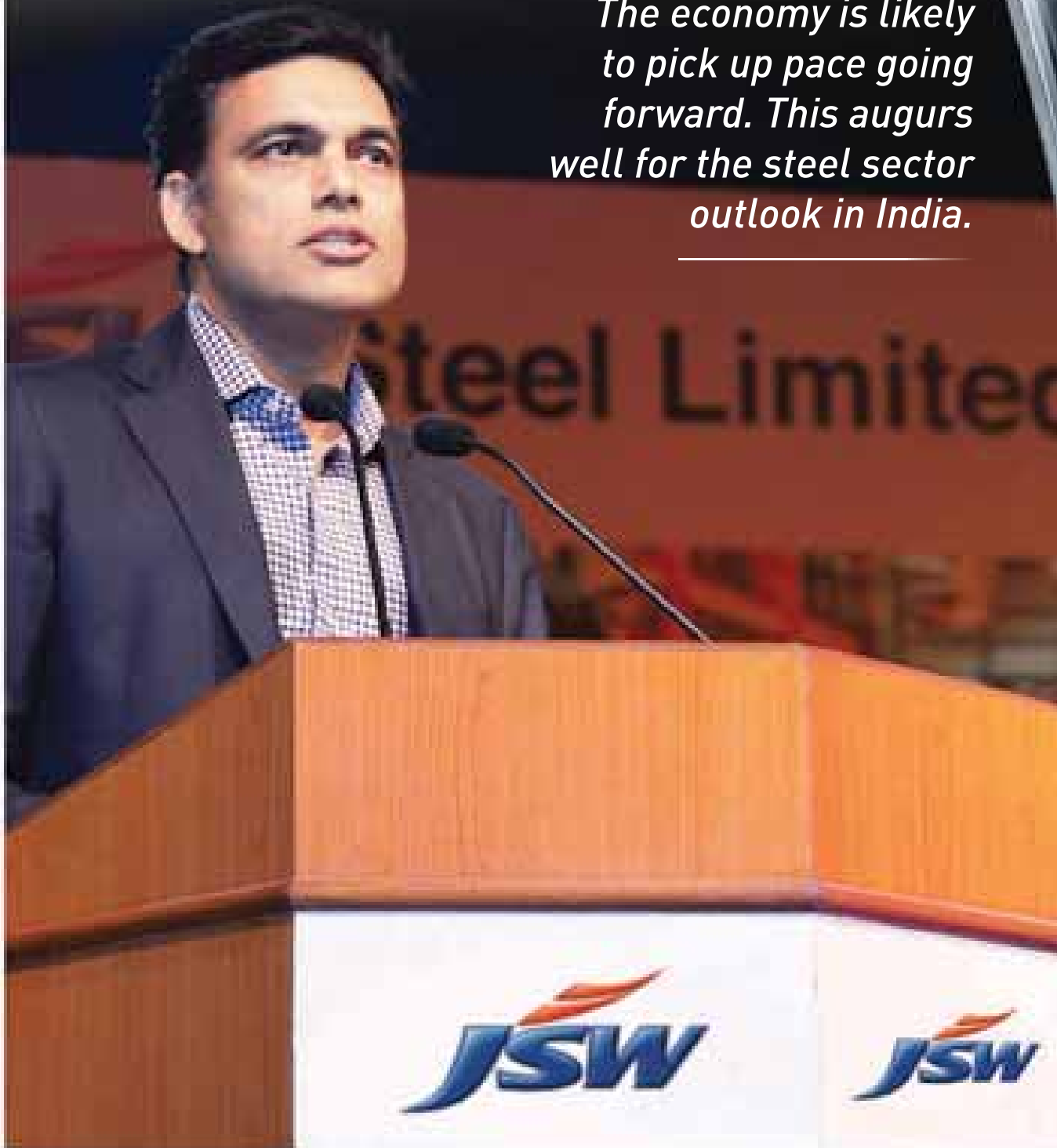


INDIRECT TAXES



CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

The economy is likely to pick up pace going forward. This augurs well for the steel sector outlook in India.



DEAR SHAREHOLDERS,

The Indian electorate has given a decisive mandate in the recently concluded general elections, and for the first time in over three decades we now have a stable government with a clear majority by a single political party. This is expected to have far reaching consequences over the medium term outlook for the country – from ushering in of reforms, a revival in economic growth and the strengthening of the governance framework. After two consecutive years of sub 5% economic growth, the worst appears to be behind us and the economy is likely to pick up pace going forward. Housing and infrastructure creation are said to be key focus areas for the new government, and this augurs well for the steel sector outlook in India.

While global steel demand increased by 3.6% in 2013-14, and demand in advanced countries is likely to improve further, China's demand growth has been moderating. Moreover, the significant overcapacity in China continues to be a source of overhang. In the meanwhile, with the clamp down by the Honourable Supreme Court in Orissa, iron ore availability domestically remains constrained, causing pressure on pricing and margins. High inflation and firmed up interest rates are other challenges that need to be addressed.

During the year, we completed the merger of JSW ISPAT Steel and also completed the backward integration facilities at Dolvi, which is likely to drive margin expansion going forward. We continue to evaluate opportunities to deliver value enhancing growth, and our recent announcement of low cost and returns accretive brownfield expansions at Dolvi and Vijayanagar (subject to necessary clearances) is a step in that direction.

We also remain focused on enriching our product mix, and during the year we commissioned the first phase of CRM II line, India's largest auto-grade steel facility with a capacity of 2.3 MTPA, which addresses the development of sophisticated and high-quality automotive steel grades. This enables us to provide advanced steel solutions to OEMs and will reduce India's imports. We also plan to address India's requirements for high grade electrical steel, initially through the development of a Cold Rolled Non-grain Oriented steel plant.

At JSW Steel, we are building stronger capabilities, deepening our distribution footprint and enhancing customer services to create a consistently value-generating enterprise. We plan to expand just-in-time service solutions to customers in rural areas with JSW Explore and JSW Connect.

Our strong export presence in over 100 countries helped us grow our export sales.

Through these measures, we are also preparing ourselves to capitalise on potential opportunities for consolidation within the sector. While we also remain committed to the planned greenfield projects in West Bengal and Jharkhand, we continue to focus on securing raw material linkages before committing additional capital to these projects.

In the last few years, we have witnessed rising imports of steel, especially from countries (like Japan and Korea) with which India has signed Free Trade Agreements. More so, the domestic steel producers too have increased capacities and as the newly/to be commissioned facilities ramp up, domestic competition is likely to intensify.

Nevertheless, at JSW Steel we have evolved an agile business model, which can respond to evolving market realities with speed, and

which has helped us to consistently achieve volume guidance over the years. During the year, despite sluggish domestic demand, constrained iron ore availability and higher procurement costs, not only we improved margins from 17.8% to 19.4% but our overall market share too rose to 13.2%.

Our strong export presence in over 100 countries helped us grow our export sales across various geographies through improved product offerings.

FORWARD FOCUS

Acknowledging the country's enormous potential for steel consumption, the Government of India has set a target of 300 million tonne capacity by 2025 from the current level of around 105 million tonnes. Such a step would require huge investments to the tune of US\$ 200 billion within a span of around one decade. We firmly believe that India's steel

industry is fully equipped to meet this challenge, duly supported by proactive policy reforms and forward-looking initiatives by the Government.

India is now at an inflection point, where the government's focus is on implementing speedy reforms, nurture strong macroeconomic fundamentals and an improved investment scenario, all of which augurs well for the country. India has several competitive advantages: abundant reserves of iron ore, coal, a growing pool of technical talent and a huge market. It is high time India started leveraging its indigenous resources to emerge as the world's leading exporter of manufactured commodities and products, rather than being an importer. Such a scenario will also create strong employment opportunities and boost foreign exchange reserves.

Indiscriminate export of natural resources erodes India's

competitive advantage and hence should be discouraged. The consumption of natural resources should be optimally utilised with a view to fulfilling current domestic needs and ensuring inter-generational equity for the future.

As a leading steel player, JSW Steel believes in growing sustainably, in tune with national aspirations. We work closely with our customers, business associates, governments and communities to maximise socio-economic value, while minimising our environmental footprint. In this context, I must acknowledge the immense contribution of the entire JSW Team, who push their boundaries, rise above challenges and strengthen the foundation of your Company. I am also grateful to all the stakeholders for their support and co-operation in building this value generating enterprise.

As a nation, we are only beginning to scratch the surface of India's tremendous growth potential. JSW Steel is committed to partner India's growth on the strength of its top-tier knowhow and committed workforce. We are looking towards the future with more optimism than ever before. I invite all of you to share our optimism and support our collective journey forward.

Best wishes,



Sajjan Jindal

Chairman and Managing Director

Chairperson Emeritus



Mrs. Savitri Devi Jindal

BOARD OF DIRECTORS

Our Board of Directors provide us guidance and foresight required to achieve our vision of creating a self-reliant India. They are the driving force behind our achievements.

Executive Directors



Mr. Sajjan Jindal
Chairman & Managing Director



Mr. Seshagiri Rao M.V.S.
Jt. Managing Director & Group CFO



Dr. Vinod Nowal
Dy. Managing Director



Mr. Jayant Acharya
Director (Commercial & Marketing)

Non-Executive Independent Directors



Dr. S.K. Gupta
Director



Mr. Anthony Paul Pedder
Director[#]



Dr. Vijay Kelkar
Director



Mr. Uday M. Chitale
Director



Mr. Sudipto Sarkar
Director



Mr. Kannan Vijayaraghavan
Director



Mrs. Punita Kumar Sinha
Director

Nominee Directors



Mr. V. P. Baligar
Nominee Director of KSIIDC



Mr. Hiromu Oka
Nominee Director of
JFE Steel Corp, Japan

[#] Resigned w.e.f. June 30, 2014

KNOWHOW

HELPING US RESPOND WITH AGILITY

At JSW Steel, we have demonstrated our ability to respond to evolving situations with speed and flexibility, on a number of occasions. We believe that our understanding of the market and the operating environment, coupled with a foresight and experience, allow us to do so. In short, KnowHow plays a crucial role in defining our fleet-footedness as an organisation.

KNOWHOW AS FORESIGHT

When the Supreme Court banned mining in Karnataka to curb illegal activities, the resultant iron ore crisis was potentially crippling for an integrated steel producer like JSW Steel. However, our foresight had ensured that we invested nearly ₹ 1,000 crores in a beneficiation plant at Vijayanagar; well in advance. This technological competence to convert low-grade ore (~45-55% Fe content) to a higher grade has stood us in good stead when availability of quality raw material was severely constrained and helped us tide over the crisis.

KNOWHOW AS SMART STRATEGY

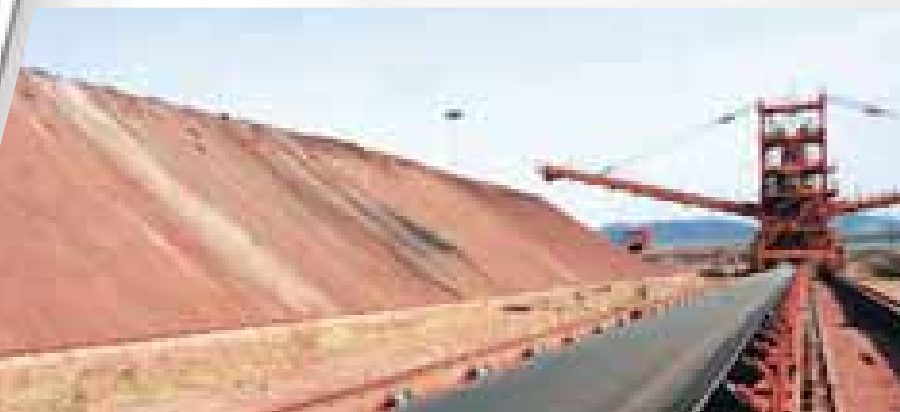
When a mining ban was imposed in Goa and Karnataka, many felt either JSW Steel's production would suffer, or its margins would drop. After all, transporting ore from other parts of the country could render us uncompetitive. Well, we had other plans. We developed sources in Odisha and transported the ore to Vijayanagar, via a network of water and rail logistics that we had quickly set up. This meant that in a short timespan, we could source nearly 20% of our iron ore requirement from outside Karnataka for Vijayanagar Works.

We put in place a strategy to import iron ore without losing out on competitiveness.

Additionally, we put in place a strategy to import iron ore without losing out on competitiveness. We looked beyond India, to source high quality iron ore. To this end, we planned to import high grade iron ore to blend with low-grade domestic ore.

KNOWHOW AS FLEXIBILITY IN APPROACHING MARKETS

Domestic demand for steel remained insignificant during the year, rising a mere 0.6%. Faced with this situation, we quickly recalibrated our strategy and focused on ramping up exports. Our exports to high demand regions such as Asia, Middle East, Europe and the US helped us reach over 100 countries. This increase in exports also helped us to follow balanced hedging strategy for both exports and imports.



The merger of JSW Steel with JSW ISPAT Steel remains a landmark event in our corporate history. A firm focus, and ability to set clear, actionable goals over the short, medium and long term, enabled us to create sustainable, incremental value from this merger.

Our experience and expertise at setting up plants and operating them to higher efficiency levels came in handy. Immediately after the merger, we did not stop at just realizing the locational and capacity benefits. Instead, we implemented a turnaround strategy at the Dolvi plant and focused on attaining cost leadership through backward integration.

We identified short, medium and long-term objectives.

- Short-term objectives included securing power requirements for our Dolvi facility and supplying finished products to high demand areas.
 - To this end, we tied up with our group company JSW Energy, to provide significant power savings through the synergies gained with win-win situation for both the companies.
 - We increased supply of finished goods to customers within Maharashtra benefitting from the lower freight as compared to Vijayanagar.
- Medium-term objectives included commissioning the power plant, commissioning a 600 TPD lime calcining plant for captive consumption and

installing a railway siding project for easy movement of raw material and finished goods to achieving lower logistics costs. In addition, we also commissioned 1.0 MTPA coke oven plant and a 4.0 MTPA pellet plant at Dolvi in our subsidiary Company, Amba River Coke Limited.

- In the long term enhancing the Blast Furnace capacity from 2 to 3.5 MTPA, augmenting the capacity of the steel melting shop and modernising Caster 1 will be key priorities. Additionally, we intend to add a second Sinter Plant, a Billet Caster and a Bar Mill. These objectives will help us be well placed to leverage significant advantages from the merger.
- On the financial side, too, we deleveraged our balance sheet post the merger. We have reduced our interest payment by prepaying part of our rupee borrowings. Additionally, refinancing working capital borrowings enabled us to save interest cost.

These initiatives demonstrate how through the application of knowledge and experience we were able to leverage an acquisition to maximum value accretion. This is how KnowHow benefits shareholders and investors.

Enhancing the Blast Furnace capacity, augmenting the capacity of the SMS and modernising Caster 1 will be key priorities.



KNOWHOW

TO ADD VALUE

Rising consumer aspirations and the inevitable growth in the infrastructure are unmissable macro trends in India. These will lead to a very different demand scenario for steel. At JSW Steel, we moved fast in creating a portfolio of relevant value-added products in anticipation of this change!



India is set to emerge as a major hub for automotive manufacturing. Our CRM 2 facility for auto grade steel is well positioned to meet the growing demand. In addition, increasing rural housing means that roofing demands will shift to colour-coated varieties. And the infrastructure push will shore up the demand for TMT rebars. At JSW Steel, these are just some of the areas in which we are focusing our energies and knowledge to address the need for value-added steel, which will result in greater market shares as well as higher margins.

- We enhanced focus on the supply of automotive steel grades including steel for exposed body panels in Cold Rolled, Galvanised and Galvaneal products from our CRM 2 complex.
- To cater to rising demand for high grade steel used in consumer durables, JSW Steel has in place a state of the art Colour Coating line for appliances grade products.
- We have set up colour coated facility, the largest in India, to address construction, warehousing and roofing requirements.

DEVELOPING IMPORT SUBSTITUTE MATERIAL - ENHANCING INCLUSIVE INNOVATION

JSW Steel is the first Indian steel manufacturer to develop a highly value-added product called the Vinyl Coated metal (VCM). This product, due to its high durability and attractive finish, finds mass application in various sectors including home appliances, construction and transportation but was imported till now. JSW Steel's foray into this product segment will localise its sourcing and make it more affordable.



- JSW Steel is in the process of setting up a new re-bar mill at Vijayanagar Works to address the growth in the infrastructure and construction sectors.

LEVERAGING THE TECHNOLOGY ADVANTAGE

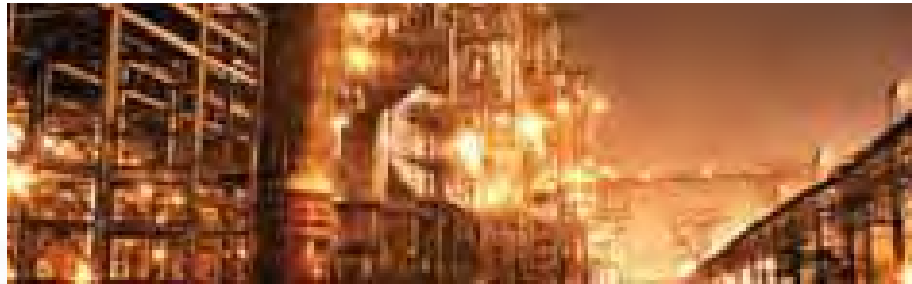
JSW Steel's focus on value-added steel remains undiminished. The joint venture with JFE has allowed JSW Steel to leverage plant efficiencies and gain share of business in supplying to automotive majors and ancillaries. In the past year, JSW Steel developed new auto grade steels in association with JFE to address the fast evolving needs of the Auto Sector. Different products developed include special products like Ultra Low Carbon Steel (ULC), High Strength Low Alloy Steel (HSLA) and Advanced High Strength Steel (AHSS). Through in-house technology expertise, JSW Steel has also developed Automotive and other grades of High Tensile Strength upto 750 MPA, and Interstitial Free (IF) Steel for exposed panels.

Backward integration and raw material security feature at the top of our priority list when it comes to planning for the future. The resident knowhow at JSW Steel and our ability to execute our strategies ensure that we are equipped with the right resources and capacities.

Development activities for coal and iron ore are on the anvil in Jharkhand in India and Chile, the US and Mozambique, abroad. We have made significant investments in mine development both for iron ore and coal.

The first Phase of the CRNO (Cold Rolled Non-grain Oriented) steel plant is also in progress. The plant will allow JSW Steel to address India's requirements for high grade electrical steel, which is currently imported.

In order to address rising rural demand, we are expanding our retail network across key locations in India, providing



value-added services to untapped areas. Retail formats such as JSW Explore, a branded service centre, provide just-in-time service solutions to customers with in-house profiling lines. Similarly, smaller retail formats such as JSW Connect provide the last mile linkage to customers in rural regions.

INSTITUTIONALISING EXCELLENCE

JSW Steel's workforce drives its ambition creating future capabilities, and is the custodian of our knowhow. In order to create an environment conducive to retaining talent, a clear goal-setting agenda is in place to create a leadership pipeline. To encourage employees to think beyond their individual targets, we have institutionalised innovation projects, creating an innovation portal to allow employees to generate and apply ideas that enable the Company to operate effectively.

WASTE TO WEALTH

JSW Steel introduced an innovative new technology called Mill Scale Briquetting. This reduces iron ore consumption and helps in reducing the amount of waste generated. It also helps in the reduction of lime consumption. The site has also developed a method to recover finer iron value from slime dump. This has further helped the site in reducing consumption of iron ore while at the same time creating wealth from waste. The Company has also commissioned a micro-pelletisation plant at Vijayanagar.



KNOWHOW

TO PROTECT THE ENVIRONMENT

JSW Steel has pioneered sustainable and eco-friendly technologies that drive growth, besides bringing cost savings and energy efficiencies. All plants of the Company monitor their specific energy consumption per tonne of product as a key performance indicator. The company's efforts to optimise energy consumption have also lead to a better Green House Gas (GHG) performance over the years.



CONSERVING WATER AT OUR PLANTS

JSW Steel ensures minimal consumption of freshwater by increasing operational efficiency and maximum re-utilisation of treated wastewater.

MINIMISING WASTE GENERATION

JSW Steel's operations reduce the environmental burden by utilising waste from external sources even as we minimise waste generation and dispose generated waste responsibly. We reprocessed nearly 2.2 million tonnes of waste scrap, waste mill-scale and other wastes containing iron contents at our sites.



PRESERVATION OF BIODIVERSITY

The Vijayanagar Works is located near a biodiversity sensitive zone. We strictly ensure that our operations lead to no detrimental effects on the native ecosystem. There are physical barriers to prevent the entry of animals into the plant area, lest they be harmed.

SUSTAINABLE STEEL PRODUCTS

JSW Steel reduces raw material consumed per unit of steel produced by replacing virgin raw materials, and recycling of waste. Increasing market demand for value-added and eco-friendly sustainable steel products presents a big opportunity for all steel manufacturers. JSW Steel uses its knowhow and innovation expertise to create durable products that harness solar energy. It is developing low thickness and advanced high strength Cold Rolled and Coated products to reduce vehicle weight, increasing fuel efficiency, facilitates steel structures like multi-level parking and public transportation, thereby reducing traffic congestion and pollution.

KNOWHOW

TO BUILD EXPERTISE AND NURTURE TALENT

At JSW Steel, we view our strong professional knowhow as our greatest asset and assiduously endeavour to preserve, nurture and grow it. We strive to be an 'employer of choice'. Our People Management Practices are continually assessed and updated to make them credible, transparent and employee friendly.

LEADERSHIP LEARNING AND SUCCESSION MANAGEMENT

JSW Steel inducts employees at a young age and believes in nurturing talent for its succession management process. Various in-house training programmes with internal faculties impart technical and behavioural training to cover employees and associates to improve productivity and foster a safe working environment. The Company continuously invests in building and enhancing competencies and encourages employees to participate in sponsored learning programmes both in India and abroad.

INCREASING DIVERSITY, EMPOWERING WOMEN

The Company encourages workforce diversity by enabling an environment of equal opportunity and zero tolerance to any cases of discrimination. JSW Steel has started a project to increase the number of women employees across the organisation.

JSW Steel has many initiatives on Gender Balance and Legal Awareness for its women



employees. The Company organises special programmes to recruit, retain and promote women employees to higher positions.

MANAGING HUMAN RIGHTS

Respect for and preservation of human rights is part of JSW Steel's culture. As a mandatory practice, the Company does not permit child labour and forced / compulsory labour. JSW Steel also ensures that its supply chain partners act responsibly too. Investment agreements and procurement policies are drafted in adherence with all the legal requirements on aspects of human rights. Regular training is also provided to employees and security personnel on all aspects of human rights.

In-house training programmes improve productivity and foster a safe working environment.



KNOWHOW

TO BENEFIT THE COMMUNITY

Our CSR philosophy embraces our zeal for global recognition for quality and efficiency while nurturing nature and society. JSW Steel has implemented a novel initiative on employee volunteerism called LEAP (Learn, Experience, Act and Persuade) for communities.



Employees can contribute their time, talent or finances for CSR projects initiated through the JSW Foundation, leading to happiness in the community.

We monitor the impact of our community initiatives implemented at various locations through effective dialogue and regular feedback from the community itself. A third-party audit was conducted at three locations this year, to further identify and improve our efforts. This, along with the baseline and impact assessment surveys has helped the Company in ensuring the effectiveness of its community initiatives. Under the thematic focus, 'Janam se Janani Tak...JSW aapke saath', we undertook the following initiatives:

- Promoted efficient maternal and child health care services
- Enhanced access to improved nutrition services
- Provided early childhood education/ pre-primary education
- Promoted completion of primary and secondary education
- Provided access to adolescent, reproductive and sexual health and rights
- Enhanced the output of present occupation
- Promoted employability and vocational education
- Promoted responsible parenthood

OUR COMMITMENTS

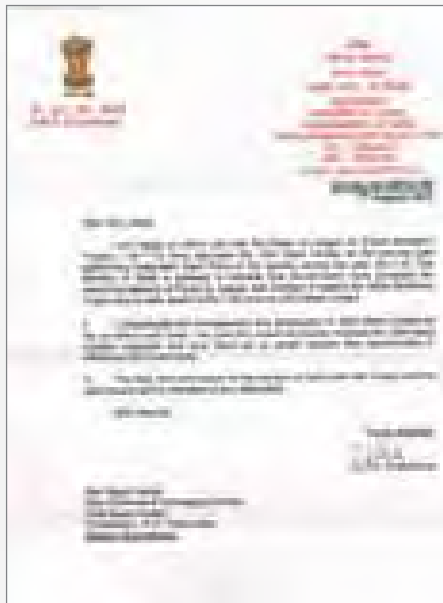
Our community initiatives help communities to secure livelihood through farm and non-farm based initiatives, as well as renewable energy, sanitation and waste management and water conservation. We strive to:

- Advocate women empowerment, and care for marginalised and those with disabilities
- Adhering to the UN Millennium Development Goals Framework, we work towards:
 - Universalising primary education
 - Mitigating infant mortality
 - Nurturing maternal health
- Address the specific needs of the community and create viable working models through engaged social processes and infrastructure-oriented development
- Supporting arts, sports and conserving cultural heritage
- Promoting the culture of social responsibility through employee volunteerism



We continue to be recognised by the world for our expertise and capabilities. These awards include:

- Prime Minister's Trophy for excellence in performance in 2012-13 for Vijayanagar Works which was adjudged the Best Integrated Steel Plant in India
- 'Industry Leadership Award' at Platts Global Metals Awards for achievements in steel, metals and mining
- Golden Peacock Eco-Innovation Award 2013 by the National Jury
- IMC Ramakrishna Bajaj National Quality Award 2013 for 'Strong Commitment To Sustainability' under category E for Vijayanagar Works
- IMC Ramakrishna Bajaj National Quality (RBNQ) Performance Excellence Trophy 2013-14
- Silver Prize, 14th Annual Greentech Environment Award 2013 in Metal and Mining sector



- Tamil Nadu Government State Safety Award 2012
- Best Supplier Award from Tata Motors and WABCO for Salem Works
- Green Manufacturing Excellence Award 'Green Challengers' 2014 from Frost & Sullivan
- Silver Prize, India Manufacturing Excellence Award 2013 from Frost & Sullivan
- Commendation Certificate, CII-EXIM Bank Award 2013 for Significant Achievement at Bangalore
- Commendation Certificate, CII ITC Sustainability Award 2013
- Second Prize, National Sustainability Award 2013-14 from Indian Institute of Metals



FINANCIAL HIGHLIGHTS (STANDALONE)

	2009-10	2010-11	2011-12	2012-13	2013-14
REVENUE ACCOUNTS (₹ in crores)					
Gross Turnover	19,396.43	25,092.09	34,658.48	38,763.41	48,527.18
Net Turnover	18,142.27	23,124.57	32,060.47	35,387.63	44,529.47
Operating EBIDTA	4,383.92	4,776.90	5,630.80	6,308.82	8,782.59
Depreciation and Amortization	1,123.41	1,378.71	1,708.17	1,973.89	2,725.88
Finance Costs	904.70	854.17	1,186.41	1,724.48	2,740.13
Exceptional Items	-	-	820.96	367.21	1,692.30
Profit Before Taxes	2,814.71	2,778.53	2,094.56	2,504.12	1,955.33
Provision for Taxation	791.97	767.86	468.70	702.90	620.82
Profit after Taxes	2,022.74	2,010.67	1,625.86	1,801.22	1,334.51

CAPITAL ACCOUNTS (₹ in crores)

Gross Fixed Asset	21,795.58	27,407.35	35,091.01	37,606.70	49,703.28
Net Fixed Asset	16,866.14	21,102.15	27,090.58	27,638.79	37,295.08
Debt*	11,585.10	11,951.34	15,930.02	17,908.36	27,184.43
Net Debt*	11,090.50	9,797.46	12,771.20	16,366.12	26,651.01
Equity Capital	187.05	223.12	223.12	223.12	241.72
Reserves & Surplus	9,179.23	16,132.71	17,934.31	19,374.19	23,216.99
Shareholders' Funds	9,706.34	17,225.27	18,497.49	19,937.37	24,284.18

RATIOS

Book Value Per Share (₹)	504.00	735.80	816.54	881.08	973.01
Market price Per Share (₹)	1,235.90	916.30	721.45	672.35	1,036.05
Earning per Share (Diluted) (₹)	105.94	96.33	71.42	79.28	53.86
Market Capitalisation (₹ in crores)	23,117.35	20,444.23	16,096.79	15,001.28	25,043.61
Equity Dividend per Share (₹)	9.50	12.25	7.50	10.00	11.00
Fixed Assets Turnover Ratio	1.08	1.10	1.18	1.28	1.19
Operating EBIDTA Margin	23.9%	20.4%	17.5%	17.8%	19.4%
Interest Coverage	4.11	4.25	3.46	2.67	2.33
Net Debt Equity Ratio	1.14	0.57	0.69	0.82	1.10
Net Debt to EBIDTA	2.53	2.05	2.27	2.59	3.03

*Excluding Acceptances

FINANCIAL HIGHLIGHTS (CONSOLIDATED)

	2009-10	2010-11	2011-12	2012-13	2013-14
REVENUE ACCOUNTS (₹ in crores)					
Gross Turnover	20,151.12	25,829.13	36,719.83	41,463.15	54,620.76
Net Turnover	18,896.96	23,861.57	34,123.65	38,094.96	50,408.87
Operating EBIDTA	4,157.86	4,867.90	6,101.89	6,503.92	9,165.46
Depreciation and Amortization	1,298.66	1,559.71	1,933.15	2,237.48	3,182.61
Finance Costs	1,119.35	1,060.26	1,427.30	1,967.46	3,047.86
Exceptional Items	-	-	824.94	369.37	1,712.75
Profit Before Taxes	2,195.06	2,437.90	1,993.35	1,999.34	1,308.05
Provision for Taxation	641.77	778.52	500.15	845.25	920.08
Profit after Taxes	1,597.55	1,753.98	537.68	963.11	451.95
CAPITAL ACCOUNTS (₹ in crores)					
Gross Fixed Asset	26,792.05	32,683.89	41,445.53	44,553.30	59,736.03
Net Fixed Asset	21,452.79	25,810.66	32,568.08	33,402.48	45,484.08
Debt*	16,173.04	16,476.16	19,909.11	21,345.98	34,762.10
Net Debt*	15,656.23	14,159.21	16,643.78	19,533.07	34,013.62
Equity Capital	187.05	223.12	223.12	223.12	241.72
Reserves & Surplus	8,730.04	15,436.77	16,186.39	16,780.55	20,871.15
Shareholders' Funds	9,257.15	16,529.33	16,749.57	17,343.73	21,938.34
RATIOS					
Book Value Per Share (₹)	479.99	704.60	738.20	764.83	875.96
Market price Per Share (₹)	1,235.90	916.30	721.45	672.35	1,036.05
Earning per Share (Diluted) (₹)	83.29	83.83	22.65	41.71	17.35
Market Capitalisation (₹ in crores)	23,117.35	20,444.23	16,096.79	15,001.28	25,043.61
Equity Dividend per Share (₹)	9.50	12.25	7.50	10.00	11.00
Fixed Assets Turnover Ratio	0.88	0.92	1.05	1.14	1.11
Operating EBIDTA Margin	21.8%	20.2%	17.8%	17.0%	17.9%
Interest Coverage	2.96	3.30	2.97	2.20	1.99
Net Debt Equity Ratio	1.65	0.84	0.98	1.11	1.54
Net Debt to EBIDTA	3.77	2.90	2.73	3.00	3.71

*Excluding Acceptances

CORPORATE INFORMATION

CHAIRPERSON EMERITUS

Mrs. Savitri Devi Jindal

BOARD OF DIRECTORS

Mr. Sajjan Jindal

Chairman & Managing Director

Mr. Seshagiri Rao M.V.S

Jt. Managing Director & Group CFO

Dr. Vinod Nowal

Dy. Managing Director

Mr. Jayant Acharya

Director (Commercial & Marketing)

Mr. V. P. Baligar

Nominee Director of KSIIDC

Mr. Hiromu Oka

Nominee Director of JFE Steel

Corporation, Japan

Dr. S.K. Gupta

Director

Mr. Anthony Paul Pedder

Director[#]

Dr. Vijay Kelkar

Director

Mr. Uday M. Chitale

Director

Mr. Sudipto Sarkar

Director

Mr. Kannan Vijayaraghavan

Director

Mrs. Punita Kumar Sinha

Director

COMPANY SECRETARY

Mr. Lancy Varghese

AUDITORS

M/s. Deloitte Haskins & Sells LLP

Chartered Accountants

BANKERS

Allahabad Bank

Bank of Baroda

Bank of India

ICICI Bank Limited

IDBI Bank Limited

Indian Bank

Indian Overseas Bank

Punjab National Bank

State Bank of India

State Bank of Mysore

State Bank of Patiala

Union Bank of India

Vijaya Bank

UCO Bank

REGISTERED OFFICE

JSW Centre, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051.

Tel. No. +91 22 42861000

Fax. No. +91 22 42863000

Website: www.jsw.in

WORKS

Vijayanagar Works

P.O. Vidyannagar, Toranagallu
Village,

Sandur Taluk,

Bellary District,

Karnataka – 583 275.

Tel: +91 8395-250120 to 30

Fax: +91 8395-250138/250665

Dolvi Works

Geetapuram, Dolvi Village, Pen

Taluka,

Raigad District,

Maharashtra – 402107.

Tel: +91 2143 277501-15

Fax: +91 2143 277605

Salem Works

Pottaneri,

M. Kalipatti Village,

Mecheri Post, Mettur Taluk,

Salem District,

Tamil Nadu – 636 453.

Tel: +91 4298 – 278400 to 404

Fax: +91 4298 – 278618

REGISTRAR & SHARE TRANSFER AGENTS

Karvy Computershare
Private Ltd.

Plot No. 17 to 24,

Vittalrao Nagar Madhapur,

Hyderabad – 500 081

Ph No: +91 40 – 23420815

Fax No. +9140 – 23420814

E-mail: einward.ris@karvy.com

Website: www.karvy.com

**Toll Free No. of R&T Agent's
exclusive call centre:**

1-800-3454001

[#] Resigned w.e.f. June 30, 2014

DIRECTORS' REPORT

To the Members of JSW STEEL LIMITED,

Your Directors take pleasure in presenting the Twentieth Annual Report of your Company, together with the Standalone and Consolidated Audited Statement of Financial Accounts for the year ended March 31, 2014.

1. FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13
	(₹ in crores)			
Gross turnover	48,527.18	38,763.41	54,620.76	41,463.15
Less : Excise duty	3,997.71	3,375.78	4,211.89	3,368.19
Net turnover	44,529.47	35,387.63	50,408.87	38,094.96
Add: Other operating revenues	768.25	104.18	810.75	114.69
Revenue from operations	45,297.72	35,491.81	51,219.62	38,209.65
Operating EBIDTA	8,782.59	6,308.82	9,165.46	6,503.92
Add: Other income	331.05	260.88	85.81	69.73
Less: Finance costs	2,740.13	1,724.48	3,047.86	1,967.46
Less: Depreciation and amortisation	2,725.88	1,973.89	3,182.61	2,237.48
Profit before exceptional items and tax	3,647.63	2,871.33	3,020.80	2,368.71
Less: Exceptional items	1,692.30	367.21	1,712.75	369.37
Profit before taxation (PBT)	1,955.33	2,504.12	1,308.05	1,999.34
Less: Tax expense	620.82	702.90	920.08	845.25
Profit after taxation, but before minority interests and share of profits/(loss) of associates	1,334.51	1,801.22	387.97	1,154.09
Less: Share of profit / (losses) of minority	-	-	(50.44)	(34.34)
Add: Share of (losses) / profit from associates (Net)				
Excluding exceptional items	-	-	13.54	(164.52)
Exceptional items	-	-	-	(60.80)
Profit after taxation (PAT)	1,334.51	1,801.22	451.95	963.11
Add: Profit brought forward from previous year	3,306.02	1,987.30	489.95	9.34
Amount available for appropriation	4,640.53	3,788.52	941.90	972.45
Less: Pursuant to the composite Scheme of Amalgamation and Arrangement	(341.95)	-	716.44	-
Less: Appropriations:				
Dividend on additional Equity Shares Issued	(21.77)	-	(21.77)	-
Transfer from debenture redemption reserve	(54.16)	(7.82)	(54.16)	(7.82)
Dividend on preference shares	(27.90)	(27.90)	(27.90)	(27.90)
Proposed final dividend on equity shares	(265.89)	(223.12)	(265.89)	(223.12)
Corporate dividend tax	(49.93)	(42.66)	(49.93)	(42.66)
Transfer to general reserve	(134.00)	(181.00)	(134.00)	(181.00)
Closing Balance	3,744.93	3,306.02	1,104.69	489.95

2. FINANCIAL HIGHLIGHTS

The Scheme of Amalgamation and Arrangement ("the Scheme") between the Company and JSW ISPAT Steel Limited and others, which became effective June 1, 2013 with appointed date of July 1, 2012. Therefore, the numbers of FY 2013-14 are not comparable with FY 2012-13 as the effect of implementation of the Scheme is included in the current year figures.

(A) Standalone Results

The Company produced 12.17 million tonnes of crude steel in FY 2013-14, up 43% over the previous

year. Its steel sales grew to 11.86 million tonnes, increasing by 34% year on year. The Company took several initiatives during the last financial year that helped in achieving impressive growth in production and sales volumes. The Company commissioned new facilities to enrich product mix, leveraged the export demand, diversified its inputs sourcing strategy and strengthened market penetration through wider distribution and newer formats.

The Gross Turnover and Net Turnover for the year under review was ₹ 48,527 crores and ₹ 44,529 crores, respectively, and showed a growth of 25% and 26%,

respectively. The Operating EBITDA was ₹8,783 crores, and showed a growth of 39% with an improvement in EBITDA margin from 17.8% to 19.4%. The net profit after tax was ₹1,335 crores after considering exceptional loss of ₹1,692 crores. The exceptional loss is due to the significant movement and volatility in the value of the rupee against US dollar.

The net worth of your Company increased to ₹24,284 crores as on March 31, 2014 from ₹19,937 crores as on March 31, 2013. The Company's net debt gearing was at 1.10 (compared to 0.82 as on March 31, 2013) and net debt to EBITDA was at 3.03 (compared to 2.59, as on March 31, 2013).

(B) Consolidated Results

The consolidated Gross Turnover and consolidated Net Turnover for the year under review was ₹54,621 crores and ₹50,409 crores, respectively, both showing a growth of 32%, respectively. For FY 2013-14, the consolidated Operating EBITDA was ₹9,165 crores, showed a growth of 41%. The net profit after tax for Consolidated Company was ₹452 crores, after considering exceptional loss of ₹1,713 crores, due to the significant movement and volatility in the value of the rupee against US dollar.

The consolidated net worth of your Company increased to ₹22,105 crores as on March 31, 2014, from ₹17,541 crores as on March 31, 2013. The consolidated net debt gearing was at 1.54 (compared to 1.11, as on March 31, 2013) and consolidated net debt to EBITDA was at 3.71 (compared to 3.00, as on March 31, 2013).

In accordance with the Accounting Standards AS-21, on Consolidated Financial Statements, read with Accounting Standard AS-23 on Accounting for Investment in Associates and AS-27 on Financial Reporting of Investment in Joint Ventures, the audited Consolidated Financial Statements are provided in the Annual Report.

3. DIVIDEND

The Board has, subject to the approval of the Members at the ensuing Annual General Meeting, recommended dividend at the stipulated rate of ₹1.00 per share on 10% Cumulative Redeemable Preference Shares of ₹10 each of the Company, for the year ended March 31, 2014.

Considering the Company's performance and financial position for the year under review, the

Board has also recommended a dividend of ₹11 (110%) per fully paid-up Equity Share of ₹10 each of the Company, for the year ended March 31, 2014, subject to the approval of the Members at the ensuing Annual General Meeting.

Together with Corporate Tax on dividend, the total outflow, on account of equity dividend, will be ₹311.08 crores, vis-à-vis ₹282.80 crores paid for fiscal 2012-13.

4. SCHEME OF ARRANGEMENT AND AMALGAMATION

A 'Composite Scheme of Arrangement and Amalgamation' under Sections 391-394 of the Companies Act, 1956 (the "Scheme") amongst the Company, JSW ISPAT Steel Limited ("JSW ISPAT"), JSW Building Systems Limited ("JSW Building"), JSW Steel Coated Products Limited ("JSW Steel Coated") (formerly known as Maharashtra Sponge Iron Limited) and their respective shareholders and creditors was sanctioned by the Hon'ble Bombay High Court vide its Order dated May 3, 2013. The Appointed Date in terms of the Scheme is July 1, 2012. The said Scheme has become effective June 1, 2013, consequent to the filing of Hon'ble High Court's Order with the Registrar of Companies.

5. PROSPECTS

Economy

In FY 2013-14, India was besieged by high inflation, rapidly depreciating Rupee, rising NPAs, declining manufacturing, stagnant investments and subdued exports with adverse downside risk to future economic growth. However, prudent and timely measures by RBI and the Government restored macroeconomic stability, lowering Current Account Deficit to below 2.5% and contained Fiscal Deficit at 4.6%.

World economy is projected to grow at 3.6% in CY 2014 up from 3% in CY 2013 majorly aided by steady growth in Europe from 0.2% to 1.6% and US from 1.9% to 2.8%. Emerging Markets are projected to exhibit a moderate growth at 4.9%. China is focusing on 'Quality' engineered growth, with emphasis on increasing domestic consumption demand. Emerging countries remain vulnerable to the ongoing tapering of quantitative easing in the US, and gradual withdrawal is expected to reduce this risk.

Global commodity prices are projected to remain moderate and this could support India's recovery. Sustained growth is expected as the Indian economy over-rides the structural impediments and policy stimulates business confidence and accelerate fiscal correction.

Steel Sector

Indian steel demand grew to 73.9 million tonne during FY 2013-14 with Flat Steel down by 2% while Longs displayed a growth of 2.6%. Impacted by inadequacy and inconsistent quality of iron ore, capacity utilisation for Indian steel declined from 81% in FY 2012-13 to 78% in FY 2013-14. Sluggish domestic demand with rising capacity and increased production resulted in growing thrust on import substitution, resulting in a sharp decline of imports by 34%. Expanding new-age steel capacities and incorporating world-class technologies and rupee depreciation helped India to increase its steel exports by 13%. This exhibits growing global competitiveness of Indian steel industry; thus transforming India into a net steel exporter.

Global crude steel capacity is projected to increase by 88 million tonnes to 2256 million tonnes during CY 2014. Steel demand in CY 2014 is expected to increase by 53 million tonnes or 3.6% to 1534 million tonnes exhibiting significant demand growth for Europe at 3.1% with Advanced Markets up by 2.5% as against -0.2% in CY 2013. Chinese steel demand projected at 728 million tonnes with its growth moderating to 4% as against 6.6% in CY 2013. There is need for the sector to restructure to increase efficiency.

The Government is undertaking proactive policy initiatives for Infrastructure development and Industrial growth, which will accelerate steel demand in line with economic growth. However, concerns like poor availability of iron ore and inconsistent quality as well as high import dependency of coking coal need to be addressed.

6. PROJECTS AND EXPANSION PLANS

I. Projects commissioned during FY 2013-14

1. Vijayanagar Works

- Pickling Cum Coupled Tandem Cold Rolling Mill (PLTCM) facility which is part of phase 1 of CRM2 Project has

commenced commercial production at Vijaynagar from December 2013.

- Revamped Corex-1 to increase its capacity from 0.80 MTPA to 0.85 MTPA.
- Installed Waste Heat Recovery system at Blast Furnace-3 & 4 and at Sinter Plant 2, 3 & 4.
- Micro Pelletising Plant using BOF sludge, fine dust from various de-dusting systems.
- Mill Scale Briquetting by using mill scale generated from various mills.
- Gas Burner system in CPP-3 and CPP-4 Boiler for increasing the utilisation of waste gas and achieve Zero Flaring of gases.

2. Dolvi Works

- Commissioned 55 MW Blast Furnace Gas based Power Plant.
- Commissioned 600 TPD Lime Calcination Plant to take care of present and future requirement of Lime and Dolomite for increased scale of operation.
- Commissioned Railway Siding project to enable improved dispatch of finished goods.
- Commissioned Coke Dryer Plant to reduce moisture level of coke which in turn will reduce the consumption of coke and will improve fuel efficiency and productivity of Blast Furnace.
- Refurbishment of Raw Water Reservoir of 300 million litres capacity.

3. Salem Works

- Commissioned 4 stands 3 Roll reducing and sizing block (Kocks Block) in BRM for enhancing the quality of bars with respect to Tolerance, Quality and size.
- Commissioned online automatic inspection line for Blooming mill products which includes bundling and packing.

The benefits on commissioning these projects during FY 2013-14 are expected to accrue during FY 2014-15.

II. Projects under Implementation

1) Capacity Enhancement Projects

Vijayanagar Works

- a) CRM2 1 phase consisting of Continuous Annealing Line (CAL) of 0.95 MTPA is scheduled to be commissioned in the first quarter of FY 2014-15. In the second phase, 2nd CAL of 0.95 MTPA is expected to be commissioned by FY 2015-16.
- b) Reconstruction of Blast Furnace – 1, increasing its capacity from 0.9 MTPA to 1.7 MTPA, subject to necessary approval.
- c) New Steel Melting Shop comprising of Electric Arc Furnace along with 1.5 MTPA Billet Caster.
- d) 1.2 MTPA New Bar Mill, to process the Cast Products from SMS-3.
- e) 0.2 mtpa non-grain oriented Electrical Steel project at Cold Rolling Mill No.1.
- f) A Service Center of annual capacity of 50,000 tonnes to handle the products of Electrical Steel Complex at Cold Rolling No.1 is proposed to be set-up at Vijayanagar.

Dolvi Works

Company has received necessary approvals to take up brownfield expansion at the Dolvi plant to enhance capacity from 3.3 MTPA to 5 MTPA. The estimated cost of the expansion project is ₹ 3,300 crores to be financed in the Debt Equity ratio of 2:1. The project will be commissioned by 30th September 2015. The proposed expansion includes setting up a Sinter Plant, Blast Furnace modification, de-bottlenecking of SMS & HSM, setting up new Billet Caster and 1.4 MTPA Bar Mill.

2) Efficiency, Productivity Improvement and Cost Reduction Initiatives

Vijayanagar Works

A Sizing Press is proposed to be installed at HSM-2 to provide flexibility in Caster operations

at SMS-2 and allow an increase in throughput of the Slab Casters by an average Cast width of 1700 mm.

Dolvi Works

- a) Modification of Tunnel Furnace to replace natural gas with surplus coke oven gas and thereby reducing conversion cost.
- b) Modification of Sponge Iron Plant to use COG as partial replacement of Natural Gas.
- c) A 23 km long new Water Pipeline is also being laid.

Salem Works

- a) Reheating Furnace in BRM with BF gas fired burners replacing furnace oil fired furnace and utilizing in house BF gas and eliminating furnace oil.
- b) 32 TPH WHRB in Coke Oven to harness the utilization of extra waste heat from non-recovery coke oven.
- c) Turbo Generator -15 MW for effective utilization of Waste heat recovery steam.

7. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

In the context of globalising Indian economy and the increase in the number of subsidiaries, the Ministry of Corporate Affairs, vide its General Circular No. 2/2011 dated 08.02.2011 has granted General Exemption to all companies from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies to the Balance Sheet of the Company as required under Section 212(1) of the Companies Act, 1956, subject to fulfilment of certain standard conditions generally prescribed while giving specific approvals. The Company will make available these documents/details upon request by any member or investor of the Company/subsidiary companies. Further, the Annual Accounts of the subsidiary companies will be kept open for inspection by any investor at the Registered Office of the Company and also that of the subsidiary companies.

Details of major Subsidiaries, Joint Venture and Associate Companies are given below:

A. Indian subsidiaries

1. **JSW Bengal Steel Limited (JSW Bengal), its subsidiaries Barbil Beneficiation Company Limited, Barbil Iron ore Company Limited, JSW Natural Resources India Limited, JSW Energy (Bengal) Limited (JSWEBL) and JSW Natural Resources (Bengal) Limited (JSWNRBL)**

JSW Bengal is proposing to set up an integrated Steel Complex at Salboni of District Paschim Medinipur in West Bengal, for which Environmental Clearance for a 3 MTPA Integrated Steel Plant and 300 MW Captive Power Plant was granted by Ministry of Environment & Forests (MoEF), which is a part of the ultimate 10 MTPA steel plant. As long term linkages of Iron ore supplies, which is an essential prerequisite for the Integrated Steel Plant, are still in process, the project erection work of Steel Plant is on slow pace.

However, field survey for laying a 68 km cross country water pipeline for the project is in progress. The first phase also includes development of 2.4 MTPA Kulti-Sitarampur Coal Blocks and 2.6 MTPA Ichhapur Coal Block, through wholly owned subsidiaries. The Company envisages that shaft sinking at coal blocks would commence on receipt of approval of the mining plan and related approvals.

2. **JSW Jharkhand Steel Limited**

JSW Jharkhand Steel Limited was incorporated for setting up a steel plant in the state of Jharkhand. The Company has already obtained Terms of Reference (TOR) from Ministry of Environment and Forest (MOEF), Government of India. The Company is pursuing for various other approvals/clearances for this project and also engaged in CSR activities at the plant site.

3. **JSW Steel Processing Centres Limited (JSWSPCL)**

JSW Steel Processing Centres Limited (JSWSPCL) is a wholly owned subsidiary

of the Company. JSWSPCL was set up as a Steel Service Centre, comprising HR/CR Slitter and cut-to-length facility, with an annual slitting capacity of 6,50,000 tonnes. The Company processed 5,30,836 tonnes of steel during FY 2013-14, as compared to 5,22,647 tonnes in the previous year.

4. **Amba River Coke Limited (ARCL)**

Amba River Coke Limited (ARCL) is a wholly owned subsidiary of the Company. ARCL has set up 1 MTPA Coke Oven Plant and 4 MTPA Pellet Plant at Dolvi. These products will be supplied to Dolvi Unit. The coke oven and pellet plants have started trial run in Q4 FY 2013-14 and commercial production is expected to commence in FY 2014-15.

5. **JSW Steel Coated Products Limited (JSW Steel Coated)**

JSW Steel Coated Products Limited (formerly known as Maharashtra Sponge Iron Limited) was acquired by a wholly owned subsidiary of the Company. Pursuant to the 'Composite Scheme of Arrangement and Amalgamation' under Sections 391-394 of the Companies Act, 1956 (the "Scheme") amongst the Company, JSW ISPAT Steel Limited ("JSW ISPAT"), JSW Building Systems Limited ("JSW Building"), JSW Steel Coated Products Limited ("JSW Steel Coated") (formerly known as Maharashtra Sponge Iron Limited) and their respective shareholders and creditors, becoming effective, the Kalmeshwar undertaking of JSW ISPAT and the Vasind and Tarapur undertakings of the Company were transferred to JSW Steel Coated from the appointed date of 1 July, 2012.

JSW Steel Coated has executed the following major projects during the year to enhance its capacity:

- Commissioning of Dual Pot Galvanizing (GI) cum Galvalume (GL) Line at Tarapur having an installed capacity of 0.2 MTPA.
- Up-gradation of Cold Rolling Mill 2 at Tarapur, increasing its capacity from 0.075 MTPA to 0.1 MTPA.

- Upgradation of existing HR Slitter and Pickling Line at Tarapur, increasing its capacity from 0.3 MTPA to 0.48 MTPA.
- Railway siding project was completed during the year at Vasind. This has facilitating bulk movement of material through rail.
- Commissioning of Colour Coating Line 2 having an annual installed capacity of 0.075 MTPA at Vasind.
- Upgradation of existing Cold Rolling Mill (TM-1) at Tarapur to state-of-art mill for rolling up to 1,350 mm width. Mill capacity has increased from 0.075 MTPA to 0.225 MTPA.
- Commissioning of Colour Coating Line 2 at Kalmeshwar with an annual installed capacity of 0.12 MTPA.

Project under Implementation

- Cold Rolling Mill with a capacity of 0.21 MTPA at Kalmeshwar.

With the successful commissioning of above projects, the production capacity for galvanizing cum galvalume products and colour coated products is now 1.72 MTPA and 0.673 MTPA, respectively.

6. Peddar Realty Private Limited

Peddar Realty Private Limited (PRPL) is a wholly owned subsidiary of the Company and is engaged in the business of purchase and sale of land, development rights, immovable properties, construction, lease, mortgage, etc.

B. Overseas Subsidiaries

1. JSW Steel (Netherlands) B.V. (JSW Netherlands)

JSW Steel (Netherlands) B.V. is a holding Company for subsidiaries based in USA, UK, Chile and East Africa. It also has 49% equity holding of Georgia-based Geo Steel LLC, incorporated under the laws of Georgia. The Company also invested in the US in the plate and pipe mill and coal mining assets. Besides, it also invested in iron ore mining concessions

in Chile and fixed assets at the UK through the following step-down subsidiaries.

(a) JSW Steel Holding (USA) Inc. and its subsidiaries viz. JSW Steel (USA) Inc – Plate and Pipe Mill Operation and Periana Holdings LLC and its subsidiaries – West Virginia, USA-based Coal Mining Operation.

Plate and pipe mill operation

During FY 2013-14, the US plate and pipe mill's performance continued to be impacted due to challenging economic environment in USA, resulting in lower capacity utilisation. For FY 2013-14, 389,902 net tonnes of plates and 44,614 net tonnes of pipes were produced with capacity utilisation of 39% and 8%, respectively.

During FY 2014-15, the US operations are expected to improve in terms of operational performance with enhanced capacity utilisation.

Coal mining operation

JSW Steel Holding (USA) Inc. has 100% equity interest in coal mining concessions and integrated rail and barge load out facility in West Virginia, USA. While some of the mines are currently operational, statutory clearance/permits for other mines are in advanced stage of approval. A 500 tph Preparation Plant is under construction and is expected to be completed during FY 2014-15.

(b) JSW Panama Holdings Corporation and Chilean subsidiaries, namely Inversiones Eurosh Limitada (IEL), Santa Fe Mining (SFM) and Santa Fe Puerto S.A (SFP)

During FY 2013-14, mining activity with a capacity of 1 MTPA through dry process route was undertaken. The Company had 10 shipments of iron ore concentrate, aggregating to 0.76 million tonnes. Work on establishing a wet beneficiation plant is currently being pursued and necessary statutory and environmental approvals are awaited.

2. JSW Natural Resources Limited (JSWNRL) and its subsidiaries JSW Natural Resources Mozambique Lda (JSWNRML), JSW ADMS Carvao Lda and JSW Mali Resources SA

JSW Natural Resources Limited formed a wholly-owned subsidiary – JSW Natural Resources Mozambique Lda in Mozambique to acquire coal assets and engage in prospecting and exploring coal, iron ore and manganese. JSW Natural Resources Mozambique Lda is planning to undertake extensive exploration program in Mutarara, Tete area during FY 2014-15.

JSW ADMS Carvão Lda, a subsidiary of JSW Natural Resources Mozambique Lda, has a coal mining licence in Zumbo District of Tete Province. The Company has completed extensive exploration activities including Diamond drilling, Large Diameter drilling, Geotechnical drilling and hydro geological drilling. Geological report and Geological model is in process to confirm the coal resource estimate. The Company has initiated activities like pre-feasibility study, EIA report for applying for mining license.

During the year JSW Natural Resources Mozambique Limitada purchased 15% holding of JSW ADMS Carvao Lda from minority shareholders.

3. There were no significant operations during the financial year in JSW Steel (UK) Limited and its subsidiaries, Nippon Ispat Singapore (PTE) Limited, Erebus Limited, Arima Holdings Limited, Lakeland Securities Limited, JSW Mali Resources S.A. and JSW Steel East Africa Limited.

C. Joint Venture Companies

1. Geo Steel LLC

Georgia-based Joint Venture, Geo Steel LLC, in which your Company holds 49% equity through JSW Steel (Netherlands) B.V., has set up a steel rolling mill in Georgia, with a production capacity of 175,000 tonnes. Geo Steel produced 1,49,527 tonnes of rebars and 1,32,178 tonnes of billets during FY 2013-14. The net turnover was USD 101.55 million during the year.

2. Rohne Coal Company Private Limited

Rohne Coal Company Pvt. Ltd. is a joint Venture with two other partners. Environmental

clearance is obtained. MOEF has accorded in-principle approval of Stage I Clearance.

The Company is pursuing for various other approvals / clearance for this project.

3. MJSJ Coal Limited (MJSJ)

In terms of the Joint Venture Agreement to develop Utkal-A and Gopal Prasad (West) thermal coal block in Odisha, your Company, along with four other partners, agreed to participate in the 11% equity of MJSJ Coal Limited, Odisha.

The Government of India decided to allot 1522 acres of Gopal Prasad West area to MJSJ in which Mahanandi Coal Fields Limited, a Public Sector Company hold 60% of the equity.

4. Gourangdih Coal Limited

Gourangdih Coal Ltd (GCL) is a 50:50 Joint Venture between JSW Steel Limited(JSW) and Himachal EMTA Power Corporation Ltd (HEPL). It has been incorporated to develop and mine coal from West Bengal's Gourangdih, ABC thermal coal block. It is currently having pre-mining activities. A mining plan was submitted to the government authorities.

In November 2012, the Ministry of Coal, Government of India, issued de-allocation letter citing the recommendations of the Inter-Ministerial Group (IMG) of 'unsatisfactory progress, both in development of coal mine and implementation of end-use plants'. The Ministry intimated its decision to de-allocate the Gourangdih ABC coal block in the state of West Bengal from the joint allocates, i.e. JSW and HEPL. It also aimed to forfeit 50% of Bank Guarantee amounting to ₹ 6.67 crores.

Both the co-allocates (JSW and HEPL) have filed separate legal proceedings challenging the recommendations of the IMG. JSW Steel Limited filed a Writ Petition before Delhi High Court and High Court passed an interim order to stay de-allocation of the coal block and encashment of Bank Guarantee. In relation to the Writ Petition filed by JSW Steel Limited before Delhi High Court, a Transfer Petition bearing no. 430 of 2014 has been filed before Supreme Court of India by Union of India. There are no further orders for listing.

Himachal EMTA filed a separate Writ Petition before High Court of Himachal Pradesh and obtained stay of operation of the recommendations of IMG. In relation to the Writ Petition filed by Himachal EMTA before Himachal Pradesh High Court, a Transfer Petition bearing no. 174 of 2014 has been filed before Supreme Court of India by Union of India. There are no further orders for listing.

5. Toshiba JSW Power Systems Private Limited (Formerly known as Toshiba JSW Turbine and Generator Private Limited)

Toshiba JSW Power Systems Private Limited is a Joint Venture company with a shareholding of 75% by Toshiba Corporation Limited, Japan, 22.46% by JSW Energy Limited and 2.54% by the Company to design, manufacture, market and maintain services of mid to large-size Supercritical Steam Turbines and Generators of size 500 MW to 1,000 MW.

The name of the Company has been changed from "Toshiba JSW Turbine & Generator Private Limited" to "Toshiba JSW Power Systems Private Limited" consequent to the demerger of Toshiba Thermal Power System division from Toshiba India Private Limited and its merger into the Company. The Company is now capable of providing comprehensive Engineering, Procurement and Construction services for the Power Plants.

During the year, Company has received order from NTPC Ltd. for 2 Units of 800 MW Super critical Turbines and Generators for Darlipalli Power Project in Orissa. This is in addition to the earlier orders received from NTPC Ltd. for 3 Units of 800 MW Supercritical Turbine and Generator sets for Kudgi Power plant in Karnataka and 2 Units of 660 MW Supercritical Turbine Generator sets for Meja Power Project in Uttar Pradesh which are at an advanced stage of manufacturing and progressive dispatch to NTPC Ltd.

It is expanding its annual production capacity of the Manufacturing facility from 3000 MW to 6000 MW of Supercritical Steam Turbine & Generators and construction work for the same is under progress and is expected to be completed shortly.

6. Vijayanagar Minerals Private Limited (VMPL)

According to the order of the Hon'ble Supreme Court to stop all mining operations in Bellary District in Karnataka, activities from Thimmappanagudi Iron Ore Mines (TIOM) operated by VMPL was halted since July 2011. VMPL operations and financial results were affected due to the above reasons during FY 2013-14. Thereafter, the Honourable Supreme Court directed that this mine should be operated only by MML. The legal options are being evaluated in this regard.

7. JSW Severfield Structures Limited and its subsidiary JSW Structural Metal Decking Limited

JSW Severfield Structures Limited (JSSL) is operating a structural steelwork facility to design, fabricate and erect structural steelwork and ancillaries for construction projects with a total capacity of 55,000 TPA at Bellary, Karnataka. The Company has produced 26,099 tonnes during the year. Its order book stood at 431 crores (43,402 tonnes), as on March 31, 2014.

JSW Structural Metal Decking Limited (JWSMD), a subsidiary company of JSSL is engaged in the business of designing, roll forming of structural metal decking and accessories, with total plant capacity of the plant is 10,000 tonnes at Bellary, Karnataka. The Company has orders of around 1,43,000 square meters, as on March 31, 2014.

8. JSW MI Steel Service Center Private Limited

JSW Steel and Marubeni-Itochu Steel signed a Joint Venture Agreement on September 23, 2011, to set up Steel Service Centres in India.

The JV Company proposes to set up its Steel Service Centre in North and West India with an initial installed capacity of 0.18 MTPA (Phase-I), which will subsequently be enhanced to 0.5 MTPA. The project is under progress and expected to be completed by September 2014.

The Service Centre will be equipped to process flat steel products, such as hot rolled, cold rolled and coated products, to offer just-in-time solutions to the automotive, white goods, construction and other value-added segments.

D. Associate Companies

Jindal Praxair Oxygen Company Private Limited (JPOCL)

The oxygen plants of JPOCPL have been working satisfactorily primarily to meet the requirements of steel plant operations at Vijayanagar Works. During FY 2013-14, the combined production of the oxygen plant module #1 and module # 2 of JPOCPL was: gaseous oxygen – 1,024 million Nm³; gaseous nitrogen – 334 million Nm³; Liquid oxygen – 38 million Nm³; Liquid nitrogen – 22 million Nm³ and Argon – 11 million Nm³.

8. ACQUISITION OF CEMENT RAIGAD GRINDING FACILITY FROM HEIDELBERG CEMENT INDIA LIMITED

During the year, the Company acquired a Cement grinding facility in Maharashtra, having a capacity of 0.6 MTPA, from Heidelberg Cement India Ltd as a going concern on a slump sales basis.

9. ACQUISITION OF EQUITY STAKE IN VALLABH TINPLATE PRIVATE LIMITED (VTPL)

Keeping in view the Company's strategic goal to enhance its share of value added products segment in its overall product basket to about 40%, the Company, during April'14, acquired 50% equity stake in Vallabh Tinplate Private Limited (VTPL), having an annual capacity of 60,000 tonnes. This acquisition marks JSW Steel's entry into growing Tinplate business in India.

10. CREDIT RATING

Your Company's credit rating for the long-term debt/facilities/NCDs is "AA" by Credit Analysis & Research Ltd. (CARE). CARE continues to rate the Company's short-term debt/facilities at the highest level of A1+.

The rating continues to derive strength from your Company's significant presence in India's steel sector, proven management capability and well diversified mix of value-added and upstream products.

AA rating for long-term/medium-term debt/facilities/NCDs indicates a high degree of safety regarding timely servicing of financial obligations and very low credit risk.

A1+ rating for short-term debt/facilities is the highest in the category and indicates a very strong degree of safety regarding timely payment of financial obligations and lowest credit risk.

11. FIXED DEPOSITS

Your Company has not accepted any fixed deposits from the public and is therefore, not required to furnish information in respect of outstanding deposits under Non-banking, Non-financial Companies (Reserve Bank) Directions, 1966 and Companies (Acceptance of Deposits) Rules, 1975.

12. SHARE CAPITAL

Upon the 'Composite Scheme of Arrangement and Amalgamation' under Sections 391-394 of the Companies Act, 1956 (the "Scheme") amongst the Company, JSW ISPAT Steel Limited ("JSW ISPAT"), JSW Building Systems Limited ("JSW Building"), JSW Steel Coated Products Limited ("JSW Steel Coated") (formerly known as Maharashtra Sponge Iron Limited) and their respective shareholders and creditors sanctioned by the Hon'ble Bombay High Court vide its Order dated May 3, 2014 becoming effective, 1,86,04,844 equity shares of ₹ 10 (Rupees ten only) each fully paid up and 48,54,14,604, 0.01% Cumulative Redeemable Preference Shares of ₹ 10 (Rupees ten only) each of the Company were issued and allotted.

Accordingly, during the year under review, your Company's paid up equity share capital has increased from ₹ 2,23,11,72,000 to ₹ 2,41,72,20,440 comprising of 24,17,22,044 equity shares of ₹ 10 each and the aggregate preference share capital has increased from ₹ 2,79,03,49,070 to ₹ 7,64,44,95,110 comprising of 27,90,34,907, 10% Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up and 48,54,14,604, 0.01% Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up.

13. TECHNICAL COLLABORATION WITH JFE STEEL CORPORATION, JAPAN

The Company has entered into a Strategic Collaboration Agreement with JFE Steel Corporation, Japan (JFE) in 2010.

The Company is benefiting from JFE's expertise in Auto grade steel production. As a culmination of the Automotive steel collaboration with JFE,

CRM 2 - India's Largest Auto grade Steel Plant, was successfully commissioned in October 2013.

Keeping in view its strategy to increase its portfolio of value added products, the Company continues to collaborate with JFE in various areas like development of electrical steel grade. The first Phase of the cold rolled non grain oriented (CRNO) project is in progress and modifications in upstream facilities have also been initiated under the guidance of JFE to suit production of this high-grade product.

As a part of knowledge sharing process, Company's employees from various departments such as IT, Marketing, Material Planning, Production Control and Product Development and Quality control are being sent to JFE to learn the best practices and implement these in various plants of JSW Steel, to achieve strategic and sustainable cost reduction.

14. IRON ORE STATUS

After banning Iron ore mining activity in Karnataka's Bellary, Chitradurga and Tumkur districts in July 2011, the Hon'ble Supreme Court of India allowed resumption of mining operations in all Category 'A' mines vide its order dated April 18, 2013. The apex court also allowed resumption of all mining operations in Category 'B' mines, subject to compliance with the terms and conditions stipulated by CEC. While sale of sub-grade iron ore was allowed by the apex court, mining licences of all Category 'C' mines were cancelled. A transparent bidding process for allotment of the said mines was ordered.

Considering the constrained availability of Iron ore in the State of Karnataka, the Company decided to source a part of its Iron ore requirement from NMDC, Bachel and from the State of Odisha. The Company also identify usable sub-grade of Iron Ore lying at various mining leases in Karnataka and could source approximately 5.5 million tons of sub-grade Iron ore in FY 2013-14.

With regards to Category C mining leases, the State Government has already sent notification for cancellation of all the 51 leases. Hon'ble Supreme Court has directed to comply with auctioning of category C leases by August'14. However, the scheme for auctioning is under preparation by State Government of Karnataka which is yet to be approved by the Hon'ble Supreme Court.

15. SEARCH AND SEIZURE OPERATIONS BY INCOME TAX AUTHORITIES

Further to the search and seizure operations by the Income-tax Authorities in March 2011, the Department issued Notice u/s 153A (a) of the Income Tax Act, 1961, dated October 24, 2011 for submission of Income Tax Returns u/s 153A (a) from Assessment Year 2005-06 to 2010-11 in pursuance of the search conducted u/s 132 of the Income Tax Act, 1961. The Company has filed return in response to notices and furnished details and explanations as required by authorities. Assessments have been completed for Assessment Year 2005-06 to 2007-08 and appeals before CIT(A)/ITAT are pending. The Company does not expect any major liability arising due to search and seizure action except routine legal disputes in these assessments.

16. DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Seshagiri Rao M.V.S., Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

Mr. Sudipto Sarkar, Director also retires by rotation at the ensuing Annual General Meeting under the applicable provisions of the erstwhile Companies Act, 1956. Dr. S.K. Gupta, Dr. Vijay Kelkar, Mr. Uday M. Chitale, Mr. K. Vijayaraghavan and Mrs. Punita Kumar Sinha are directors whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, the aforesaid directors being eligible and offering themselves for appointment, are proposed to be appointed as Independent Directors under Section 149 of the Companies Act, 2013, to hold office as per their tenure of appointment mentioned in the notice of the forth coming Annual General Meeting of the Company.

In the opinion of the Board, Mr. Sudipto Sarkar, Dr. S.K. Gupta, Dr. Vijay Kelkar, Mr. Uday M. Chitale, Mr. K. Vijayaraghavan and Mrs. Punita Kumar Sinha fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors of the Company and are independent of the management.

The proposals regarding the appointment/re-appointment of the aforesaid Directors are placed for your approval. The Board of Directors recommend their appointment/re-appointment.

Other changes in the Board of Directors of your Company, during the year under review, are as follows:

Mrs. Zarin Daruwala ceased to be a Director of the Company consequent to the withdrawal of her nomination by ICICI Bank Limited w.e.f. October 23, 2013.

Karnataka State Industrial Infrastructure and Development Corporation Limited (KSIIDC) nominated Mr. V.P. Baligar, IAS, as its nominee on your Company's Board in place of Mr. P.B. Ramamurthy, IAS with effect from May 7, 2014.

Your Directors place on record their deep appreciation of the valuable services rendered by Mrs. Zarin Daruwala and Mr. P. B. Ramamurthy during their tenure as Directors of the Company.

*

17. AUDITORS AND AUDITOR'S REPORT

At the 19th Annual General Meeting (AGM) of the Company held on July 30, 2013, M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, were appointed as the Statutory Auditors of the Company from the conclusion of the 19th AGM till the conclusion of the 20th AGM.

M/s. Deloitte Haskins & Sells has since been converted into a Limited Liability Partnership (LLP) with the name "Deloitte Haskins & Sells LLP" under the provisions of the Limited Liability Partnership Act, 2008 with effect from November 20, 2013. In terms of the General Circular No. 09/2013 dated 30 April, 2013 issued by the Ministry of Corporate Affairs, Government of India and in accordance with the provisions of Section 58(4)(b) of the Limited Liability Partnership Act, 2008, the Board, at its meeting held on January 28, 2014, has taken note of such conversion. Consequent to the said conversion, the audit of the Company for the financial year 2013-14 has been conducted by Deloitte Haskins & Sells LLP.

Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors, have expressed their willingness to continue as auditors of the Company, if appointed. They have further confirmed

that the said appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

In terms of Rule 6 of the Companies (Audit and Auditors) Rules, 2014 Deloitte Haskins & Sells LLP having held office as Auditor for a period of 8 years prior to the Commencement of the Companies Act, 2013, are eligible to be appointed as Auditors for a period of three more years, that is, until the conclusion of the 23rd Annual General Meeting of the Company.

Explanation to Auditor's Comment

Auditors have, in their report to standalone financials statement, drawn attention to note no. 26(5) of accounts for the year relating to the Company's assessment that no provision is presently necessary against the carrying amounts of investments and loans aggregating to ₹ 2,007.46 crores and with respect to financial guarantees of ₹ 2,752.57 crores [considered as Contingent Liabilities] to one of its subsidiary, JSW Steel (USA) Inc.

Auditors have, in their report to consolidated financial statements, drawn attention to note no. 26(5) of accounts for the year relating to the Company's assessment that no provision is necessary for the carrying amounts of the Fixed Assets of ₹ 4,697.93 crores pertaining to Steel Operations at JSW Steel (USA) Inc, a subsidiary of the Company.

In the opinion of the Board, considering recent independent valuation of the underlying fixed assets, review and assessment of business plan and expected future cash flows of JSW Steel (USA) Inc., the decline is temporary and no provision is required.

18. COST AUDITORS

In accordance with the Order dated June 30, 2011 issued by the Ministry of Corporate Affairs pursuant to Section 233B of the Companies Act, 1956, your Company is required to get its cost accounting records audited by a Cost Auditor and has accordingly appointed M/s. S.R. Bhargave & Co., Cost Accountants for this purpose for FY 2013-14. The Cost Audit for FY 2012-13 was completed within specified time and report was filed with ROC.

The Board at its meeting held on May 27, 2014 has on the recommendation of the Audit Committee, re-appointed M/s. S.R. Bhargave & Co., Cost

* Mr. Antony Paul Pedder, director has resigned from the Board of the Company with effect from June 30, 2014, on account of health reasons.

Accountants to conduct the audit of the cost accounting records for FY 2014-15 on a remuneration of ₹ 10 lacs plus service tax as applicable and reimbursement of actual travel and out of pocket expenses. The said remuneration is subject to the ratification of the Members in terms of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014. The payment of remuneration to M/s. S.R. Bhargave & Co. approved by the Board is accordingly placed for your ratification.

19. SECRETARIAL AUDITOR

In terms of Section 204 the Companies Act, 2013, the Board at its meeting held on 27.05.2014, has appointed M/s. Srinivasan & Co, Practicing Company Secretaries, as Secretarial Auditor, for conducting Secretarial Audit of the Company for the FY 2014-15.

20. PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, is given in the statement annexed (Annexure "A") hereto and forming a part of the report.

21. EMPLOYEE STOCK OPTION PLAN (ESOP)

The Board of Directors of your Company at its meeting held on 26 July, 2012 formulated the JSWSL Employees Stock Ownership Plan 2012 ("ESOP Plan") to be implemented through the JSW Steel Employees Welfare Trust ("Trust"), with an objective of achieving sustained growth of the Company and creation of shareholder value by aligning the interests of the employees with the long term interests of the Company.

The ESOP Plan involved acquisition of Shares from the Secondary market. SEBI vide Circular No. CIR/CFD/DIL/3/2013 dated 17 January, 2013 made amendments to Equity Listing Agreement and the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 which inter alia prohibits ESOP/ESPS Schemes from acquiring securities of the Company from the secondary market. In order to comply with the provisions of the Circular, the Company terminated the ESOP Plan and accordingly no further grants

under the Plan have been made. However, the options which have already been granted under the ESOP Plan i.e. 49,36,940 shares shall vest as per the vesting schedule and the Trust shall continue to hold these shares till the options are exercised or until September 30, 2017, whichever is later.

Disclosure relating to the JSWSL Employees Stock Ownership Plan – 2012 in terms of Clause 12 of the SEBI (Employee Stock Option Schemes and Employee Stock Purchase Scheme) Guidelines, 1999 is given in Annexure "B" to the Directors Report.

22. ENVIRONMENTAL INITIATIVES

The Company has undertaken various measures to address safety and environmental issues at its plant locations.

Vijayanagar

- Commissioned Water Recycle System at Guard Ponds to reuse about 50,000 m³ of water per day.
- Commissioned eight bag filters in the iron making area to reduce fugitive dust during material transportation.
- Installed 12 new bag filters in the lime calcinations area.
- Commissioned four of waste water treatment and recirculation schemes at Coke Oven.
- Deployed a specially developed slime beneficiation technology to recovers iron value in the iron ore slime by using a specially developed slime.
- Installed 0.2 MTPA Mill Scale Briquetting plant and 0.6 MTPA Micro Pellet Plant for waste reuse.
- Commissioned waste heat recovery system at Blast Furnaces 3 and 4 and at Sinter Plant 2, 3 and 4.
- Established environment control centre for environment data capture and information dissemination.
- Established state-of-the-art Environment Quality Laboratory, which has been accredited Grade-A by Karnataka State Pollution Control Board (KSPCB).
- Installed BOF slurry dewatering facility to reuse the sludge in micro pellet plant.

Dolvi

- Commissioned Online Stack Monitoring system at Sponge Iron Plant for all five of stacks.
- Installed Organic Composting Machine to treat the solid waste generated from Canteen into manure.
- Dolvi Works has implemented Environmental Management System (EMS) - ISO 14001 for all it's units at Dolvi this year.
- Conferred "Maharashtra Safety Award" by National Safety Council – Maharashtra Chapter for "Longest Accident Free Period" under scheme I & II.
- Provided "Auto Signal with Boom Barrier" near railway crossing for safe movement of Loco/Torpedo Ladle from BF to HSM.
- Lock out and Tag out system started at various locations for energy isolation.

Salem

- Installed six stack of on-line monitoring of suspended particulate matters and connected to Care Air Centre (CAC) of Tamilnadu Pollution Control Board (TNPCB).
- Installed Stack dust monitors to curtail emissions of Suspended Particulate Matter (SPM), SO_x, NO_x and for AFBC stack of CPP-II and connected to Carbon Arc cutting (CAC).
- Commissioned secondary deducting system of Blast Furnace II Cast House to improve working conditions and minimizing environmental emission levels of SPM and respirable suspended particulate matters (RSPM).
- Utilized of dry slag from BF as Ballast for Railway Track laying and concrete road construction by replacing natural stone (aggregate).
- Increased power generation through replacement of ID fan motor resulting in higher utilization of Waste Heat Recovery Boiler from coke oven flue gas. This further reduces the coal consumption in the AFBC boiler.
- Installed additional Waste Heat Recovery Boiler No.4.
- Installed Guard pond for facilitating process waste water storage for effective recycling and reuse.

- Used 12-20 mm EOF slag in Sinter plant for hearth layer instead of iron ore fines and recycled the waste generated.
- Used EOF crushed dry slag instead of Iron Ore are lumps as coolant for maintaining hot metal temperature in the furnace.

23. PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is set out in the Annexure to the Directors Report. Having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report, excluding the aforesaid information, is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary for a copy.

24. CERTIFICATION AND RECOGNITION

Your Directors have pleasure in informing you that all the Company's Vijayanagar townships, viz. Vidyanagar, Vijay Vittal Nagar and Shankargudda townships, have been accredited for quality, environment systems, safety and health systems in operations and maintenance of residential townships. The townships received the following certifications:

- 1) ISO 9001 – 2008
- 2) ISO 1401 2004+cor.1:2008
- 3) BSOHSAS 18001 – 2007

25. AWARDS AND ACCOLADES

Your Company and its employees received the following awards during the year under review:

- Prime Minister's Trophy for excellence in performance in 2012-13 for Vijayanagar Works which was adjudged the Best Integrated Steel Plant in India.
- 'Industry Leadership Award' at Platts Global Metals Awards for achievements in steel, metals and mining.
- Golden Peacock Eco-Innovation Award 2013 by the National Jury.
- IMC Ramakrishna Bajaj National Quality Award 2013 for 'Strong Commitment To Sustainability' under category E for Vijayanagar Works.
- IMC Ramkrishna Bajaj National Quality (RBNQ) Performance Excellence Trophy 2013-14.

- Silver Prize, 14th Annual Greentech Environment Award 2013 in Metal and Mining sector.
- Tamil Nadu Government State Safety Award 2012.
- Best Supplier Award from Tata Motors and WABCO for Salem Works.
- Green Manufacturing Excellence Award 'Green Challengers' 2014 from Frost & Sullivan.
- Silver Prize, India Manufacturing Excellence Award 2013 from Frost & Sullivan.
- Commendation Certificate, CII-EXIM Bank Award 2013 for Significant Achievement at Bangalore.
- Commendation Certificate, CII ITC Sustainability Award 2013.

Second Prize, National Sustainability Award 2013-14 from Indian Institute of Metals

26. CORPORATE GOVERNANCE

Your Company has complied with the requirements of Clause 49 of the Listing Agreement regarding Corporate Governance. A report on the Corporate Governance practices, the Auditors' Certificate on compliance of mandatory requirements thereof and Management Discussion and Analysis are given as annexures to this report.

27. BUSINESS RESPONSIBILITY / SUSTAINABILITY REPORTING

Your Company is fundamentally committed to sustainable business and to the nine principles of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, it has been pursuing in spirit. It has also been reporting on GRI framework assured by third party independently on International Standards for Assurance Engagements (ISAE) 3000. The policies in the context of these principles, given on the Company's website, www.jsw.in, have been approved by the Board in its meeting held on January 28, 2013. A Committee of Board comprising of three Independent Directors and three Executive Directors are overseeing the same, quarterly. The Chief Sustainability Officer (CSO) implements the sustainability oversight reporting and Grievance Redressal Mechanism.

SEBI vide its Circular No. CIR/CFD/DIL/8/2012 dated August 13, 2012 mandated the top 100 listed entities, based on market capitalisation at BSE and NSE, to include Business Responsibility Report (BRR) as

part of the Annual Report describing the initiatives taken by the companies from environmental, social and governance perspective. Pursuant to the above, the stock exchanges included in the listing agreement, a suggested framework of a BRR. Accordingly, the BRR is attached which forms part of the Annual Report.

28. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, your Directors hereby state and confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- They have selected such accounting policies, applied them consistently and made judgements and estimates that are reasonable and prudent to give a true and fair view of the Company's state of affairs at the end of the financial year and of the Company's profit or loss for that period.
- They have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of this Act, to safeguard the Company's assets and to prevent and detect fraud and other irregularities.
- They have prepared the annual accounts on a going concern basis.

29. APPRECIATION

Your Directors take this opportunity to express their appreciation for the co-operation and assistance received from the Government of India, Republic of Chile, Kenya, Mauritius, Mozambique, Mali, USA and the UK; the state Governments of Karnataka, Maharashtra, Tamil Nadu, West Bengal and Jharkhand; the financial institutions, banks as well as the shareholders and debenture holders during the year under review. The Directors also wish to place on record their appreciation of the devoted and dedicated services rendered by all employees of the Company.

For and on behalf of the Board of Directors

Sajjan Jindal

Place: Mumbai

Chairman & Managing Director

Date: May 27, 2014

ANNEXURE 'A' TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. ENERGY CONSERVATION

The Company has always been a frontrunner in continually improving its operational performance in all areas, like production, yield, plant utilisation and others, while reducing the consumption of fuel, power, stores and others.

ENERGY CONSERVATION INITIATIVES AT VIJAYANAGAR

1. Reduced total solid fuel rate (coal+coke) in Corex for FY 2013-14 by 2.03% compared to FY 2012-13.
2. Increased CDI rate in Blast Furnaces.
3. Reduced total solid fuel rate (coal + coke) in Blast Furnaces for FY 2013-14 by 0.71% compared to FY 2012-13.
4. Increased blast furnace gas utilization by 6.09% over FY 2012-13; this has been achieved by commissioning 60 TPH BF gas-fired boiler and BFG firing system in CPP-3 & 4.
5. Started Steam generation from waste gas heat recovery system in Sinter Plant 2, 3 & 4 started.
6. Installed waste heat recovery systems in BF 3 & 4 stoves thereby reducing Fuel consumption.
7. Installed three BF gas fired process boilers, each of 20 TPH capacity.
8. Installed 2,00,000 Nm³ per Hour of BF gas firing in CPP-3 & 4 coal fired boilers, which reduces coal consumption by 30 Tonnes per hour.
9. Fuel gas to HAG's of CPP-2 changed from scarce corex gas to mix gas.

ENERGY CONSERVATION INITIATIVE AT DOLVI

1. Achieved reduction of 3.49 lac tons of CO₂ emission and reduction of 0.32 Gcal/tcs (ton of crude steel) in specific energy consumption in 55 MW power plant by utilizing of blast furnace gas.
2. Coke consumption reduces by 4 kg with every 1% reduction in moisture. By reducing the moisture content by 5% at the Coke Drying Plant (CDP), coke consumption has also lowered in the blast furnace.
3. Reduced specific energy consumption under the head of "auxiliary and losses" 0.51 Gcal/tcs in FY 2012-13 to 0.21 Gcal/tcs in FY 2013-14.

4. Replacement of Halogen light fitting by LED light fittings to reduce power consumption.
5. Optimized the run speed logic for coiler 1 and 2 mandrel & wrapper roll to drive when running at no load to save power.

ENERGY CONSERVATION INITIATIVES AT SALEM

1. Replacement of soft water by raw water (4000 m³/day) for cooling application thereby eliminating common salt consumption, waste water generation and minimization of power consumption in Water Treatment Plant.
2. Commissioned 100 TPH coke drying unit in coke oven plant to utilize of hot waste gases for reduce of Coke moisture to 2.5%, thereby reducing fuel consumption.
3. Adopted new technology by covering the top coal cake surface with a sacrificing layer which prevents the top layer from being over-exposed to higher oxidation thereby improving the gross coke yield by 0.5%.

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

Efforts made in Technology Absorption are given in Form 'B'.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to exports, initiatives taken to increase exports, develop new export markets for products and services, and export plans:

Exports have always been the Company's strategic move to add value, customise products and expand geographical reach. Despite demand contraction in international markets during fiscal 2013-14, the Company exported 8.30 million tonnes.

- b) Total foreign exchange used and earned:

₹ in crores

		FY 2013-14	FY 2012-13
i)	Foreign Exchange earned	8,282.95	7,167.30
ii)	Foreign Exchange used	17,304.11	13,279.74

FORM 'A'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A Power and Fuel Consumption

Particulars	2013-14	2012-13
1. Electricity		
a) Purchased		
Unit (kwh) (in lacs)	22,644.53	13,595.82
Total amount (₹ in crores)	1,145.16	632.72
Rate / Unit (₹)	5.06	4.65
b) Own generation		
i) Through Captive Power Plant		
Unit (kwh) (in Lacs)	56,100.60	44,448.20
Total amount (₹ in crores)	1,972.99	1,634.57
Cost / Unit (₹)	3.52	3.68
ii) Through top recovery turbine		
Unit (kwh) (in lacs)	1,779.65	1,915.24
Total amount (₹ in crores)	4.36	4.36
Cost / Unit (₹)	0.25	0.23
2. Coal + Coke		
Quantity (tonnes)	1,00,91,274 t of Coal + 15,59,551 t of Coke	99,66,912 t of Coal + 1,44,682 t of Coke
Total amount (₹ in crores)	12,810.90	10,871.32
Coal rate (₹/t)	10,105	10,708
Coke rate (₹/t)	16,758	13,743
3. Furnace oil		
Quantity (K.Ltr)	438	1,562
Total amount (₹ in crores)	2.56	6.39
Average rate (₹/Ltr)	58.40	40.91
4. LPG		
Quantity (tonnes)	6,244	16,263
Total amount (₹ in crores)	39.15	95.84
Average rate (₹/t)	62,703	58,931
5. RLNG		
Quantity (MMBTU)	1,45,32,778	5,08,873
Total amount (₹ in crores)	898.98	45.31
Average rate (₹/MMBTU)	619	890

B. Consumption per unit of Production

Particulars	2013-14	2012-13
1. Crude steel		
Electricity (kwh /t)	546	558
LPG (Kg /t)	0.7	0.8
2. Hot rolled coils/Steel plates/ sheets		
Electricity (kwh /t)	97	101
3. Rolled products – long		
Electricity (kwh /t)	129	127
4. Galvanised coils/sheets		
Electricity (kwh /t)	-	196
LPG (Kg /t)	-	15

FORM 'B'

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R&D activities were carried out by the Company

Research and development (R&D) activities at JSW Steel Ltd. are focused mainly on process improvements, development of new processes and products, energy optimization, waste utilization and conservation of natural resources.

R&D initiatives towards plant process improvements include Beneficiation of iron ores & BHQ, Agglomeration, Iron Making in Corex and Blast Furnace, Steel Making and Hot and Cold Rolling. New processes of briquetting and micro-pelletization were developed for recycling the process wastes, such as coal fines, mill scale and other iron bearing material. Another important milestone achieved in waste utilization is designing solutions for usage of granulated slag in road and building construction.

R&D has also initiated promotion of industry-academic partnership through collaborative projects with leading academic and research institutes in India such as – CSIR-NML Jamshedpur, IIT Mumbai, IIT Chennai, IISc Bengaluru, NIT Surathkal and National Research Centre for Agro-forestry (NRCAF) Jhansi and Psychospectrum, Chennai.

2. Benefits derived as a result of R&D

A) Vijayanagar Works

The following processes and technology development projects have been completed.

- Silicon prediction model for Blast Furnace
- Hot metal sulphur prediction model for Corex and Blast Furnace.
- Charge distribution model for Blast Furnace [Technology development].
- Control model for staggered parallel operations of blast furnace stoves.
- Burden optimization model for minimizing the slag rates.
- Hot metal temperature prediction model for Blast Furnace.
- Process for coal fines briquetting technology.
- Process for coke breeze coating during sinter mix granulation for improving sinter properties.

- Optimization of flow modifiers for inclusion floatation for JSW Steel, Salem Works.
- Model for Locating Crack Initiation Point in Slabs
- Optimization of welding process and weld parameters to minimize weld defects in hot rolled jumbo coils at CRM.
- New Slag pot design and process for separating metal and slag at Slag yard.
- Thermal control model for reheating furnace resulting in lower fuel consumption and scale generation.
- Process for imprinting tamper proof branding logo on cold rolled sheets.
- Prediction model for sinter properties (MPS, TI, & RDI).
- Mathematical model for optimization of Jig operating parameters for beneficiation of low grade iron ore fines.
- Mathematical model for desliming hydrocyclone to achieve higher operational efficiency.
- Beneficiation process for high siliceous ore of Sandur-Hospet region.
- Process for production of SPFH-590 grade steel with low YS / UTS ratio.
- CO₂ Fix model to estimate the carbon sequestration potential of Green Belt at JSW Steel Ltd, Vijayanagar works.

B) Dolvi Works

The following process and technology development projects have been completed.

- Design and Prototype development of triple lance system for Con-Arc furnace.

C) Salem Works

The following processes and technology development projects have been completed.

- Process for coke drying which utilizes sensible heat in the coke oven flue gas to remove moisture in coke.
- Optimization of flow modifiers in tundish to reduce the inclusions in casting.
- Optimization of super heat in Cr-Mo, medium carbon high Manganese and Ball bearing grade steels.

3. New products developed / customized

The Company has developed / customized 65 new grades that include flat and long rolled products and slab.

- 1 Dual phase advanced high strength steel for higher duty wheel discs used in automotive application.
- 2 API customised grades for line pipe application & cryogenic requirement.
- 3 Ultra low sulphur steel for oil & gas pipeline.
- 4 High strength ultra low carbon cold rolled steel developed for automotive inner panel.
- 5 Ultra low carbon cold rolled steels with excellent formability for automotive outer panels (passenger cars)
- 6 Cold rolled dent resistant (bake hardening) steel grade developed through batch annealing furnace.
- 7 High strength hot rolled steel grade with minimum tensile strength of 540 & 590 mpa & excellent combination of strength & ductility developed for automotive wheel rim/disc & structural components developed for automotive wheel connector/ rim/disc & structural components.
- 8 Long products developed for critical component category like crank shaft connecting rod and & cam shaft.
- 9 Steel developed for bearing hub, bearing rings creep resistance tubes .

4. Way Ahead

- Increased focus on beneficiation of low grade iron ores as well as BHQ /BHQ ores.
- Development of advanced steels and value added products such as high end line pipe steels, dual phase, electrical and auto grade steels.
- Plant performance improvements through process optimization and technology development.
- Focus on energy conservation, waste utilization, water conservation and environmental impact.
- Breakthrough technology development in iron making and coke making.

5. Expenditure on R&D (2013-14)

(₹ in crores)

Particulars	FY 2013-14	FY 2012-13
Capital	15.93	38.37
Revenue	11.71	10.07
Total	27.64	48.44

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

Vijayanagar Works

- Commissioned Mill Scale Briquetting Plant.
- Adopted mill scale briquettes as coolant in steel-making converters at SMS.
- Commissioned micropelletization plant.

Dolvi Works

- Commissioned Lime Calcination unit.

Salem Works

- Commissioned Magnetic flux leakage technology to detect surface defects in 20-50 mm dia bars.
- Commissioned Infra-red Thermography technology to detect surface defects in 60-200 mm dia & RCS.
- Implemented BLT charging model developed at corporate R&D center in blast furnace 2.
- Implemented slag balancing model developed at corporate R&D center.
- Implemented online furnace monitoring system developed at corporate R&D center in blast furnace 2.

Imported Technologies

Innovation / Technology	Year of Import / Absorption	Status of Implementation
Generation of power using waste gas of Blast Furnace	2012-13	Commissioned
Twin Shaft Lime Calcining Plant	2013-14	Commissioned
ICSD Software model for X-ray Diffractometer	2013-14	Commissioned
Waste heat recovery system in Sinter plants 2, 3 & 4	2013-14	Commissioned
Waste heat recovery system in Blast Furnaces (BF) 3 & 4	2013-14	Commissioned
Recycling system for dedusting effluents	2013-14	Commissioned
Extruder	2013-14	Commissioned
Magnetic flux leakage technology	2013-14	Commissioned
Infra-red thermography technology	2013-14	Commissioned

ANNEXURE – B TO DIRECTORS' REPORT

Disclosure under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 for the year ended 31 March 2014

Scheme Name		JSWSL Employees Stock Ownership Plan – 2012	
Sr. No.	Particulars	Initial Grant 26 July 2012	1st Subsequent Grant 26 July 2012
1.	Options Granted	31,35,744	16,02,480
2.	Pricing Formula	Exercise Price determined by the ESOP Committee's discretion	Exercise Price determined by the ESOP Committee's discretion
3.	Exercise Price	₹ 700	₹ 700
4.	Options Vested	26,31,868	Nil
5.	Options Exercised	11,13,657	Nil
6.	Total number of Shares arising as a result of exercise of Options	11,13,657	Nil
7.	Options forfeited and/or transferred to / from group companies (net)	5,03,876	3,32,448
8.	Variations of terms of Options	Not applicable	Not applicable
9.	Money realised by exercise of the Options	₹ 77,95,59,900	Nil
10.	Total number of Options in force	15,18,211	12,70,032
11.	i) Details of Options granted to senior managerial personnel	Appendix – A	Appendix – A
	ii) Any other employee who receives in any One Year of grant of Options amounting to 5% or more of Options granted during that Year	None	None
	iii) Identified employees, who were granted Options, during any One Year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant	None	None
12.	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard 20 issued by ICAI for the year ended 31 March 2014	Not applicable, as there is no issue of shares during the FY 2013-14.	Not applicable, as there is no issue of shares during the FY 2013-14.
13.	Difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options. The impact of this difference on profits and on EPS of the company	If the Company had used Fair Value of Option Method then Employee Compensation Cost would have been higher by ₹ 57.01 crores. Profit after Tax would have been ₹ 1,295.63 crores. Basic & Diluted EPS would have been ₹ 52.25.	
14.	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted-Average exercise prices / Weighted-Average fair values of options	
		₹ 700	₹ 700
		₹ 368.10	₹ 332.26
15.	A description of method and significant assumptions used during the year to estimate the fair value of options granted during the year	The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are:	The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are:

Scheme Name		JSWSL Employees Stock Ownership Plan – 2012	
Sr. No.	Particulars	Initial Grant 26 July 2012	1st Subsequent Grant 26 July 2012
	Risk free Interest Rate	Zero Coupon sovereign bond yields were utilized with maturity equal to expected term of option. The rate used for calculation is 8.03%	Zero Coupon sovereign bond yields were utilized with maturity equal to expected term of option. The rate used for calculation is 7.99%
	Expected Life	The expected option life is assumed to be the full term of the option program.	The expected option life is assumed to be the full term of the option program.
	Expected Volatility	Volatility was calculated using standard deviation of daily change in stock price. The volatility used for valuation is 61.58%	Volatility was calculated using standard deviation of daily change in stock price. The volatility used for valuation is 60.79%
	Expected Dividend	₹ 7.50 per share	₹ 7.50 per share
	The price of underlying share in the market at the time of grant	₹ 669.65 per share	₹ 669.65 per share

APPENDIX – A

Details of options granted to and accepted by Senior Managerial Personnel

Sr. No.	Name of Senior Managerial Personnel	Designation	Initial Grant (in force as on 31 March 2014)	1st Subsequent Grant (in force as on 31 March 2014)
1	Mr. Seshagiri Rao M V S	Joint Managing Director & Group CFO	58,157	23,980
2	Dr. Vinod Nowal	Deputy Managing Director	43,153	17,882
3	Mr. Jayant Acharya	Director (Commercial & Marketing)	39,284	16,078
4	Mr. Surender Ranade	Executive Director - Operations	14,287	9,982
5	Mr. Pankaj Kulkarni	CEO - Special Projects	31,733	12,918
6	Mr. Ashok Kumar Aggarwal	Joint CEO (Dolvi Works)	15,087	10,598
7	Mr. Sasindran P.	Chief (Technology, Innovation and Development)	26,181	10,775
8	Mr. D Ravichandar	CEO (Salem Works)	8,352	9,590
9	Mr. Ram Prakash Nangalia	President - Corporate Relations	-	7,700
10	Mr. Anirudh Singh	President – HR	-	10,166
11	Mr. Sandeep Gokhale	President - Business Development	20,000	13,321

MANAGEMENT DISCUSSION AND ANALYSIS

1. JSW STEEL – AN OVERVIEW

A flagship company of the JSW Group, JSW Steel is India's leading private sector steel company with an installed capacity of 14.3 MTPA. We have a presence in six manufacturing locations across India and our global footprints extend to the US, South America and Africa.

Competitive edge

- Over two decades of experience
- One of the lowest-cost steel producers globally
- Use of cutting-edge innovative technology
- Continued focus on Research and Development
- Export reach to over 100 countries

Wide product canvas

Our product canvas in case of flat and long steel products includes:

- Hot rolled coils, sheets and plates
- Cold rolled coils and sheets
- Galvanised products
- Galvalume products
- Pre-painted Galvanised products
- Pre-painted Galvalume products
- TMT bars
- Wire rods and special steel bars
- Rounds and blooms

Manufacturing facilities

- Vijayanagar, Karnataka
- Salem, Tamil Nadu
- Dolvi, Maharashtra
- Vasind, Maharashtra (*)
- Tarapur, Maharashtra (*)
- Kalmeshwar, Maharashtra(*)

(*) JSW Steel Coated Products Ltd.

2. STATE OF THE ECONOMY

2.1 Global

A snapshot

- The global economy expanded by 3.0% in CY 2013
- China's GDP growth is expected to remain steady with the "Moving Forward, Maintaining Stability" Policy
- Europe is showing anemic recovery with sticky unemployment and deflation, leading to weaker demand
- In Japan, Abenomics yet to translate into stronger domestic private demand for sustained recovery
- USA recovery remains stronger on the back of healthy housing sales, construction spending, and declining unemployment rates
- Geopolitical risks in terms of unrest in Ukraine and political instability in West Asia could threaten global economic recovery
- In 2014, while advanced economies focus on boosting demand majority of the emerging economies will focus on kick-starting growth

According to the International Monetary Fund (IMF), while the global economy expanded by 3.0 % in CY 2013, rate of growth was slower compared to 3.2% in CY 2012. The growth was more robust in the second half of CY 2013, but the pickup was uneven. While the recovery was more broad-based in advanced economies, it was mixed in emerging markets.

Stronger growth in advanced economies opens up greater export opportunities for manufacturers from emerging economies.

Exhibit 1: Global GDP Growth rates

Region	2013	2014	2015*
World	3.0%	3.6%	3.9%
USA	1.9%	2.8%	3.0%
Europe	-0.5%	1.2%	1.5%
China	7.7%	7.5%	7.3%
Japan	1.5%	1.4%	1.0%
AME	1.5%	2.2%	2.3%
EME	4.7%	4.9%	5.3%

*Projections

Source: IMF April 2014

2.2 India

A snapshot

- The Indian economy continued to slowdown in FY 2013-14 with GDP growth at 4.7%.
- Policy Logjam, elevated interest rates and tight liquidity led to an investment slowdown while high consumption demand coupled with supply side bottlenecks resulted in high inflation dampening business confidence
- Fiscal Deficit soared to 4.6% leading to a tight leash on Government expenditure further exacerbating the slowdown
- Manufacturing recorded de-growth of 0.7% with slower growth in auto production and consumer durables.
- The silver lining was agriculture growth at 4.7%, which cushioned the sluggish industrial sector growth

FY 2013-14 saw the Indian economy recording its second successive year of sub five per cent growth the lowest it has recorded in a decade. The prolonged slowdown was a result of a confluence of factors – a policy logjam, higher spending leading to large fiscal deficit, tight monetary conditions and weak external demand. Coupled with the slowdown was persistent inflation, which raised stagflationary fears.

Exhibit 2: Sectoral Growth rates - India

Sector	% -Distribution		% -Growth	
	2012-13	2013-14	2012-13	2013-14
Agriculture	14	14	1.4	4.7
Industry	27	26	1.0	0.4
Services	59	60	7	6.8
GDP	100	100	4.5	4.7

Source: Central Statistics Organization

On the positive side, timely measures by the Reserve Bank of India and the Government helped stabilise the Rupee after a steep fall in FY 2012-13. Measures such as curbs on gold imports also helped bring down the Current Account Deficit, which towards the end of FY 2012-13 had threatened to plunge the economy in a crisis from 4.7% of GDP in FY 2012-13 to 1.7% in FY 2013-14.

For the steel industry, which is at the core of the economy, these economic developments had a critical impact. While the policy paralysis, higher interest rates and tighter liquidity made investment decisions tougher, a falling Rupee had an impact on imports on the input as well as output side. While imports of raw materials

like iron ore and coking coal become expensive, so did the import of finished steel, opening up opportunities for import substitution.

3. STEEL INDUSTRY SCENARIO

3.1 Global

Reference Year : C.Y 2013

Capacity	Production	Trade	Consumption
2,168 MnT (+71 MnT, ↑3.4% y-o-y)	1,606 MnT (+47 MnT, ↑3% y-o-y)	409 MnT (-5 MnT, ↓1.2% y-o-y)	1,481 MnT (+51 MnT, ↑3.6% y-o-y)

A snapshot

- World Surplus Steel capacity expanded to 576 MnT
- World Capacity Utilisation was at 74%
 - Utilisation in China at 77%; Japan at 85%; Korea at 77%; Eurozone at 71%
- Global Steel trade declined across most of the geographies
- While Chinese steel consumption was up 6.1%; consumption in Rest of the World was marginally up by 1.4%

In CY 2013, China continued to dominate the global steel industry with 46% of the production and 102% of the incremental steel production. The Japanese economy, emerging out of two decades of stagnation, is on the path of production recovery. One critical factor for CY 2014 will be the proposed closure of 29 MnT of inefficient steel capacity due to stringent environmental legislations. This is four times the closures witnessed in China during CY 2013.

Exhibit 3: World crude steel production

Region	2012 (MT)	2013 (MT)	2012 (%)	2013 (%)
World	1,559	1,606	+1.4%	+3.0%
China	731	779	+ 4.1%	+ 6.6%
Japan	107	111	- 0.3%	+ 3.1%
US	89	87	+ 2.7%	- 2.0%
Europe	169	166	- 5.1%	- 1.7%
South Korea	69	66	+ 0.8%	- 4.4%
Taiwan	21	22	+ 2.4%	+ 7.8%
S. America	46	46	- 3.7%	- 1.0%
Middle East	25	26	+ 7.2%	+ 6.8%
Africa	15	16	- 2.3%	+ 4.2%
CIS	111	109	- 1.5%	- 1.9%
Asia	1026	1081	+ 3.1%	+ 5.3%
World LESS China	828	828	- 0.8%	0.0%

Source: World Steel Association

3.2 India

FY 2013-14

Capacity	Production	Trade	Consumption
99.6 MnT (+3 MnT, ↑2.6% y-o-y)	81.5 MnT (+3 MnT, ↑+4% y-o-y)	0.38 MnT (Net Export) Last year Net Import 3.2 MnT	73.9 MnT (+0.4 MnT, ↑+0.6% y-o-y)

A snapshot

- Indian steel production was impacted by inadequacy of iron ore with inconsistent quality and supplies. Cap on production was imposed
 - Odisha 50 MTPA
 - Karnataka 30 MTPA
 - Goa 20 MTPA
- Import duty of 2.5% on Melting Scrap was levied in May, 2013
- Export Duty of 5% was imposed on Pellet Exports in January, 2014 and export duty on Iron Ore continued to be 30%.
- Imports under CEPA-FTA's from Japan and Korea together constituted 47% of country's overall imports during 2013-14 as against 37% share in 2012-13.
- Overall domestic demand for Flats reduced by 2% while Longs increased by 2.6%
- Flats to Longs ratio was 46 : 54
- Overall import intensity came down from 12% to 8% along with import intensity for Value-Added Flats (CR, Coated, Electrical Steel and Tinplate) down from 24% in FY 2012-13 to 20% in FY 2013-14.
- Overall Export Intensity was flat at 8% with export of Longs sharply up by 27% to 0.9 MnT
- Coated exports were up by 18% to 1.8 MnT with export intensity up from 24% in FY 2012-13 to 26% in FY 2013-14
- Per Capita steel demand was stagnant at 60 Kgs

In the last 13 years, from FY 2000-01 to FY 2013-14, Indian steel sector has witnessed rapid growth

- Crude steel capacity increased approximately three-fold, to 100 MnT
- Crude Steel Production increased three times at a CAGR of 10% to reach 82 MnT
- Apparent Finished Steel Consumption grew 2.7 times at 8.6% CAGR to reach 74 MnT

Despite these achievements, FY 2013-14 was a tough year for the industry as it recorded abnormally low consumption growth of 0.6% to reach a total of 73.9 MnT during FY 2013-14. Flat Steel demand was down by 2% while Longs displayed a growth of 2.6%. Indian steel sector continued to face inadequacy of iron ore with inconsistency in quality and supplies.

Interestingly though, imports declined by 34%. This was because of a falling Rupee that made imports more expensive and gave an opportunity for Indian steel companies to rush in with import substitution to counteract the sluggish domestic demand coupled with rising capacity. Another facet, which was the testimony to the growing global competitiveness of the Indian steel industry, was a 13% growth in exports that was fuelled by expanding new-age steel capacities. The two factors together transformed India from a net steel importer to a net steel exporter; the first time it had happened since FY 2007-08.

4. OUTLOOK

4.1 Global

World economy is projected to grow at 3.6% in CY 2014 up from 3% in CY 2013. This is forecast to be driven by the Advanced Markets with sharp recovery in Europe from -0.5% to 1.2% and US from 1.9% to 2.8%. Japan is expected to continue pushing monetary easing to stoke demand. Emerging Markets are projected to exhibit a moderate growth at 4.9%. China's increasing focus on "Quality" is expected to moderate its investment stimulated growth from 7.7% in CY 2013 to 7-7.5%.

However, downside risks to this growth trajectory arise from the tapering of quantitative easing in the US that poses a threat of reversing interest cycle and regression for investment flows to Emerging Markets. The diverging challenges of inflation between Advanced and Emerging Markets along with rising corporate leverage and elevated debts in the Advanced Markets could contribute to these risks.

In terms of raw materials, in CY 2014 international price of iron ore is projected to remain in the range of sub US\$ 100 on CFR China basis. This is because of growing seaborne supplies of iron ore outpacing global demand of approximately 1,200 MnT. The metallurgical coal market is also projected to

remain plagued by oversupply. This could impact the export competitiveness of the US resulting in the country opting for further production cuts. Hard coking coal is expected to exhibit a weakening trend as compared to CY 2013.

Steel demand in CY 2014 is projected to increase by 45 MnT (or 3.1%) to 1,527 MnT. Europe is expected to record a demand growth of 3.1%, while Advanced Markets as a whole are expected to record a demand growth of 2.5%. Growing concerns for pollution controls and tight liquidity is slated to slow down growth in Chinese steel demand to about 721 MnT. At 3.1%, this would be less than half of the 6.1% growth 6.1% in CY 2013.

Global crude steel capacity is projected to increase by 89 MnT to 2,256 MnT during CY 2014, far in excess of projected steel demand. Further, post the Global Financial Crisis of 2009, domestic demand across most of the Advanced Economies has continued to remain far lower than pre-crisis peak levels; even as production levels have continued to grow faster due to greater operational efficiencies. Even as global steel trade has remained flat in CY 2013, this enlarging gap between production and demand is a potential threat as it could lead to trade restrictions across several countries.

4.2 India

A decisive mandate in the General Elections has re-kindled hopes of an economic revival. The new government has promised to focus on infrastructural development while de-bottlenecking the administrative and clearance procedures. This is expected to boost the investment climate in the country.

However overcoming two years of policy paralysis as well as correcting the deep structural imbalances in the economy is likely to take time. As a result Indian economy is expected to show moderate improvement with GDP growth expected to be in the region of 5-6%.

However higher food inflation as a result of a failed monsoon due to El Nino, as well as rising fuel prices due to the political instability in West Asia could act as dampeners.

For the steel industry, the critical area of concern continues to be the restrictions on mining

resulting in poor availability of iron ore and its inconsistent quality. Despite lifting of mining bans in Goa and Karnataka, continued restrictions have given inadequate relief to Indian steel companies. Another major area of concern is the high import dependency of coking coal despite large domestic resources remaining unutilized. These are some areas where critical policy interventions are required from the new government.

Another policy area that the Indian government needs to look into is the lack of level playing field when it comes to steel imports from Korea, Japan and ASEAN countries at concessional duty rates prevailing under the bilateral / multilateral Trade Agreements. At present, there is a disparity between the concessional duty rates for finished steel products while higher import duties on raw materials like iron ore, coal, zinc, rolls and paint.

The 'Quality Reformation' for Steel sector has continued to encounter a series of exemptions, exceptions, exclusions and omissions, impacting the development and growth prospects of Indian Steel industry; while simultaneously depriving Indian steel consumers of their "Right to Quality". This could prove to be a major setback for a sustainable growth and development of Indian manufacturing and infrastructure sector. If the industry is pushed to improve its quality, it could overcome Technical Barriers to Trade (TBT's) thereby not only ensuring that domestic customers get the highest quality, but helping the industry in both import substitution of finished products as well as exports of value-added steel.

Despite some of the challenges outlined above, JSW Steel is ideally placed to benefit from the emerging opportunities because of combination of technology, dynamic product mix, production efficiencies and marketing savvy.

5. OPERATIONS

5.1 Vijayanagar

Overview

The 10 MTPA Vijayanagar Works, the Company's flagship steel manufacturing plant, is India's first to use Corex technology to manufacture steel. Leveraging cutting-edge technologies, the plant has become one of the most efficient in terms of conversion cost globally.

The Vijayanagar Works is the first Indian plant with a large-scale, low grade iron ore beneficiation process. Its 4.62 MTPA coke manufacturing unit is also the largest such facility in a single location. The indigenously developed pilot coke-oven plant, first of its kind in India, facilitates coke blending from diverse sources.

The Company has a manufacturing capacity of 9.2 MTPA of pellets at Vijayanagar. The pellet production unit consists of India's first dry process pelletising plant, which is suited to soft iron ore in the Bellary-Hospet region.

The plant's CRM 2 complex is India's largest auto-grade steel facility with a capacity of 2.3 MTPA. The facility will cater to requirements of both domestic and global auto majors. The Mill is the most sophisticated plant by configuration with capability to produce high strength and advanced high strength steel, categories and wider width upto 1,870 mm.

The CRM 2 facility also includes a Continuous Annealing Line, which is the first to start operations in India. The Vijayanagar plant also houses India's fastest and widest hot strip mill.

The Vijayanagar Works has earned a reputation for producing a range of steel products of various specifications. Products, such as slabs, billets, Hot Rolled (HR) coils and sheets, Cold Rolled Close Annealed (CRCA) coils and sheets, wire rods and bar rods and this product are customised to user applications and contribute significantly to the organisation's profitability.

Highlights 2013-14

- A continued focus on safety was reflected in LTIFR reduction from 2.3 in FY 2011-12 to 1.08 in FY 2013-14.
- Implemented a series of augmentation projects in SMS I to handle increase in daily hot metal production including:
 - Modified hot metal ladles and ladle transfer cars.
 - Installed sublance in converters to reduce tap to tap time by an average of 4 minutes.
 - Added pouring station to fill two ladles simultaneously, saving filling time.
 - Improved internal logistics specifically related to empty ladle movement.

- Commissioned Phase I of CRM 2 consisting of Pickling Line coupled with Tandem Cold Mill (PLTCM), and Continuous Galvanising Line (CGL)
- Commissioned Cut to Length (CTL VI)
- Focused on quality improvement activities in the Wheel & Rim segment, API grades and automotive segments which resulted in internal diversion percentage.

Technology Partnership with JFE

In the past year, JSW Steel developed new auto grade steels in association with JFE to address the fast evolving needs of the Auto Sector.

Different products developed with JFE technology include special products like Ultra Low Carbon Steel (ULC), High Strength Low Alloy Steel (HSLA) and Advanced High Strength Steel (AHSS). These products have been developed keeping the customers' stringent requirements in mind, for a variety of applications like exposed and unexposed automotive panels. These new products will place JSW Steel as a company conscious of quality and striving to achieve excellence through innovation.

As a culmination of the Automotive steel collaboration with JFE, CRM 2 - India's Largest Auto grade Steel Plant - was commissioned successfully. This achievement means that some of the best global OEMs will be using the steel from this facility, leading to lesser imports.

Also, under the Electrical steel agreements to improve the product basket, the first Phase of the CRNO project is under full swing and modifications in upstream facilities have also been initiated under the guidance of JFE to suit production of this high-grade product.

The Way Forward

- Continue activities to secure raw materials by diversifying sourcing to reduce dependency on a single location source.
- Modernise one of the Blast Furnaces by adding 0.8 MTPA capacity.
- Install KR unit in SMS II to reduce sulphur content in hot metal enabling low cost of production.
- Install slab auto scarfing system to remove imperfections prior to the finishing process.

- Commission Phase II of CRM 2 consisting of 0.95 MTPA CAL II and 0.3 MTPA CTL VII.
- Commission 1.2 MTPA Rebar Mill.
- Implement 0.2 MTPA Electrical Steel Project.

5.2 Dolvi

Overview

The 3.3 MTPA integrated steel plant at Dolvi is advantageously located on the western coast of Maharashtra. The Dolvi plant is the first in India to adopt a combination of Conarc technology for steelmaking and compact strip production (CSP) for producing hot rolled coils. It caters to a range of industries within the automotive, industrial and consumer durables sectors.

Highlights 2013-14

- A turnaround strategy implemented at Dolvi, focused on attaining cost leadership through backward integration. To achieve this goal, several projects initiated in FY 2011-12 were commissioned.
 - Railway siding project
 - 600 TPD Lime calcining plant

The Way Forward

Strategies to enhance existing capacity to 5.0 MTPA have been initiated. Over the next couple of years, the following projects will be implemented/commissioned:

- Modification of Blast furnace, debottlenecking of SMS and HSM to enhance the capacity
- Adding second 2.3 MTPA sinter plant
- Adding a 1.5 MTPA billet caster
- Adding a 1.4 MTPA bar mill

5.3 Salem

Overview

The Salem Works manufactures custom made special steel long products for use in the automobile and energy sectors. It is India's leading special steel manufacturing facility with a capacity of 1 MTPA.

Highlights 2013-14

- Commissioned the 75 TPH coke drier unit using waste flue gases from coke ovens, the first of its kind in India. The unit helped to reduce moisture in coke.

- Highest coke production of 0.503 MnT (Prev. best 0.501 MnT in 2009-10).
- Highest sinter production of 1.24 MnT (Prev. best 1.17 MnT in 2012-13).
- Highest blooming mill production of 0.20 MnT (Prev. best 0.17 MnT in 2012-13).

The Way Forward

- Increase the proportion of special steel grades like micro alloyed steels, bearing steels.
- Commission a completely BF gas fired 100T/hr Reheating Furnace to allow significant cost savings.
- Install online dimension measuring and defect detection system to reduce time loss in manual sampling and rejections during section setting.

6. FINANCIAL PERFORMANCE

The Scheme of Amalgamation and Arrangement ("the Scheme") between the Company and JSW ISPAT Steel Limited and others, which became effective June 1, 2013 with appointed date of July 1, 2012. Therefore, the numbers of FY 2013-14 are not comparable with FY 2012-13 as the effect of implementation of the Scheme is included in the current year figures.

6.1 Standalone

Highlights FY 2013-14

(₹ in crores)

	2013-14	2012-13	Growth (%)
Gross Turnover	48,527	38,763	25%
Net Turnover	44,529	35,388	26%
Operating EBIDTA	8,783	6,309	39%
PAT	1,335	1,801	-26%
Earnings per share (diluted) (₹)	53.86	79.28	-32%
ROCE (%)	13.5%	11.7%	
EBIDTA margin (%)	19.4%	17.8%	
Net Debt gearing ratio *	1.10	0.82	

* excluding acceptances

Gross Turnover in FY 2013-14 grew by 25% to ₹ 48,527 crores from ₹ 38,763 crores mainly driven by volumes.

The Operating EBIDTA for the year was ₹ 8,783 crores and the EBIDTA margin for the year was 19.4%. The Company posted a Profit after Tax of ₹ 1,335 crores.

The Company's total net debt gearing was at 1.10 (as against 0.82, as on 31.03.2013). The weighted average

interest cost of Debt was at 9.03% (as against 8.18% as on March 31, 2013).

Revenue analysis (₹ in crores)

	2013-14	2012-13	Change	Change %
Domestic Turnover	39,452	31,166	8,375	27%
Export Turnover	8,985	7,597	1,388	18%
Gross Turnover	48,527	38,763	9,764	25%
Less: Excise duty	3,998	3,376	622	18%
Net Turnover	44,529	35,388	9,142	26%

Product wise quantity break-up (million tonnes)

	2013-14	2012-13	Growth %
Products			
Semis	0.34	0.26	32%
Rolled products – Flat	9.71	6.90	41%
Rolled products – Long	1.81	1.71	6%
Total Saleable Steel	11.86	8.87	34%

The growth in revenues during the year was mainly attributable to focus on supply to the infrastructure and construction sectors, increased share of the existing customers and development of new grades to widen the customer base.

- Sales volumes increased 34% largely driven by exports.
- Sales to Automotive sector increased.
- Number of JSW Shoppes went up from 400 as on March 31, 2013 to 425 as on March 31, 2014. Thrust on retail market through its first-of-its-kind distribution network – 'JSW Shoppe'.

Other income (₹ in crores)

	2013-14	2012-13	Change	Change %
Other Income	331	261	70	27%

Other income for the year increased mainly due to higher Interest Income from subsidiaries and dividend income from investments.

Materials (₹ in crores)

	2013-14	2012-13	Change	Change %
Cost of materials consumed	26,706	22,590	4,115	18%

The Company's expenditure on raw materials increased 18% from ₹ 22,590 crores in FY 2012-13 to ₹ 26,706 crores in FY 2013-14. The increase was largely due to the higher crude steel production and Iron ore prices. This was partially compensated by reduction in coal & coke prices.

Employee remuneration and benefits (₹ in crores)

	2013-14	2012-13	Change	Change %
Employees Remuneration and Benefits	800	671	129	19%

Increase in Employee remuneration and benefits were mainly due to increase in number of employees to 11,099 employees as on March 31, 2014, vis-a-vis 9,574 employees as at the end March last year. This addition of employees was due to merger of Dolvi unit of JSW Ispat.

Manufacturing and other expenses (₹ in crores)

	2013-14	2012-13	Change	Change %
Other Expenses	8,759	6,084	2,675	44%

Manufacturing and other expenses grew primarily due to increase production volume and also increase in carriage and freight due to higher in export sales volume.

Finance Cost (₹ in crores)

	2013-14	2012-13	Change	Change %
Finance Cost	2,740	1,724	1,016	59%

Interest was higher by ₹ 1,016 crores, mainly on account of merger of JSW Ispat Steel Ltd.

Depreciation and amortization (₹ in crores)

	2013-14	2012-13	Change	Change %
Depreciation and amortization	2,726	1,974	752	38%

Depreciation increased by 38% from ₹ 1,974 crores in 2012-13 to ₹ 2,726 crores in FY 2013-14 mainly due to merger of JSW Ispat and capitalization of CRM 2 phase 1 at Vijayanagar and Power Plant, Lime Calcinations Plant at Dolvi during the year.

Exceptional Items

	2013-14	2012-13	Change	Change %
Exchange Loss (net)	1,692	367	1,325	361%

Rupee was weak against the US dollar causing unexpected volatility in exchange rate in H1 FY 2013-14, due to the weakening domestic macro-economic environment and stimulus tapering in the U.S.

Due to above, the net foreign exchange loss of ₹ 1,692 crores during H1 FY 2013-14 has been considered by the Company as being exceptional in nature.

Company has since then changed its hedging policy to address volatility in currency. As a result there is no exceptional exchange loss debited to P&L in H2 FY 2013-14.

Fixed Asset (₹ in crores)

	2013-14	2012-13	Change	Change %
Tangible assets	37,225	27,604	9,621	35%
Intangible assets	70	34	36	104%
Capital work-in-progress	6,790	5,034	1,756	35%
Intangible assets under development	68	41	27	67%
Total	44,153	32,713	11,439	35%

Gross Block increased during the year mainly due to merger of JSW Ispat and capitalization of the phase 1 of CRM 2 project at Vijayanagar and Power Plant and Lime Calcinations Plant at Dolvi during the year.

Loans and Advances (₹ in crores)

	2013-14	2012-13	Change	Change %
Loans and advances	11,012	9,203	1,809	20%

Loans and Advances increased by ₹ 1,809 crores mainly due to increase in Minimum Alternative Tax credit entitlement of ₹ 563 crores and Capital advance for project of ₹ 601 crores, which will get adjusted as per schedule on completion of project.

Inventories (₹ in crores)

	2013-14	2012-13	Change	Change %
Raw Materials	2,905	1,687	1,218	72%
Work-in-Progress	564	287	290	101%
Semi Finished/ Finished Goods	1,695	1,921	(239)	-12%
Production Consumables and Stores & Spares	1,032	904	128	14%
Total	6,197	4,799	1,397	29%

The average inventory holding in terms of number of days as on 31 March, 2014 was 62 days vis-a-vis 60 as on 31 March, 2013, efficient working capital movement.

Trade receivables (₹ in crores)

	2013-14	2012-13	Change	Change %
Trade Receivable	2,219	1,862	357	19%

Increase in debtors was mainly due to 27% growth in Sales. The average debtors i.e. collection period, in terms of the number of days as on 31 March, 2014 was 17 days, compared to 18 days as on 31 March, 2013.

Borrowings (₹ in crores)

	2013-14	2012-13	Change	Change %
Borrowings	27,184	17,908	9,276	52%

Borrowings increased by ₹ 9,276 crores during the year. This was mainly due to merger of JSW Ispat (₹ 6,409 crores) and balance due to drawal of loan for CRM 2 project and other expansion projects during the year.

Trade payables (₹ in crores)

	2013-14	2012-13	Change	Change %
Trade payables	9,991	9,274	717	8%

Trade payables marginally increased during the year.

Capital employed

Total capital employed increased by 30% from ₹ 41,296 crores as on 31 March, 2013 to ₹ 53,377 crores as on 31 March 2014.

Return on capital employed however increased its from 11.7% in FY 2012-13 to 13.5% FY 2013-14.

Own funds

Net worth increased from ₹ 19,937 crores as on 31 March 2013 to ₹ 24,284 crores as on 31 March 2014 due to plough-back of operational surplus into the business to fund the Company's future growth initiatives. The book value per share improved from ₹ 881 as on 31 March 2013 to ₹ 973 as on 31 March, 2014.

Reserves: Reserves and surplus increased from ₹ 19,374 crores as on 31 March, 2013 to ₹ 23,217 crores as on 31 March, 2014. This is a zero cost fund which strengthens the ability of the company to undertake growth initiatives.

6.2 Consolidated

The Company's consolidated financial statements include the financial performance of the following Subsidiaries, Joint Ventures and Associates.

Sr. No.	Company
Subsidiaries	
1	JSW Steel (UK) Limited
2	JSW Steel Service Centre (UK) Limited
3	Argent Independent Steel (Holdings) Limited
4	JSW Natural Resources Limited, Mauritius
5	JSW Natural Resources Mozambique Lda
6	JSW ADMS Carvao Limitada
7	JSW Mali Resources SA
8	JSW Steel (Netherlands) B.V.
9	JSW Steel Holdings (USA) Inc
10	JSW Steel (USA) Inc
11	Periama Holdings, LLC
12	Purest Energy LLC
13	Planck Holdings, LLC
14	Prime Coal, LLC
15	Rolling S Augering, LLC
16	Caretta Minerals, LLC
17	Periama Handling, LLC
18	Lower Hutchinson Minerals, LLC
19	Meadow Creek Minerals, LLC
20	Keenan Minerals, LLC
21	Hutchinson Minerals, LLC
22	RC Minerals, LLC
23	Peace Leasing, LLC
24	JSW Panama Holding Corporation
25	Inversiones Eurosh Limitada
26	Santa Fe Mining
27	Santa Fe Puerto S.A.
28	JSW Steel East Africa Limited
29	JSW Steel Processing Centres Limited
30	JSW Jharkhand Steel Limited
31	JSW Bengal Steel Limited
32	Barbil Beneficiation Company Limited
33	JSW Natural Resources India Limited
34	JSW Energy (Bengal) Limited
35	JSW Steel Coated Products Limited
36	Amba River Coke Limited
37	Peddar Realty Pvt Limited
38	Arima Holdings Limited
39	Lakeland Securities Limited
40	Erebus Limited
41	Nippon Ispat Singapore (Pte) Limited
42	JSW natural Resource Bengal Limited
43	Barbil Iron Ore Company Limited

Sr. No.	Company
Associate	
44	Jindal Praxair Oxygen Company Private Limited
Joint Ventures	
45	Vijayanagar Minerals Private Limited
46	Rohne Coal Company Private Limited
47	Geo Steel LLC
48	JSW Severfield Structures Limited
49	JSW Structural Metal Decking Limited
50	Gourangdih Coal Limited
51	JSW MI Steel Service Center Private Limited

The Company has reported a Consolidated Gross Turnover, Net Turnover, Operating EBIDTA and PAT of the Company of ₹ 54,621 crores, ₹ 50,409 crores, ₹ 9,165 crores and ₹ 452 crores, respectively.

7. RESEARCH, DEVELOPMENT AND INNOVATION

Research and development (R&D) activities at JSW Steel are focused mainly on process improvements, development of new processes and products, energy optimisation, waste utilisation and conservation of natural resources.

R&D initiatives towards plant process improvements include beneficiation of iron ores and BHQ, agglomeration. New processes of mill scale briquetting and micro-pelletisation were developed for recycling the process wastes, such as coal fines, mill scale and other iron bearing material. Another important milestone achieved in waste utilisation was designing solutions for usage of granulated slag in road and building construction.

During the year, JSW Steel R&D has initiated promotion of industry-academic partnership through collaborative projects with leading academic and research institutes in India such as CSIR-NML Jamshedpur, IIT Mumbai, IIT Chennai, IISc Bengaluru, NIT Surathkal and National Research Centre for Agro-forestry (NRCAF) Jhansi and Psychospectrum, Chennai.

On-going product development

Location	No. of products developed/customised
Vijayanagar	48
Salem	8
Dolvi	9
Total	65

Continued focus on Technology

Location	Technology adopted/Plants commissioned
Vijayanagar	<ul style="list-style-type: none"> Mill Scale Briquetting Plant commissioned Use of mill scale briquettes as coolant in steelmaking converters at SMS Micropelletisation plant commissioned
Salem	<ul style="list-style-type: none"> Magnetic flux leakage Infra Red thermography BLT charging model in Blast Furnace 2 implemented Slag balancing model implemented Online furnace monitoring system in Blast Furnace 2 implemented
Dolvi	<ul style="list-style-type: none"> Lime Calcination unit commissioned Stamp charged Coke Oven unit commissioned Pellet Plant commissioned

Intellectual Property

Location	No. of Patents	No. of Copyrights	No. of Technical Publications
Vijayanagar	15	12	30
Salem	2		2
Dolvi	6		
Total	23	12	32

The Way Ahead

- Increased focus on beneficiation of low grade iron ores as well as BHQ /BHJ ores.
- Develop advanced steels and value-added products such as high end line pipe steels, dual phase, electrical and auto grade steels.
- Improve plant performance through process optimisation and technology development.
- Focus on energy conservation, waste utilisation, water conservation and environmental impact.

Patents filed

- Sinter with improved strength and a Process for its Production favouring reduced Sinter Return Fines.

- Permanent and Tamper Resistant Branding / Lettering/Logo Imprinted Cold Rolled Sheets and a Process for Producing the Same.
- A Metallurgical Material Handling Vessel/Slag Vessel adapted to be resistant to localized Heat Zone Based Thermal Stresses and Equipment Failure.
- A Method and System for Controlling Fuel Flow Rate and Energy in Reheating Furnace at Hot Strip Mills.
- Hot Rolled High Strength Corrosion Resistant Structural Steel and a Process for its production.
- Hot Rolled Low Carbon Steel Sheets for Direct Drawing Application.
- Hot Rolled Low Carbon Steel with High Cold Reducibility and a Process for its production.
- Wire Rod Steel with improved Drawability for thin electrodes and a Process for its Production.
- Hot Rolled Medium Carbon Steel with Improved Hardenability and a Process for its Production.
- A Process for Integrated Leak Test in a Blown Down Non-Empty Blast Furnace.
- A Method for Pre-Heating of Bustle Main before Blowing in of Blast Furnace and System thereof.
- Procedure for Blowing Down of Blast Furnace below Tuyere Level with Normal Blowing Rate.
- Process for Injection of Hydrogen in Nitrogen Bath during Batch Annealing.
- Process of Separating Metal Rich Slag and Lean Slag for Subsequent Operation.
- A binder adapted for pelletization of sinter raw mix based on Ilmenite process industry waste.
- A process adapted for improving coke yield in non-recovery coke manufacture.
- Low Carbon High Strength Hot Rolled Steel Sheets and a Process for its manufacture.
- A System for Online Continuous Cleaning of Accumulated Dusts from Down Shop Lead(DSL) Rails of EOT Cranes.
- Low Carbon High Strength Hot Rolled Dual Phase Steel Sheets and a Process for its Production.
- A Method for Replacing Slew Bearing of Ladle Turret Without Removal of its Arm Assembly and Shifting of Turret Table.

- A System for Controlled Introduction of Lance from Top for Controlled Oxygen Blowing in Furnaces such as Electric Arc Furnace including CONARC Furnace.
- Low Carbon Coil Break Free Hot Rolled Steel Sheets and a Process for its Production.

Copyrights

- A Computer implementable model for forecasting Iron Ore sinter properties.
- Development of procedure and Computer programme product for size classification and selection of Desliming Hydro-cyclone.
- Method for Calculation of Uniform Deformation Zone (UDZ) during Hot Tensile Testing.
- Slag Balance Model V 1.0 Software Package.
- Slag Viscosity Model V 1.0 Software Package.
- Silicon prediction Model V 1.0 Software Package.
- Development of procedure for high temperature Tensile Test of Wire-rod and Bar-rod samples.
- Software to Optimize Blending and Homogenization of Ores using optimization techniques.
- Method for precise Prediction of the Time for Coil Cooling for Hot Strip Mills.
- Procedure to evaluate specific heat capacity Value for plain carbon steel.
- A method of green sinter agglomerate using a novel technique.
- A computer implementable model for optimization of beneficiation process especially forecasting the stratification and dilation of Jig bed during process.

8. MATERIAL PROCUREMENT

Overview

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

Raw material sourcing

Over the past few years, a conscious strategy of diversification of raw material sourcing from different geographies and suppliers has started

yielding results. JSW Steel, as a result, could strike the right balance between sourcing key raw materials and optimising input blend and cost.

The pricing mechanism in the world coking coal market has witnessed a sea change in the past two years (from annual to quarterly to monthly to Index). To remain competitive, JSW Steel has altered its buying pattern ratio of periodic and spot material depending upon the market dynamics to maximise cost benefits without compromising on the technical aspect of the product. Similar developments were witnessed in sourcing thermal coal and other products. New source of thermal coal reduced single source dependency and unit cost of power generation.

Coal blend stabilisation by rationalising carbon bearing material and improving input quality in coke oven resulted in significant reduction in the cost of production, decreasing the overall consumption of coking coal. Despite having to address a series of challenges in the development and introduction of new sources of imported raw material, strategic sourcing aided uninterrupted production, controlled inventory levels, diversified risks, reduced costs and enabled enhanced bargaining strength.

Iron ore procurement remains a key area of focus. Given upcoming capacity enhancements the requirement for iron ore is expected to witness growth. Over the past year, JSW Steel sourced nearly 20% of its iron ore requirement from outside Karnataka. To this end, it developed sources in Odisha, establishing reliable infrastructure and sourcing iron ore for Dolvi and Salem. To address uncertainties in iron ore supply, JSW Steel relied on in-house Beneficiation technology to transform low grade iron ore into higher grade usable inputs. Additionally, on a strategy of ensuring raw material security, from various regions is being pursued. The slated increase in International Iron ore capacity / availability and resultant drop in prices may offer opportunity to import iron ore which may further strengthen the security on this front.

9. ENERGY MANAGEMENT

Overview

At JSW Steel, energy management plays an important role towards the successful functioning of plant operations. The energy management procedure involves collection and recycling of hot air and processing of gases to minimise fossil fuel consumption. Considering the volatility in fuel costs,

JSW Steel has put in place a comprehensive energy management programme encompassing steam, fuel, special gases and hot air.

Highlights 2013-14

- Reduced fuel rate in Sinter Plant by 19.5%
- Reduced coke breeze consumption in Pellet Plant by 28.5% resulting in a fuel rate reduction of 15.7%
- Reduced solid fuel rate in Corex by 2.1% and reduced power rate by 7.6%
- Pulverised Coal Injections (PCI) in the Blast Furnace increased by 7% resulting in an equivalent saving of coke; heat rate was also reduced by 9.5%
- Reduced power rate in SMS by 4.37%
- Reduced fuel rate by 8.3% and 13.8% in the Wire Rod and Bar Rod Mills, respectively
- Commissioned a DN 300 line to inject excess Coke Oven gas into power plant and minimise flare loss
- Commissioned DN 1800 line to channel Blast Furnace gas into CPP 3, 4 and SBU 2 for power generation; increased Blast Furnace utilisation by 5.8%
- Reduced auxiliary losses by 46%

The Way Forward

- Continue focus on optimising energy usage by actioning the second stage of optimisation exercise, i.e. the linear optimisation model to align energy conservation measures at every step of operations
- Integrate automation and artificial intelligence into systems and processes for efficient operations

10. MARKETING

Global

The FY 2013-14 continued to be challenging year for the steel industry globally.

The net increase in Global crude steel production was 3% (47 million tonnes) in CY 2013 vs CY 2012 where China alone increased its production by 48 million tonnes. The remaining nations either witnessed a drop or a marginal increase in production.

The western economies continued to be sluggish in H1. However, in H2, Europe seem to have bottomed out and few countries like Germany and Spain showed marginal improvement towards the end of the year. The US economy saw a GDP growth of 1.9% in CY 2013 with improvement trickling in the economy in H2 led by housing, energy and auto sectors. Japan showed improvement (GDP up by 1.5%) on the backdrop of reconstruction.

India

Investment cycle slow down coupled with high inflation & interest rates acted as a dampener on consumption putting stress on margins. Amongst the key sectors in India, Capital Goods decreased by 3.6%, Consumer Durables decreased by 12.2%, in the automobile sector PV/CV segment decreased by 4.9 % and 16.1% respectively while Three Wheelers decreased by 1.1% and Two Wheelers increased by 7.2%. Overall the manufacturing sector reduced by 0.7%. Contrary to this the rural story remained robust with products like TMT and Colour Coated steel witnessing a spike in demand.

India saw an increase of 4% (3 million tonnes) in crude steel output but the steel demand remained flat at 0.6%. Globally the apparent steel consumption grew by 3.6% opening up opportunities in more exports and the domestic markets remaining stagnant throughout the year.

JSW Steel's crude steel production grew in these challenging times and we optimized our market mix and product mix to derive maximum benefit from sector specific growth and favourable exchange rate.

Exports: Global steel trade reduced by 1% in CY 2013 compared to CY 2012 against an increase in apparent steel use of 3.6%, which was a clear trend that nations were consuming more. India, with a flat domestic demand and increased domestic production was strategically well placed to fill in the gap in the global steel trade. We strategically expanded our markets based on demand from various geographies. Micro-management of orders ensured excellent serviceability to the customers and also made market entry possible in short periods.

The Company is committed to taking India to the world by exporting high quality steel products across the world. Currently JSW Steel is supplying to over 100 nations on a regular basis.

- **Value Added Products:** The Increase in value added products helped to not only capture the incremental growth in focus sectors but also facilitated import substitution .

• Colour Coated

- **3 new** Colour Coating lines were ramped-up, 2 in Vasind and 1 in Kalmeshwar, to cater to the structural & appliances market. The Company commands a high recall value for colour coated products across customer segments which helps to channelize large volumes in the domestic market.

The introduction of Appliances Line has opened up a new sector to cater to the domestic white goods manufacturers substituting the imports.

Cold Rolled Products

- CRM II was commissioned at Vijaynagar works which can cater mostly to the Automobile sector.

Sales from Vijayanagar plant for Cold Rolled product increased by 26% in FY 2013-14 compared to the same period last year. The dedicated efforts of the Sales and Marketing team have yielded positive results for the Company. Our focus on the Auto sector resulted in higher supplies of various grades and quantity to the automotive segment despite a de-growth in the sector.

- **Retail:** Retail continued to be focus area and sales of branded products formed 37% of retail sales in FY 2013-14 up from 33% in FY 2012-13. Number of Shoppes increased to 450, with a direct footprint in 178 districts and retail reach in 396 districts (2740 talukas). The Company introduced several new concepts in the market to take the entire retail concept in the Indian steel industry to a new level.

JSW Explore

- JSW Explore is an authorized service centre for steel solutions based on franchisee model.
- The first JSW Explore was inaugurated in Jaipur in October 2013 marking the beginning of a new era in the Indian steel industry
- JSW Explore will focus on value added services and solutions for the local market.

JSW Shoppe Connect

- Branded Retail Outlets at Semi-Urban and Rural locations
- Focus on increasing availability and market penetration in semi-urban and Rural locations.

Sahyog Programme

- Influencer meets and mason training across the country.
- Interaction with Retailers and incentivized them with various schemes and promotions.
- Meets for distributors across the country recognizing high performers.

Brand Building

- Marketing activities like mobile van, wall painting, rural hoardings, retailer boards in focus areas.

• Product Development and Other Initiatives

- Galvalume (Al-Zn Alloy steel) product helped to increase volumes in construction and solar energy sectors.
- Grain silos: The Company has been working to develop the Grain silo market in India and in creating awareness amongst farmers. Smaller format grain silos for farmers will be a key growth area in this segment.
- Low cost housing initiatives: Several low cost housing formats were tested which provide superior quality construction grade products at competitive prices. There is a huge potential which will drive and facilitate construction of low cost, high quality houses in India.
- Renewable energy: Renewable energy particularly solar energy will be a major focus area for the new government. High coated Galvanised and Galvalume products will see a large demand in the coming year.

With a thrust on Infrastructure creation and Manufacturing focus by the new government, the demand for Steel is expected to grow. Jsw Steel is well placed to cater to this growing requirement. The Company is also equipped to produce Advanced high strength steel for exposed panels for automotive applications.

Going forward, rural India is going to see a major transformation. The Company has embarked upon increasing its reach and penetration to make product offering and services through multiple retail formats suiting to semi urban and rural segments.

With the growth in economy, the Company is well positioned to be a part of the India growth story to meet the requirements of its Steel demand

11. RISK MANAGEMENT

The Company follows the Committee of Sponsoring Organizations' (COSO) framework of Enterprise Risk Management to proactively anticipate & respond to risks and opportunities that have impact on organizational objectives.

The objective of Risk management is to ensure timely and prudent decisions to -

- 1) maximize positive impacts of opportunities
- 2) minimize negative impacts of risks
- 3) convert risk into opportunity

The Risk owners identify risks, opportunities & make risk response plans. High risks affecting unit are discussed at respective locations. Risks affecting the entire company are discussed at corporate meeting. The Risk committee of directors consisting of all executive directors & three independent directors review the framework & macro risks & opportunities.

Major risks affecting the company relate to:-

1. Global & domestic demand supply gaps in steel products affecting volume & margins;
2. Global & domestic demand supply gaps in raw material affecting availability & cost;
3. Global financial markets affecting liquidity & volatility in exchange & interest rates;
4. Infrastructure & logistics affecting movement of raw material & steel products;
5. Environmental impact like on climate & likely stringent norms & regulations in future;
6. Reputation risks due to misled perceptions despite well intended decisions & actions;
7. Investments & Projects related risks affecting schedule, cost & return on investment;
8. Talent management related risks affecting competency matching with changing needs;
9. Systems related risks affecting robustness & flexibility to meet changing business needs.

The Company established a robust framework to manage down risk in the following manner:

- I. Anticipate risks and prioritise them according to impact.
- II. Manage risk exposures to ensure resilience.

- III. Ensure risk ownership by respective riskowners.
- IV. Integrate and review risks through periodical meetings and audit.
- V. Escalate in time the risk requiring top management attention.
- VI. Ensure risk intelligence, competence, prudence, shared understanding & risk management capabilities.

12. HUMAN RESOURCES

Overview

JSW Steel views its employees as its greatest asset and has created a work environment that ensures their well-being. The Company endeavours to be an "employer of choice", by fostering an environment of individual goal setting, continuous improvement, health and safety awareness and corporate sustainability.

In an ever changing business environment where people are the key differentiators, it is essential to have credible, transparent and uniform people management practices. In order to adapt to the changing industry reality, the People Management Practices are continually reviewed and renewed to make them relevant and employee friendly.

Organisational Development

In order to make JSW Steel a future ready organisation a multi-pronged approach on organisation development is implemented to attract, retain and develop talent. JSW Steel believes in infusing talent across the organisation and as a sustainable measure, the Company believes in inducting people at a very young age. In its pursuit to attract and build home grown talent, JSW Steel inducts talent from various Engineering and Management institutes on a regular basis. In the year under review, JSW Steel introduced a Summer Internship Programme (SIP) to facilitate the induction of undergraduates from some of the most premier institutes across the country. This programme is specifically designed to create future leaders for the organisation.

New recruits are developed through various in-house training programmes and are made ready to support the growth trajectory of JSW Steel. The Company also runs various training programmes

at its plant locations with internal faculties to impart technical and behavioural training to cover employees as well as associates to improve productivity and foster a safe working environment.

The Company continuously invests in building and enhancing, technical capabilities and as a part of this effort, it facilitates employees to acquire skills through participation in sponsored programmes both in India and abroad.

Simultaneously, the Company also provides multiple learning and development opportunities to its employees to acquire new skills, knowledge and enhance their capabilities. Some of the efforts in this direction included:

- **Management Development Programme** at the Indian Institute of Management, Ahmedabad for selected high potential employees for enhancing their business acumen.
- **Young Leaders Development Programme** – Identification and grooming of high potential managers below the age of 32.
- More than 500 technical training programmes were conducted in-house by both internal and external faculty.
- More than 200 behavioural training programmes were conducted in-house by both internal and external faculty.
- **Tie-ups with Premier Institutes for Employee Education** – To foster a culture of continuous learning among employees JSW Steel has tied up with BITS Pilani, IIT Mumbai and RGIST. During the FY 2013-14, 90 employees successfully completed the B.S. Course of BITS Pilani, 14 employees completed the M.Tech course from IIT Mumbai and 25 employees qualified for the Postgraduate Diploma in Industrial Safety from RGIST.
- **Talent Acquisition through Industrial Projects** – The Manufacturing and other Functional Departments prioritised projects to be offered to students at premier Technology Institutes and Business Schools. This practice enabled the Company to observe knowledge application, innovative approach, result orientation, team work and professional temperament to select young professionals for pre-placement offers of employment.

Women Empowerment

JSW Steel's commitment towards women empowerment is reflected through its Gender Balance Initiative, initiative toward Legal Awareness for Women Employees and other special training for women employees across the organisation. JSW Steel is an equal opportunity employer and has embarked upon a specific project to increase the number of positions held by women employees in a phased manner.

Special programmes on personality development, managerial development and leadership development are being organised for grooming and enhancing the competencies of women employees for attaining positions of higher responsibilities.

Additionally, several sessions about the rights of women under various Labour and Industrial Laws, were conducted to make women employees fully aware of their rights under the Sexual Harassment of Women at Work Place and Protection of Human Rights Acts.

Rewards and Recognition

The rewards and recognition mechanism at JSW Steel encourages creativity and innovation at work. Apart from the existing series of awards for Best Employee, Exemplary Work, Best Suggestion, Best Safety Man, Bravery and Courage award, Best QC, Intellectual Property Rights and Award for Best Contractor, a new award called Quarterly Departmental/Cluster Champions has been added to the glossary of awards this year.

The quarterly award of Cluster Champion is given in recognition of self-initiated improvements, Best Safety Practices, Troubleshooting Skills, Innovation and Creativity. Champions are selected every quarter and their photographs are displayed in the prominent areas of their department.

13. INFORMATION TECHNOLOGY

Overview

At JSW Steel, information technology plays a key role to synchronise key business processes. It allows the Company to function smoothly with a standardised work approach across all its Indian units. Some of the important priorities include:

- Strengthening management reporting by establishing robust MIS reports and KPIs to enable centralised information tracking and robust decision making
- Re-engineering and aligning business processes across locations, in line with leading practices, and creating centralised process repository
- Ensuring accelerated implementation through SAP-based processes
- Ensuring standardised data management across all the locations
- Focusing on change management to ensure ownership and sustenance of the overall solution

Highlights 2013-14

The ERP implementation completed last year is complemented by a world class MES (Manufacturing Execution System) for automating mills. The new integrated system across the group is showing results in terms of increased productivity, less use of printed documents and faster approval times.

New projects supported by specialised and core manufacturing execution solutions includes:

- Implemented Manufacturing Execution System for CRM2 at Vijayanagar and integrated it with Enterprise solution for complete control and visibility.
- Implemented an indigenous solution for Laboratory information management system
- Developed a highly sophisticated ferro alloys optimisation programme for special steels, resulting in substantial recurring savings
- Modified ERP to align with newly de-merged downstream business
- Developed customer portal for greater visibility into orders, right from placing order through production till despatch the order

14. INTERNAL CONTROL SYSTEMS AND AUDIT

Overview

A robust system of internal control, commensurate with the size and nature of its business, forms an integral part of the Company's corporate governance policies.

Internal Control

The Company has a proper and adequate system of internal control commensurate with the size and nature of its business. Internal control systems are integral to JSW Steel's corporate governance policy. Some of the significant features of internal control systems are:

- Adequate documentation of policies, guidelines, authorities and approval procedures covering all the important functions of the Company.
- Deployment of an ERP system which covers most of its operations and is supported by a defined on-line authorisation protocol.
- Ensuring complete compliance with laws, regulations, standards and internal procedures and systems.
- De-risking the company's assets/resources and protecting them from any loss.
- Ensuring the integrity of the accounting system; the proper and authorised recording and reporting of all transactions.
- Preparation and monitoring of annual budgets for all operating and service functions.
- Ensuring the reliability of all financial and operational information.
- Audit committee of Board of Directors, comprising Independent Directors. The Audit Committee regularly reviews audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards and so on.
- A comprehensive Information Security Policy and continuous updation of IT Systems.

The internal control systems and procedures are designed to assist in the identification and management of risks, the procedure-led verification of all compliance as well as an enhanced control consciousness.

Internal Audit

JSW Steel has an internal audit function that inculcates global best standards and practices of international majors into the Indian operations. The Company has a strong internal audit department comprising more than 25 executives reporting to

the Audit Committee that includes Independent / Nominee Directors who are experts in their field. The Company successfully integrated the COSO framework with its audit process to enhance the quality of its financial reporting, compatible with business ethics, effective controls and governance.

The Company extensively practices delegation of authority across its team, which creates effective checks and balances within the system to arrest all possible gaps within the system. The internal audit team has access to all information in the organisation – this is largely facilitated by ERP implementation across the organisation.

Audit Plan and Execution

The Internal Audit department has prepared a risk-based Audit Plan. The frequency of audit is decided by the risk ratings of areas / functions. The audit plan is carried out by the internal team. The audit plan is reviewed periodically to include areas which have assumed significant importance in line with the emerging industry trend and the aggressive growth of the Company. In addition, the Audit Committee also places reliance on internal customer feedback and other external events for inclusion of areas into the audit plan.

Forward looking and Cautionary Statements:

Certain statements in this release concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition within Steel Industry including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our internal operations, reduced demand for steel, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which – has made strategic investments, withdrawal of fiscal governmental incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Company”

REPORT ON CORPORATE GOVERNANCE

FOR THE YEAR 2013-14

(Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

1. COMPANY'S GOVERNANCE PHILOSOPHY:

Corporate Governance at JSW Steel Limited has been a continuous journey and the business goals of the Company are aimed at the overall well-being and welfare of all the constituents of the system. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of experts of eminence and integrity, forming a core group of top level executives, inducting competent professionals across the organization and putting in place best systems, process and technology. The Company combines leading edge technology and innovation with superior application and customer service skills.

At the heart of Company's Corporate Governance policy is the ideology of transparency and openness in the effective working of the management and Board. It is believed that the imperative for good Corporate Governance lies not merely in drafting a code of Corporate Governance but in practicing it.

Your Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing Agreement, the details of which are given below:

2. BOARD OF DIRECTORS:

2.1 Appointment and Tenure:

The Directors of the Company (except Nominee Directors) are appointed by the shareholders at General Meetings. All Directors except Nominee Directors are subject to retirement by rotation and at every Annual General Meeting, 1/3rd of such Directors as are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of Sections 256 and 257 of the Companies Act, 1956 and that of the Articles of Association of the Company.

The Executive Directors on the Board serve in accordance with the terms of their contracts of service with the Company.

2.2 Board Membership Criteria:

Matching the needs of the Company and enhancing the competencies of the Board are the basis for the

Nomination Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination Committee assesses the appointee against a range of criteria including age, experience, relationships, diversity of gender, background, professional skills and personal qualities required to operate successfully in the position.

2.3 Composition, Meetings and attendance record of each Director:

The Company has a balanced mix of executive and Non-executive Independent Directors. As at 31.03.2014, the Board of Directors comprises of 13 Directors, of which 9 are Non-executive. The Chairman is executive and a Promoter of the Company. The number of Independent Directors is 7 which is in compliance with the stipulated one half of the total number of Directors. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company.

No Director is related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 1956. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees (as specified in Clause 49 of the Listing Agreement) across all the Companies in which he/she is a Director. The necessary disclosures regarding committee positions have been made by the Directors.

The information as required under Annexure 1A to Clause 49 of the Listing Agreement is being made available to the Board.

The details of composition of the Board as at 31.03.2014, the attendance record of the Directors at the Board Meetings held during the financial year 2013-14 and at the last Annual General Meeting (AGM), as also the number of Directorships, Committee Chairmanships and Memberships held by them in other Companies are given here below:

Category	Name of Director	Position	Date of Joining the Board	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships in other Indian Public Limited Cos.	No. of Chairmanship(s)/ Membership(s) of Committees in other Indian Public Limited Cos **	
								Chairmanship(s)	Membership(s)
Executive Directors	Mr. Sajjan Jindal	Chairman & Managing Director	15.03.1994	6	6	Yes	6	Nil	Nil
	Mr. Seshagiri Rao M.V.S.	Jt. Managing Director & Group CFO	06.04.1999	6	6	Yes	1	Nil	Nil
	Dr. Vinod Nowal	Dy. Managing Director	30.04.2007	6	5	Yes	1	Nil	Nil
	Mr. Jayant Acharya	Director (Commercial & Marketing)	07.05.2009	6	5	Yes	4	Nil	2
Non-Executive Independent Directors	Mr. Uday M. Chitale	Director	20.10.2005	6	6	Yes	6	2	4
	Mr. Anthony Paul Pedder	Director	18.04.2005	6	4	Yes	Nil	Nil	Nil
	Dr. S. K. Gupta	Director	25.04.1994	6	5	Yes	4	1	4
	Dr. Vijay Kelkar	Director	20.01.2010	6	5	Yes	7	1	3
	Mr. Sudipto Sarkar	Director	09.05.2005	6	6	Yes	4	Nil	5
	Mr. K. Vijayaraghavan	Director	16.06.2008	6	5	Yes	Nil	Nil	Nil
Non-Executive Non-Independent Directors	Mrs. Punita Kumar Sinha	Director	28.10.2012	6	5	Yes	2	Nil	Nil
	Mr. Hiromu Oka	Nominee of JFE Steel Corporation, Japan (Equity Investor & Foreign Collaborator)	23.05.2013	6	5	Yes	Nil	Nil	Nil
	Mr. P. B. Ramamurthy IAS	Nominee of KSIIDC (Equity Investor)	05.12.2012	6	5	Yes	6	2	Nil
Part of the Year									
Non-Executive Non-Independent Directors	Mr. Yasushi Kurokawa (ceased to be a Director w.e.f 23.05.2013)	Nominee of JFE Steel Corporation, Japan (Equity Investor & Foreign Collaborator)	16.05.2011	0*	0	No #	--	--	--
Nominee Director	Mrs. Zarin Daruwala (ceased to be a Director w.e.f 23.10.2013)	Nominee of ICICI Bank Limited (Lender)	13.12.2005	3*	0	No	--	--	--

Notes:

- During the Financial Year 2013-14, six Board Meetings were held and the gap between two meetings did not exceed four months. Board Meetings were held on 23.05.2013, 20.06.2013, 31.07.2013, 27.10.2013, 29.10.2013 and 28.01.2014.
- * No. of Board Meetings indicated is with reference to date of cessation of the Director.
- ** Only two Committees, namely, Audit Committee and Shareholders'/Investors' Grievance Committee have been considered.
- # Not a Director at the time of last AGM.

2.4 Board Meetings, Board Committee Meetings and Procedures:

A. Institutionalised decision making process

The Board of Directors oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the stakeholders are being served. The Chairman and Managing Director is assisted by the Executive Directors/Senior Managerial Personnel in overseeing the functional matters of the Company.

The Board has constituted Thirteen Standing Committees, namely, Audit Committee, Project Review Committee, Shareholders/Investors Grievance Committee, Remuneration Committee, Finance Committee, Nomination Committee, Risk Management Committee, Business Responsibility/Sustainability Reporting Committee, Forex Hedging Policy Review Committee, ESOP Committee, Share Allotment Committee, Share/Debt Transfer Committee and JSWSL Code of Conduct Implementation Committee. The Board constitutes additional functional committees, from time to time, depending on the business needs.

B. Scheduling and selection of Agenda Items for Board Meetings

- i. A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.
- ii. The meetings are usually held at the Company's Office at Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai 400 026.
- iii. All divisions/departments of the Company are advised to schedule their work plans well in advance, with regard to matters requiring discussion/approval/decision at the Board/Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same can be included in the Agenda for the Board/Committee Meetings.
- iv. In addition to items which are mandated to be placed before the Board for its noting and/or approval, information is provided on various significant issues.
- v. The Board is given presentations covering Global Steel Scenario, Economy, Company's Financials, Sales, Production, Business Strategy, Subsidiary performance and Risk Management practices before taking on record the Quarterly/Half Yearly/Nine Monthly/ Annual financial results of the Company.

C. Distribution of Board Agenda Material

Agenda and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are considered.

D. Recording Minutes of proceedings at Board and Committee Meetings

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board/Committee for their comments. The final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting and are signed by the Chairman of the meeting/Chairman of the next meeting.

E. Post-Meeting Follow-up Mechanism

The Company has an effective post meeting follow-up, review and reporting process mechanism for the decisions taken by the Board/Committees. The important decisions taken at the Board/Committee meetings are communicated to the concerned functional Heads promptly. Action Taken Report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee members.

F. Compliance

While preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 1956 and the Companies Act, 2013, read with the Rules made thereunder.

2.5 Strategy Meet:

A strategy meet of the Board of Directors is generally held once in every financial year to formulate, evaluate and approve the business strategy of the Company. The Functional Heads give a brief presentation to the Board covering their respective areas of responsibility. The meeting focuses on strategic goals, financial management policies, management assurances and control aspects and the growth plan of the Company.

2.6 Meetings of Independent Directors:

The Independent Directors of the Company meet at such intervals as they deem appropriate without the presence of Executive Directors or management personnel. These meetings are conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to the affairs of the Company and put forth their views to the Chairman and Managing Director.

2.7 Training of Board Members:

The Company believes that the Board be continuously empowered with the knowledge of the latest developments in the Company's business and the external environment affecting the industry as a whole. To this end, the Directors were given presentations on the global business environment, as well as all business areas of the Company including business strategy, risks opportunities. Monthly updates on performance/developments giving highlights of performance of the Company during each month including the developments/events having impact on the business of the Company are also sent to all the Directors.

2.8 Mechanism for evaluating non-executive Board Members:

Informal performance evaluation of non-executive directors is done by a peer group comprising the entire Board of Directors, excluding the non-executive director being evaluated and this evaluation is the mechanism to determine whether to extend / continue the terms of appointment of the non-executive directors.

3. AUDIT COMMITTEE:

The Audit Committee comprises of four Non-Executive Directors, all of whom are Independent Directors. Mr. Uday M. Chitale is the Chairman of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and of Clause 49 of the Listing Agreement.

The broad terms of reference of Audit Committee are:

- To review the financial statements before submission to the Board;
- To review reports of the Management Auditors and Internal Auditors;
- To review the weaknesses in internal controls reported by Internal and Statutory Auditors;
- To review the appointment, removal and terms of remuneration of the Chief Internal Auditor;
- To approve the appointment of the Chief Financial Officer (CFO);

- In addition, the powers and role of the Audit Committee are as laid down under Clause 49 II C and D of the Listing Agreement and Section 292A of the Companies Act, 1956.

8 meetings of the Audit Committee were held during the financial year 2013-14, as against the minimum requirement of four meetings. The Committee meetings were held on 22.05.2013, 20.06.2013, 30.07.2013, 26.09.2013, 28.10.2013, 10.12.2013, 27.01.2014 and 13.03.2014.

The composition of the Committee as at 31.03.2014 and the attendance of each member at the Committee Meetings are as given below:

Sl. No.	Name of the Members	Category	No. of Meetings Attended
1	Mr. Uday M. Chitale Chairman	Non-Executive Independent Director	8/8
2	Dr. S.K.Gupta Member	Non-Executive Independent Director	8/6
3	Mr. Sudipto Sarkar Member	Non-Executive Independent Director	8/7
4.	Mr. K. Vijayaraghavan Member	Non-Executive Independent Director	8/7

The Jt. Managing Director & Group CFO, Dy. Managing Director, Director (Commercial & Marketing), Chief Financial Officer, Accounts Heads of each Unit, Sr. Vice President (Internal Audit), the Company Secretary and the representatives of the Statutory Auditors attend the Audit Committee meetings. The representatives of Management Auditors attend the Audit Committee Meeting whenever matters relating to management audit are considered. The Company Secretary is the Secretary of the Audit Committee.

Mr. Uday M. Chitale, Chairman of the Audit Committee was present at the last Annual General Meeting held on 30.07.2013.

4. REMUNERATION COMMITTEE:

The Remuneration Committee, which is a non-mandatory requirement of Clause 49 of the Listing Agreement, was constituted on 27.03.2002.

The terms of reference of the Committee are as follows:

- To determine on behalf of the Board and on behalf of the Shareholders, the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment.

- ii. To approve the payment of remuneration to Managerial Personnel as per the Policy laid down by the Committee.

The Remuneration Committee met twice during the financial year 2013-14 on May 22, 2013 and on October 28, 2013.

The composition of the Remuneration Committee as at March 31, 2014 and attendance of each member at the committee meetings are as given below:

Sl. No.	Name of the Members	Category	No. of Meetings Attended
1	Dr. S. K. Gupta Chairman	Non-Executive, Independent Director	2/2
2	Mr. Uday M. Chitale Member	Non-Executive, Independent Director	2/2
3	Mr. Anthony Paul Pedder Member	Non-Executive, Independent Director	2/1
4	Mr. K. Vijayaraghavan Member	Non-Executive, Independent Director	2/2

The Company has complied with the non-mandatory requirement of Clause 49 regarding the Remuneration Committee.

4.1 Remuneration Policy and details of Remuneration paid to Directors:

The Remuneration Committee recommends the remuneration package for the Executive Directors (EDs)

of the Board. In framing the remuneration policy, the Committee takes into consideration the remuneration practices of companies of similar size and stature, the Industry Standards and competitive circumstances of each business so as to attract and retain quality talent and leverage performance significantly.

The EDs compensation is based on the appraisal system wherein their individual goals are linked to the organizational goals. EDs are paid compensation as per the agreements entered into between them and the Company, subject to the approval of the Board and of the members in General Meeting and such other approvals, as may be necessary.

The present remuneration structure of EDs comprises of salary, perquisites, allowances, performance linked incentive, ESOPs and contributions to PF and Gratuity.

The Non-Executive Directors are paid remuneration by way of commission and sitting fees. The commission payable to the Non-Executive Directors is based on the number of meetings of the Board attended by them, their Chairmanship / Membership of Audit Committee during the year subject to an overall ceiling of 1% of the net profits approved by the Members. The Company pays sitting fees at the rate of ₹ 20,000/- for each meeting of the Board and sub-committees attended by them.

The details of remuneration paid / payable to the Non-Executive Directors for the period April 1, 2013 to March 31, 2014 are as follows:

Sr. No.	Name	Sitting fees @ ₹ 20,000/- per meeting (₹ In Lakhs)	Commission Payable (FY 2013-14) (₹ in lakhs)	Total (₹ in Lakhs)
1	Dr. S. K. Gupta	4.80	21.50	26.30
2	Mr. Uday M. Chitale	5.60	22.00	27.60
3	Dr. Vijay Kelkar	1.20	21.00	22.20
4	Mr. Anthony Paul Pedder	1.60	21.00	22.60
5	Mr. Sudipto Sarkar	2.60	21.50	24.10
6	Mr. K. Vijayaraghavan	5.20	21.50	26.70
7	Mrs. Punita Kumar Sinha	1.80	21.00	22.80
8	Mrs. Zarin Daruwalla (Nominee ICICI Bank Limited) *	0.20#	8.42#	8.62
9	Mr. P. B. Ramamurthy IAS (Nominee KSIIDC)	1.00	21.00#	22.00
10	Mr. Yasushi Kurokawa (Nominee JFE Steel Corporation)* Mr. Hiromu Oka (Nominee JFE Steel Corporation)	- 1.60#	- 21.00#	- 22.60

* Ceased to be director

Payable to the respective Institutions they represent.

The details of Remuneration paid /payable to the Whole-time Directors for the financial year 2013-14 are as given below:

Name of Director and Designation	Salary including Provident Fund (₹ in Crores)	Perks (₹ in Crores)	Profit linked Commission (₹ in Crores)	Total (₹ in Crores)	Period of Contract	Notice Period
Mr. Sajjan Jindal Chairman & Managing Director	7.45	0.85	9.77	18.07	From 07.07.2012 To 06.07.2017	NA
Mr. Seshagiri Rao M.V.S Jt. Managing Director & Group CFO	3.50	0.15	Nil	3.65	From 06.04.2009 to 05.04.2014	3 months from either side or salary in lieu thereof.
Dr. Vinod Nowal Dy. Managing Director	2.61	0.12	Nil	2.73	From 30.04.2012 to 29.04.2017	3 months from either side or salary in lieu thereof.
Mr. Jayant Acharya Director (Commercial & Marketing)	2.25	0.11	Nil	2.36	From 07.05.2009 to 06.05.2014	3 months from either side or salary in lieu thereof.
TOTAL	15.81	1.23	9.77	26.81		

Note: The above figures exclude provision for leave encashment and contribution to the approved Group Gratuity Fund, which are actuarially determined for the Company as a whole.

Shareholding of the Non-Executive Directors in the Company as on March 31, 2014:

None of the Non-Executive Directors other than those named below hold any shares in the Company:

Sl. No.	Director	No. of equity shares of ₹ 10/- each held
1	Dr. S. K. Gupta	4500

5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

The Shareholders/Investors Grievance Committee comprises of 4 Non-executive Directors all of whom are Independent Directors.

The terms of reference of the Committee are as follows:

- To review the reports submitted by the Registrars and Share Transfer Agents of the Company at half-yearly intervals.
- To periodically interact with the Registrars and Share Transfer Agents to ascertain and look into the quality of the Company's Shareholders/Investors grievance redressal system and to review the report on the functioning of the investor grievances redressal system.
- To follow-up on the implementation of suggestions for improvement, if any.
- To periodically report to the Board about serious concerns, if any.

The Shareholders /Investors Grievance Committee met twice during the financial year 2013-14 on 26.09.2013 and on 13.03.2014. The composition of the Committee and the details of the meetings attended by the Members are as given below:

Sl. No.	Name of the Director	Category	No. of Meetings attended
1.	Mr. K. Vijayaraghavan Chairman	Non-Executive Independent Director	2/2
2.	Dr. S. K. Gupta Member	Non-Executive Independent Director	2/1
3.	Mr. Uday M. Chitale Member	Non-Executive Independent Director	2/2
4.	Mrs. Punita Kumar Sinha Member *	Non-Executive Independent Director	2/1

* inducted to the Committee as on 28.01.2014

Mr. Lancy Varghese, the Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreement with the Stock Exchanges in India. His address and contact details are as given below:

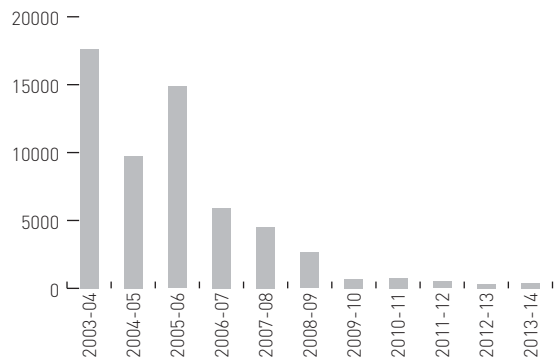
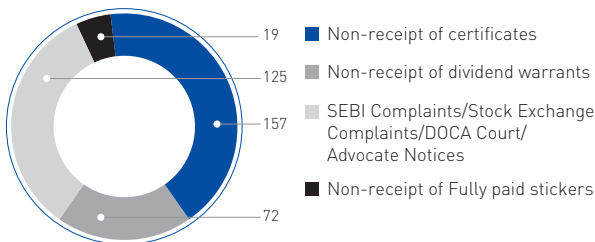
Address : JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
Phone : 022-42861000
Fax : 022-42863000
Email : jswsl.investor@jsw.in

Investor Grievance Redressal

Number of complaints received and resolved to the satisfaction of Shareholders / Investors during the year under review and their break-up is as under:

No. of Shareholders' Complaints received during the year ended 31.03.2014	:	373
Number of compliants not solved to the satisfaction of Shareholders	:	0
No. of pending Complaints as on 31.03.2014	:	0
No. of pending share Transfers as on 31.03.2014	:	7*

* There were no share transfers pending for registration for more than 15 days as on the said date.



Note: Complaints pertaining to the years subsequent to 2006-07 include investor complaints received from shareholders of Southern Iron & Steel Co. Limited and JSW Ispat Steel Limited upon its merger with the Company in the financial years 2007-2008 and 2013-14 respectively.

6. OTHER MAJOR COMMITTEES OF DIRECTORS:

In addition to the above referred Committees which are constituted pursuant to the Corporate Governance Code, the Board has constituted the following major Committees of Board and delegated thereto powers and responsibilities with respect to specific purposes. Time schedule for holding the meetings of such Functional Committees are finalized in consultation with the Committee Members:

1. PROJECT REVIEW COMMITTEE		
Terms of reference of the Committee	Composition	Frequency of Meetings
1. To closely monitor the progress of Large Projects, in addition to ensuring a proper and effective co-ordination amongst the various project modules essentially with the objective of timely project completion within the budgeted project outlay.	1. Mr. Anthony Paul Pedder (Chairman), Non-Executive Independent Director	Four meetings were held on 22.05.2013, 30.07.2013, 28.10.2013 and 27.01.2014.
2. To review new strategic initiatives.	2. Dr. Vinod Nowal, Member Executive Director	
	3. Dr. S.K. Gupta, Member Non-Executive Independent Director	
	4. Mr. K.Vijayaraghavan, Member Non-Executive Independent Director	
	5. Mr. Hiromu Oka, Member Nominee Director (JFE Steel Corporation)	
2. RISK MANAGEMENT COMMITTEE		
Terms of reference of the Committee	Composition	Frequency of Meetings
1. To periodically review risk assessment and minimisation procedures to ensure that, Executive Management controls risk through means of a properly defined framework.	1. Dr. S. K. Gupta (Chairman) Non-Executive Independent Director	Four meetings were held on 20.06.2013, 26.09.2013, 10.12.2013 and 13.03.2014.
2. To review major risks and proposed action plan.	2. Mr. Seshagiri Rao MVS, Member Executive Director	
	3. Dr. Vinod Nowal, Member Executive Director	
	4. Mr. Jayant Acharya, Member Executive Director	
	5. Mr. Uday. M. Chitale, Member Non-Executive Independent Director	
	6. Mr. K. Vijayaraghavan, Member Non-Executive Independent Director	
	7. Mrs. Punita Kumar Sinha, Member (w.e.f. 28.01.2014) Non-Executive Independent Director	

The Risk Management Committee, a sub-committee of the Board has further constituted:

- i. "Capex Risk evaluation Committee" to evaluate the risks associated with capex proposals including mergers and acquisitions.
- ii. Locational Committees namely (a) Corporate Locational Committee (b) Vijayanagar Locational Committee (c) Dolvi Locational Committee and (d) Salem Locational Committee to further review risk assessment at Locational Level.

3. NOMINATION COMMITTEE

Terms of reference of the Committee	Composition	Frequency of Meetings
To consider Nomination of persons to be inducted on the Board.	<ol style="list-style-type: none"> 1. Mr. Anthony Paul Pedder (Chairman) Non-Executive Independent Director. 2. Mr. Sajjan Jindal, Member Executive Director 3. Mr. Uday M. Chitale, Member Non-Executive Independent Director 	<p>Need based.</p> <p>One meeting was held on 22.05.2013.</p>

4. FINANCE COMMITTEE

Terms of reference of the Committee	Composition	Frequency of Meetings
<ol style="list-style-type: none"> 1. To approve availing of credit / financial facilities of any description from Banks/ financial Institutions/ Bodies Corporate within the limits approved by the Board. 2. To approve investments and dealings with any monies of the Company upon such security or without security in such manner as the committee may deem fit, and from time to time to vary or realise such investments within the frame work of the guidelines laid down by the Board. 3. To open new Branch Offices of the Company, to declare the same as such under Section 2(9) of the Companies Act, 1956 and to authorise personnel by way of Power of Attorney or otherwise, to register the aforesaid branches and to deal with various authorities such as the Central Excise, Profession Tax, Commercial Tax, State & Central Sales Tax, VAT Authorities and other Local Authorities. 4. To make loans to Individuals/Bodies Corporate and/or to place deposits with other Companies/ firms upon such security or without security in such manner as the committee may deem fit within the limits approved by the Board. 5. To open Current Account(s), Collection Account(s), Operation Account(s), or any other Account(s) with Banks and also to close such accounts, which the 'said Committee' may consider necessary and expedient. 	<ol style="list-style-type: none"> 1. Mr. Seshagiri Rao M.V.S. (Chairman), Executive Director 2. Dr. Vinod Nowal, (Member) Executive Director 3. Mr. Jayant Acharya, (Member) Executive Director 	<p>Need based.</p> <p>Meetings were held on</p> <p>09.04.2013, 15.04.2013, 29.04.2013, 20.05.2013, 05.06.2013, 21.06.2013, 19.07.2013, 12.08.2013, 21.08.2013, 05.09.2013, 03.10.2013, 18.10.2013, 30.10.2013, 19.12.2013, 03.01.2014, 29.01.2014, 10.02.2014, 13.03.2014, and 24.03.2014</p>

5. ESOP COMMITTEE

Terms of reference of the Committee	Composition	Frequency of Meetings
1. To issue any direction to the trustees of the JSWSL employees Welfare Trust to sell, transfer or otherwise dispose off any Shares held by them and to make necessary amendments to the Trust Deed, if need be.	1. Dr. S.K. Gupta (Chairman), Non-Executive Independent Director	Need based. No meeting was held during the FY 2013-14.
2. To determine the number of Options to be granted to each employee and in the aggregate, and the time at which such Grant shall be made.	2. Mr. Seshagiri Rao M.V.S. Member, Executive Director.	
3. To decide the exercise Price.	3. Dr. Vinod Nowal, Member Executive Director.	
4. To determine the vesting and/or lock-in-period of the Grant, the employees eligible for participation in the Plan, the performance parameters for Grant and / or Vesting of Options granted to an employee under the Plan, exercise Period within which the employee should exercise the Options.	4. Mr. Jayant Acharya, Member, Executive Director.	
5. To assess the performance of an employee for granting / determining the Vesting of the Options.	5. Mr. Uday Chitale, Member Non-Executive Independent Director	
6. To lay down the conditions under which Options vested in employees may lapse in case of termination of employment for fraud, misconduct or where an employee joins competition etc.	6. Mr. K. Vijayaraghavan, Member, Non-Executive Independent Director	
7. To specify time period within which the employee shall exercise the Vested Options in the event of termination or resignation of an employee.	7. Mr. Anthony Paul Pedder, Member, Non-Executive Independent Director	
8. To lay down the procedure for cashless exercise of Options, if any.		

6. BUSINESS RESPONSIBILITY/SUSTAINABILITY REPORTING COMMITTEE

Terms of reference of the Committee	Composition	Frequency of Meetings
1. Responsible for the adoption of 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs) in business practices of JSW Steel.	1. Dr. S.K. Gupta (Chairman) Din No. 00011138 Non Executive Independent Director Tel. No. 08025599074 saibalkgupta@gmail.com	Need based. Two meetings were held on 26.09.2013 and 10.12.2013.
2. Responsible for the policies created for or linked to the 9 key principles of the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business'.	2. Mr. Seshagiri Rao MVS Din No. 00029136 Executive Director Tel. No. 42861000 seshagiri.rao@jsw.in	
3. Review the progress of initiatives under the purview of business responsibility (sustainability) policies mentioned above.	3. Dr. Vinod Nowal Din No. 00046144 Executive Director Tel. No. 0835-243310/244699 vinod.nowal@jsw.in	
4. Review business responsibility reporting disclosures on a pre-decided frequency (monthly, quarterly, bi-annually).	4. Mr. Jayant Acharya Din No. 00106543 Executive Director Tel. No. 42861000 jayant.acharya@jsw.in	
5. Review the progress of business responsibility initiatives at JSW Steel.	5. Mr. Uday Chitale Din No. 00043268 Non-Executive Independent Director Tel. No. 22651186 uday@mpchitale.com	
6. Review the annual business responsibility report and present it to the Board for approval.	6. Mr. K. Vijayaraghavan Din No. 00544730 Non-Executive Independent Director Tel. No. 040-30160232 vijay@sathguru.com	
	7. Mrs. Punita Kumar Sinha (w.e.f. 28.01.2014) Din No.5229262 Non-Executive Independent Director Tel. No. 091-9833363533 Punitakumarsinha@gmail.com	

7. FOREX HEDGING POLICY REVIEW COMMITTEE

Terms of reference of the Committee	Composition	Frequency of Meetings
To take protective measures to hedge forex losses	<ol style="list-style-type: none"> Dr. S.K. Gupta (Chairman) Non-Executive Independent Director Mr. Seshagiri Rao M.V.S. (Member) Executive Director Mr. Uday Chitale (Member) Non-Executive Independent Director Dr. Vijay Kelkar (Member) Non-Executive Independent Director Mrs. Punita Kumar Sinha (Member) Non-Executive Independent Director 	Need based. Two meetings were held on 07.08.2013 and 24.03.2014.

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of reference of the Committee	Composition	Frequency of Meetings
<ul style="list-style-type: none"> To formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy), which shall indicate a list of CSR projects or programs which a Company plans to undertake falling within the purview of the Schedule VII of the Companies Act, 2013, as may be amended. To recommend the amount of expenditure to be incurred on each of the activities to be undertaken by the Company, while ensuring that it does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013; To approve the Annual Report on CSR activities to be included in the Director's Report forming part of the Company's Annual Report and Attribute reasons for short comings in incurring expenditures. To monitor the CSR policy of the Company from time to time; and To institute a transparent monitoring mechanism for implementation of the CSR Projects or programs or activities undertaken by the Company. 	<ol style="list-style-type: none"> Dr. S.K. Gupta (Chairman) Non-Executive Independent Director Mr. Seshagiri Rao MVS (Member) Executive Director Dr. Vinod Nowal (Member) Executive Director Mr. Jayant Acharya (Member) Executive Director Mr. Uday Chitale (Member) Non-Executive Independent Director Mr. K. Vijayaraghavan (Member) Non-Executive Independent Director Mrs. Punita Kumar Sinha (Member) Non-Executive Independent Director 	No meeting was held during the year 2013-14 as the Committee was constituted only on 29.03.2014.

7. GENERAL BODY MEETINGS:**a) Annual General Meetings:**

The details of date, time and venue of the Annual General Meetings (AGMs) of the Company held during the preceding three years and the Special Resolutions passed there at are as under:

AGM	Date	Time	Venue	Special Resolutions Passed
17th AGM	25.07.2011	11.00 am	Birla Matushri Sabhagar, 19 Marine Lines, Mumbai 400 020	---
18th AGM	25.07.2012	11.00 am	-do-	---
19th AGM	30.07.2013	11.00 am	Y.B. Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021	<ol style="list-style-type: none"> To Hold office or place of profit under the Company by Mr. Parth Jindal, son of Mr. Sajjan Jindal, Chairman & Managing Director of the Company. To approve JSWSL Employees Stock Ownership Plan 2012 and grant stock option to permanent employees of the Company. To approve JSWSL Employees Stock Ownership Plan 2012 and grant stock option to permanent employees of the Indian Subsidiaries/ Associate entities.

b) Extra Ordinary General Meetings:

The details of date, time and venue of the Extra Ordinary General Meetings (EGMs) of the Company held during the preceding three years and the Special Resolutions passed thereat are as under:

EGM – Date & Time	Venue	Special Resolutions Passed
Court Convened Meeting of the Equity Shareholders & Preference Shareholders		
30.01.2013 – 10.30 a.m. and 12.30 p.m. respectively.	Y.B. Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021	Pursuant to the order dated 20th December 2012 of the Hon'ble High Court of Judicature at Mumbai for approving the composite Scheme of Amalgamation and Arrangement amongst JSW Ispat Steel Limited and JSW Building Systems Limited and JSW Steel Coated Products Limited and JSW Steel Limited.

c) Special Resolutions passed through Postal Ballot during 2013-14:

No special resolution was passed through Postal Ballot during 2013-14. None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

8. DISCLOSURES:

- i. There were no materially significant related party transactions i.e. transactions of the Company of material nature with its Promoters, Directors or the Management, their relatives or Subsidiaries etc. which could conflict with the interests of the Company.
- ii. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- iii. The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures, which are periodically reviewed.

9. WHISTLE BLOWER POLICY:

The Whistle Blower Policy (WBP) adopted by the Company in line with Clause 7 of Annexure 1D to Clause 49 of the Listing Agreement, which is a non-mandatory requirement, encourages all employees, officers and directors to report any suspected violations promptly and intends to investigate any good faith reports of violations. The Whistle Blower Policy specifies the procedure and reporting authority for reporting unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements.

WBP also provides safeguards against victimization or unfair treatment of the employees who avail of the mechanism and no personnel has been denied access to the Audit Committee.

10. SUBSIDIARY MONITORING FRAMEWORK:

All the Subsidiary Companies of the Company are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. As a majority shareholder, the Company nominates its representatives on the Boards of subsidiary companies and monitors the performance of such companies, inter alia, by the following means:

- a) A copy of the Minutes of the Meetings of the Board of Directors of the Company's subsidiaries along with Exception Reports and quarterly Compliance Certificates issued by CEO/CFO/CS are tabled before the Company's Board, quarterly.
- b) A summary of the Minutes of the Meetings of the Board of Directors of the Company's subsidiaries are circulated to the Company's Board, quarterly.
- c) A statement containing all significant transactions and arrangements entered into by the subsidiary companies is placed before the Company's Board.

11. MEANS OF COMMUNICATION:

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end:

- a) **Quarterly/Half Yearly/ Nine Monthly/ Annual Results:** The Quarterly, Half Yearly, Nine Monthly and Annual Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.

- b) **Publication of Quarterly/ Half Yearly/ Nine Monthly/ Annual Results:** The Quarterly, Half Yearly, Nine Monthly and Annual Results of the Company are published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered, at least in one English newspaper circulating in the whole or substantially the whole of India and in one Vernacular newspaper of the State of Maharashtra where the Registered Office of the Company is situated.

The quarterly financial results during the financial year 2013-14 were published in The Financial Express and Navshakti Newspapers as detailed below:

Quarter (F.Y. 2013-14)	Date of Board Meeting	Date of publication
1	31.07.2013	01.08.2013
2	29.10.2013	30.10.2013
3	28.01.2014	29.01.2014

- c) **Monthly production figures and other press releases:** To provide information to Investors, monthly production figures and other press releases are sent to the Stock Exchanges as well as displayed on the Company's website before it is released to the media.
- d) **Website:** The Company's website www.jsw.in contains a separate dedicated section "Investor Relations" where information for shareholders is available. The Quarterly/ Annual Financial Results, annual reports, analysts presentations, investor forms, stock exchange information, shareholding pattern, corporate benefits, investors' contact details, etc., are posted on the website in addition to the information stipulated under Clause 54 of the Listing Agreement. The latest official press releases are also available on the website.
- e) **Presentations to Analysts:** Four presentations were made to analysts/investors during the F.Y. 2013-14 on 23.05.2013, 31.07.2013, 29.10.2013 and 28.01.2014. The same are available on the Company's website. The Presentations broadly covered operational and financial performance of the Company and industry outlook.
- f) **Corporate Filing and Dissemination System (CFDS) Filing:** As per the requirements of Clause 52 of the Listing Agreement, all the data relating to financial results, shareholding pattern etc. have been electronically filed on the Corporate Filing and Dissemination System (CFDS) portal, www.corpfiling.co.in.
- g) **NSE Electronic Application Processing System (NEAPS):** NEAPS is a web based application designed by NSE for corporates. The Financial Results, Shareholding pattern and Corporate Governance Report are also filed electronically on NEAPS.
- h) **Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Business Responsibility/Sustainability Report, Auditor's Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.
- i) **Chairman's Communiqué:** Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings. The same is also placed on the website of the Company.
- j) **Reminder to Investors:** Reminders for unpaid dividend/unpaid interest on debentures are sent to the Shareholders/Debenture holders as per records at appropriate intervals.

12. GENERAL SHAREHOLDERS INFORMATION:

12.01 Annual General Meeting:

Date and Time	: 31st July 2014 at 11.00 a.m.
Venue	: Y B Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021, Maharashtra.
Dates of Book Closure	: 9th July 2014 to 11th July 2014 (both days inclusive)
Dividend Payment Date	: 4th August 2014

12.02 Financial Calendar 2014-15:

First quarterly results	: July, 2014
Second quarterly results	: October, 2014
Third quarterly results	: January, 2015
Annual results for the year Ending on 31.03.2015	: May, 2015
Annual General Meeting For the Year 2015	: July, 2015

12.03 E-voting:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, members have been provided the facility to exercise their to vote at General Meetings by electronic means, through e-Voting Services provided by Karvy Computershare Private Limited.

12.04 Corporate Identity Number (CIN):

The CIN of the Company allotted by the Ministry of Corporate Affairs, Government of India is L27102MH1994PLC152925.

12.05 Listing on Stock Exchanges:

The Company's Equity Shares, 10% Cumulative Redeemable Preference Shares & 0.01% Cumulative Redeemable Preference Shares are listed on the following Stock Exchanges in India:

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

National Stock Exchange of India Limited (NSE)

Exchange Plaza, Bandra-Kurla Complex,
Bandra East, Mumbai - 400 051

The following Secured Redeemable Non-Convertible Debentures of the Company are listed on the BSE:

Sl. No.	Description	Face Value
01.	11.93 % Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
02.	11.93% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
03.	10.10% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
04.	10.10% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
05.	10.25% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
06.	10.60% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
07.	10.60% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
08	11% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
09	10.34% Secured Redeemable Non-convertible Debentures.	₹ 10 Lakhs each
10	10.02% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
11	10.02% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
12	10.55% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each

The Company has paid Annual Listing Fees as applicable, to the BSE and the NSE for the financial years 2013-14 and 2014-15.

Stock Code:

BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)			
Equity	Preference	Debentures	Equity	Preference	Debentures
500228	700085 (10% Cumulative Redeemable Preference Shares)	934657 949242 949396 949891	JSWSTEEL	JSWSTEEL P1 (10% Cumulative Redeemable Preference Shares)	(N.A)
	717502 (0.01% Cumulative Redeemable Preference Shares)	946501 946540 946594 947905 948841 945893 946364 945781		JSWSTEEL P2 (0.01% Cumulative Redeemable Preference Shares)	

ISIN No. for Dematerialisation of listed Shares and Debentures:

Equity	: INE019A01020
Preference	: INE019A04016 (10% cumulative redeemable preference shares) INE019A04024 (0.01% cumulative redeemable preference shares)
Debentures	: INE548G07014 – 11.93% NCDs of ₹ 10 Lakhs each INE019A07258 – 10.02% NCDs of ₹ 10 Lakhs each INE019A07266 – 10.02% NCDs of ₹ 10 Lakhs each INE019A07274 – 10.55% NCDs of ₹ 10 Lakhs each INE019A07183 – 10.60% NCDs of ₹ 10 Lakhs each INE019A07175 – 10.10% NCDs of ₹ 10 Lakhs each INE019A07191 – 10.10% NCDs of ₹ 10 Lakhs each INE019A07233 – 11% NCDs of ₹ 10 Lakhs each INE019A07241 – 10.34% NCDs of ₹ 10 Lakhs each INE019A07126 – 10.25% NCDs of ₹ 10 Lakhs each INE019A07167 – 10.60% NCDs of ₹ 10 Lakhs each INE710B07011 – 11.93% NCDs of ₹ 10 Lakhs each

Debenture Trustees:

IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17th R. Kamani Marg,
Ballard Estate, Mumbai - 400001

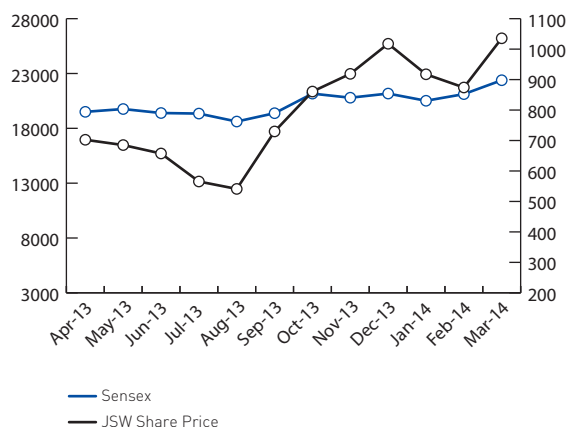
AXIS Bank Limited
Regd. Office: Sakar 1, Ground Floor,
Off Ashram Road, Ahmedabad - 380 009
Central Office: 13th floor, Maker Tower 'F',
Cuffe Parade, Colaba, Mumbai - 400 005

12.06 Market Price Data:

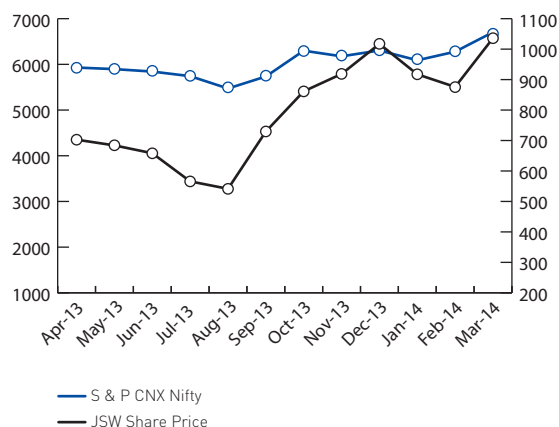
The monthly high / low market price of the shares and the quantities traded during the year 2013-14 on BSE Limited and National Stock Exchange of India Limited are as under:

Month	BSE Ltd.			National Stock Exchange of India Ltd.		
	Month's High Price (In ₹ Per share)	Month's Low Price (In ₹ Per share)	No. of shares traded	Month's High Price (In ₹ Per share)	Month's Low Price (In ₹ Per share)	No. of shares traded
April 2013	749.60	642.75	4879811	749.50	643.15	24885497
May 2013	729.80	665.00	3788174	729.80	665.10	20205249
June 2013	743.60	633.7	3372473	744.40	632.75	19178676
July 2013	667.00	515.20	4306548	667.50	515.00	24516301
August 2013	578.50	451.50	5935028	579.00	462.00	29508905
September 2013	760.45	521.05	4765429	762.00	517.25	26318834
October 2013	875.00	716.90	3772376	875.90	716.40	22165275
November 2013	932.75	825.50	2359532	933.45	825.40	14878657
December 2013	1027.00	901.50	1876975	1028.85	901.25	13098702
January 2014	1046.75	880.80	1649442	1046.20	880.70	15565373
February 2014	917.00	805.00	1999504	914.90	804.00	13333805
March 2014	1046.50	864.00	2291899	1047.45	862.10	15618277

12.07 Performance of Share Price in comparison to BSE Sensex:



12.08 Performance of Share Price in comparison to S&P CNX Nifty:



12.09 Percentage change in comparison to Broad Based indices –Sensex and Nifty as on March 31, 2014:

Financial Year	JSW Share Price- %	Sensex - %	JSW Share Price -%	Nifty -%
2013-14	154.39	118	154.09	117.97
2012-13	85.03	108.23	85.24	104.00
2011-12	86.09	89.50	86.01	93.66
2010-11	78	111	77	111
2009-10	533	181	530	174
2008-09	-71.17	-38.44	-71.57	-36.13
2007-08	65.99	18.21	66.18	23.88
2006-07	63.01	13.22	62.78	12.31
2005-06	-16.04	42.33	-16.45	67.14

12.10 Registrar & Share Transfer Agents:

Karvy Computershare Private Limited
Plot No.17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad - 500 081
Ph: 040 - 23420815-824 (10 lines)
Fax: 040 - 23420814
E-mail: einward.ris@karvy.com
Website: www.karvy.com

12.11 Share Transfer/Transmission System:

Requests for Transfer/Transmission of Shares held in physical form can be lodged with Karvy Computershare Private Limited at the above mentioned address. The requests are normally processed within 15 days of receipt of the documents, if documents are found in order. Shares under objection are returned within two weeks.

12.12 Distribution of Shareholding:

The distribution of shareholding by size as on March 31, 2014 is given below:

Sl. No.	No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of shareholding
1.	1 - 500	878935	99.60	13144200	5.44
2.	501 - 1000	1808	0.20	1281855	0.53
3.	1001 - 2000	743	0.08	1028878	0.43
4.	2001 - 3000	229	0.03	558980	0.23
5.	3001 - 4000	82	0.01	287109	0.12
6.	4001 - 5000	86	0.01	388582	0.16
7.	5001 - 10000	170	0.02	1245977	0.52
8.	10001 - 20000	112	0.01	1602731	0.66
9.	20001 and above	326	0.04	222183732	91.92
TOTAL		882491	100.00	241722044	100.00

SEBI has vide its circular dated 7th January 2010 made it mandatory to furnish a copy of PAN Card in the following cases for transmission of shares in physical form:

- Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.
- Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder.
- Transposition of shares in case of change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

The Board has delegated the authority for approving transfers, transmissions etc. of the Company's securities to the Share/Debenture Transfer Committee. The decisions of Share/Debenture Transfer Committee are placed at the next Board Meeting. The Company obtains from a Company Secretary in Practice, a half yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

12.13 Shareholding Pattern:

Category	As on March 31, 2014			As on March 31, 2013		
	No. of Holders	No. of Shares	% of holding	No. of Holders	No. of Shares	% of holding
Promoters	58	92939369	38.45	76	84893075	38.05
NRI	10833	3247848	1.34	8658	2867257	1.29
FII	321	46291278	19.15	286	43842602	19.65
OCB	6	38742	0.02	5	37650	0.02
FBC	14	44547456	18.43	4	44287203	19.85
IFI	15	3377844	1.40	6	5898106	2.64
IMF	71	2803115	1.16	60	2784293	1.25
Banks	45	2577202	1.07	24	1280675	0.57
Employees	1589	74771	0.03	1606	82844	0.04
Bodies Corporate	3498	16503251	6.83	2332	12894391	5.78
Public	857810	24120283	9.98	460665	18838705	8.44
Trust	13	3670037	1.52	11	4998331	2.24
HUF	8217	1530654	0.63	2598	411607	0.18
GDR	0	0	0.00	0	0	0.00
Transit A/C	1	194	0.00	1	461	0.00
Total	882491	241722044	100.00	476332	223117200	100.00

12.14 Top 10 Shareholders as on March 31, 2014:

Sl. No.	Name	Shares	%
1.	JFE STEEL INTERNATIONAL EUROPE B.V.	36258307	15.00
2.	JSW HOLDINGS LIMITED	17284923	7.15
3.	JSW INVESTMENTS PRIVATE LIMITED	12599601	5.21
4.	VIVIDH CONSULTANCY AND ADVISORY SERVICES PVT LTD	7580164	3.14
5.	JSW POWER TRADING COMPANY LIMITED	7003835	2.90
6.	JSW ENERGY INVESTMENTS PRIVATE LIMITED	6184200	2.56
7.	DANTA ENTERPRISES PRIVATE LIMITED	5284132	2.19
8.	VIRTUOUS TRADECORP PRIVATE LIMITED	5124067	2.12
9.	DUFERCO COKE INVESTMENTS LIMITED	5035241	2.08
10.	NALWA SONS INVESTMENTS LTD	4548637	1.88

12.15 Geographical Distribution of Shareholders as on March 31, 2014:

Sr. No.	City	Physical Holders			Electronic Holders			Total Shareholders		
		No. of shareholders	Shares	% of total number of shares	No. of shareholders	Shares	% of total number of shares	No. of shareholders	Shares	% of total number of shares
1.	AGRA	1978	14620	0.01	2799	37295	0.02	4777	51915	0.02
2.	AHMEDABAD	11329	114274	0.05	33459	12730279	5.27	44788	12844553	5.31
3.	BANGALORE	7790	542153	0.22	16015	2174735	0.90	23805	2716888	1.12
4.	CALCUTTA	11688	123616	0.05	20142	953104	0.39	31830	1076720	0.45
5.	CHANDIGARH	2032	17926	0.01	2637	71854	0.03	4669	89780	0.04
6.	CHENNAI	6909	91363	0.04	12408	2308087	0.95	19317	2399450	0.99
7.	COIMBATORE	4680	141770	0.06	4199	600735	0.25	8879	742505	0.31
8.	GANDHI NAGAR	3945	26302	0.01	12388	111189	0.05	16333	137491	0.06
9.	GHAZIABAD	1551	13539	0.01	3069	45865	0.02	4620	59404	0.02
10.	HISSAR	2634	39814	0.02	1577	4644684	1.92	4211	4684498	1.94
11.	HOWRAH	1578	18459	0.01	3561	62399	0.03	5139	80858	0.03
12.	HYDERABAD	4744	56124	0.02	10483	259164	0.11	15227	315288	0.13
13.	INDORE	2258	19146	0.01	4916	91122	0.04	7174	110268	0.05
14.	JAIPUR	4417	36063	0.01	9703	168052	0.07	14120	204115	0.08
15.	JAMNAGAR	1969	14291	0.01	4274	49253	0.02	6243	63544	0.03
16.	KANPUR	3310	29496	0.01	5276	108834	0.05	8586	138330	0.06
17.	LUCKNOW	2352	19498	0.01	4372	58334	0.02	6724	77832	0.03
18.	MEHSANA	2788	15823	0.01	5730	64842	0.03	8518	80665	0.03

Sr. No.	City	Physical Holders			Electronic Holders			Total Shareholders		
		No. of shareholders	Shares	% of total number of shares	No. of shareholders	Shares	% of total number of shares	No. of shareholders	Shares	% of total number of shares
19.	MUMBAI	32500	611515	0.25	81904	185434887	76.71	114404	186046402	76.97
20.	NEW DELHI	26470	310092	0.13	36056	6908632	2.86	62526	7218724	2.99
21.	PATNA	2035	19599	0.01	2921	45972	0.02	4956	65571	0.03
22.	PUNE	4301	46280	0.02	12328	1029829	0.43	16629	1076109	0.45
23.	RAJKOT	3177	23307	0.01	9550	135587	0.06	12727	158894	0.07
24.	SURAT	4461	33869	0.01	15161	204183	0.08	19622	238052	0.10
25.	THANE	2859	38207	0.02	11140	191908	0.08	13999	230115	0.10
26.	VADODARA	5468	44696	0.02	14278	222002	0.09	19746	266698	0.11
27.	OTHERS	139577	1954471	0.81	243345	18592904	7.69	382922	20547375	8.50
TOTAL		298800	4416313	1.83	583691	237305731	98.17	882491	241722044	100.00

12.16 Corporate Benefits to Shareholders:

a) Dividend declared for the last eight years:

Financial Year	Dividend Declaration Date	Dividend Rate (%)
2012-13	30.07.2013	100
2011-12	25.07.2012	75
2010-11	25.07.2011	122.5
2009-10	29.06.2010	95
2008-09	06.07.2009	10
2007-08	16.06.2008	140
2006-07	13.03.2007	125 (Interim cum Final Dividend)
2005-06	25.07.2006	80

Note: Dates indicated above are date of declaration by the Board in case of Interim Dividend and by Members in case of Final Dividend.

b) Unclaimed Dividends

Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years, are to be transferred statutorily to the Investor Education and Protection Fund (IEPF) administered by the Central Government and thereafter cannot be claimed by the investors. To ensure maximum disbursement of unclaimed dividend, the Company sends reminders to the concerned investors at appropriate intervals.

The unpaid / unclaimed dividends upto the financial year ended 31.03.1995 had been transferred to the General Revenue Account of the Central Government. The Members, who have not claimed their dividend for the said period till date, may claim the amount from the Registrar of Companies- Mumbai. Apart from the above, the Company has transferred the unpaid dividends upto 31.03.2006 for the FY 2005-06 to the IEPF. The Members of the

Company who have not yet encashed their dividend warrant(s) for the FY 2006-07 and thereafter may write to the Company's R&T Agent immediately.

Pursuant to Section 205A(5) of the Companies Act, 1956 the unpaid dividends that are due for transfer to the Investor Education and Protection Fund are as follows:

Financial Year	Date of Declaration of Dividend	Percentage of Dividend Declared	Unclaimed Dividend Amount as on 31.03.2014	Due for transfer to IEPF
2006 - 2007	13.03.2007	125%	2,12,74,494	19.04.2014
2007 - 2008	16.06.2008	140%	2,60,80,404	23.07.2015
2008 - 2009	06.07.2009	10%	29,59,037	12.08.2016
2009 - 2010	29.06.2010	95%	2,15,70,088	05.08.2017
2010 - 2011	25.07.2011	122.50%	2,69,89,521	31.08.2018
2011 - 2012	25.07.2012	75%	1,46,18,942	31.08.2019
2012 - 2013	30.07.2013	100%	2,32,87,181	06.08.2020

Members who have not en-cashed their dividend warrants pertaining to the aforesaid years may approach the Company or its Registrar, for obtaining payments thereof atleast 20 days before they are due for transfer to the said fund.

12.17 Unclaimed shares:

As per Clause 5A(III) of the Listing Agreement, the Company after sending three reminders on 23 June, 2011, 25 August, 2011 and 31 October, 2011 to the registered address of the shareholders, requesting for correct particulars to dispatch the undelivered share certificates, for shares issued in physical form which remained unclaimed, transferred 6,65,702 shares to a dedicated demat account styled as "Unclaimed Suspense Account" opened with Stock Holding Corporation of India.

Any corporate benefits in terms of securities accruing on aforesaid shares viz. bonus shares, split etc., shall be credited to the "Unclaimed Suspense Account" duly opened with Vijaya Bank.

As and when the rightful owner of such shares approaches the Company at later date, the Company shall credit the shares lying in the "Unclaimed Suspense Account" to the rightful owner to the extent of his/her entitlement after proper verification of the identity of the rightful owner.

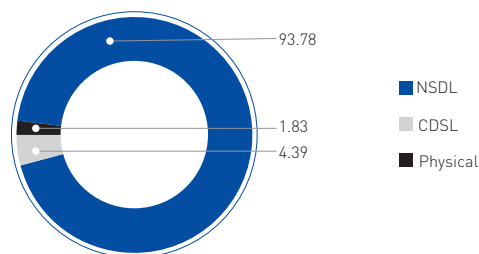
As per Clause 5A(I) of the Listing Agreement, the Company reports the following details in respect of equity shares lying in the suspense account:

Description	Number of Share-holders	Number of Equity Shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 01.04.2013.	42792	656651
Number of Shareholders who approached issuer for transfer of shares from suspense account during the year ended 31.3.2014	261	10500
Number of shareholders to whom shares were transferred from suspense account during the year ended 31.3.2014	261	10500
Aggregate number of shareholders and the outstanding shares in the suspense account lying as at year ended 31.3.2014	42531	646151

The voting rights on the shares outstanding in the suspense account as on March 31, 2014 shall remain frozen till the rightful owner of such shares claims the shares.

12.18 Dematerialisation of Shares and Liquidity:

The Company has arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility. 237305731 Equity Shares aggregating to 98.17% of the total Equity Capital is held in dematerialised form as on 31.03.2014 of which 93.78% [226678916 Equity Shares] of total equity capital is held in NSDL & 4.39% [10626815 Equity Shares] of total equity capital is held in CDSL as on 31.03.2014.



12.19 Physical Share Purchase Scheme:

Having regard to the difficulties experienced by the shareholders in disposing of their shares held in physical form and to mitigate the hardship caused to them, the Company has, along with Karvy Computershare Private Limited (Karvy), formulated a Physical Share Purchase Scheme in 2005-06.

The Equity Shares in physical mode tendered by the shareholders under the scheme are sold by Karvy at the prevailing market price and the net sale proceeds thereof are distributed to the concerned shareholders. The shareholders who wish to avail benefit of the scheme may kindly contact Karvy.

12.20 National Electronic Clearing Service (NECS):

As per the directive from Securities and Exchange Board of India dated 21st March, 2013, companies whose securities are listed on the Stock Exchanges shall use any Reserve Bank of India (RBI) approved electronic mode of payment such as ECS [LECS(Local ECS) /RECS(Regional ECS)/NECS(National ECS)]/NEFT etc., for making cash payments to investors.

The Company will remit the dividend payment through National Electronic Clearing Service (NECS) to the shareholders having accounts with Branches of Banks covered under CBS (Core Banking Solution).

Equity Shareholders holding shares in physical form, who wish to avail the NECS facility, may send their NECS mandate in the format attached to the Company's R&T Agents, in the event they have not done so earlier. Equity Shareholders holding shares in electronic mode may furnish their new Bank Account Number allotted to them by their bank after implementation of CBS, alongwith a photocopy of a cheque pertaining to the concerned account, or the NECS mandate to their Depository Participant (DP), at the earliest.

Green Initiative for Paperless Communications:

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing service of documents by a Company to its Members through electronic mode. The move of the ministry allows public at large to contribute to the green movement.

Keeping in view the underlying theme, the Company will continue to send various communications and documents like notice calling general meetings, audited financial statements, directors' report, auditor's report etc., henceforth, in electronic form, to the email address provided by the Members to the Depositories or to the Company.

This is also a golden opportunity for every shareholder of JSW Steel Limited to contribute to this Corporate Social Responsibility initiative of the Company. To support this green initiative in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to fill in the Registration form which can be obtained from Company's Registrar Karvy Computershare Private Limited or downloaded from the Company's website www.jsw.in under the section "Shareholders' Information", and register the same with the Company's Registrar.

12.21 Nomination Facility:

Pursuant to the provisions of Section 109A of the Companies Act, 1956, members are entitled to make nominations in respect of shares held by them. Members holding shares in physical form and intending to make/change the nomination in respect of their shares in the Company may submit their requests in Form No. 2B to the Company's Registrar, Karvy Computershare Private Limited. Members holding shares in electronic form may submit their nomination requests to their respective Depository Participants directly. Form No. 2B can be obtained from Company's Registrar Karvy Computershare Private Limited or downloaded from the Company's website www.jsw.in under the section 'Shareholder's Information'.

12.22 Outstanding GDRs/ADRs or Warrants or any Convertible Instrument, conversion dates and likely impact on equity:

There are no outstanding GDRs/ADRs or Warrants or any Convertible Instrument as on 31.03.2014.

12.23 Registered Office:

JSW Centre, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051

12.24 Plant Locations:

Vijayanagar	: P.O. Vidyanagar, Toranagallu Village, Sandur Taluk, Bellary Dist, Karnataka 583 275
Dolvi	: Dolvi Works, Geetapuram, Dolvi Village, Pen Taluk, Raigad Dist, Maharashtra 402107
Salem	: Pottaneri, M Kalipatti Village, Mecheri Post, Mettur Taluk, Salem Dist., Tamil Nadu 636453.

12.25 Address for Investor Correspondence:

1) Retail Investors

a) For Securities held in Physical form

Registrar & Share Transfer Agents
Karvy Computershare Private Limited
Plot No.17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad - 500 081
Ph: 040 - 23420815-824 (10 lines)
Fax: 040 - 23420814
E-mail: einward.ris@karvy.com
Website: www.karvy.com

b) For Securities held in Demat form

The investor's Depository Participant and / or Karvy Computershare Private Limited

c) JSW Steel Limited - Investor Relation Center

JSW Centre, Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051
Phone No. 022-42861000
Fax No. 022 - 42863000

2) Institutional Investors

Mr. Pritesh Vinay, Vice President (Capital Markets and Investor Relations), JSW Centre, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051
Tel. No. 022- 42861000
Fax No. 022 - 42863000

- 3) **Designated exclusive email-id for Investor servicing:**
jswsl.investor@jsw.in
- 4) **Toll Free Number of R & T Agent's exclusive call Centre: 1-800-3454001**
- 5) **Web-based Query Redressal System**

Web-based Query Redressal System has been extended by the Registrars and Share Transfer Agent for redressal of Shareholders' queries. The Shareholder can visit <http://karisma.karvy.com> and click on "investors" option for query registration after free identity registration.

After logging in, Shareholders can submit their query in the "QUERIES" option provided on the website, which would give the grievance registration number. For accessing the status/response to their query, the same number can be used at the option "VIEW REPLY" after 24 hours. The Shareholders can continue to put additional queries relating to the case till they are satisfied.

13. CORPORATE ETHICS:

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings. A Code of Conduct for Board Members and Senior Management and a Code of Conduct for Prevention of Insider Trading as detailed below has been adopted pursuant to clause 49 (D) of the Listing Agreement & the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (as amended), respectively:

a) Code of Conduct for Board Members and Senior Management

The Board of Directors of the Company adopted the Code of Conduct for its members and Senior Management at their meeting held on 20.10.2005. The Code highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

Minor modifications were made to the Code of Conduct and the amended Code of Conduct was adopted by the Board in its meeting held on 24.10.2008.

The Code is applicable to all Directors and specified Senior Management Executives. The Code impresses upon Directors and Senior Management Executives to uphold the interest

of the Company and its stakeholders and to endeavour to fulfill all the fiduciary obligations towards them. Another important principle on which the code is based is that the Directors and Senior Management Executives shall act in accordance with the highest standards of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties. The Code has been posted on the website of the Company www.jsw.in.

Declaration affirming compliance of Code of Conduct

The Company has received confirmations from the Directors as well as Senior Management Executives regarding compliance of the Code of Conduct during the year under review.

A declaration by the Jt. Managing Director and Group CFO and Dy. Managing Director affirming compliance of Board Members and Senior Management Personnel to the Code is also annexed herewith.

b) Code of Conduct for Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading for its Management, Staff and Directors. The Code lays down guidelines and procedures to be followed and disclosures to be made by Directors, Top Level Executives and Staff whilst dealing in shares of the Company.

Minor modifications were made to the "JSWSL Code of Conduct for Prevention of Insider Trading" in line with the amendments made to the "Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2008, by SEBI. The amended code was adopted by the Board in its meeting held on 07.05.2009.

The policy and the procedures are periodically communicated to the employees who are considered as insiders of the Company. Trading window closure is intimated to all employees and to the Stock Exchange in advance, whenever required.

The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

c) Reconciliation of Share Capital Audit Report

Reconciliation of Share Capital Audit Report in terms of SEBI Circular No. CIR/MRD/DP/30/2010 dated 06.09.2010 and SEBI Directive no. D&CC/FITTC/CIR-16/2002 dated 31.12.2002, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis and is also submitted to the Stock Exchanges where the shares of the Company are listed.

d) Internal Checks and Balances

Wide use of technology in the Company's financial reporting processes ensures robustness and integrity. The Company deploys a robust system of internal controls to allow optimal use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports and ensure compliance with statutory laws, regulations and Company policies. The Company has both external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board and the management periodically review the findings and recommendations of the auditors and take necessary corrective actions whenever necessary. The Board recognises the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company.

e) Legal Compliance of the Company's Subsidiaries

Periodical Management audit ensures that the Company's Subsidiaries conducts its business with high standards of legal, statutory and regulatory compliances. As per the report of the Management Auditors, there has been no material non-compliance with the applicable statutory requirements by the Company and its subsidiaries.

f) Human Rights Policy

Human rights are the Standards of Treatment to which all people are entitled. On December

10, 1948, the General Assembly of the United Nations adopted and proclaimed the Universal Declaration of Human Rights (UDHR) which is the most widely recognised definition of Human Rights. The Declaration represents a contract between governments and their people, who have a right to demand that this document be respected. The Declaration continues to affirm the inherent human dignity and worth of every person in the world, without distinction of any kind.

Although human rights are principally the responsibility of national governments, this has become an increasingly important issue for business.

In line with JSW's heritage as a responsible corporate citizen and its commitment to respecting the economic, social, cultural, political and civil rights of individuals involved in and impacted by its operations, the Board of Directors in its meeting held on 20.01.2010 has approved a Formal Human Rights Policy for adoption by the Company and all its Subsidiaries as part of its global personnel policies, in line with the practice followed internationally by Companies of Repute. A few minor changes were made to the policy by the Board in its meeting held on 28.01.2013 to bring it in line with the requirements of Business responsibility reporting. JSW's policy on human rights applies to all its businesses processes and is part of its commitment to ethical and socially responsible behavior across its value chain.

JSW contributes to the fulfilment of human rights through compliance with local human rights legislation wherever it has operations, as well as through its policies, programs and grievance addressal mechanism. JSW upholds international human rights standards, does not condone human rights abuses and creates & nurtures a working environment where human rights are respected without prejudice.

Compliance Certificate by Auditors:

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 which is annexed herewith.

DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31.03.2014.

For **JSW Steel Limited**

Place : Mumbai

Date : 27 May, 2014

Dr. Vinod Nowal

Dy. Managing Director

Seshagiri Rao MVS

Jt. Managing Director & Group CFO

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
JSW STEEL LIMITED

We have examined the compliance of conditions of Corporate Governance by JSW STEEL LIMITED, ("the Company") for the year ended 31 March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm Registration No: 117366W/W-100018)

A Siddharth

Partner

(Membership No: 31467)

Place : Mumbai

Dated : 27 May, 2014

FROM THE CSO'S DESK

Dear Stakeholders,

There is growing understanding that sustainable development is no longer a luxury, or nice-to-do; it is must-do. In this context, the role and responsibility of business and industry cannot be wished away. Corporates are indispensable in scripting the growth story of our country, as also playing a lead.

JSW Steel has always strived to be a pioneer or leader in every sector it operates. Its vision of global recognition for quality and efficiency while nurturing nature and society, and mission of supporting India's growth in core economic sectors with speed and innovation, have constantly spurred it.

The Company has in place a Board Committee for Business Responsibility Reporting, and has adopted policies to address the principles of the National Voluntary Guidelines. It is one of the few companies in India to have included a dedicated section on sustainability in its annual report.

All the production locations have adopted certified Environment Management System as per ISO 14001. JSW Steel is the sole company in the Indian steel industry to have implemented a wide array of iron and steel making technologies; this has led to optimum resource utilisation. The Company is in the process of becoming the first integrated iron & steel plant in India to use Corex gas to produce DRI, potentially reducing CO₂ emissions by as much as 40% as compared to the conventional coal route.

JSW Steel has established its leadership position as India's highest manpower productivity in terms of tons of steel manufactured. Its approach to business is deeply ingrained with the belief that empowering communities and enabling them to grow hand-in-hand would be integral for inclusive growth. The community initiatives preceded the mandatory provisions on corporate social responsibility under the Companies Act, and the structured approach cascades down from the overall Vision and Mission of the JSW Group.

JSW Steel has implemented a novel initiative on employee volunteerism called LEAP (Learn, Experience, Act and Persuade) for communities. Employees have a choice to contribute their time, talent and finances for the CSR projects initiated through the JSW Foundation, leading to happiness in the community.

The key focus of the community initiatives has been on making primary education universal, mitigating infant mortality and improving maternal health; these are in harmony with the UN Millennium Development Goals. Emphasis has also been on securing livelihood in the communities through farm- and non-farm based initiatives, as well as waste management and water conservation.

Being innovative and inclusive in addressing all the challenges is the only way ahead.

Dr. S. Majumdar
Group Chief Sustainability Officer
JSW Steel Limited

For any additional information, or to provide feedback on this section, please write to: suman.majumdar@jsw.in

EMBRACING SUSTAINABLE DEVELOPMENT

JSW Steel's position as India's leading steel company is further augmented by its reputation as a pioneer in implementing sustainable and innovative technologies. This innovation driven growth has not only helped JSW Steel plants in achieving the status of low-cost steel producers but also making its operations highly energy efficient and eco-friendly. With the installation of the mill-scale briquetting technology and commissioning of the micro-pelletisation plant at Vijayanagar, further thrust was given to the Company's agenda of ensuring reduction in raw material usage.

Besides regularly publishing sustainability reports, since 2004-05 using the framework of the highly respected Global Reporting Initiative (GRI), JSW Steel is also a founder member of GRI's Consortium on Sustainability and Transparency, and an active member of the World Steel Association. JSW Steel has been disclosing its GHG performance on the Carbon Disclosure Project (CDP) since 2007, and also participates in the Water Disclosure Project (WDP).

The company has invested in systems aimed to improve its safety performance, including the implementation of the DuPont Safety Management System at Vijayanagar as part of a long-term project that commenced in 2012.

Since June 2013, the company moved to its newly-constructed headquarters in Mumbai - the JSW Centre. It has several unique features that led to Platinum rating [pre-certification] in the LEED system. This

iconic, 10-storeyed, glass-steel edifice is a symbol of the Group's progressive vision, transparency and passion for excellence, and is uniquely planned to sustainably utilise sun, wind, rain and energy. This structure made of 3,300 MT of steel, houses over 600 people. Some of its special features are:

- High-performance, tinted glass and double walls [first for an office building in India]
- 30' x 100' eye-shaped, multi-storey central atrium to allow natural light to the workspaces
- Material of construction is low emission-value, recycled content and high reflectance
- Hybrid air-conditioning system
- Use of treated sewage for flushing, and
- Rainwater harvesting

ECONOMIC PERFORMANCE

Product	2013-14 (in MnT)	
	Domestic	Export
Semis	0.14	0.20
Rolled Products – flat	7.01	1.79
Rolled Products – long	1.67	0.14
Value added products	0.66	0.25
Total	9.48	2.38
Saleable steel	11.86	
A. Economic Value Generated	49,626.5	
Domestic turnover	39,541.8	
Export turnover	8,985.4	
Other income	1,099.3	
B. Economic Value Distributed	48,292.0	
Operating cost	38,558.0	
Employee wages and benefits	799.6	
Payments to providers of capital	2,740.1	
Payments to Governments	4,475.0	
Exchange Loss	1,692.3	
CSR initiatives	27.0	
Economic Value Retained (A - B)	1,334.5	

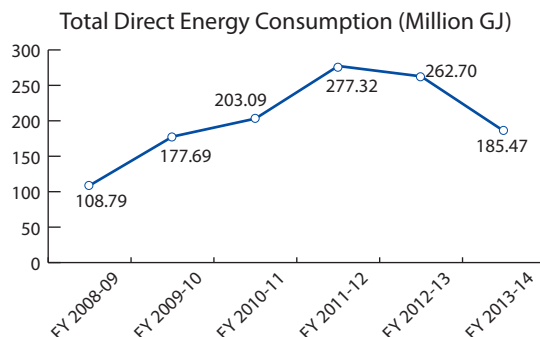
All figures in INR crores

ENERGY AND CLIMATE CHANGE

Despite the economic slowdown, India's consumption of energy is on the rise, and to meet the energy demands of an overpopulated nation, India makes use of fossil-based energy sources which, apart from being limited in supply, are also polluting.

JSW Steel has been at the forefront in the use of technology to optimise energy consumption in the steel industry. All plants monitor their specific energy consumption as a key performance indicator.

The total energy consumption using primary fuel sources during the year FY 2013-14 at the plants was 185.47 Million GJ.



The inherent linkage of climate change and energy is highly pronounced in the steel industry. With a high dependence on coal, the mitigation of GHG emissions is extensively linked to energy management. The company's efforts to optimize energy consumption have also led to a better GHG performance over the years.

The total GHG emissions during the FY 2013-14 was 32.72 million tCO₂e, which includes direct and indirect GHG emissions.

JSW Steel organises the Earth Care Awards in association with the Times of India. These Awards are an effort to recognize excellence in initiatives to counter the ill effects of climate change and showcase efforts towards mitigation and adaptation by industry, communities and individuals.

ENVIRONMENTAL MANAGEMENT

JSW Steel's approach towards achieving environmental excellence is based on maximizing the positive impacts and minimizing the negative impacts that the operations have on the surrounding environment.

Water is increasingly becoming a scarce resource. It is one of the most vital ingredients for a steel plant, given the fact that significant quantities of water and steam are required for their operations. JSW Steel's endeavour is to ensure minimization of freshwater consumption by increasing efficiency of the operations while at the same time ensuring maximum reutilization of treated wastewater. The specific water consumption for FY 2013-14 was 4.89 kL/tonne crude steel; this is almost the same as the previous year, despite an increase in steel production.

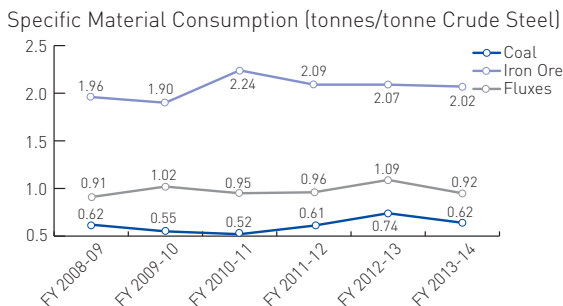
Minimization of waste generation and responsible disposal of generated waste are the basic operational requirements at all the sites. JSW Steel's operations further reduce the environmental burden by utilizing waste from external sources as well. Nearly 2.2 million tonnes of waste scrap, waste mill-scale and other wastes containing iron contents were reprocessed at the sites during FY 2013-14. Innovative technologies have been implemented to recover iron from waste slime being generated, thereby reducing consumption of precious iron ore.

The various steel making processes lead to the generation of air pollutants. Monitoring of stacks on a periodic basis to ensure that they remain within permissible limits is done at all the locations. In most of the cases the stack emissions are maintained well below the permissible limits.

Preservation of biodiversity is also an important attribute in JSW Steel's quest to achieve environmental excellence. The Vijayanagar Works is located near a biodiversity sensitive zone. Precautions are taken to ensure there are no negative impacts due to the operations on the native ecosystem. There are physical barriers to prevent the entry of animals into the plant area, lest they should be harmed.

Product Responsibility and Innovation

The ever increasing pressure on the naturally occurring raw material reserve of the earth is a significant sustainability challenge for JSW Steel. With this in mind, significant efforts are being made to ensure the highest possible level of operational efficiency. Replacement of virgin raw materials is high on the agenda. A lot of impetus is being given to the recycling of waste. This, in turn, has an impact on the amount of raw material consumed per unit of steel produced. During FY 2013-14, specific raw material consumption in the operations was 3.56 tonnes/tonne of crude steel production as compared to 3.92 tonnes / tonne of crude steel production during FY 2012-13, an improvement of 9.18%.



Product innovation at JSW Steel hinges on the fact that end-use impacts of products as well as the demand of sustainable products are presenting a significant risk as well as a big opportunity for all steel manufacturers. There is an increase in the demand for value-added as well as eco-friendly products in the market. JSW Steel is focussing on creating durable products that will help to harness solar energy, develop low thickness and higher strength CRCA products to reduce vehicle weight thereby increasing fuel efficiency, and contributing to creation of steel structures like multi-level parking and public transportation, thereby reducing traffic congestion and reducing pollution.

Waste to Wealth

In the financial year 2013-14, JSW Steel's Vijayanagar Works has introduced an innovative new technology called Mill Scale Briquetting. This not only reduces iron ore consumption but also helps in reducing the amount of waste generated. The mill scale briquettes produced contain high iron content, which can be directly used in the LD converter as a coolant, there by replacing equivalent amount of iron ore. It also helps in the reduction of lime consumption.

The site has also developed a method to recover iron from slime dump. Beneficiation of the slime waste is done using dual extraction column flotation technology to recover finer iron value. This has further helped the site in reducing consumption of iron ore while at the same time creating wealth from waste.

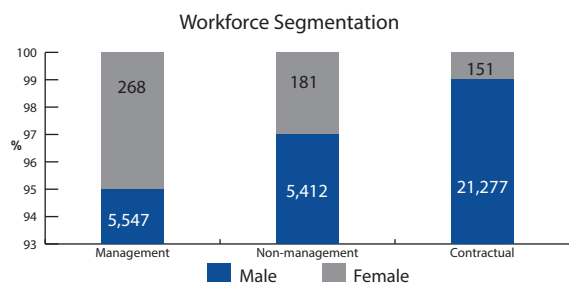
Developing Import Substitute Material - enhancing inclusive innovation

JSW Steel has developed a highly value-added product called the Vinyl Coated metal (VCM). This product, due to its high durability and attractive finish, finds mass application in various sectors including home appliances, construction and transportation etc.

The entire requirement for this product was being met through import as none of the domestic steel manufacturers manufacture it. JSW Steel's foray into this product segment will help localize its sourcing while at the same time making it more affordable.

INTELLECTUAL CAPITAL MANAGEMENT

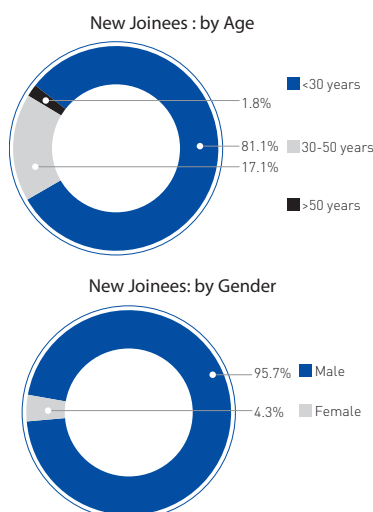
Management of the human capital within the organization is quintessential for achieving the growth ambitions of any corporate. The ambition of becoming an 'Employer of Choice' drives JSW Steel's policies on human resources management.



JSW Steel employs various mechanisms to understand the expectations of the company's employees. Feedback is sought through surveys, team interactions and open end discussions which are held periodically. All performance assessments are meritocratic. There is no discrimination based on caste, creed, gender, race, religion, disability or sexual orientation. Workforce diversity is encouraged through an environment of equal opportunity and zero tolerance to any cases of discrimination.

Talent Management

JSW Steel has maintained a structured approach to competency management of its employees which is flanked by an environment fostering their overall growth on the one side and credible, transparent and uniform people management practices on the other side. The annual incentive scheme is designed in accordance with the attainment of targets.



Leadership and Succession Management

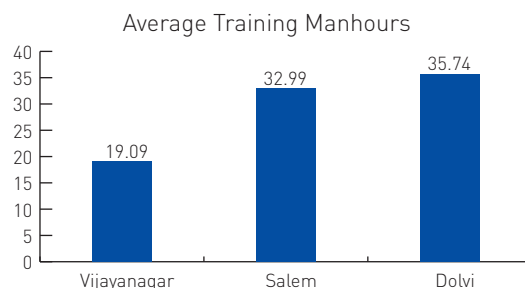
Development of leadership qualities among the second line of leadership to take additional responsibilities resulting from the growing business is a key focus area for JSW Steel. This is reflected in the company's succession management framework which has the following components:

- Leadership competency framework: To define leadership competencies for organizational success; reinforce competencies through focused training, feedback and mentoring-coaching initiatives
- Succession management process: To identify key leadership positions - groom leaders from within the organization
- 360 degree feedback process: To enable leaders to get feedback on their leadership styles as perceived by others and enable individuals to develop leadership potential by helping them to capitalize on their strengths.
- Horizontal integration: Responsibility delegated to top executives with an aim to make the organization leaner.

Training and Development

Managing the company's competency requirements requires investment in Learning and Development of the employees. JSW Steel provides its employees with multiple learning and development opportunities for skill development as well as personal development through focussed functional and soft skills trainings.

In addition, leadership training is also provided to assist employees in achieving a faster growth path. The training programmes are organized / conducted based on training needs identified by the individual and his / her immediate superiors. Specific competencies to be developed are identified for development during the annual performance appraisal process as well.



Managing Human Rights

Respect for and preservation of human rights is part of JSW Steel's culture. As a mandatory practice, the Company does not permit child labour and forced / compulsory labour. It is ensured that all the operational units are free from any cases of infringement of human rights. This is achieved through an effective monitoring of the workforce, whether permanent or contractual, to

ensure that no underage person enters the premises for a job. In addition to this, JSW Steel also ensures that its supply chain partners also act equally responsibly. Investment agreements and procurement policies are drafted in adherence with all the legal requirements on aspects of human rights. There is proactive dialogue between the management and non-management sections of the workforce to ensure their expectations are taken care of. Regular training is also provided to employees and security personnel on aspects of human rights.

There is a hierarchical structure for handling of employee grievances. The mechanism is time-bound with an escalation matrix in place to ensure effective resolution. Grievances filed on the system get assigned to the immediate superior and get escalated to the concerned Head of Department / Head Human Resources and for further discussion at the CEO / Director level in case they remain unresolved. It is the Company's goal to ensure effective resolution of all employee grievances within a period of 2 weeks.

Ensuring a discrimination-free workplace is also practiced by adopting a "zero-tolerance" approach towards sexual harassment at the workplace. As part of its focus towards women empowerment, the Company works towards developing a safe and secure work environment. The Company's conduct and discipline policy ensures that there is no discrimination or harassment against any person on the grounds of race, colour, religion, disability, age, gender and marital status.

OCCUPATIONAL HEALTH AND SAFETY

JSW Steel operates on the philosophy that personnel safety is the first and foremost priority at all the sites. It is the Company's endeavour to work towards a zero harm operations by implementing Occupational Health and Safety Management Systems at all the sites.

JSW Steel has taken a significant leap further by implementing the DuPont safety management system at Vijayanagar since 2012. A safety organizational structure has been instituted, and monthly training programmes for employees including the top management are conducted. The objective is to bring about a cultural change within the organization, making it more safety conscious.

All sites provide their employees with safety training. All contractual personnel are also provided with mandatory

safety training. The safety training are designed for specific requirements, such as job specific safety norms, as well as generic training on topics such as behaviour based safety. This year, at Vijayanagar, safety training was provided a major impetus. Areas covered included the following:

- Safe welding practices;
- Safe gas cutting practices;
- Seal pot module;
- Safe operation of conveyor belts;
- Safety in confined spaces;
- Safety in working at heights; and
- Usage of personal protective equipment.

At Dolvi, a new initiative was taken to isolate BF Gas by installing a system for online monitoring of gas leakage. This has reduced the risk of gas exposure for personnel making the operations safer.

COMMUNITY DEVELOPMENT

JSW Steel is cognizant of the fact that responsible behaviour of a corporate is bound to the effective management of its impact on the stakeholders. The first step towards this is identifying the significant stakeholders and understanding the impacts.

CSR Vision

"Empowered communities with sustainable livelihoods".

CSR Mission

- Outreach of government programmes in health and employment generation through gap filling support
- JSW Steel's townships and communities to move towards carbon efficient management systems
- In-situ conservation of at least one major monument at project locations and promote national cooperation for conservation of all monuments
- Collaborative earth care initiatives
- Need-based social development interventions in JSW Steel's mining locations.

JSW Steel has put in place a system of monitoring the impacts of the community initiatives implemented at its various locations through effective dialogue with the people. Regular feedback is taken and improvement opportunities are identified. Additionally, this year further impetus was given to understanding the impacts of these initiatives through a third-party audit of the CSR programme conducted at three locations. This, along with

the baseline and impact assessment surveys has helped JSW Steel in ensuring the effectiveness of the community initiatives. The total CSR spending for JSW Steel in 2013-14 was ₹ 27.03 crores. Under the thematic focus, 'Janam se Janani Tak ... JSW aap ke saath', the following are some of the initiatives taken during FY 2013-14:

- Promoting efficient maternal and child health care services
- Enhancing access to improved nutrition services
- Early childhood education/ pre-primary education
- Promoting completion of primary and secondary education
- Access to adolescent reproductive and sexual health and rights
- Enhancing the output of present occupation
- Employability and vocational education
- Promoting responsible parenthood

JSW Steel's Commitments

- Advocating the cause of women's empowerment, the marginalized and those with disabilities.
- Adhering to the Millennium Development Goals Framework with special emphasis on:
 - Universalizing primary education
 - Mitigating infant mortality
 - Nurturing maternal health
- Safeguarding the environment through water conservation, renewable energy and sanitation activities.
- Addressing the specific needs of the community and create viable working models through engaged social processes and infrastructure-oriented development.
- Supporting arts, sports and conserving cultural heritage.
- Promoting the culture of social responsibility through employee volunteerism.
- Trying to exceed the newly formed CSR rules wherever possible.

INDEPENDENT ASSURANCE STATEMENT

JSW Steel Limited (the Company) has requested KPMG to provide an independent assurance on its Sustainability Report 2013-14.

The Company's management is responsible for content of the report, identification of the key issues, engagement with stakeholders and its presentation.

KPMG's responsibility is to provide limited assurance on the report content as described in the scope of assurance. The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope below.

Scope of Assurance

The scope of assurance covers the following aspects of the report:

- Data and information related to the Company's sustainability performance in the period 01 April 2013 to 31 March 2014
- The sustainability specific data and information covering the Company's operations at Vijayanagar, Salem and Dolvi¹ and its subsidiaries JSW Coated Products Limited, JSW Steel Processing Centres Limited and Amba River Coke Limited.
- The Company's internal protocols, processes, and controls related to the collection, collation, and reporting of sustainability performance data.
- The Company's approach to identify material issues and engage with its stakeholders.

Exclusions

The assurance scope excludes;

- Aspects of the report other than those mentioned above;
- Data and information outside the defined reporting period;
- The Company's financial performance;
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company;
- Issues related to Intellectual Property Rights and other competitive issues;

Methodology adopted for Assurance:

We conducted our review in accordance with International Standard on Assurance Engagements (ISAE 3000), "assurance engagements other than audits of review of historical information" issued by International Audit and Assurance Standards board. The process of assurance involved -

- Discussion on sustainability with senior executives at the different plant locations and at the corporate office to understand their perspectives, expectations and future plans
- Site visits² to the operational locations at Vijayanagar, Salem and Dolvi and subsidiaries JSW Coated Products Limited located at Tarapur, Vasind and Kalmeshwar, JSW Steel Processing Centre Limited located at Vijayanagar and Amba River Coke Limited, located at Dolvi for
 - Testing reliability and accuracy of data on a sample basis
 - Understanding assumptions / thumb rules considered
 - Assessment of the stakeholder engagement process through interviews with concerned personnel and review of relevant documentation
 - Review of the processes deployed for collection, compilation, and reporting of sustainability performance indicators at corporate and plant level.
- Material issues that have impact on JSW Steel and are of interest to its stakeholders have not been highlighted in the report.
- The report does not meet the requirements of A+ application level of GRI G3.1 Guidelines on Sustainability Reporting.

Independence

Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, including not being involved in writing the report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence.

Responsibilities

Our responsibility is to express our conclusions in relation to the assurance scope listed above. We conducted our engagement with a multidisciplinary team including specialists in ISAE 3000, stakeholder engagement, auditing environmental, social and economic information and with experience in similar engagements. JSW Steel is responsible for developing the report contents. JSW Steel is also responsible for identification of material sustainability issues, establishing and maintaining appropriate performance management and internal control systems and derivation of performance data reported.

This assurance statement is made solely to JSW Steel in accordance with the terms of our engagement. Our work has been undertaken so that we might state to JSW Steel those matters we have been engaged for. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than JSW Steel for our work, for this statement, or for the conclusions we have reached. By reading this statement, stakeholders agree and accept and agree to the limitations and disclaimers mentioned above.

Santhosh Jayaram

Technical Director
KPMG India

Appropriate documentary evidence was obtained to support our conclusions on the information and data verified. Where such documentary evidence could not be collected on account of confidential information our team physically verified the documents.

Observations

Our observations are as follows:

- Sustainability risks identified by the management have been included in JSW Steel's updated risk management framework.
- JSW Steel has extended the scope of reporting by including three of its subsidiaries into the scope of the report which were not covered previously.
- Though internal processes have been established to ensure that performance indicators are checked for completeness and accuracy, the data management systems have scope for improvement in terms of integrating sustainability KPIs into mainstream MIS.

Conclusions

On the basis of our assurance methodology, nothing has come to our attention that would cause us to believe that:

- The report does not present JSW Steel's sustainability performance covering its operations as mentioned in the scope.

¹ JSW Steel Dolvi plant has been included into the scope of reporting in current reporting period.

² Site visit to all locations were conducted on quarterly basis.

NVG MAPPING INDEX

	Principle	Page No.
Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	103
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	94,103
Principle 3	Businesses should promote the wellbeing of all employees	94-96,104
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	96-97,105
Principle 5	Businesses should respect and promote human rights	95-96,105
Principle 6	Business should respect, protect, and make efforts to restore the environment	93-94,105
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	106
Principle 8	Businesses should support inclusive growth and equitable development	96-97,106-107
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	94,107

CLAUSE 55 CONTENT INDEX

Section A: General Information about the Company

Disclosure Item	Response
1 Corporate Identity Number (CIN) of the Company	L27102MH1994PLC152925
2 Name of the Company	JSW Steel Limited
3 Registered address	JSW Centre Bandra Kurla Complex Bandra East, Mumbai - 400 051 Maharashtra, India. Tel: 022 4286 1000 Fax: 022 4286 3000
4 Website	www.jsw.in
6 Financial Year reported	2013-14
7 Sector(s) that the Company is engaged in (industrial activity code-wise)	Metals
8 List three key products/services that the Company manufactures/provides (as in balance sheet)	Hot rolled coils Cold rolled coils TMT Bars
9 Total number of locations where business activity is undertaken by the Company	
i. Number of International Locations (Provide details of major 5)	Subsidiaries a) JSW Steel USA in Texas near Houston. b) Bella Vista and Vinita mines located in the Atacama region of northern Chile. c) Development of a cape size port in North Caldera in Chile to support mining operations. d) Coking coal mines in West Virginia. e) Mining operations in Mozambique.
ii. Number of National Locations	1. JSW Steel Ltd.: Vijayanagar, Salem and Dolvi. 2. Subsidiaries: Vijayanagar, Dolvi, Vasind, Tarapur, Kalmeshwar
10 Markets served by the Company – Local / State / National / International /	JSW Steel is India's leading private sector steel producer, with a pan-India presence, and exports to over 100 countries. JSW products are also sold through a unique nationwide retail network of more than 450 outlets of JSW Shoppe and JSW Explore. The focus geographic areas of the Company are south and west, but it serves a variety of customers in various market segments.

Section B: Financial Details of the Company

Disclosure item	Response
1 Paid up Capital (INR)	241.72 crores
2 Total Turnover (INR)	48,527.18 crores
3 Total profit after taxes (INR)	1,334.51 crores
4 Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.03%
5 List of activities in which expenditure in 4 above has been incurred:	
a.	Education
b.	Livelihood Support
c.	Environment
d.	Health

Section C: Other Details

Disclosure item	Response
1 Does the Company have any Subsidiary Company/ Companies?	Yes
2 Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)	Yes. Some of the major subsidiaries of JSW Steel are: a. JSW Steel Coated Products Limited b. JSW Steel Processing Centres Limited c. Amba River Coke Limited
3 Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Yes, Less than 30%

Section D: BR Information

1. Details of Director / Directors responsible for BR

#	Name	DIN No.	Telephone No.	Email ID
1	Dr. S.K. Gupta (Chairman) Independent Director	11138	(91) 80 - 2559 9074, 5555 9869, 2555 9870	saibalkgupta@gmail.com
2	Mr. Seshagiri Rao M.V.S. Executive Director	29136	(91) 22 - 4286 1000	seshagiri.rao@jsw.in
3	Dr. Vinod Nowal Executive Director	46144	(91) 8395 - 283 416	vinod.nowal@jsw.in
4	Mr. Jayant Acharya Executive Director	106543	(91) 22 - 4286 1000	jayant.acharya@jsw.in
5	Mr. Uday M Chitale Independent Director	43268	(91) 22 - 5637 5630	uday@mpchitale.com
6	Mr. K. Vijayaraghavan Independent Director	544730	(91) 40 - 2335 0586, 2335 6507	vijay@sathguru.com
7	Mrs. Punita Kumar Sinha Independent Director	5229262	(91) - 98333 63533	punitakumarsinha@gmail.com

Details of the BR head

Name	Designation	Telephone No.	Email ID
Dr. S Majumdar	Group Chief Sustainability Officer	(91) 22 - 4286 1000	suman.majumdar@jsw.in

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Disclosure item Questions	Response									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	
1 Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
2 Has the policy being formulated in consultation with the relevant stakeholders?	N	N	N	Y	N	N	Y	Y	N	
3 Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
A:	National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business									
B:	ILO Convention on Human Rights									
C:	Report on Affirmative Action by CII									
D:	National Action Plan on Climate Change, National Environmental Policy									
E:	UN Millennium Development Goals									

Disclosure item		Response								
Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
4	Has the policy being approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.jsw.in/Corporate/downloadReport.php#jswcsr								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	N	N	N	N	N	N	N	N	N
		However, the policies have been communicated to all employees, JVs, subsidiaries and published on Company website.								
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2a	If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)									
Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
1	The Company has not understood the Principles				Not Applicable					
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles				Not Applicable					
3	The Company does not have financial or manpower resources available for the task				Not Applicable					
4	It is planned to be done within next 6 months				Not Applicable					
5	It is planned to be done within the next 1 year				Not Applicable					
6	Any other reason (please specify)				Not Applicable					
3. Governance Related to BR										
Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year					3-6 months					
Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?					JSW Steel publishes annual sustainability reports. The hyperlink below provides access to our previous reports. http://www.jsw.in/Corporate/Corporate_Sustainability_Reports.php#jswcsr					

Section E: Principle-wise performance

Disclosure item	Response
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	
1 Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group /Joint Ventures / Suppliers / Contractors / NGOs / Others?	No. The policy not only covers the Company but is also extended to its entire value chain partners.
2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	So far no stakeholder complaints were received through a mechanism that has been instituted by JSW Steel for receiving and handling stakeholder complaints. This mechanism is available on the Company's website: http://www.jsw.in/Corporate/pdfsNew/Grievance_Redressal_Mechanism.pdf
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	
1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	
i.	Low thickness, higher strength cold-rolled closed-annealed [CRCA]
ii.	Products for the solar energy segment
iii.	JSW Pragati
2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): CRCA	
i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?	No impact
ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	This low thickness, higher strength CRCA product developed through technology tie-up with JFE Steel finds application in the automotive sector. It helps to reduce vehicle weight thereby increasing fuel efficiency and reducing GHG emissions.
Products for solar energy segment	
i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	No impact
ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Development of products for the solar energy segment thereby contributing to generation of clean renewable energy.
JSW Pragati	
i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?	No impact
ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	This affordable steel product has considerable positive impacts on health and environment compared with conventional products such as AC sheets.
3 Does the Company have procedures in place for sustainable sourcing (including transportation)?	Yes
i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	JSW Steel is making conscious efforts to shift transportation of all its raw materials and products through rail. Approximately three-fourth of the transportation sourced has been via rail in FY 2013-14.

4	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes
	If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	(i) The Company runs a tailoring institute for women at the OP Jindal Centre, Vijayanagar (ii) The Rajiv Gandhi Institute for Iron & Steel Technology is also run at the OP Jindal Centre for skilling workmen.
5	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Yes. The Company's operations recycle large quantities of scrap steel back into the process. This includes both internally generated scrap as well as that purchased from outside. The recycling percentage is >12% of the total waste / by-product generation. Also, the following are reused / recycled / recovered: (a) waste heat (approx. 77%), (b) BF gas (approx. 96%), Coke Oven gas (approx. 99%), Corex gas (approx. 99%), and (c) water (approx. 64%) [closed loop water recirculation systems].

Principle 3: Businesses should promote the well-being of all employees

1	Please indicate the Total number of employees.	11,408*
2	Please indicate the Total number of employees hired on temporary / contractual / casual basis.	21,428
3	Please indicate the Number of permanent women employees.	449
4	Please indicate the Number of permanent employees with disabilities.	24
5	Do you have an employee association that is recognised by management?	Yes
6	What percentage of your permanent employees is member of this recognised employee association?	Around 10%
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	
	Category	No. of complaints filed during the financial year
	Child labour / forced labour / involuntary labour	0
	Sexual harassment	1
	Discriminatory employment	0
8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	
	Permanent Employees	About 90%
	Permanent Women Employees	About two-thirds
	Casual / Temporary / Contractual Employees	About three-fourths
	Employees with Disabilities	About 60%

* including Corporate Office

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	
1	Has the Company mapped its internal and external stakeholders? Yes / No Yes
2	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders? Yes
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. JSW Steel has adopted the theme “Janam se Janani Tak - JSW aap ke saath” through which it makes project interventions to address the vulnerability of pregnant women, the girl child and adolescent girls. A Mission against Malnutrition with the Governments of Maharashtra [Thane] and Karnataka [Bellary] has been started with the objective of reducing moderate-to-severe malnutrition among children in the age group 0-6 years. JSW Steel is also working to improve the infrastructure of Dongri Observation Home, Mumbai, in order to provide better facilities to enable an amicable and learning environment for the children who are in conflict with the law or deprived of love and affection.
Principle 5: Businesses should respect and promote human rights	
1	Does the policy of the Company on human rights cover only the company or extend to the Group /Joint Ventures / Suppliers / Contractors / NGOs / Others? The policy covers the Company and is extended to its entire value chain.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? So far no stakeholder complaints were received through a mechanism that has been instituted by JSW Steel for receiving and handling stakeholder complaints. This mechanism is available on the Company's website: http://www.jsw.in/Corporate/pdfsNew/Grievance_Redressal_Mechanism.pdf
Principle 6: Businesses should respect, protect and make efforts to restore the environment	
1	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others? The policy covers the Company and is extended to its entire value chain.
2	Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. Yes http://www.jsw.in/Corporate/Corporate_Sustainability_Reports.php#jswcsr and http://www.jsw.in/Foundation/environment.html#areaofopera
3	Does the Company identify and assess potential environmental risks? Y/N Yes
4	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? JSW Steel has registered a CDM project “ Generation of Electricity through combustion of waste gases from Blast furnace and Corex units at JSW Steel Limited (in JPL unit 1), at Toranagallu in Karnataka, India ”. The project activity consists of generation of electricity by combustion of waste gases from Blast Furnace and Corex units, thereby displacing power generation with GHG intensive fossil fuel.

5 Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

JSW Steel's Vijayanagar Works introduced an innovative new technology called Mill Scale Briquetting. This not only reduces iron ore consumption but also helps in reducing the amount of waste generated. It also helps in reducing lime consumption.

At the Salem Works, a project was undertaken to utilise waste energy in the coke oven plant. The technology involves utilisation of sensible heat from the coke oven flue gas in the coke dryer process, thereby reducing consumption of fossil fuels in the process. It also helps in reducing emissions.

6 Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes

7 Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There are no pending legal notices received from the CPCB or SPCB at any of JSW Steel's operations.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1 Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, these include:
World Steel Association, CII, FICCI, ASSOCHAM, and Karnataka Iron & Steel Manufacturing Association

2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, these include:
Supported and promoted sustainable development, promotion of human rights, social and community development, transparency in public disclosure and non-conventional energy.

Principle 8: Businesses should support inclusive growth and equitable development

1 Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

JSW Steel has decided to focus on the complete life cycle of women to empower them in such a way that they become strong positive force of change. Specific interventions in this regard are:

- Efficient maternal and child health care services
- Enhance access to improved nutrition services
- Early childhood education/ pre-primary education
- Completion of primary and secondary education
- Access to adolescent reproductive and sexual health and rights
- Enhancing the output of present occupation
- Employability and vocational education
- Responsible parenthood

Apart from this, JSW Steel also has specific focus areas for its community development initiatives. These include:

- Education;
- Livelihood support;
- Environment; and
- Healthcare.

2	<p>Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?</p> <p>In-house : JSW Foundation External : Government agencies, NGOs, research agencies</p>
3	<p>Have you done any impact assessment of your initiative?</p> <p>Yes</p>
4	<p>What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.</p> <p>During the year, the Company has spent a total of ₹ 27.03 crores towards community development projects. The major initiatives included</p> <ul style="list-style-type: none"> • Education - Computer aided learning, computers, anganwadis, balwadis, rural libraries, schooling, remedial education, infrastructure, sports and mid-day meals. • Livelihood - Self-help groups, vocational training, metallurgy/lab equipments, masala grinding units. • Environment - Garbage management, water supply, roads, toilets, mortuary. • Health - Sanjeevani Hospital, nursing college, health camps, eye-care equipments, eye-camps, cataract, HIV / AIDS counselling • Support to specially-abled children.
5	<p>Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.</p> <p>Yes JSW Steel monitors the effectiveness of its community investment programmes through the following three mechanisms:</p> <ul style="list-style-type: none"> • Needs identification: The Company proactively seeks feedback from its stakeholders to understand their expectations, and structures its community programmes around it. • Monitoring: During project implementation, monitoring is conducted to ensure timeliness and their effectiveness. • Impact assessment – During and after the implementation of the projects, the Company carries out impact assessment studies to understand the impacts created by the projects.
<p>Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner</p>	
1	<p>What percentage of customer complaints / consumer cases are pending as on the end of financial year?</p> <p>As on 31st March 2014, all customer complaints were either resolved or were under the process of resolution.</p>
2	<p>Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)</p> <p>The Company displays product information on labels as mandated by the law.</p>
3	<p>Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.</p> <p>Investigation was ordered in 2008 under the MRTP Act against all steel companies such as JSW Steel, as well as the erstwhile Ispat Industries Limited, which was acquired by JSW Steel, on the issue of cartelisation by steel companies. As on 31st March 2014, after establishing that there was no contravention of provisions of Competition Act 2002, the matter stands closed, and has been accepted by Competition Commission of India.</p>
4	<p>Did your Company carry out any consumer survey/ consumer satisfaction trends?</p> <p>Yes JSW Steel strives to make continuous improvement in customer relations by obtaining proactive feedback on a regular basis.</p>

INDEPENDENT AUDITORS' REPORT

To The Members of JSW Steel Limited

Report on the Financial Statements

We have audited the accompanying financial statements of JSW STEEL LIMITED ("the Company") which comprise the Balance Sheet as at 31 March, 2014, 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 Management is responsible for 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 Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing

an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, 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.

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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to the Note 26(5) to the financial statements relating to the Company's assessment that no provision is presently necessary against the carrying amounts of investments and loan aggregating to ₹ 2,007.46 crores and with respect to financials guarantees of ₹ 2,752.57 crores relating to JSW Steel (USA) Inc., a subsidiary of the Company, for the reasons stated in the note.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("CARO") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:

- (a) We have 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies

Act, 2013 in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs).

- (e) On the basis of the written representations received from the directors as on 31 March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W/ W-10018)

A. Siddharth

Partner

(Membership No. 31467)

Mumbai,

Dated: 27 May 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

In our opinion and according to the information and explanations given to us, the nature of the Company's business/ activities/ results during the year are such that clauses (vi), (xii), (xiii), (xiv), (xviii) and (xx) of paragraph 4 of the Order are not applicable to the Company. Further, in respect of other clauses, we report that:

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals, except for inventories lying with third parties where confirmations have been received.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) In respect of unsecured loans granted to two wholly owned foreign subsidiary companies covered in the register maintained under Section 301 of the Act, according to the information and explanations given to us:
 - (a) At the year-end, the outstanding balances of such loans aggregated ₹ 160.71 crores (number of parties 1) and the maximum amount involved during the year was ₹ 623.25 crores (number of parties 2).
 - (b) The rate of interest and other terms and conditions for such loans are, in our opinion, prima facie, not prejudicial to the interest of the Company.
 - (c) The receipts of the principal amounts and interest have been regular.
 - (d) There is no overdue amount outstanding as at the year-end.

The Company has not taken any loan from parties covered under Section 301 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any major weakness in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Act and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered into the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction (excluding loans reported under paragraph (iii) above) is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are, prima facie, reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion, the Company has an adequate internal audit system commensurate with the size of the company and the nature of its business.
- (vii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Act 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.
- (viii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other

material statutory dues applicable to it with the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as

at 31 March 2014 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31 March 2014 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount Relates	Amount Involved (₹ in crores)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2002-2003	0.49
Wealth Tax Act, 1957	Wealth Tax	Income Tax Appellate Tribunal, Kolkata	2002-2003	0.27
Chapter V of the Finance Act, 1994	Service Tax	Commissioner of Central Excise (Appeals)	2004-05 & 2012-13	0.15
		Customs, Excise and Service Tax Appellate Tribunal	2001-02 to 2011-12	67.32
Karnataka Value Added Tax Act, 2003	Sales Tax	Karnataka Appellate Tribunal, Bangalore	2006-07 to 2007-08	2.69
	Special Entry Tax		2006-07 to 2009-10	10.56
The Central Excise Act, 1944	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal	1998-99 to 2011-12	250
		Commissioner of Central Excise (Appeals)	2005-06 to 2012-13	1.51
		The High Court of Bombay	1998-1999	0.6
The Customs Act, 1962	Customs Duty	Commissioner of Customs (Appeals)	2011-12 to 2012-13	25.05
		Customs, Excise and Service Tax Appellate Tribunal	1995 to 1997, 1999-00, 2009-10, 2010-11 to 2012-13	169.39
		The High Court of Karnataka	2002	43.71
		The Supreme Court of India	1997 - 1998 & 2004 - 2005	2.31

- (ix) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

- (xi) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the Company.

- (xii) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.

- (xiii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company,

we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.

- (xiv) According to the information and explanations given to us, during the year the Company had issued 23,000 Non-Convertible Debentures (NCDs) of ₹ 10 lakhs each and the Company has created security in respect of 10,000 NCDs and is in the process of creating security in respect of 13,000 NCDs.

- (xv) 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 has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W/ W-10018)

Mumbai
Dated: 27 May 2014

A. Siddharth
Partner
(Membership No. 31467)

BALANCE SHEET

AS AT 31 MARCH, 2014

(₹ in crores)

	Note No.	As at 31 March 2014	As at 31 March 2013
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
Share capital	2	1,067.19	563.18
Reserves and surplus	3	23,216.99	19,374.19
		24,284.18	19,937.37
(2) Non-current liabilities			
Long-term borrowings	4	21,054.32	15,434.26
Deferred tax liabilities (Net)	5	1,908.51	3,450.23
Other long term liabilities	6	466.40	194.06
Long-term provisions	7	40.67	39.51
		23,469.90	19,118.06
(3) Current liabilities			
Short-term borrowings	8	3,920.66	1,109.53
Trade payables	9	9,991.25	9,274.36
Other current liabilities	10	6,415.97	4,873.98
Short-term provisions	11	343.72	302.05
		20,671.60	15,559.92
TOTAL		68,425.68	54,615.35
II ASSETS			
(1) Non-current assets			
Fixed assets	12		
Tangible assets		37,225.12	27,604.47
Intangible assets		69.96	34.32
Capital work-in-progress		6,789.66	5,033.97
Intangible assets under development		67.81	40.57
		44,152.55	32,713.33
Non-current investments	13	4,312.85	4,495.61
Long-term loans and advances	14	4,961.47	3,083.99
Other non-current assets	15	-	0.08
		53,426.87	40,293.01
(2) Current assets			
Current investments	16	67.70	140.45
Inventories	17	6,196.57	4,799.10
Trade receivables	18	2,218.74	1,862.20
Cash and cash equivalents	19	465.72	1,401.79
Short-term loans and advances	14	6,050.08	6,118.80
		14,998.81	14,322.34
TOTAL		68,425.68	54,615.35
Significant Accounting Policies	1		
The accompanying Notes 1 to 26 are an integral part of the financial statements			

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

A SIDDHARTH

Partner

Place : Mumbai,

Date : 27 May 2014

LANCY VARGHESE

Company Secretary

RAJEEV PAI

Chief Financial Officer

For and on behalf of the Board of Directors

SAJJAN JINDAL

Chairman and Managing Director

SESHAGIRI RAO M.V.S.

Jt. Managing Director & Group CFO

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2014

(₹ in crores)

	Note No.	For the Year ended 31 March 2014	For the Year ended 31 March 2013
I Revenue from operations	20	49,295.43	38,867.59
Less: Excise duty		3,997.71	3,375.78
		45,297.72	35,491.81
II Other income	21	331.05	260.88
III Total revenue (I + II)		45,628.77	35,752.69
IV Expenses:			
Cost of materials consumed		26,705.82	22,590.37
Purchases of stock-in-trade		494.81	10.00
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(244.10)	(172.46)
Employee benefits expense	23	799.58	670.97
Finance costs	24	2,740.13	1,724.48
Depreciation and amortization	12	2,725.88	1,973.89
Other expenses	25	8,759.02	6,084.11
Total expenses		41,981.14	32,881.36
V Profit before exceptional items and tax (III - IV)		3,647.63	2,871.33
VI Exceptional items			
Exchange loss (net)	26(8)	1,692.30	367.21
VII Profit before tax (V-VI)		1,955.33	2,504.12
VIII Tax expenses			
Current tax		409.80	501.40
Deferred tax		620.82	495.60
Less: MAT credit entitlement		(409.80)	(294.10)
		620.82	702.90
IX Profit for the year (VII-VIII)		1,334.51	1,801.22
X Earnings per equity share:	26(16)		
Basic		53.86	79.28
Diluted (see note)		53.86	79.28
Significant Accounting Policies	1		
The accompanying Notes 1 to 26 are an integral part of the financial statements			

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

A SIDDHARTH

Partner

Place : Mumbai,

Date : 27 May 2014

LANCY VARGHESE

Company Secretary

RAJEEV PAI

Chief Financial Officer

For and on behalf of the Board of Directors

SAJJAN JINDAL

Chairman and Managing Director

SESHAGIRI RAO M.V.S.

Jt. Managing Director & Group CFO

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2014

(₹ in crores)

	For the year ended 31 March 2014	For the year ended 31 March 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	1,955.33	2,504.12
Adjustments for :		
Depreciation and amortisation	2,725.88	1,973.89
Loss on sale of fixed assets	4.46	2.30
Income from current investments	(17.15)	(16.79)
Profit on sale of long term investment	(6.56)	(15.79)
Interest income	(245.16)	(222.41)
Dividend income	(22.23)	(5.89)
Interest expenses	2,124.92	1,270.68
Unrealised exchange loss / (gain)	197.06	(141.97)
Amortisation of employees share payments	-	5.70
Provision for diminution in value of investments	-	0.58
	4,761.22	2,850.30
Operating profit before working capital changes	6,716.55	5,354.42
Adjustments for :		
(Increase) / Decrease in inventories	(829.05)	379.98
Decrease / (Increase) in trade receivables*	493.62	(577.58)
Decrease / (Increase) in loans and advances*	1,543.66	(643.17)
Increase in liabilities*	(2,275.26)	(113.32)
(Decrease) / Increase in provisions*	(22.55)	6.61
	(1,089.58)	(947.48)
Cash flow from Operations	5,626.97	4,406.94
Direct Taxes Paid	(352.79)	(482.28)
NET CASH GENERATED FROM OPERATING ACTIVITIES	5,274.18	3,924.66
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital advances	(4,410.07)	(4,556.89)
Proceeds from sale of fixed assets	10.93	7.53
Investment in subsidiaries and joint ventures including advances	(645.55)	(268.20)
Purchase of other long term investments (net)	(56.06)	-
Purchase/Sale of current investments (net)	92.72	77.56
Interest received	248.26	282.88
Dividend received	22.23	5.89
NET CASH USED IN INVESTING ACTIVITIES	(4,737.54)	(4,451.23)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	3,879.81	5,237.87
Repayment of long term borrowings	(4,267.36)	(3,872.30)
Short term borrowings (net)	2,564.64	336.71
Interest paid	(2,228.01)	(1,351.38)
Dividend paid (including corporate dividend tax)	(315.45)	(226.92)
NET CASH GENERATED FROM FINANCING ACTIVITIES	(366.37)	123.98
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	170.27	(402.59)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	203.07	605.66
On Account of Composite Scheme of Amalgamation and Arrangement (refer note 26(4))	50.16	-
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	423.50	203.07
Add : Other cash and bank balances	19.08	1,179.39
Add : Balance in debenture interest / installments / dividend payment accounts	23.14	19.33
CASH AND CASH EQUIVALENTS (As per Note 19)	465.72	1,401.79
# Cash and cash equivalents (refer note 19)	446.64	588.24
Less: Earmarked balances included above	23.14	385.17
Cash and cash equivalents considered for cash flow	423.50	203.07
* Includes current and non current		

Note

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

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

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

For and on behalf of the Board of Directors

SAJJAN JINDAL

Chairman and Managing Director

A SIDDHARTH

Partner

Place : Mumbai,

Date : 27 May 2014

LANCY VARGHESE

Company Secretary

RAJEEV PAI

Chief Financial Officer

SESHAGIRI RAO M.V.S.

Jt. Managing Director & Group CFO

NOTES TO FINANCIAL STATEMENTS

Note 1 SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of accounting

The accompanying financial statements have been prepared under the historical cost convention on an accrual basis except for the assets and liabilities acquired under the composite scheme of Amalgamation and Arrangement which are recorded at respective fair values, in accordance with Indian Generally Accepted Accounting Principles (GAAP), Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs} and the relevant provisions of the 1956 Act / 2013 Act, as applicable.

2. Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions in the estimates are recognized in the periods in which the results are known/materialize.

3. Tangible Assets

Tangible Assets are stated at their cost of acquisition or construction less accumulated depreciation and impairment losses, if any.

Cost of acquisition comprise all costs including purchase price net of trade discounts and rebates, non-recoverable taxes, levies and duties and directly attributable costs to bring the asset to its present location and working condition up to the date the assets are put to use. Costs of construction are composed of those costs that relate directly to specific assets and those that are attributable to the construction activity in general and can be allocated to specific assets up to the date the assets are put to use. Borrowing costs incurred for qualifying assets

(i.e. the assets that take substantial period of time to get ready for its intended use) is capitalised up to the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

4. Intangible Assets

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any.

5. Depreciation and amortisation

Depreciation on assets is provided, pro-rata for the period of use, by the Straight Line Method (SLM) at the rates prescribed in Schedule XIV to the Act.

Depreciation on assets, acquired under the Composite Scheme of Amalgamation and Arrangement, is provided, pro-rata for the period of use, by the SLM at the rates prescribed in Schedule XIV to the Act or at the SLM rates derived per independent, technical estimate of useful life, whichever is higher.

Leasehold land is amortized over the period of the lease, except where the lease is convertible to freehold land under lease agreements at future dates at no additional cost.

Intangible assets are amortised over the best estimate of their useful lives, subject to a rebuttable presumption that such useful lives will not exceed ten years. Software is depreciated over an estimated useful life of 3 to 5 years.

6. Impairment

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment in accordance with Accounting Standard 28 "Impairment of Assets". If any indication of impairment exists, the recoverable amount (i.e. the higher of the asset's net selling price and value in use) of such assets is estimated and impairment is recognized if the carrying amount of these assets exceeds their recoverable amount. If at the balance

NOTES TO FINANCIAL STATEMENTS

sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount but limited to the carrying amount that would have been determined (net of depreciation / amortisation) had no impairment loss been recognised in prior accounting periods.

7. Investments

Investments are classified as current or long-term in accordance with Accounting Standard (AS) 13, Accounting for Investments.

Long term investments are carried at cost or at fair value of investments acquired under the Composite Scheme of Amalgamation and Arrangement. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments. Current investments are carried at lower of cost and fair value.

8. Revenue recognition

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

Sale of Goods

Revenue from sale of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained by the Company. Revenue from sale of goods is recognised gross of excise duty, and net of rebates and discounts, and sales tax and value added tax. Excise duty recovered is presented as a reduction from gross turnover. Export turnover includes related export benefits.

Gain arising on pre-payment of deferred Value Added Tax (VAT)/Sales Tax at discounted rate are accounted on payment of VAT to authority.

9. Other Income

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

10. Inventories

Inventories are valued at the lower of cost and net

realizable value. Cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined by the weighted average cost method.

Excise duty related to finished goods stock is included under changes in inventories of finished goods, work-in-progress and stock-in-trade (Refer note 22).

11. Borrowing costs

Borrowing costs not attributable to the acquisition or construction of qualifying assets are expensed as incurred.

12. Employee benefits

Employee benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense in the statement of profit and loss in the period in which the service is rendered.

Employee benefits under defined benefit plans, such as gratuity and compensated absences which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The Company's obligations recognized in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets, where applicable.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

13. Foreign currency transactions

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

Monetary foreign currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date. Exchange differences relating to long term monetary items are dealt with in the following manner:

- i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a

NOTES TO FINANCIAL STATEMENTS

depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life of the asset.

- ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized in the statement of profit and loss over the balance life of the long-term monetary item, however that the period of amortization does not extend beyond 31 March 2020.

All other exchange differences are dealt with in the statement of profit and loss.

Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of the transaction- also refer note 1(7).

14. Derivative financial instruments

The Company enters into derivative financial instruments such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date.

The Company designates certain derivatives as either hedges of the fair value of recognized assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges). The Company does not enter into derivative contracts for trading or speculative purposes.

A derivative is presented under "Short term loans and advances" (Note 14) or "Other Current Liabilities" (Note 10).

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in the same line of the statement of profit and loss relating to the hedged item.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in a "Hedging Reserve Account". The gain or loss relating to the ineffective portion is recognized immediately in the statement of profit and loss. Amounts deferred in the Hedging Reserve Account are recycled in the statement of profit and loss in the periods when the hedged item is recognized in the statement of profit and loss, in the same line as the hedged item.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. In case of fair value hedges the adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized in the statement of profit and loss from that date. In case of cash flow hedges any cumulative gain or loss deferred in the Hedging Reserve Account at that time is retained and is recognized when the forecast transaction is ultimately recognized in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred is recognized immediately in the statement of profit and loss.

15. Income taxes

Tax expenses comprises of current and deferred tax.

Current tax is measured at the amount expected to be paid to / recovered from the revenue authorities, using the applicable tax rates and tax laws. Minimum Alternate Tax (MAT) credit entitlement available under the provisions of Section 115 JAA of the Income Tax Act, 1961 is recognized to the extent that the credit will be available for discharge of future normal tax liability.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or a deferred tax liability. They are measured using the substantively enacted tax rates and tax laws as on the balance sheet date. Deferred tax assets are recognised only when there is a reasonable certainty that sufficient future taxable income will be available against which they will be realised. Where there is a

NOTES TO FINANCIAL STATEMENTS

carry forward of losses or unabsorbed depreciation, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence of availability of taxable income against which such deferred tax assets can be realised in future.

The carrying amount of MAT credit and deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the assets can be realized.

Where certain expenses or credits which are otherwise required to be charged in the statement of profit and loss are adjusted directly to reserves in accordance with a court order or as permitted by law/accounting standards, the tax benefits or charge, arising from the admissibility or taxability of such expenses or income for tax purpose is also recognized in the reserves.

Tax on distributed profits payable in accordance with the provisions of Section 115D of the Income Tax Act, 1961 which is accounted for in accordance with the Guidance Note on Accounting for Corporate Dividend Tax is regarded as a tax on distribution of profits and is not considered in determination of profits for the year.

16. Earnings per share

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

17. Leases:

(i) Finance lease

Assets acquired under finance leases are recognised as an asset and a liability at the

commencement of the lease, at the lower of the fair value of the assets and the present value of minimum lease payments. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Assets given under finance leases are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

(ii) Operating Leases

Operating lease receipts and payments are recognized as income or expense in the statement of profit and loss on a straight-line basis over the lease term.

18. Securities' expenses

Premium payable on redemption of bonds is provided for over the life of the bonds. The Securities Premium Account is applied in providing for premium on redemption in accordance with Section 78 of the 1956 Act. On conversion of the bonds to equity the provision for the redemption premium is reversed.

Expenses on issue of securities are written off to the Securities Premium Account in accordance with Section 78 of the 1956 Act.

19. Stock based compensation

The compensation cost of stock options granted to employees is calculated using the intrinsic value of the stock options. The compensation expense is amortized uniformly over the vesting period of the option.

20. Provision, Contingent liabilities, Contingent Assets and Commitments

A provision is recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Contingent liabilities are not recognised; but disclosed unless the probability of an outflow of resources is remote. Contingent Assets are neither recognised nor disclosed.

NOTES TO FINANCIAL STATEMENTS

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
Note 2 SHARE CAPITAL		
a Authorised :		
6,01,50,00,000 (Previous year 2,00,00,00,000) Equity Shares of the par value of ₹10 each	6,015.00	2,000.00
3,00,00,00,000 (Previous year 1,00,00,00,000) Preference Shares of the par value of ₹ 10 each	3,000.00	1,000.00
	9,015.00	3,000.00
b Issued and Subscribed:		
24,17,22,044 (Previous year 22,31,17,200) Equity Shares fully paid up	241.72	223.12
27,90,34,907 10% Cumulative Redeemable Preference Shares fully paid up	279.03	279.03
48,54,14,604 (Previous year Nil) 0.01% Cumulative Redeemable Preference Shares fully paid-up	485.41	-
	1,006.16	502.15
c Equity Shares Forfeited (Amount originally paid-up)	61.03	61.03
	1,067.19	563.18
d Reconciliation of number of shares outstanding at the beginning and end of the year :		
Equity :		
Outstanding at the beginning of the year	223,117,200	223,117,200
Issued during the year (on Account of Composite Scheme of Amalgamation and Arrangement) (refer note 26 (4))	18,604,844	-
Outstanding at the end of the year	241,722,044	223,117,200
Preference :		
10% Cumulative Redeemable Preference Shares		
Outstanding at the beginning and at the end of the year	279,034,907	279,034,907
0.01% Cumulative Redeemable Preference Shares		
Outstanding at the beginning of the year	-	-
Issued during the year (on Account of Composite Scheme of Amalgamation and Arrangement) (refer note 26(4))	485,414,604	-
Outstanding at the end of the year	485,414,604	-

e Rights, preferences and restrictions attached to Equity shares

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

f Rights, preferences and restrictions attached to Preference shares

The Company has two classes of preference shares i.e. 10% Cumulative Redeemable Preference Shares (CRPS1) of ₹ 10 per share and 0.1% Cumulative Redeemable Preference Shares (CRPS2) of ₹ 10 per share. CRPS1 are redeemable at par in four equal quarterly installments commencing from 15 December 2017. The shares carry a right to receive 10% dividend every year till redemption.

Each holder of CRPS2 is entitled to one vote per share, in proportion to the amount paid on CRPS2 held, only on resolutions placed before the Company which directly affect the rights attached to CRPS2. It carries dividend @ 0.01% p.a., when declared. CRPS2 is redeemable at par in eight quarterly installments commencing from 15th June 2018. In the event of liquidation, the preference shareholders are eligible to receive the outstanding amount including dividend after distribution of all other preferential amounts, in proportion to their shareholding. In the event of winding-up of the Company before redemption of preference shares, the holders of CRPS1 and CRPS2 will have priority over equity shares in the payment of dividend and repayment of capital.

NOTES TO FINANCIAL STATEMENTS

(₹ in crores)

		As at 31 March 2014	As at 31 March 2013
g	Shareholders holding more than 5% shares in the company is set out below:		
	Equity		
	JFE Steel International Europe B.V	No. of Shares	36,258,307
		%	15.00%
	JSW Holdings Limited	No. of Shares	17,284,923
		%	7.15%
	JSW Investment Private Limited	No. of Shares	12,599,601
		%	5.21%
	JSW Energy Investments Private Limited	No. of Shares	6,184,200
		%	2.56%
	Preference		
	10% Cumulative Redeemable Preference Shares		
	ICICI Bank Limited	No. of Shares	125,707,730
		%	45.05%
	IDBI Bank Limited	No. of Shares	69,734,847
		%	24.99%
	Life Insurance Corporation of India	No. of Shares	36,348,783
		%	13.03%
	IFCI Limited	No. of Shares	21,262,362
		%	7.62%
	0.01% Cumulative Redeemable Preference Shares		
	JSW Logistics Infrastructure Private Limited	No. of Shares	338,586,951
		%	69.75%
h	Shares allotted as fully paid-up pursuant to contracts without payment being received in cash during the period of five years immediate preceding the date of the Balance Sheet are as under:		
	1,86,04,844 equity shares to the shareholders of the erstwhile JSW Ispat Steel Limited pursuant to a Composite Scheme of Amalgamation and Arrangement.		
	48,54,14,604 0.01% Cumulative Redeemable Preference Shares fully paid upto the shareholders of the erstwhile JSW Ispat Steel Limited pursuant to a Composite Scheme of Amalgamation and Arrangement. (refer note 26 (4))		

NOTES TO FINANCIAL STATEMENTS

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
Note 3 RESERVE AND SURPLUS		
a Capital Reserve		
As per last Balance Sheet	529.38	529.38
Addition on Account of Composite Scheme of Amalgamation and Arrangement (Refer note 26(4))	3,055.12	-
	3,584.50	529.38
b Capital Redemption Reserve		
As per last Balance Sheet	9.90	9.90
	9.90	9.90
c Securities Premium Reserve		
As per last Balance Sheet	5,416.63	5,536.25
Less : Provision for premium on redemption of FCCBs	-	(119.62)
	5,416.63	5,416.63
d Debenture Redemption Reserve		
As per last Balance Sheet	11.86	4.04
Add : Transfer from surplus in Statement of Profit and Loss	54.16	7.82
	66.02	11.86
e Share Options Outstanding		
Share Options Outstanding	-	23.67
Less: Deferred Compensation	-	-
	-	23.67
Less : Transfer to General Reserve	-	(23.67)
	-	-
f Hedging Reserve Account		
As per last Balance Sheet	(8.83)	(14.46)
Addition on Account of Composite Scheme of Amalgamation and Arrangement (Refer note 26(4))	0.05	-
Movement during the year	243.68	5.63
	234.90	(8.83)
g General Reserve		
As per last Balance Sheet	10,068.69	9,864.02
Add: Transfer from surplus in Statement of Profit and Loss	134.00	181.00
Transfer from Share Options Outstanding	-	23.67
Less: As per the Composite Scheme of Amalgamation and Arrangement	(2.47)	-
	10,200.22	10,068.69
h Foreign Currency Monetary Item translation Difference Account (FCMITDA)		
As per last Balance Sheet	40.54	-
Movement during the year	(80.65)	40.54
	(40.11)	40.54
i Surplus in Statement of Profit and Loss		
As per last Balance Sheet	3,306.02	1,987.30
Add : Profit for the year	1,334.51	1,801.22
Less : Pursuant to the Composite Scheme of Amalgamation and Arrangement (refer note 26(4))	341.95	-
Less: Appropriations :		
Dividend on Additional Equity Shares Issued (refer note 26(4))	21.77	-
Transfer to Debenture Redemption Reserve	54.16	7.82
Dividend on Preference Shares [₹ 1 per share (Previous year ₹ 1 per share)]	27.90	27.90
Proposed Final Dividend on Equity Shares [₹ 11 per share (Previous year ₹ 10 per share)]	265.89	223.12
Corporate Dividend Tax on Proposed Dividend	49.93	42.66
Transfer to General Reserve	134.00	181.00
	3,744.93	3,306.02
	23,216.99	19,374.19

NOTES TO FINANCIAL STATEMENTS

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
	Non Current		Current (Refer note 10)	
Note 4 LONG TERM BORROWINGS				
Bonds / Debentures				
Debentures (Secured)				
10.55% Non Convertible Debentures of ₹ 10 lacs each	150.00	-	-	-
10.50% Non Convertible Debentures of ₹ 10 lacs each	150.00	-	-	-
10.55% Non Convertible Debentures of ₹ 10 lacs each	1,000.00	-	-	-
10.02% Non Convertible Debentures of ₹ 10 lacs each	1,000.00	-	-	-
10.34% Non Convertible Debentures of ₹ 10 lacs each	1,000.00	1,000.00	-	-
11% Non Convertible Debentures of ₹ 10 lacs each	1,000.00	1,000.00	-	-
10.25% Non Convertible Debentures of ₹ 10 lacs each	500.00	500.00	-	-
10.60% Non Convertible Debentures of ₹ 10 lacs each	350.00	350.00	-	-
10.10% Non Convertible Debentures of ₹ 10 lacs each	718.75	968.75	250.00	31.25
11.93% Non Convertible Debentures of ₹ 10 lacs each	-	6.28	6.28	8.38
11.93% Non Convertible Debentures of ₹ 10 lacs each	9.75	17.55	7.80	7.80
	5,878.50	3,842.58	264.08	47.43
Term Loans				
(Secured)				
Rupee Term Loans from Banks	9,134.77	6,172.53	904.56	648.78
Foreign Currency Term Loans from Banks	603.70	695.60	920.55	432.44
Rupee term loans from financial institution	3.00	14.23	11.22	11.22
(Unsecured)				
Foreign Currency Term Loans from Banks	5,332.65	4,598.55	99.97	95.33
	15,074.12	11,480.91	1,936.30	1,187.77
Long Term Advance from a Customer	-	-	-	128.49
Deferred payment liabilities				
Deferred Sales Tax Loan (unsecured)	101.70	110.77	9.07	0.88
	21,054.32	15,434.26	2,209.45	1,364.57

Details of Security

- (i) 10.34% NCDs aggregating to ₹ 1,000 crores are secured by way of first pari passu charge on fixed assets related to 2.8 mtpa expansion project located at Vijayanagar works, Karnataka and a flat at Vasind, Maharashtra.
- (ii) 11% NCDs aggregating to ₹ 1,000 crores are secured by way of first pari passu charge on fixed assets related to 2.8 mtpa expansion project located at Vijayanagar works, Karnataka and a flat at Vasind, Maharashtra.
- (iii) 10.25% NCDs aggregating to ₹ 500 crores are secured by way of mortgage in respect of all immovable and movable properties of a subsidiary located at Tarapur Works and Vasind Works in the State of Maharashtra both present and future. Security shall be released pursuant to realignment of Security being undertaken, post demerger of Vasind, Tarapur and Kalmeshwar Works pursuant to the Composite Scheme of Amalgamation and Arrangement between JSW Steel Limited and JSW Ispat Steel Limited subject to necessary approvals as may be required. Post realignment the NCD's will be secured by the fixed assets located at Salem works, Tamil Nadu
- (iv) 10.60% NCDs aggregating to ₹ 350 crores are secured by:
 - pari passu first charge by way of legal mortgage on land situated in the State of Gujarat
 - pari passu first charge by way of equitable mortgage on fixed assets of the new 5 mtpa Hot Strip Mill at Vijayanagar works, Karnataka.
- (v) 10.10 % NCDs aggregating to ₹ 968.75 crores are secured by:
 - pari passu first charge by way of legal mortgage on all immovable properties of a subsidiary located at Tarapur Works and Vasind Works in the State of Maharashtra both present and future. Security shall be

NOTES TO FINANCIAL STATEMENTS

released pursuant to realignment of Security being undertaken, post demerger of Vasind, Tarapur and Kalmeshwar Works pursuant to the Composite Scheme of Amalgamation and Arrangement between JSW Steel Limited and JSW Ispat Steel Limited subject to necessary approvals as may be required.

- pari passu first charge on all immovable properties and movable assets both present and future located at Salem Works in the State of Tamil Nadu.
- (vi) 10.02 % NCDs aggregating to ₹ 1,000 crores are secured by:
- first pari passu charge on 3.8 mtpa fixed assets located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
- (vii) 11.93% NCDs aggregating to ₹ 6.28 crores are secured by:
- First charge on land situated in the State of Gujarat.
 - First charge on movable and immovable assets related to power plant situated at Salem Works, Tamilnadu.
- (viii) 11.93 % NCDs aggregating to ₹ 17.55 crores are secured by:
- pari passu first charge by way of legal mortgage on a flat situated at Mumbai, in the State of Maharashtra.
 - pari passu first charge by way of equitable mortgage of the Company's immovable properties relating to the 100MW and 130MW Power Plants located at Vijayanagar works, Karnataka.
- (ix) 10.55% NCDs aggregating to ₹ 1,000 crores are secured/to be secured by pari passu first charge by way of equitable mortgage on fixed assets of the new 5 mtpa Hot Strip Mill at Vijayanagar works, Karnataka.
- (x) 10.50% NCDs aggregating to ₹ 150 crores are secured/to be secured by first pari passu charge on specific fixed assets of the company.
- (xi) 10.55% NCDs aggregating to ₹ 150 crores are secured/to be secured by first pari passu charge on specific fixed assets of the company.
- (x) Rupee Term Loans from Banks/Foreign Currency Term Loan from Bank are secured / to be secured as under :
- Foreign Currency Term Loans aggregating to ₹ 39.92 crores are secured by a first charge by an equitable/ registered Mortgage of movable and immovable properties of assets situated at Salem Works, Tamilnadu and a second pari passu charge on the current assets at Salem Works, Tamilnadu.
 - Foreign Currency Term Loans aggregating to ₹ 146.49 crores by exclusive first charge by way of equitable mortgage in respect of all movable and immovable properties of Cold Rolling Mill Complex (CRM I) at Vijayanagar works, Karnataka.
 - Rupee Term Loans aggregating to ₹ 16.50 crores and Foreign Currency Term Loans aggregating to ₹ 56.34 crores by exclusive first charge by way of equitable mortgage in respect of all movable and immovable properties both present and future of 2.8 mtpa expansion project at Vijayanagar works, Karnataka.
 - Foreign Currency Term Loans aggregating to ₹ 550.63 crores by exclusive first charge by way of equitable mortgage in respect of all movable and immovable properties of Hot Strips Mill at Vijayanagar works, Karnataka.
 - Rupee Term Loans aggregating to ₹ 4,076.74 crores by pari passu first charge by way of mortgage in respect of all movable and immovable properties both present and future, first charge / Assignment of all the assets and first charge on all the Bank Accounts of 3.2 mtpa expansion project at Vijayanagar works, Karnataka.
 - Rupee Term Loan aggregating to ₹ 288.75 crores by exclusive first mortgage and charge on all movable and immovable properties both present and future, and first charge on the Bank Accounts of the 300 MW Power Plant - CPP IV at Vijayanagar works, Karnataka.
 - Rupee Term Loan aggregating to ₹ 707.14 crores by first mortgage and charge of all immovable properties both present and future, and a first charge by way of hypothecation of all movable properties both present and future of the Beneficiation Plant (6 x 500 tph) and Pellet Plant (4.2 mtpa) at Vijayanagar works, Karnataka.
 - Rupee Term Loan aggregating to ₹ 1,000 crores by first pari passu charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijayanagar works, Karnataka.
 - Rupee Term Loan aggregating to ₹ 1,200 crores secured/to be secured by first pari passu charge on 3.8 mtpa upstream assets (other than assets specifically carved out) at Vijayanagar works, Karnataka.
 - Rupee Term Loans aggregating to ₹ 2,750.10 crores and Foreign Currency Term Loans aggregating to ₹ 730.86 crores by first charge on fixed assets situated at Dolvi works, Maharashtra.
- (xi) Rupee Term Loan from Financial Institution aggregating to ₹ 14.23 crores are secured by exclusive first charge by way of hypothecation of Bombardier Challenger 300 aircraft.

NOTES TO FINANCIAL STATEMENTS

Terms of Repayment/ Redemption/ Conversion

1. Terms of Conversion/ Redemption of Bonds/ Non-Convertible Debentures (NCDs)

- (i) 10.55% Secured NCDs of ₹ 10 lacs each aggregating ₹ 150 crores is redeemable on 20.03.2017.
- (ii) 10.50% Secured NCDs of ₹ 10 lacs each aggregating ₹ 150 crores is redeemable as Under
 - ₹ 75 Crore on 26.03.2016
 - ₹ 75 Crore on 18.05.2016
- (iii) 10.55% Secured NCDs of ₹ 10 lacs each aggregating ₹ 1,000 crores is redeemable on 10.02.2017.
- (iv) 10.02% Secured NCDs of ₹ 10 lacs each aggregating ₹ 500 crores is redeemable on 20.05.2023.
- (v) 10.02% Secured NCDs of ₹ 10 lacs each aggregating ₹ 500 crores is redeemable on 19.07.2023
- (vi) 10.34% Secured NCDs of ₹ 10 lacs each aggregating ₹ 1,000 crores are redeemable in three tranches as under :
 - ₹ 330 crores on 18.1.2022
 - ₹ 330 crores on 18.1.2023
 - ₹ 340 crores on 18.1.2024
- (vii) 11% Secured NCDs of ₹ 10 lacs each aggregating ₹ 1,000 crores are redeemable with call and put option exercisable on 16.03.17 and 16.03.19 as under:
 - ₹ 330 crores each on 16.3.2021
 - ₹ 330 crores each on 16.3.2022
 - ₹ 340 crores each on 16.3.2023
- (viii) 10.25% Secured NCDs of ₹ 10 lacs each aggregating ₹ 500 crores are redeemable in 3 equal annual instalments of ₹ 166.67 crores each from 17.02.2016 to 17.02.2018.
- (ix) 10.60% Secured NCDs of ₹ 10 lacs each aggregating ₹ 350 crores are redeemable in two tranches as under :
 - 8 half yearly instalments of ₹ 21.875 crores each from 02.01.2016 to 02.07.2019
 - 8 half yearly instalments of ₹ 21.875 crores each from 02.08.2016 to 02.02.2020.
- (x) 10.10% Secured NCDs of ₹ 10 lacs each aggregating ₹ 968.75 crores are redeemable in two tranches as under :
 - 15 quarterly instalments of ₹ 31.25 crores each from 04.05.2014 to 04.11.2017
 - 16 quarterly instalments of ₹ 31.25 crores each from 15.06.2014 to 15.03.2018.
- (xi) 11.93% Secured NCDs of ₹ 10 lacs each aggregating ₹ 6.28 crores are redeemable in 3 quarterly instalments of ₹ 2.09 crores each from 1.07.2014 to 01.01.2015.
- (xii) 11.93% Secured NCDs of ₹ 10 lacs each aggregating ₹ 17.55 crores are redeemable in 9 quarterly instalments of ₹ 1.95 crores each from 15.04.2014 to 15.04.2016.

2. Terms of Repayment of Secured Term Loans

- (A) Rupee Term Loan from Banks of :
 - (i) ₹ 16.50 crores is repayable in 8 quarterly instalments of ₹ 2.06 crores each from 30.4.2014 to 31.1.2016.
 - (ii) ₹ 2,559.35 crores is repayable as under :
 - 4 quarterly instalments of ₹ 75.28 crores from 30.6.2014 - 31.3.2015
 - 8 quarterly instalments of ₹ 188.19 crores from 30.6.2015 - 31.3.2017
 - 2 quarterly instalments of ₹ 250.91 crores from 30.6.2017 - 30.9.2017
 - 1 quarterly instalments of ₹ 250.94 crores on 31.12.2017
 - (iii) ₹ 1,187.50 crores is repayable as under :
 - 8 quarterly instalments of ₹ 31.25 crores each from 30.6.2014 - 31.3.2016
 - 12 quarterly instalments of ₹ 78.13 crores each from 30.6.2016 - 31.3.2019.
 - (iv) ₹ 329.88 crores is repayable as under :
 - 3 quarterly instalments of ₹ 10 crores each from 1.7.2014 - 1.1.2015
 - 8 quarterly instalments of ₹ 25 crores each from 1.4.2015 - 1.1.2017
 - 3 quarterly instalments of ₹ 33.33 crores each from 1.4.2017 - 1.10.2017.
 - (v) ₹ 707.14 crores is repayable in 22 quarterly instalments of ₹ 32.14 crores each from 1.7.2014 to 1.10.2019.
 - (vi) ₹ 288.75 crores is repayable in 7 quarterly instalment of ₹ 41.25 crores each from 1.7.2014 to 1.1.2016.

NOTES TO FINANCIAL STATEMENTS

(vii) ₹ 1,000 crores is repayable as under :

- 16 quarterly instalments of ₹ 12.5 crores each from 30.6.2014 - 31.3.2018
- 12 quarterly instalments of ₹ 37.5 crores each from 30.6.2018 - 31.3.2021
- 4 quarterly instalments of ₹ 43.75 crores each from 30.6.2021 - 31.3.2022
- 2 quarterly instalments of ₹ 87.5 crores each from 30.6.2022 - 30.9.2022

(viii) ₹ 1,200 crores is repayable as under :

- 16 quarterly instalments of ₹ 12.5 crores each from 31.3.2015 - 31.12.2018
- 12 quarterly instalments of ₹ 37.5 crores each from 31.3.2019 - 31.12.2021
- 4 quarterly instalments of ₹ 43.75 crores each from 31.3.2022 - 31.12.2022
- 2 quarterly instalments of ₹ 187.5 crores each from 31.3.2023 - 30.6.2023

(ix) ₹ 2,750.10 crores is repayable as under :

- 4 quarterly instalments of ₹ 28.82 crores from 30.6.2014 - 31.3.2015
- 4 quarterly instalments of ₹ 100.24 crores from 30.6.2015 - 31.3.2016
- 4 quarterly instalments of ₹ 129.06 crores from 30.6.2016 - 31.3.2017
- 12 quarterly instalments of ₹ 143.13 crores from 30.6.2017 - 31.3.2020

(B) Foreign Currency Term Loan from Banks of :

- (i) ₹ 31.55 crores is repayable in 3 half yearly instalments of ₹ 10.52 crores each from 16.6.2014 to 16.6.2015.
- (ii) ₹ 114.94 crores is repayable in 3 half yearly instalments of ₹ 38.31 crores each from 7.4.2014 to 7.4.2015.
- (iii) ₹ 56.34 crores is repayable on 7.7.2014.
- (iv) ₹ 550.63 crores is repayable on 27.5.2014
- (v) ₹ 39.92 crores is repayable in 4 half yearly instalments of ₹ 9.98 crores each from 9.9.2014 to 9.3.2016.
- (vi) ₹ 730.86 crores is repayable as Under
 - ₹ 383.60 is repayable in 35 Monthly instalments of ₹ 10.96 Crore each from 28.04.2014 to 28.02.2017
 - ₹ 8.74 is repayable in 1 Instalment of ₹ 8.74 crores on 28.03.2017.
 - ₹ 274.04 crores is repayable in 17 quarterly instalments of ₹ 16.12 crores each from 02.4.2014 to 01.4.2018.
 - ₹ 64.48 crores is repayable in 8 quarterly instalments of ₹ 8.06 crores each from 01.7.2018 to 01.4.2020.

(C) Rupee Term Loan from Financial Institutions of :

- (i) ₹ 5.71 crores is repayable in 15 monthly instalments of ₹ 0.38 crores each from 11.4.2014 to 11.6.2015.
- (ii) ₹ 2.82 crores is repayable in 15 monthly instalments of ₹ 0.19 crores each from 20.4.2014 to 20.6.2015.
- (iii) ₹ 3.12 crores is repayable in 16 monthly instalments of ₹ 0.20 crores each from 2.4.2014 to 02.7.2015.
- (iv) ₹ 2.57 crores is repayable in 15 monthly instalments of ₹ 0.17 crores each from 15.4.2014 to 15.6.2015.

3. Terms of Repayment of Unsecured Term Loans

(A) Foreign Currency Term Loan from Banks of :

- (i) ₹ 1,682.79 crores is repayable in 5 half yearly instalments of ₹ 336.56 crores each from 28.8.2015 to 27.8.2017.
- (ii) ₹ 749.75 crores is repayable in 15 half yearly instalments of ₹ 49.98 crores each from 30.5.2014 to 31.3.2021.
- (iii) ₹ 522.44 crores is repayable in 16 half yearly instalments of ₹ 32.08 crores each from 31.10.2014 to 30.4.2022 & last instalment of ₹ 9.16 crores on 31.10.2022
- (iv) ₹ 88.32 crores is repayable in 16 half yearly instalments of ₹ 5.37 crores each from 1.12.2014 to 1.6.2022 and last instalment of ₹ 2.4 crores on 1.12.2022.
- (v) ₹ 1,352.25 crores is repayable on 26.6.2017.
- (vi) ₹ 242.97 crores is repayable in 3 yearly instalments of ₹ 80.99 crores each from 26.7.2016 to 26.7.2018.
- (vi) ₹ 102.08 crores is repayable in 17 half yearly instalments of ₹ 5.89 crores each from 28.08.2014 to 28.08.2022 and & final instalment of ₹ 1.95 crores on 28.02.2023
- (vii) ₹ 324.29 crores is repayable in 16 half yearly instalments of ₹ 19.15 crores each from 19.7.2014 to 19.1.2022 and 1 half yearly instalment of ₹ 17.89 crores on 19.7.2022.
- (viii) ₹ 246.39 crores is repayable in 16 half yearly instalments of ₹ 15.21 crores each from 19.7.2014 to 19.1.2022 and 1 half yearly instalment of ₹ 3.03 crores on 19.7.2022.

NOTES TO FINANCIAL STATEMENTS

- (ix) ₹ 40.34 crores is repayable in 13 half yearly instalments of ₹ 2.90 crores each from 31.7.2014 to 31.7.2021 and final Instalment of ₹ 2.64 crores on 31.01.2022
- (x) ₹ 21.54 crores repayable in 4 equal semi annual instalments of ₹ 5.34 crores each from 09.07.2015 to 09.01.2017 and 1 semi annual instalment of ₹ 0.17 crores on 09.07.2017
- (xi) ₹ 59.43 crores repayable in 5 equal semi annual instalments of ₹ 10.37 crores each from 09.07.2015 to 09.07.2017 and 1 semi annual instalment of ₹ 7.58 crores on 09.01.2018

4. Deferred Sales tax loan (unsecured) of ₹ 110.77 crores is repayable in 89 varying monthly instalments starting from 30.4.2014 to 31.8.2021.

(Repayments stated above are rounded off to the nearest crore)

	(₹ in crores)	
	As at 31 March 2014	As at 31 March 2013
Note 5 DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability comprises of timing differences on account of		
Difference between book balance and tax balance of fixed assets	4,828.63	3,526.88
	4,828.63	3,526.88
Deferred tax asset comprises of timing differences on account of		
Expenses allowable on payment basis (43B)	45.63	25.80
Provision for doubtful debts / advances	186.77	38.75
Business loss / unabsorbed depreciation	2,685.66	-
Others	2.06	12.10
	2,920.12	76.65
Net deferred tax liabilities	1,908.51	3,450.23

	(₹ in crores)			
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
	Non -Current		Current (Refer note 10)	
Note 6 OTHER LONG TERM LIABILITIES				
Rent and other deposits	231.68	48.52	74.77	2.29
Retention money for capital projects	221.84	130.03	140.24	244.93
Other payables	12.88	15.51	-	-
	466.40	194.06	215.01	247.22

	(₹ in crores)			
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
	Non -Current		Current (Refer note 10)	
Note 7 LONG TERM PROVISIONS				
Compensated absences	40.67	39.51	7.08	5.33
Gratuity provision	-	-	50.48	37.09
	40.67	39.51	57.56	42.42

NOTES TO FINANCIAL STATEMENTS

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
Note 8 SHORT TERM BORROWINGS		
Working capital loans from banks (secured)	1,065.66	266.61
Foreign currency loan from bank (unsecured)	-	842.92
Rupee term loans from banks (unsecured)	1,855.00	-
Commercial paper (unsecured)	1,000.00	-
	3,920.66	1,109.53

Details of Security

Working capital loans of ₹ 1,065.66 crores are secured by :

- pari passu first charge by way of hypothecation of stocks of Raw Materials, Finished Goods, Work-in-Process, Consumable Stores and Spares and Book Debts / Receivables of the Company, both present and future.
- pari passu second charge on movable properties and immovable properties forming part of the Fixed/Blocked assets of the company, both present and future except such properties as may be specifically excluded.

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
Note 9 TRADE PAYABLES		
Acceptances	7,066.99	6,950.07
Other than acceptances [refer note 26(19)]	2,924.26	2,324.29
	9,991.25	9,274.36

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
Note 10 OTHER CURRENT LIABILITIES		
Current maturities of long term debt (refer note 4)	2,209.45	1,364.57
Current dues of other long term liabilities (refer note 6)	215.01	247.22
Current dues of long term employee benefits (refer note 7)	57.56	42.42
Payables for capital projects	3,062.39	2,563.01
Advances from customers	177.03	192.98
Interest accrued but not due on borrowings	159.15	124.31
Other statutory liabilities	486.58	264.01
Others	25.66	56.13
Investor education and protection fund shall be credited by :		
Unclaimed debenture redemption installments	0.92	1.28
Unclaimed debenture interest	0.56	0.77
Unclaimed dividend	14.93	13.58
Unclaimed amount of sale proceeds of fractional shares	6.73	3.70
	6,415.97	4,873.98

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
Note 11 SHORT TERM PROVISIONS		
Proposed dividend on preference shares	27.90	27.90
Proposed dividend on equity shares	265.89	223.12
Corporate dividend tax on proposed dividend	49.93	42.66
Provision for tax	-	8.37
	343.72	302.05

NOTES TO FINANCIAL STATEMENTS

Note 12 FIXED ASSETS

	Gross Block										Depreciation and Amortization			Net Block		
	As at 01.04.2013	Acquired under Composite Scheme of Amalgamation and Arrangement [refer note 26(4)]	Disposal under Composite Scheme of Amalgamation and Arrangement [refer note 26(4)]	Additions		Deductions	Other Adjustments	As at 31.03.2014	As at 01.04.2013	Acquired under Composite Scheme of Amalgamation and Arrangement [refer note 26(4)]	Disposal under Composite Scheme of Amalgamation and Arrangement [refer note 26(4)]	For the year	Deductions	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
				26(4)]	26(4)]											
Tangible Assets																
Freehold Land	236.84	613.67	64.80	66.95	6.25	-	846.41	18.48	-	-	-	-	-	18.48	827.93	218.36
	201.07	-	-	35.77	-	-	236.84	18.48	-	-	-	-	-	18.48	218.36	182.59
Leasehold Land	134.72	-	10.61	-	-	-	124.11	0.82	-	-	0.82	-	-	-	124.11	133.90
	134.37	-	-	0.35	-	-	134.72	0.69	-	-	0.13	-	-	0.82	133.90	133.68
Buildings	4,659.44	361.90	149.80	314.43	-	-	5,185.97	833.12	9.63	31.84	158.61	-	-	969.52	4,216.45	3,826.32
	4,552.60	-	-	111.16	5.76	1.44	4,659.44	697.77	-	-	-	2.30	-	833.12	3,826.32	3,854.83
Plant & Machinery ^(d)	32,209.34	9,520.32	1,542.21	2,363.63	29.07	571.88	43,093.89	8,961.91	451.68	688.21	2,528.54	24.30	11,229.62	31,864.27	23,247.43	
	29,876.90	-	-	1,960.17	4.27	376.54	32,209.34	7,162.93	-	-	1,801.25	2.27	8,961.91	23,247.43	22,713.97	
Furniture & Fixtures	94.46	5.03	2.10	2.99	0.67	-	99.71	46.46	0.45	1.35	6.08	0.08	-	51.56	48.15	48.00
	91.19	-	-	3.88	0.61	-	94.46	40.46	-	-	6.26	0.26	-	46.46	48	50.73
Vehicles & Aircrafts	170.32	5.70	1.52	12.63	5.23	-	181.90	54.44	0.58	0.65	12.67	1.98	-	65.06	116.84	115.88
	166.72	-	-	9.05	5.45	-	170.32	44.46	-	-	11.51	1.53	-	54.44	115.88	122.26
Office Equipments	19.05	16.31	1.53	2.93	0.62	-	36.14	4.47	2.21	0.59	2.77	0.09	-	8.77	27.37	14.58
	17.30	-	-	1.90	0.15	-	19.05	3.67	-	-	0.85	0.05	-	4.47	14.58	13.63
Tangible Assets Total (A)	37,524.17	10,522.93	1,772.57	2,763.56	41.84	571.88	49,568.13	9,919.70	464.55	723.46	2,708.67	26.45	12,343.01	37,225.12	27,604.47	
	35,040.15	-	-	2,122.28	16.24	377.98	37,524.17	7,968.46	-	-	1,957.65	6.41	9,919.70	27,604.47	27,071.69	
Intangible Assets																
Computer Software	69.40	-	7.12	48.14	-	-	110.42	42.85	-	-	0.23	13.39	-	55.81	54.61	26.75
	46	-	-	23.4	-	-	69.4	29.31	-	-	13.34	-	-	42.65	26.75	16.69
Licences	13.13	-	-	11.60	-	-	24.73	5.56	-	-	3.82	-	-	9.38	15.35	7.57
	4.86	-	-	8.27	-	-	13.13	2.66	-	-	2.9	-	-	5.56	7.57	2.2
Intangible Assets Total (B)	82.53	-	7.12	59.74	-	-	135.15	48.21	-	-	0.23	17.21	-	65.19	69.96	34.32
	50.86	-	-	31.67	-	-	82.53	31.97	-	-	16.24	-	-	48.21	34.32	18.89
TOTAL (A+B)	37,606.70	10,522.93	1,779.69	2,823.30	41.84	571.88	49,703.28	9,967.91	464.55	723.69	2,725.88	26.45	12,408.20	37,295.08	27,638.79	
Previous Year	35,091.01	-	-	2,153.95	16.24	377.98	37,606.70	8,000.43	-	-	1,973.89	6.41	9,967.91	27,638.79	-	-
share of assets jointly owned																
Plant & Machinery	32.71	-	-	-	-	-	32.71	22.58	-	-	1.73	-	-	24.31	8.40	10.13
	32.71	-	-	-	-	-	32.71	20.85	-	-	1.73	-	-	22.58	10.13	11.86

Notes:

- (a) Freehold Land includes ₹ 21.60 crores (previous year Nil) being the cost of 44.763 acres land, which is yet to be registered in the Company's name.
- (b) Buildings include: (a) Roads not owned by the Company amortised over a period of five years. Gross Block ₹ 3.13 crores (previous year ₹ 3.13 crores) Net Block Nil (previous year Nil)
 (b) Assets given on operating lease for which documents are yet to be executed pending approvals from Lenders and KSI/IDC. Gross Block Nil (previous year ₹ 3.08 crores); Net Block Nil (previous year ₹ 2.42 crores)
 (c) Execution of Conveyance deed in favour of the Company is pending in respect of a Building acquired in an earlier year. Gross Block Nil (previous year Gross Block ₹ 24.07 crores, Net Block ₹ 20.69 crores).
- (c) Other adjustments comprise the following costs capitalised during the year:
 (i) Borrowing costs of ₹ 60.72 crores (previous year ₹ 38.15 crores)
 (ii) Foreign Exchange Loss of ₹ 511.16 crores (previous year Foreign Exchange Gain of ₹ 339.83 crores)
 (d) Freehold Land and Buildings of ₹ 158.94 crores (previous year ₹ 158.31 crores) has been/agreed to be hypothecated/mortgaged to lenders of related parties
 (e) For details of assets given on operating lease, refer note 26 (15)

NOTES TO FINANCIAL STATEMENTS

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
Note 13 NON CURRENT INVESTMENT		
Long term (at cost or fair value whichever is lower)		
a Equity Instruments		
Trade - Quoted		
Associate		
JSW Ispat Steel Limited	-	2,357.11
Nil (Previous year 1,176,590,764) Equity Shares of ₹ 10 each fully paid-up		
Others		
JSW Energy Limited	238.47	120.90
98,878,500 (Previous year 77,980,500) Equity Shares of ₹ 10 each fully paid-up		
Trade - Unquoted		
Associates		
Jindal Praxair Oxygen Company Private Limited (JPOCPL)	27.27	27.27
23,942,125 Equity Shares of ₹ 10 each fully paid-up (Refer Note e below)		
Joint Ventures		
Gourangdih Coal Limited	2.45	2.45
2,450,000 Equity shares of ₹10 each, fully paid up		
JSW MI Service Centre Private Limited	30.54	30.54
30,539,800 Equity shares of ₹ 10 each fully paid-up		
JSW Severfield Structures Limited	98.44	65.30
98,437,940 (Previous year 65,298,417), Equity Shares of ₹ 10 each, fully paid up		
MJSJ Coal Limited	10.46	10.46
10,461,000 Equity shares of ₹10 each, fully paid up		
Rohne Coal Company Private Limited	0.49	0.49
490,000 Equity Shares of ₹ 10 each fully paid up		
Toshiba JSW Power Systems Private Limited	11.00	11.00
11,000,000 Equity Shares of ₹ 10 each, fully paid up		
Vijayanagar Minerals Private Limited	-	-
4,000 Equity shares of ₹ 10 each fully paid-up (₹ 40,000)		
Other than Trade-Unquoted		
Subsidiaries		
Amba River Coke Limited	662.27	174.01
662,269,806 (Previous year 174,005,020), Equity Shares of ₹ 10 each fully paid up (304,373,882 shares are pledged to the subsidiary's bankers)		
JSW Bengal Steel Limited	414.63	363.90
414,630,000 (Previous year 363,900,000) Equity Shares of ₹ 10 each fully paid-up		
JSW Building System Limited	-	2.81
Nil (Previous year 2,810,000) Equity Shares of ₹ 10 each fully paid-up		
JSW Jharkhand Steel Limited	64.78	42.72
64,779,910 (Previous year 42,721,710) Equity Shares of ₹ 10 each fully paid-up		
JSW Natural Resources Limited	62.59	62.59
1,365,500 Equity Shares of USD 10 each fully paid-up		
JSW Steel Processing Centres Limited	50.00	50.00
50,000,000 Equity Shares of ₹ 10 each fully paid-up		

NOTES TO FINANCIAL STATEMENTS

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
JSW Steel (Netherlands) B.V. 174,945,275 Equity Shares of Euro 1 each fully paid-up	1,082.18	1,082.18
JSW Steel Holding (USA) Inc. 1 Equity Share of USD 0.01 each fully paid-up	0.89	0.89
JSW Steel Coated Limited 50,050,000 (previous year Nil) Equity Shares of ₹ 10 each fully paid-up	1,313.54	-
Arima Holdings Limited 50,000 (previous year Nil) Equity Shares of USD 100 each fully paid-up	22.32	-
Erebus Limited 215,000 (previous year Nil) Equity Shares of USD 100 each fully paid-up	96.92	-
Nippon Ispat Singapore (Pte) Limited 784,502 (previous year Nil) Equity Shares of Singapore Dollar 1 each fully paid-up	1.57	-
Peddar Realty Private Limited 10,000 (previous year Nil) Equity Shares of ₹ 10 each fully-paid up	82.62	-
Lakeland Securities Limited 1 (previous year Nil) Equity Share of USD 100 each fully paid-up (₹3,998)	-	-
Others		
SICOM Limited 600,000 Equity Shares of ₹ 10 each fully paid-up	4.88	4.88
Steelscape Consultancy Private Limited 100,000 (50,000) Equity Shares of ₹ 10 each fully paid-up	0.10	0.05
Tarapur Environment Protection Society 29,116 Equity Shares of ₹ 100 each, fully paid up	0.29	0.29
Ispat Profiles India Limited 1,500,000 (previous year Nil) Equity Shares of ₹ 10 each fully paid-up (₹ 1)	-	-
Kalyani Mukand Limited 480,000 (Previous year Nil) Equity Shares of ₹ 10 each fully paid-up (₹ 1)	-	-
b Preference Shares		
Trade - Unquoted		
Joint Ventures		
Rohne Coal Company Private Limited 19,822,910 1% Preference Shares of ₹ 10 each, fully paid up	19.82	19.82
Others		
JSW Realty & Infrastructure Private Limited 19,915,000 (previous year 130,000,00) 10% Preference Shares of ₹ 100 each, fully paid up	199.15	130.00
c Government Securities (Unquoted)		
National Savings Certificates (Pledged with commercial tax department)	0.06	0.01
d Investment in Limited Liability Partnership Firm		
Subsidiaries		
Inversiones Eurosh Limitada 5% Equity Interest in the capital of the Firm	0.01	0.01
	4,497.74	4,559.68
Less: Provision for diminution in the value of Investments	(184.89)	(64.07)
	4,312.85	4,495.61

NOTES TO FINANCIAL STATEMENTS

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
e The Company has a 26% stake in Jindal Praxair Oxygen Company Private Limited (JPOCL). Though the Company is entitled to exercise joint control in respect of certain operating and financial matters in terms of the shareholders agreement, on account of certain constraints, it is unable to exercise such joint control. The Company has representation on JPOCL's Board. JPOCL has therefore been considered as an Associate Company.		
f SUMMARY		
Quoted		
Aggregate book value	238.47	2,478.01
Aggregate market value	585.86	1,456.07
Unquoted		
Aggregate book value	4,074.38	2,017.60

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
	Non-Current		Current	
Note 14 LOANS AND ADVANCES (UNSECURED)				
Capital advances	1,310.52	708.48	-	-
Less : Provision for doubtful advances	(90.43)	(89.40)	-	-
	1,220.09	619.08	-	-
Other loans and advances				
Loans and advances				
To related parties	225.13	69.15	2,679.80	3,771.95
To other body corporate	9.10	9.10	-	-
Advance to suppliers	518.95	8.54	1,482.44	643.38
Export benefits and entitlements	12.44	6.69	223.12	137.42
Amount recoverable from ESOP trusts	-	359.90	262.31	-
Deposits				
Security deposits	148.63	105.00	135.22	150.56
Others	-	-	-	0.61
Indirect tax balances / recoverables / credits	717.14	97.39	900.86	1,303.40
Prepayments and others	324.67	313.18	366.33	111.48
Advance tax and tax deducted at source (Net)	13.53	-	-	-
Minimum alternative tax credit entitlement	2,066.26	1,503.46	-	-
Advance towards equity / preference capital	14.63	13.26	-	-
Less : Provision for doubtful loans and advances	(309.10)	(20.76)	-	-
	3,741.38	2,464.91	6,050.08	6,118.80
	4,961.47	3,083.99	6,050.08	6,118.80
a Loans and advances constitute:				
Capital advances				
Considered good	1,220.09	619.08	-	-
Considered doubtful, provided	90.43	89.40	-	-
Other loans and advances				
Considered good	3,741.38	2,464.91	6,050.08	6,118.80
Considered doubtful, provided				
Loans and advances to other body corporate	9.10	9.10	-	-
Advances to suppliers	267.02	8.54	-	-
Other deposits	25.47	0.78	-	-
Prepayment and others	7.51	2.34	-	-

NOTES TO FINANCIAL STATEMENTS

b Details of loans and advances in the nature of loans to subsidiaries (including interest receivable):

Name of Company	As at 31 March 2014		As at 31 March 2013	
	Maximum amount outstanding during the year	Amount outstanding	Maximum amount outstanding during the year	Amount outstanding
JSW Steel (Netherlands) B.V.	589.89	161.84	1,126.32	449.31
JSW Natural Resources Limited	81.93	75.16	52.55	52.55
Inversiones Eurosh Limitada	557.98	557.95	483.56	481.74
JSW Steel Holding (USA) Inc.	3,862.89	1,723.57	2,782.66	2,782.66

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
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Note 15 OTHER NON CURRENT ASSETS

Cash and bank balances (refer note 19)	-	0.08
	-	0.08

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
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Note 16 CURRENT INVESTMENTS

Mutual funds (at cost or fair value whichever is lower)

Unquoted

Baroda Pioneer Liquid - Fund - Plan A Growth 136,771 (Previous year Nil) units of ₹ 1000 each	20.00	-
JP Morgan India Treasury Fund - Super Institutional - Growth 11,090,804 (Previous year 20,377,112) units of ₹ 10 each	18.00	30.00
Templeton India Ultra Short Bond Super Institutional Plan-Growth 18,293,490 (Previous year Nil) units of ₹ 10 each	29.70	-
Axis Liquid Fund - Growth CFGP Nil (Previous year 15,402) units of ₹ 1000 each	-	2.00
Baroda Pioneer Treasury Advantage Fund Plan A - Growth Nil (Previous year 125,360) units of ₹ 1000 each	-	16.65
HDFC Floating Rate Income Fund - Short Term Plan - WP - Growth Nil (Previous year 15,597,055) units of ₹ 10 each	-	30.00
ICICI Prudential Ultra Short Term - Regular Plan - Growth Nil (Previous year 4,871,230) units of ₹ 10 each	-	5.75
IDBI Liquid Fund - Growth Nil (Previous year 15,905) units of ₹ 1000 each	-	2.00
Indiabulls Liquid Fund -Existing Plan Growth Nil (Previous year 89,776) units of ₹ 1000 each	-	10.25
Indiabulls Ultra Short Term Fund - Existing Plan Growth Nil (Previous year 142,122) units of ₹ 1000 each	-	15.90
Pramerica Liquid Fund - Growth Option Nil (Previous year 57,128) units of ₹ 1000 each	-	7.00
Religare Ultra Short Term Fund - Growth Nil (Previous year 67,626) units of ₹ 1000 each	-	10.90
UTI Floating Growth Rate Fund STP Regular Plan Growth Nil (Previous year 53,365) units of ₹ 1000 each	-	10.00
Mutual funds	67.70	140.45
Summary		
Unquoted		
Aggregate book value	67.70	140.45
Aggregate repurchase value	69.58	143.41

NOTES TO FINANCIAL STATEMENTS

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
Note 17 INVENTORIES (At lower of cost and net realisable value)		
Raw materials	2,905.39	1,687.22
Work-in-Progress	563.87	287.28
Semi finished / finished goods	1,694.96	1,920.54
Production consumables and stores & spares	1,032.35	904.06
	6,196.57	4,799.10
Details of goods-in-transit		
Raw materials	94.69	172.99
Production consumables and stores & spares	28.35	54.31

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
	Non-Current		Current	
Note 18 TRADE RECEIVABLES				
(Unsecured)				
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good	-	-	208.79	98.79
Considered doubtful	2.09	8.73	328.63	5.57
Less: Provision for doubtful receivables	(2.09)	(8.73)	(328.63)	(5.57)
	-	-	208.79	98.79
Other receivables				
Considered good	-	-	2,009.95	1,763.41
	-	-	2,218.74	1,862.20

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
	Non-Current		Current	
Note 19 CASH AND BANK BALANCES				
(Refer note 15)				
Cash and cash equivalents				
Balances with banks				
In current accounts	-	-	257.44	216.52
In margin money with maturity less than 3 months at inception	-	-	-	0.06
In term deposit Accounts with maturity less than 3 months at inception	-	-	187.62	371.12
Cheques in hand	-	-	1.05	0.04
Cash on hand	-	-	0.53	0.50
	-	-	446.64	588.24
			*	*
Others				
In margin money with maturity more than 3 months but less than 12 months at inception	-	-	0.92	0.97
In term deposit accounts				
with maturity more than 3 months but less than 12 months at inception	-	-	16.66	811.08
with maturity more than 12 months at inception	-	0.08	1.50	1.50
	-	0.08	19.08	813.55
	-	0.08	465.72	1,401.79
* Refer Cash Flow Statement				
Earmarked balances				
In current accounts	-	-	23.14	19.33
In term deposit accounts	-	0.08	-	1,178.36
In margin money	-	-	0.92	1.03

NOTES TO FINANCIAL STATEMENTS

(₹ in crores)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Note 20 REVENUE FROM OPERATIONS		
Sale of products		
Domestic turnover	39,541.77	31,166.40
Export turnover	8,985.41	7,597.01
	48,527.18	38,763.41
Less: Excise duty	3,997.71	3,375.78
	44,529.47	35,387.63
Other operating revenues		
Carbon credits	-	17.07
Gain on prepayment of deferred value added/sales tax	460.85	-
Miscellaneous income	307.40	87.11
	768.25	104.18
	45,297.72	35,491.81

(₹ in crores)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Note 21 OTHER INCOME		
Interest income	245.16	222.41
Dividend income from long-term investments	22.23	5.89
Profit on sale of current investment	17.15	16.79
Profit on sale of long term investment	6.56	15.79
Provision for doubtful debts/loans/advances written back (net)	6.49	-
Miscellaneous income	33.46	-
	331.05	260.88

(₹ in crores)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Note 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening stock* :		
Semi finished /finished goods	1,679.50	1,465.78
Work-in-progress	282.91	507.16
Increase on acquisition		
Semi finished /finished goods	1.54	-
Work-in-progress	0.12	-
	1,964.07	1,972.94
Closing stock :		
Semi finished /finished goods	1,694.96	1,920.54
Work-in-progress	563.87	287.28
	-	-
	2,258.83	2,207.82
	(294.76)	(234.88)
Excise duty on stock of finished goods (net)	50.66	62.42
	(244.10)	(172.46)

* opening stock is after adjustment of Composite Scheme of Amalgamation and Arrangement

NOTES TO FINANCIAL STATEMENTS

	(₹ in crores)	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Note 23 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	706.78	592.98
Contribution to provident and other funds	33.66	38.38
Expenses on employees stock option scheme	-	5.70
Staff welfare expenses	59.14	33.91
	799.58	670.97

	(₹ in crores)	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Note 24 FINANCE COSTS		
Interest expenses	2,584.00	1,644.26
Other borrowing costs	156.13	80.22
	2,740.13	1,724.48

	(₹ in crores)	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Note 25 OTHER EXPENSES		
Consumption of stores and spares	2,035.84	1,592.75
Power and fuel	3,313.64	1,964.09
Rent	30.58	11.91
Repairs & maintenance		
Plant & machinery	947.34	728.98
Buildings	26.23	71.98
Others	19.08	16.06
Insurance	68.59	49.81
Rates and taxes	42.70	13.68
Carriage and freight	1,443.68	1,222.87
Jobwork and processing charges	244.86	96.36
Commission on sales	20.29	22.53
Exchange loss (net)	270.21	-
Donations & contributions	3.93	3.16
Miscellaneous expenses	287.59	282.71
Provision for doubtful debts/loans/advances (net)	-	4.34
Loss on sale of fixed assets (net)	4.46	2.30
Provision for diminution in value of investments	-	0.58
	8,759.02	6,084.11

NOTES TO FINANCIAL STATEMENTS

Note 26

1. Contingent liabilities :

- a) Bills discounted ₹ 3,285.56 crores (previous year ₹ 3,012.92 crores).
- b) Guarantees provided to banks on behalf of subsidiaries ₹ 1,372.57 crores (previous year ₹ 1,223.95 crores).
- c) Standby letter of credit facility availed from resident Indian Banks secured / to be secured by specific fixed assets of the company in relation to overseas long term borrowing by JSW Steel Holding (USA) Inc and JSW Steel (Netherlands) B.V. (wholly owned subsidiaries of the company) is ₹ 2,403.99 crores (previous year nil) and ₹ 480.80 crores (previous year nil) respectively.
- d) Disputed claims/levies (excluding interest, if any), in respect of:
 - (i) Excise duty ₹ 441.95 crores (previous year ₹ 199.82 crores);
 - (ii) Custom duty ₹ 460.12 crores (previous year ₹ 632.76 crores);
 - (iii) Income tax ₹ 1.74 crores (previous year ₹ 1.47 crores);
 - (iv) Sales tax / Special entry tax ₹ 223.37 crores (previous year ₹ 226.93 crores);
 - (v) Service tax ₹ 129.25 crores (previous year ₹ 98.10 crores);
 - (vi) Miscellaneous ₹ 0.05 crores (previous year ₹ 0.05 crores);
 - (vii) Levies by local authorities ₹ 3.04 crores (previous year ₹ 3.04 crores); and
 - (viii) Claims by suppliers and other parties (including for Forest Development Tax of ₹ 669.54 crores (previous year ₹ 650.75 crores)) ₹ 1039.60 crores (previous year ₹ 872.79 crores)

In 2008, the State of Karnataka levied a Forest Development Tax (FDT) treating iron ore as a forest produce. Writ petitions filed by various stakeholders challenging the levy before Karnataka High Court are pending disposal. The Management of the Company has been legally advised that this is a fairly arguable case from the company's perspective and accordingly, the tax is considered as recoverable. Tax payments made under protest in the earlier years (refer note 14) / tax payable are considered as 'contingent liabilities'.

- e) Arrears of fixed cumulative dividend on preference shares (CPRS) ₹ 0.46 crores.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 3,176.36 crores (previous year ₹ 3,217.49 crores).

3. Other commitments :

- (a) The Company from time to time provides need based support to subsidiaries and joint ventures entity towards capital and other requirements.
- (b) The Company has imported capital goods under the export promotion capital goods scheme to utilise the benefit of a zero or concessional customs duty rate. These benefits are subject to future exports. Such export obligations at year end aggregate to ₹ 3,817.11 crores (previous year ₹ 10,903.50 crores) by the Company within the stipulated period.

4. On May 3, 2013 the Bombay High Court sanctioned a Composite Scheme of Amalgamation and Arrangement (Scheme) under Sections 391 to 394 of the Companies Act, 1956 amongst JSW Steel Limited, JSW Ispat Steel Limited, JSW Building Systems Limited, JSW Steel Coated Products Limited and their respective shareholders and creditors with July 1, 2012 being the appointed date. The certified copy of the scheme is filed with the Registrar of Companies (RoC) on June 1, 2013. Accordingly, effect of the scheme is considered in the financial statements of the current year.

NOTES TO FINANCIAL STATEMENTS

In terms of the scheme, effectively, from July 1, 2012:

- The Vasind and Tarapur units of JSW Steel Limited and the Kalmeshwar unit of JSW Ispat Steel Limited were demerged and their businesses transferred and vested to JSW Steel Coated Products Limited.
- The residual JSW Ispat Steel Limited was merged with JSW Steel Limited.
- JSW Steel Coated Products Limited emerged as a subsidiary of JSW Steel Limited.
- Accordingly, an amount of ₹ 341.95 crores for the period July 1, 2012 to March 31, 2013, have been debited to the reserve & surplus under surplus in statement of profit and loss.

This amalgamation is an amalgamation in the nature of purchase as defined by Accounting Standard 14 – Accounting for Amalgamations specified in the Companies (Accounting Standards) Rules 2006. Entries have been passed in the books of account of the Company to give effect to the scheme, as follows:

With effect from the appointed date,

- (a) All the assets and liabilities of residual JSW Ispat and JSW Building vest in and are transferred to the Company and recorded at their respective fair values.
 - (b) 1,86,08,844 equity shares of ₹ 10 each at par are issued to the equity shareholders of JSW Ispat in the ratio of 1 equity share of the company for every 72 equity shares of JSW Ispat.
 - (c) 48,54,14,604 .0.01% preference shares of ₹ 10 each are issued to the preference shareholders of JSW Ispat in the ratio of 1 preference share for every preference share of JSW Ispat.
 - (d) Inter-company investments and balances, between the company, JSW Building and residual JSW Ispat stand cancelled.
 - (e) Assets and liabilities related to the Vasind and Tarapur units of the company are transferred to and vested in JSW Steel Coated.
 - (f) The difference of ₹ 3,055.12 crores resulting from the above is credited to the capital reserve account.
5. In view of the losses from operations of, JSW Steel USA Inc, a subsidiary of the Company for last few years, the Company has considered valuations of its fixed assets carried out by an independent valuer and concluded that no provision is presently necessary against the carrying amounts of investments and loans aggregating to ₹ 2,007.46 crores and with respect to financials guarantees of ₹ 2,752.57 crores [included under contingent liabilities – note 26 (1) [(b) and (c)], relating to the said subsidiary.
 6. The carrying amount of investment in equity shares of JSW Severfield, India, a joint venture (JV) of the Company, is ₹ 98.44 crores as at March 31, 2014. Having regard to its continued operating losses and current external economic environment, the Management of the Company has assessed whether the decline in the value of the said investment is 'other than temporary' in terms of Accounting Standard (AS) 13, Investments. On a careful evaluation of the business plans of the JV and expected profits based thereon, it has been concluded that the decline is temporary and accordingly, no provision is required.
 7. Trade receivable includes ₹ 184.02 crores (previous year ₹ 184.02 crores) recoverable from a customer towards supply of steel. The customer has applied for corporate debt restructuring to CDR Cell and mentioned JSW Steel as their "critical and essential supplier" whose dues needs to be paid on priority basis. The scheme was approved by CDR empowered group during the year. Based on these developments, the Company is reasonably confident about the recoverability of the said amount.
 8. Exceptional items represents effect of significant movement and volatility in the value of the Indian rupee against US dollar.

NOTES TO FINANCIAL STATEMENTS

9. Employee share based payment plans:

a) The Company operates an employee share-based payments plan, which is described below:

Particulars	ESOP 2012	
	Initial grant (junior manager & above)	1st Subsequent grant (junior manager & above)
Date of grant	26-Jul-12	26-Jul-12
Outstanding as on 01.04.2013	3,092,830	1,553,086
Transfer on account of Composite Scheme of Amalgamation and Arrangement	330,308	161,627
Transfer arising from transfer of employees to JSW Steel Coated Products Limited	19,531	18,043
Transfer arising from transfer of employees to other group companies	20,724	11,302
Forfeited during the year	90,399	92,082
Exercised during the year	1,113,657	-
Outstanding as on 31.03.2014	1,518,211	1,270,032
Vesting period	30-Sep-13 till 30-Sep-17	30-Sep-14 till 30-Sep-17
Method of settlement	Cash	Cash
Exercise price	700	700

b) Expenses arising from employee's share-based payment plans ₹ Nil (previous year ₹ 5.79 crores).

10. Derivatives:

a) The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy.

The Forward Exchange contracts entered into by the Company and outstanding are as under:

As at	No. of Contracts	Type	US\$ equivalent (Million)	INR equivalent (crores)
31.03.2014	138	Buy	1,109.60	6,668.66
	56	Sell	751.49	4,516.44
31.03.2013	9	Buy	55.16	300.01
	13	Sell	99.37	540.46

b) The Company also uses derivative contracts other than forward contracts to hedge the interest rate and currency risk on capital account. Such transactions are governed by the strategy approved by the Board of Directors, which provide principles on the use of these instruments, consistent with the Company's Risk Management Policy. The Company does not use these contracts for speculative purposes.

Notional value of interest rate swaps (IRS) to hedge against fluctuations in interest rate changes are as under:

As at	No. of contracts	US\$ equivalent of notional value (million)	MTM of IRS (INR crores)
31.03.2014	7	50	(7.93)
31.03.2013	7	60	(12.26)

NOTES TO FINANCIAL STATEMENTS

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

a) Amounts receivable in foreign currency on account of the following:

	Current year		Previous year	
	US\$ equivalent (million)	INR equivalent (crores)	US\$ equivalent (million)	INR equivalent (crores)
Trade Receivables	-	-	11.26	61.22
Balances with banks				
- in Fixed Deposit Account	-	-	0.01	0.03
- in Current Account	0.01	0.04	0.01	0.04
Advances/Loans to Subsidiaries	419.55	2,521.51	692.91	3,768.69

b) Amounts payable in foreign currency on account of the following:

	Current year		Previous year	
	US\$ equivalent (million)	INR equivalent (crores)	US\$ equivalent (million)	INR equivalent (crores)
Borrowings	1,065.93	6,406.24	1,225.39	6,664.83
Advance from Customer	-	-	29.18	128.49
Acceptances	50.81	305.36	1,139.94	6,200.03
Trade Payables	167.16	1,004.65	128.83	700.69
Payable for Capital Projects	380.83	2,288.76	407.96	2,218.87
Interest accrued but not due on Borrowings	6.39	38.38	9.99	54.32

11. Research and development activities:

Disclosure as required under Section 35(2AB) of the Income Tax Act, 1961.

a) Fixed Assets include the capital cost of in-house research recognized facility as under:-

(₹ in crores)

Particulars		Buildings	Plant and machinery	Others	Total
Gross block at the beginning of the year	Current year	7.69	127.79	0.37	135.85
	Previous year	7.61	101.04	0.22	108.87
Additions during the year	Current year	7.23	17.25	0.03	24.51
	Previous year	0.07	26.56	0.16	26.79
Gross block at the end of the year	Current year	14.91	145.04	0.39	160.34
	Previous year	7.68	127.60	0.38	135.66
Capital work-in-progress	Current year	-	9.32	0.08	9.40
	Previous year	-	17.98	0.11	18.09
Capital expenditure incurred during the year (including CWIP)	Current year	7.23	8.59	-	15.82
	Previous year	0.07	36.94	0.24	37.25

b) The manufacturing and other expenses and depreciation include ₹ 9.39 crores (previous year ₹ 8.62 crores) and ₹ 9.03 crores (previous year ₹ 7.30 crores), respectively, in respect of research and development activities undertaken during the year.

NOTES TO FINANCIAL STATEMENTS

12. Employee benefits:

A) Defined contribution plan:

Company's contribution to provident fund ₹ 29.10 crores. (previous year ₹ 25.62 crores)

B) Defined benefit plans –

(i) Gratuity:

(₹ in crores)

	Current year	Previous year
a) Liability recognized in the balance sheet		
i) Present value of obligation		
Opening balance	90.10	73.65
Service cost	7.56	6.48
Interest cost	7.43	6.26
Actuarial loss on obligation	(8.08)	6.37
Benefits paid	(5.32)	(2.66)
Liability transfer out	23.58	-
Liability transfer in	(25.18)	-
Closing balance	90.09	90.10
Less:		
ii) Fair value of plan assets		
Opening balance	53.01	49.99
Expected return on plan assets less loss on investments	4.61	4.30
Actuarial (loss)/gain on plan assets	(1.00)	1.37
Employers' contribution	0.10	0.03
Asset transfer	(14.05)	-
Benefits paid	(3.06)	(2.68)
Closing balance	39.61	53.01
Amount recognized in balance sheet	50.48	37.09
b) Expenses during the year (included in note 23 under contribution to provident and other funds)		
Service cost	7.56	6.48
Interest cost	7.43	6.26
Expected return on plan assets	(4.61)	(4.30)
Actuarial loss	(7.08)	5.00
Transferred to preoperative expenses	(0.09)	(0.23)
Total	3.21	13.21
c) Actual return on plan assets	3.61	5.67
d) Break up of plan assets :		
(i) ICICI Prudential Life Insurance Co. Limited		
Balanced fund	3.01	2.74
Group debt fund	8.92	11.23
Group short term debt fund	0.47	0.06
Endowment plan	-	-
(ii) HDFC Standard Life Insurance Co. Limited		
Defensive managed fund	1.23	1.14
Stable managed fund	13.54	12.54
(iii) SBI Life Insurance Co. Limited – Cap assured fund	19.69	18.07
(iv) LIC of India – Insurer managed fund	7.52	7.23
(v) Asset fund transfer	(14.77)	-
e) Principal actuarial assumptions		
Rate of discounting	9.31% p.a.	8.25% p.a.
Expected return on plan assets	8.7% p.a.	8.7% p.a.
Rate of increase in salaries	6% p.a.	6% p.a.
Attrition rate	2% p.a.	2% p.a.

The Company expects to contribute ₹ 50.48 crores (previous year ₹ 37.09 crores) to its gratuity plan for the next year.

NOTES TO FINANCIAL STATEMENTS

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

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

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

Other disclosures:

₹ in crores

Particulars	Current year	2012-13	2011-12	2010-11	2009-10
Defined benefit obligation	90.09	90.10	73.65	49.60	36.91
Plan assets	39.61	53.01	49.99	38.10	33.66
Surplus / (deficit)	(50.48)	(37.09)	(23.66)	(11.50)	(3.25)
Experience adjustments on plan liabilities – loss/(gain)	3.73	3.89	21.40	7.71	1.44
Experience adjustments on plan assets – gain/(loss)	(1.00)	1.37	(0.78)	(0.46)	(0.08)

(ii) Provident Fund:

The Company makes monthly contributions to Provident Fund managed by Trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

In keeping with the guidance on implementing Accounting Standard (AS) 15 (Revised) on employee benefits notified by the Companies (Accounting Standards) Rules, 2006, employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. According to the defined benefit obligation of interest rate guarantee on exempted provident fund in respect of employees of the company as at 31 March, 2014 works out to ₹ nil (previous year ₹ nil) and hence no provision is required to be provided for in the books of accounts towards the guarantee given for notified interest rates.

Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

Particulars	Current year	Previous year
Rate of discounting	9.31%	8.25%
Rate of return on assets	8.95%	9.14%
Guaranteed rate of return	8.75%	8.50%

13. Segment reporting:

The company is primarily engaged in the business of manufacture and sale of iron and steel products. The company has identified two primary business segments, namely steel and power (used mainly for captive consumption), which in the context of Accounting Standard 17 on "segment reporting" constitute reportable segments.

NOTES TO FINANCIAL STATEMENTS

Information about primary business segments

(₹ in crores)

Particulars	Year ended 31.03.2014				Year ended 31.03.2013			
	Steel	Power	Eliminations	Total	Steel	Power	Eliminations	Total
INCOME								
External Sales	44,698.27	552.73	-	45,251.00	34,403.28	1,088.53	-	35,491.81
Inter Segment Revenue	1,636.37	3,368.22	(5,004.59)	-	1,674.85	3,040.97	(4,715.82)	-
Total Income	46,334.64	3,920.95	(5,004.59)	45,251.00	36,078.13	4,129.50	(4,715.82)	35,491.81
Un-allocated Items Income				46.72				-
	46,334.64	3,920.95	(5,004.59)	45,297.72	36,078.13	4,129.50	(4,715.82)	35,491.81
SEGMENT RESULTS								
Segment / Operating Results	4,660.88	1,404.49	-	6,065.37	3,253.63	1,081.88	-	4,335.51
Un-allocated Items:								
(Expenses) / Income				322.39				260.30
Finance Costs				(2,740.13)				(1,724.48)
Exceptional Item : Exchange Loss (net)				(1,692.30)				(367.21)
Provision for Taxation				(620.82)				(702.90)
Net Profit				1,334.51				1,801.22
OTHER INFORMATION								
Segment Assets	56,446.40	2,287.18		58,733.58	40,970.45	2,514.93		43,485.38
Un-allocated Assets				9,692.10				11,129.97
Total Assets				68,425.68				54,615.35
Segment Liabilities	14,324.90	165.84		14,490.74	12,379.83	523.59		12,903.42
Un-allocated Liabilities & Provisions				29,650.76				21,774.56
Total Liabilities				44,141.50				34,677.98
Depreciation and amortisation expense	2,593.03	130.83			1,848.60	125.29		
Non cash expenditure other than depreciation and amortisation	4.46	-			8.00	-		
Capital expenditure	5,426.97	55.87			5,003.31	44.34		

Notes:

1. Inter segment transfer from the power segment is measured at the rate at which power is purchased/sold from/to the respective electricity board.
2. Inter segment transfer from the steel segment is measured on the basis of fuel cost.
3. There is only one geographical segment i.e India.

14. Related parties disclosure as per Accounting Standard (AS)-18 :

Parties with whom the company has entered into transactions during the period where control exists :

1 Subsidiaries

JSW Steel (Netherlands) B.V.
 JSW Steel (UK) Limited
 Argent Independent Steel (Holdings) Limited
 JSW Steel Service Centre (UK) Limited
 JSW Steel Holding (USA) Inc.
 JSW Steel (USA) Inc.
 Periana Holdings, LLC
 Purest Energy, LLC
 Meadow Creek Minerals, LLC
 Hutchinson Minerals, LLC
 R.C. Minerals, LLC
 Keenan Minerals, LLC
 Peace Leasing, LLC
 Prime Coal, LLC
 Planck Holdings, LLC
 Rolling S Augering, LLC
 Periana Handling, LLC
 Lower Hutchinson Minerals, LLC

NOTES TO FINANCIAL STATEMENTS

Caretta Minerals, LLC
JSW Panama Holdings Corporation
Inversiones Eroush Limitada
Santa Fe Mining
Santa Fe Puerto S.A.
JSW Natural Resources Limited
JSW Natural Resources Mozambique Limitada
JSW ADMS Carvo Lda
JSW Mali Resources SA (w.e.f 18.02.13)
JSW Steel Processing Centres Limited
JSW Bengal Steel Limited
JSW Natural Resources India Limited
Barbil Beneficiation Company Limited
JSW Jharkhand Steel Limited
JSW Steel East Africa Limited
Amba River Coke Limited
JSW Energy (Bengal) Limited
JSW Natural Resource Bengal Limited (w.e.f. 3.04.2012)
JSW Steel Coated Products Limited (w.e.f. 31.08.2012)
Peddar Realty Private Limited (w.e.f. 16.05.2012)
Nippon Ispat Singapore (PTE) Limited
EREBUS Limited
Arima Holding Limited
Lakeland Securities Limited

2 Associates

Jindal Praxair Oxygen Company Private Limited
JSW Ispat Steel Limited [Refer Note 26(4)]

3 Joint Ventures

Vijayanagar Minerals Private Limited
Rohne Coal Company Private Limited
JSW Severfield Structures Limited
Gourangdih Coal Limited
Toshiba JSW Power Systems Private Limited
MJSJ Coal Limited
GEO Steel LLC
JSW Structural Metal Decking Limited
JSW MI Steel Service Center Private Limited

4 Key Management Personnel (KMP)

Mr. Sajjan Jindal
Mr. Seshagiri Rao M V S
Dr. Vinod Nowal
Mr. Jayant Acharya

5 Relative of Key Managerial Personnel

Mr. Parth Jindal

6 Enterprises over which Key Management Personnel and Relatives of such personnel exercise significant influence.

JSW Energy Limited
Jindal Stainless Limited
JSW Realty & Infrastructure Private Limited
Jindal Saw Limited
Jindal Steel & Power Limited
JSOFT Solutions Limited
Jindal Industries Limited

NOTES TO FINANCIAL STATEMENTS

JSW Cement Limited
 JSW Jaigarh Port Limited
 Reynold Traders Private Limited
 Raj West Power Limited
 JSW Power Trading Company Limited
 JSW Aluminim Limited (ceased from 15.10.2013)
 O P Jindal Foundation
 JSW Infrastructure Limited
 South West Port Limited
 JSW Techno Projects Management Limited
 South West Mining Limited
 JSL Architecture Limited
 JSW Projects Limited
 Sapphire Technologies Limited
 Jindal Technologies & Management Services Private Limited
 JITF Shipping & Logistics (Singapore) PTE Limited
 JSW Foundation
 JSW Bengaluru Football Club Private Limited
 Shadeed Iron & Steel Co. LLC

(₹ in crores)

Particulars	Subsidiaries	Associates	Joint ventures	Key managerial personnel	Relatives of key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
B. Transactions with related parties							
Party's Name							
Purchase of goods / power & fuel / services							
JSW Energy Limited	-	-	-	-	-	1,078.64	1,078.64
	-	-	-	-	-	349.16	349.16
JSW Ispat Steel Limited	-	-	-	-	-	-	-
	-	3,539.91	-	-	-	-	3,539.91
M/s Shadeed Iron & Steel Co LLC	-	-	-	-	-	446.76	446.76
	-	-	-	-	-	-	-
JSW Steel Coated Products Limited	531.64	-	-	-	-	-	531.64
	-	-	-	-	-	-	-
Others	117.16	193.59	0.34	-	-	880.71	1,191.80
	63.53	188.29	0.73	-	-	600.40	852.95
Total	648.80	193.59	0.34	-	-	2,406.11	3,248.84
	63.53	3,728.20	0.73	-	-	949.56	4,742.02
Reimbursement of expenses incurred on our behalf by							
JSW Ispat Steel Limited	-	-	-	-	-	-	-
	-	5.27	-	-	-	-	5.27
JSW Energy Limited	-	-	-	-	-	1.28	1.28
	-	-	-	-	-	1.26	1.26
JSW Steel Coated Products Limited	0.60	-	-	-	-	-	0.60
	-	-	-	-	-	-	-
Others	0.14	-	0.11	-	-	0.27	0.52
	0.50	-	0.51	-	-	0.12	1.13
Total	0.74	-	0.11	-	-	1.55	2.40
	0.50	5.27	0.51	-	-	1.38	7.66

NOTES TO FINANCIAL STATEMENTS

Particulars	(₹ in crores)							Total
	Subsidiaries	Associates	Joint ventures	Key managerial personnel	Relatives of key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence		
Material taken on loan								
JSW Energy Limited	-	-	-	-	-	-	-	-
	-	-	-	-	-	31.80	-	31.80
Total	-	-	-	-	-	-	-	-
	-	-	-	-	-	31.80	-	31.80
Material taken on loan given back								
JSW Energy Limited	-	-	-	-	-	31.80	-	31.80
	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	31.80	-	31.80
	-	-	-	-	-	-	-	-
Sales of goods / power & fuel								
JSW Steel Coated Products Limited	5,991.17	-	-	-	-	-	-	5,991.17
	-	-	-	-	-	-	-	-
Jindal Saw Limited	-	-	-	-	-	633.25	633.25	633.25
	-	-	-	-	-	301.52	301.52	301.52
Jindal Industries Limited	-	-	-	-	-	352.66	352.66	352.66
	-	-	-	-	-	362.52	362.52	362.52
JSW Ispat Steel Limited	-	-	-	-	-	-	-	-
	-	488.24	-	-	-	-	-	488.24
JSW Power Trading Company Limited	-	-	-	-	-	515.94	515.94	515.94
	-	-	-	-	-	1,015.66	1,015.66	1,015.66
Others	186.85	8.04	45.07	-	-	413.20	653.16	653.16
	63.76	8.76	27.16	-	-	271.07	370.75	370.75
Total	6,178.02	8.04	45.07	-	-	1,915.05	8,146.18	8,146.18
	63.76	497.00	27.16	-	-	1,950.77	2,538.69	2,538.69
Other income / interest income / dividend income								
JSW Steel (Netherlands) B.V.	36.08	-	-	-	-	-	-	36.08
	30.78	-	-	-	-	-	-	30.78
Inversiones Eurosh Limitada	25.63	-	-	-	-	-	-	25.63
	22.06	-	-	-	-	-	-	22.06
JSW Steel Holding (USA) Inc.	161.03	-	-	-	-	-	-	161.03
	126.35	-	-	-	-	-	-	126.35
Others	27.24	2.39	0.03	-	-	43.96	73.62	73.62
	1.71	4.38	0.06	-	-	6.66	12.81	12.81
Total	249.98	2.39	0.03	-	-	43.96	296.36	296.36
	180.90	4.38	0.06	-	-	6.66	192.00	192.00
Purchase of assets								
Jindal Steel & Power Limited	-	-	-	-	-	222.87	222.87	222.87
	-	-	-	-	-	182.21	182.21	182.21
JSW Severfield Structures Limited	-	-	98.80	-	-	-	-	98.80
	-	-	105.25	-	-	-	-	105.25
Others	18.07	-	-	-	-	50.62	68.69	68.69
	0.07	13.60	-	-	-	100.18	113.85	113.85
Total	18.07	-	98.80	-	-	273.49	390.36	390.36
	0.07	13.60	105.25	-	-	282.39	401.31	401.31
Sale of assets								
JSW Steel Coated Products Limited	0.04	-	-	-	-	-	-	0.04
	-	-	-	-	-	-	-	-
Total	0.04	-	-	-	-	-	-	0.04
	-	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS

(₹ in crores)

Particulars	Subsidiaries	Associates	Joint ventures	Key managerial personnel	Relatives of key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
Loan given received back							
JSW Steel (Netherlands) B.V.	377.09	-	-	-	-	-	377.09
	846.52	-	-	-	-	-	846.52
JSW Steel Holding (USA) Inc.	2,392.89	-	-	-	-	-	2,392.89
	171.10	-	-	-	-	-	171.10
JSW Natural Resources Limited	-	-	-	-	-	-	-
	0.74	-	-	-	-	-	0.74
Total	2,769.98	-	-	-	-	-	2,769.98
	1,018.36	-	-	-	-	-	1,018.36
Loan given							
JSW Steel (Netherlands) B.V.	63.59	-	-	-	-	-	63.59
	253.14	-	-	-	-	-	253.14
JSW Steel Holding (USA) Inc.	888.28	-	-	-	-	-	888.28
	1,620.85	-	-	-	-	-	1,620.85
Others	25.20	-	-	-	-	-	25.20
	108.31	-	-	-	-	-	108.31
Total	977.07	-	-	-	-	-	977.07
	1,982.30	-	-	-	-	-	1,982.30
Donation/CSR expenses							
O.P. Jindal Foundation	-	-	-	-	-	0.70	0.70
	-	-	-	-	-	0.50	0.50
JSW Foundation	-	-	-	-	-	8.82	8.82
	-	-	-	-	-	-	-
Total	-	-	-	-	-	9.52	9.52
	-	-	-	-	-	0.50	0.50
Advance received back							
Peddar Reality Private Limited	38.00	-	-	-	-	-	38.00
	-	-	-	-	-	-	-
Total	38.00	-	-	-	-	-	38.00
	-	-	-	-	-	-	-
Advance taken refunded							
JSW Infrastructure Limited	-	-	-	-	-	28.95	28.95
	-	-	-	-	-	-	-
Total	-	-	-	-	-	28.95	28.95
	-	-	-	-	-	-	-
Recovery of expenses incurred by us on their behalf							
JSW Energy Limited	-	-	-	-	-	1.00	1.00
	-	-	-	-	-	2.70	2.70
JSW Ispat Steel Limited	-	-	-	-	-	-	-
	-	14.59	-	-	-	-	14.59
JSW Steel Coated Products Limited	59.22	-	-	-	-	-	59.22
	-	-	-	-	-	-	-
Amba River Coke Limited	17.50	-	-	-	-	-	17.50
	-	-	-	-	-	-	-
Others	1.76	-	0.06	-	-	3.68	5.50
	1.05	-	-	-	-	3.61	4.66
Total	78.48	-	0.06	-	-	4.68	83.22
	1.05	14.59	-	-	-	6.31	21.95

NOTES TO FINANCIAL STATEMENTS

Particulars	(₹ in crores)							Total
	Subsidiaries	Associates	Joint ventures	Key managerial personnel	Relatives of key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence		
Investments / share application money given during the year								
Amba River Coke Limited	488.26	-	-	-	-	-	-	488.26
	107.19	-	-	-	-	-	-	107.19
JSW Bengal Steel Limited	50.73	-	-	-	-	-	-	50.73
	93.78	-	-	-	-	-	-	93.78
Others	71.83	-	34.74	-	-	-	-	106.57
	7.66	-	57.05	-	-	-	-	64.71
Total	610.82	-	34.74	-	-	-	-	645.56
	208.63	-	57.05	-	-	-	-	265.68
Investments / share application money refunded during the year.								
Amba River Coke Limited	-	-	-	-	-	-	-	-
	1.05	-	-	-	-	-	-	1.05
Total	-	-	-	-	-	-	-	-
	1.05	-	-	-	-	-	-	1.05
Redemption of shares								
Jindal Praxair Oxygen Company Private Limited	-	-	-	-	-	-	-	-
	-	54.66	-	-	-	-	-	54.66
Total	-	54.66	-	-	-	-	-	54.66
	-	54.66	-	-	-	-	-	54.66
Interest paid								
JSW Energy Limited	-	-	-	-	-	43.16	-	43.16
	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	43.16	-	43.16
	-	-	-	-	-	-	-	-
Remuneration								
Mr. Sajjan Jindal	-	-	-	18.07	-	-	-	18.07
	-	-	-	20.25	-	-	-	20.25
Mr. Seshagiri Rao M V S	-	-	-	3.65	-	-	-	3.65
	-	-	-	3.61	-	-	-	3.61
Dr. Vinod Nowal	-	-	-	2.73	-	-	-	2.73
	-	-	-	2.70	-	-	-	2.70
Mr. Jayant Acharya	-	-	-	2.36	-	-	-	2.36
	-	-	-	2.33	-	-	-	2.33
Mr. Parth Jindal	-	-	-	-	0.12	-	-	0.12
	-	-	-	-	0.04	-	-	0.04
Total	-	-	-	26.81	0.12	-	-	26.93
	-	-	-	28.89	0.04	-	-	28.93
Guarantees and collaterals provided by the company on behalf of								
JSW Steel Holding (USA) Inc.	2,403.99	-	-	-	-	-	-	2,403.99
	217.16	-	-	-	-	-	-	217.16
JSW Steel (Netherlands) B.V.	480.80	-	-	-	-	-	-	480.80
	-	-	-	-	-	-	-	-
Others	122.50	-	-	-	-	-	-	122.50
	-	-	-	-	-	-	-	-
Total	3,007.29	-	-	-	-	-	-	3,007.29
	217.16	-	-	-	-	-	-	217.16
Guarantees and collaterals released								
JSW Steel Holding (USA) Inc.	-	-	-	-	-	-	-	-
	216.20	-	-	-	-	-	-	216.20
Total	-	-	-	-	-	-	-	-
	216.20	-	-	-	-	-	-	216.20

NOTES TO FINANCIAL STATEMENTS

(₹ in crores)

Particulars	Subsidiaries	Associates	Joint ventures	Key managerial personnel	Relatives of key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence	Total
C. Closing balance of related parties							
Trade payables							
JSW Ispat Steel Limited	-	-	-	-	-	-	-
	-	32.58	-	-	-	-	32.58
JSW Energy Limited	-	-	-	-	-	163.71	163.71
	-	-	-	-	-	113.30	113.30
South West Mining Limited	-	-	-	-	-	18.89	18.89
	-	-	-	-	-	30.71	30.71
Others	42.58	11.44	0.48	-	-	46.08	100.58
	41.27	17.42	0.40	-	-	63.03	122.12
Total	42.58	11.44	0.48	-	-	228.68	283.18
	41.27	50.00	0.40	-	-	207.04	298.71
Advance received from customers							
JSW Jaigarh Port Limited	-	-	-	-	-	-	-
	-	-	-	-	-	1.30	1.30
Raj West Power Limited	-	-	-	-	-	0.52	0.52
	-	-	-	-	-	1.86	1.86
Jindal Steel & Power Limited	-	-	-	-	-	-	-
	-	-	-	-	-	1.51	1.51
Total	-	-	-	-	-	0.52	0.52
	-	-	-	-	-	4.67	4.67
Lease & other deposit received							
Jindal Praxair Oxygen Company Private Limited	-	3.83	-	-	-	-	3.83
	-	3.83	-	-	-	-	3.83
JSW Energy Limited	-	-	-	-	-	10.19	10.19
	-	-	-	-	-	10.19	10.19
Jindal Saw Limited	-	-	-	-	-	5.00	5.00
	-	-	-	-	-	5.00	5.00
JSW Severfield Structures Limited	-	-	13.00	-	-	-	13.00
	-	-	13.00	-	-	-	13.00
Others	1.82	-	-	-	-	5.50	7.32
	-	-	-	-	-	5.50	5.50
Total	1.82	3.83	13.00	-	-	20.69	39.34
	-	3.83	13.00	-	-	20.69	37.52
Trade receivables							
JSW Power Trading Company Limited	-	-	-	-	-	59.18	59.18
	-	-	-	-	-	364.35	364.35
JSW Ispat Steel Limited	-	-	-	-	-	-	-
	-	54.82	-	-	-	-	54.82
JSW Steel Coated Products Limited	467.27	-	-	-	-	-	467.27
	38.07	-	-	-	-	-	38.07
Others	3.41	-	2.15	-	-	83.16	88.72
	-	-	-	-	-	88.80	88.80
Total	470.68	-	2.15	-	-	142.34	615.17
	38.07	54.82	-	-	-	453.15	546.04
Share application money given							
Vijayanagar Minerals Private Limited	-	-	4.05	-	-	-	4.05
	-	-	4.05	-	-	-	4.05
Rohne Coal Company Limited	-	-	10.37	-	-	-	10.37
	-	-	8.75	-	-	-	8.75
Others	-	-	0.21	-	-	-	0.21
	0.23	-	0.23	-	-	-	0.46
Total	-	-	14.63	-	-	-	14.63
	0.23	-	13.03	-	-	-	13.26

NOTES TO FINANCIAL STATEMENTS

Particulars	(₹ in crores)							Total
	Subsidiaries	Associates	Joint ventures	Key managerial personnel	Relatives of key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influence		
Capital /revenue advances								
JSW Projects Limited	-	-	-	-	-	473.95	473.95	
	-	-	-	-	-	251.31	251.31	
Peddar Realty Private Limited	221.87	-	-	-	-	-	221.87	
	-	-	-	-	-	-	-	
Amba River Coke Limited	106.41	-	-	-	-	-	106.41	
	-	-	-	-	-	-	-	
Others	-	26.26	-	10.13	-	43.47	79.86	
	-	-	16.50	-	-	2.36	18.86	
Total	328.28	26.26	-	10.13	-	517.42	882.09	
	-	-	16.50	-	-	253.67	270.17	
Loan and advances given								
JSW Steel (Netherlands) B.V.	174.47	-	-	-	-	-	174.47	
	449.31	-	-	-	-	-	449.31	
JSW Steel Holding (USA) Inc.	1,744.24	-	-	-	-	-	1,744.24	
	2,782.66	-	-	-	-	-	2,782.66	
Inversiones Eurosh Limitada	557.95	-	-	-	-	-	557.95	
	481.74	-	-	-	-	-	481.74	
Others	84.30	-	0.38	-	-	7.36	92.04	
	57.86	-	0.38	-	-	71.09	129.33	
Total	2,560.96	-	0.38	-	-	7.36	2,568.70	
	3,771.57	-	0.38	-	-	71.09	3,843.04	
Investments held by the company								
JSW Steel (Netherlands) B.V.	1,082.18	-	-	-	-	-	1,082.18	
	1,082.18	-	-	-	-	-	1,082.18	
JSW Ispat Steel Limited	-	-	-	-	-	-	-	
	-	2,357.11	-	-	-	-	2,357.11	
Amba River Coke Limited	662.27	-	-	-	-	-	662.27	
	174.01	-	-	-	-	-	174.01	
JSW Steel Coated Products Limited	1,313.54	-	-	-	-	-	1,313.54	
	-	-	-	-	-	-	-	
Others	796.33	27.27	173.20	-	-	437.62	1,434.42	
	522.92	27.28	140.06	-	-	250.90	941.16	
Total	3,854.32	27.27	173.20	-	-	437.62	4,492.41	
	1,779.07	2,384.39	140.06	-	-	250.90	4,554.42	
Loan and advances taken								
JSW Infrastructure Limited	-	-	-	-	-	222.30	222.30	
	-	-	-	-	-	-	-	
Total	-	-	-	-	-	222.30	222.30	
	-	-	-	-	-	-	-	
Guarantees and collaterals provided by the company on behalf:								
JSW Steel (Netherlands) B.V.	1,382.30	-	-	-	-	-	1,382.30	
	815.84	-	-	-	-	-	815.84	
JSW Steel Holding (USA) Inc.	2,752.57	-	-	-	-	-	2,752.57	
	408.11	-	-	-	-	-	408.11	
Others	122.50	-	-	-	-	-	122.50	
	-	-	-	-	-	-	-	
Total	4,257.37	-	-	-	-	-	4,257.37	
	1,223.95	-	-	-	-	-	1,223.95	

Figures in blue represents current year numbers

NOTES TO FINANCIAL STATEMENTS

15. Operating lease

a) As lessor:

- i. The company has entered into lease arrangements, for renting :
 - 2,279 houses (admeasuring approximately 1,410,997 square feet) at the rate of ₹ 100/- per house per annum, for a period of 120 months.
 - 9 houses (admeasuring approximately 9,027 square feet) at the rate of ₹ 43/- per square feet per month per house, for a period of 60 months.

The agreements are renewable at the option of the lessee after the end of the lease term.
- ii. Disclosure in respect of assets (building) given on operating lease :

(₹ in crores)

	Current year	Previous year
Gross carrying amount of assets	144.21	192.71
Accumulated depreciation	22.04	20.68
Depreciation for the year	2.49	3.30

b) As lessee:

Lease rentals charged to revenue for right to use following assets are:

(₹ in crores)

	Current year	Previous year
Office premises, residential flats etc.	30.58	11.91
Total	30.58	11.91

The agreements are executed for a period of 11 to 180 months with a renewable clause and also provide for termination at will by either party giving a prior notice period of 1 to 3 months.

The agreement for certain plant and equipment is on non-cancellable basis for a period of 10-15 years, which are renewable on expiry of the lease period at mutually acceptable terms.

Future minimum rentals payable under non-cancellable operating leases are as follows:

(₹ in crores)

	Current year
Within one year	12.94
After one year but not more than five years	23.05
More than five years	10.99
Total	46.98

16. Earnings per share (EPS):

		Current year	Previous year
Profit after tax	₹ in crores	1,334.51	1,801.22
Less: Dividend on preference shares (including corporate dividend tax)	₹ in crores	32.65	32.43
Profit after tax for equity shareholders (numerator) - basic / diluted (A)	₹ in crores	1,301.86	1,768.79
Weighted average number of equity shares for basic EPS (denominator) (B)	Nos.	241,722,044	223,117,200
Weighted average number of equity shares for diluted EPS (denominator) (C)	Nos.	241,722,044	223,117,200
Earning per share – basic (A/B)	₹	53.86	79.28
Earning per share – diluted (A/C)	₹	53.86	79.28
Nominal value per share	₹	10	10

17. The company has the following joint venture interest in India as at 31 March 2014:

Interest as venturer

Vijayanagar Minerals Private Limited: Percentage of holding – 40% (previous year 40%)

Rohne Coal Company Private Limited: Percentage of holding – 49% (previous year 49%)

NOTES TO FINANCIAL STATEMENTS

JSW Severfield Structures Limited: Percentage of holding - 50 % (previous year 50%)

Gourangdih Coal Limited: Percentage of holding - 50 % (previous year 50%)

JSW MI Steel Service Center Private Limited: Percentage of holding - 50% (previous year 50%)

Interest as investor

MJSJ Coal Limited: Percentage of holding - 11% (previous year 11%)

Toshiba JSW Power Systems Private Limited: Percentage of holding - 2.54% (previous year 2.54%)

The proportionate share of assets, liabilities, income and expenditure of the jointly controlled entities are as under:

	(₹ in crores)	
	Current year (audited/ based on financial information/ estimates made by the management)	Previous year (audited/Based on financial information/ estimates made by the management)
I Assets		
Non-current		
Fixed assets (including CWIP and intangible assets under development)	142.53	115.88
Non-current investments	4.48	4.48
Deferred tax asset (net)	-	0.30
Long-term loans and advances	6.33	4.04
Other non-current assets	0.51	0.76
Current assets		
Current investments	-	0.02
Inventories	3.41	3.20
Trade receivables	56.39	32.78
Cash and cash equivalents	32.85	37.09
Short-term loans and advances	9.31	12.01
Other current assets	-	0.01
Unbilled revenue	34.38	35.56
II Liabilities		
Non-current liabilities		
Long-term borrowings	71.34	46.99
Other long-term liabilities	2.50	2.50
Long term provisions	0.25	0.28
Current liabilities		
Short-term borrowings	31.96	26.78
Trade payables	55.95	41.42
Other current liabilities	44.72	37.49
Short-term provisions	0.32	0.27
III Income		
Revenue from operations	129.69	129.43
Other income	3.16	3.16
IV Expenses		
Cost of materials consumed	-	1.60
Cost of construction	115.45	77.40
Employee benefit expense	23.41	19.97
Finance costs	16.63	13.09
Depreciation and amortisation expense	6.11	5.80
Other expenses	12.22	15.14
Tax expenses		
Current / deferred tax	0.97	0.84
V Other Matters		
Contingent liabilities	25.78	6.16
Capital commitment	32.10	12.40

NOTES TO FINANCIAL STATEMENTS

18. Additional information:

A) Auditors remuneration (excluding service tax)

(₹ in crores)

	Current year	Previous year
As audit fees (including limited review)	2.42	2.41
For tax audit fees	0.35	0.29
For certification & other services	1.11	0.85
Out of pocket expenses	0.04	0.08
Total	3.92	3.63

B) Installed capacities and production:

Class of goods	Installed capacity (See Note Below) Tonnes	Production Tonnes
1 MS slabs	11,600,000 (8,300,000)	10,010,957 (6,541,921)
2 Hot rolled coils/steel plates/sheets	11,500,000 (8,200,000)	9,742,560 (6,202,129)
3 Hot rolled steel plates	- (320,000)	- (79,308)
4 Cold rolled coils/sheets	3,125,000 (1,825,000)	944,806 (1,658,906)
5 Galvanised/galvalum coils/sheets	- (925,000)	- (996,530)
6 Colour coating coils / sheets	- (426,000)	- (188,569)
7 Steel billets & bloom	2,500,000 (2,500,000)	2,162,199 (1,977,543)
8 Long rolled products	2,450,000 (2,450,000)	1,834,125 (1,798,173)

Notes:

- As certified by the management and accepted by auditors, being a technical matter.
- Production of cold rolled coils / sheets includes nil (previous year 59,483 tonnes) from a third party on job work basis.
- Production of galvanised / galvalum coils / sheets includes nil (previous year 61,107 tonnes) from a third party on job work basis.

NOTES TO FINANCIAL STATEMENTS

C) Opening stock, sales and closing stock:

i) Manufactured goods

Class of goods	Opening stock		Sales		Closing stock	
	Tonnes	₹ crores	Tonnes	₹ crores	Tonnes	₹ crores
1 MS slabs	79,849	210.50	60,973	223.94	35,619	110.46
	(38,890)	(114.22)	(77,768)	(308.80)	(84,827)	(224.19)
2 Hot rolled coils / steel plates / sheets	262,628	836.18	8,797,975	33,466.07	178,445	627.29
	(142,642)	(452.48)	(5,031,453)	(18,888.33)	(194,735)	(588.10)
3 Galvanized coils / sheets	1,974	8.78	3,428	21.27	1,036	9.02
	(49,591)	(231.44)	(779,810)	(3,984.45)	(67,498)	(322.06)
4 Cold rolled coils / sheets	57,674	194.87	850,056	3,709.49	102,039	390.33
	(54,296)	(193.70)	(844,491)	(3,811.76)	(62,548)	(211.94)
5 Hot rolled steel plates	-	-	-	-	-	-
	(7,169)	(25.58)	(74,629)	(305.12)	(4,742)	(15.28)
6 Colour coating coils / sheets	-	-	-	-	-	-
	(12,972)	(76.03)	(176,497)	(1,100.29)	(22,327)	(127.84)
7 Steel billets & blooms	22,819	78.37	278,584	1,052.15	23,355	80.14
	(25,914)	(89.88)	(179,671)	(671.70)	(22,819)	(78.37)
8 Long rolled products	83,020	308.36	1,809,602	7,492.24	57,507	229.53
	(65,257)	(252.83)	(1,709,009)	(7,407.21)	(83,020)	(308.36)
9 Others		42.44		2,124.99		248.19
		(29.62)		(2,274.32)		(44.40)
Total		1,679.50		48,090.15		1,694.96
		(1,465.78)		(38,751.98)		(1,920.54)

ii) Traded goods

(₹ in crores)

Description	Current year	Previous year
Opening stock		
Others	-	-
Total	-	-
Purchases		
Galvanized / Galvalume	295.58	-
Others	199.24	10.00
Total	494.81	10.00
Sales		
Galvanized / Galvalume	320.84	-
Others	116.20	11.43
Total	437.03	11.43
Closing stock		
Others	-	-
Total	-	-

iii) Work-in-progress

(₹ in crores)

Description	Current year	Previous year
Coke / Coal	208.59	43.06
Others	355.28	244.22
Total	563.87	287.28

NOTES TO FINANCIAL STATEMENTS

D) Consumption of materials:

Description	Current year		Previous year	
	Quantity tonnes	₹ in crores	Quantity tonnes	₹ in crores
Iron ore lumps/fines	22,820,113	8,828.76	17,594,326	5,651.11
Coal/coke	11,650,825	12,810.90	10,111,594	10,871.32
Hot rolled coils	-	-	910,011	3,230.19
Zinc & alloys	-	-	49,721	575.12
Others		5,066.16		2,557.58
Total		26,705.82		22,885.32
Less: captive consumption		-		294.95
Total		26,705.82		22,590.37

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

Description	Current year		Previous year	
	Value ₹ in crores	% of Total value	Value ₹ in crores	% of Total value
Raw materials				
Imported	14,889.58	55.75	12,079.83	53.47
Indigenous	11,816.24	44.25	10,510.54	46.53
Total	26,705.82	100.00	22,590.37	100.00
Stores and spares				
Imported	420.37	20.65	289.29	18.16
Indigenous	1,615.47	79.35	1,303.46	81.84
Total	2,035.84	100.00	1,592.75	100.00

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

(₹ in crores)

Description	Current year	Previous year
- Capital goods	1,524.87	1,721.39
- Raw materials (including power and fuel)	14,258.38	10,401.09
- Stores & spare parts	401.41	467.10

G) Expenditure in foreign currency:

(₹ in crores)

Description	Current year	Previous year
Interest and finance charges	342.85	263.67
Ocean freight	620.56	381.46
Technical know-how	130.88	20.82
Commission on sales	13.51	7.92
Legal & professional fees	2.02	2.41
Others	9.63	13.87

NOTES TO FINANCIAL STATEMENTS

H) Earnings in foreign currency:

(₹ in crores)

Description	Current year	Previous year
F.O.B. value of exports	8,056.45	6,969.35
Sale of carbon credits	-	17.07
Commission and fees	33.46	-
Interest income	193.04	180.88

I) Remittance in foreign currency on account of dividend:

Dividend to equity shareholders:

Description	Current year	Previous year
Year to which the dividend relates	2012-13	2011-12
Number of non-resident shareholders	3,582	2,910
Number of equity shares held by them	14,191,878	14,124,512
Amount remitted (₹ in crores)	14.19	10.59

19. Disclosure pertaining to micro, small and medium enterprises (as per information available with the company):

(₹ in crores)

Description	Current year	Previous year
Principal amount due outstanding as at end of year	12.76	18.51
Interest due on (1) above and unpaid as at end of year	1.19	0.34
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	1.76	0.34

20. Interest includes ₹ 5.96 crores (previous year ₹ 2.89 crores) on account of shortfall in payment of direct taxes.

21. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year. Figures of the previous year are not comparable on account of Composite Scheme of Amalgamation and Arrangement as referred to in Note 26 (4) above.

For and on behalf of the Board of Directors

SAJJAN JINDAL
Chairman and Managing Director

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

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

Place : Mumbai,
Date : 27 May, 2014

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF JSW STEEL LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of JSW STEEL LIMITED (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2014, the Consolidated Statement of Profit and Loss and the Consolidated 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 Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, jointly controlled entities and associates referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

We draw attention to Note 26(5) to the financial statements relating to the Company's assessment that no provision for impairment of Fixed Assets (Carrying amount as at 31 March, 2014 – ₹ 4,663.31 crores) is presently necessary pertaining to Steel Operations of JSW Steel (USA), Inc., in terms of Accounting Standard (AS) 28, Impairment of Asset, for the reasons stated in the note.

Our opinion is not qualified in respect of this matter.

Other Matters

1. We did not audit the financial statements of thirty eight subsidiaries and two jointly controlled entities, whose financial statements reflect total assets

(net) of ₹ 13,993.28 crores as at 31 March 2014, total revenues of ₹ 11,056.00 crores and net cash flows amounting to ₹ 67.38 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities, is based solely on the reports of the other auditors.

2. The consolidated financial statements include the unaudited financial statements of two subsidiaries and two jointly controlled entities (Previous year ended 31 March 2013 one subsidiary and three jointly controlled entities), whose financial statements reflect total assets (net) of ₹ 282.04 crores as at 31 March 2014 (As at 31 March 2013: ₹ 252.42 crores), total revenue of ₹ 301.57 crores (Previous year ended 31 March 2013: ₹ 199.19 crores) and net cash flows amounting to ₹ 26.45 crores (Previous year ended 31 March 2013: ₹ 14.58 crores) for the year ended on that date, as considered in the

consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 13.54 crores for the year ended 31 March 2014, as considered in the consolidated financial statements, in respect of an associate (Previous year ended 31 March 2013: ₹ 13.42 crores of an associate), based on their unaudited financial statements. Our opinion, in so far as it relates to the amounts included in respect of this subsidiaries, jointly controlled entities and an associate, is based solely on such unaudited financial statements.

Our opinion is not qualified in respect of these matters.

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

A. Siddharth
Partner
(Membership No.31467)
Mumbai, 27 May 2014

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2014

(₹ in crores)

	Note no.	As at 31 March 2014	As at 31 March 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
Share capital	2	1,067.19	563.18
Reserves and surplus	3	20,871.15	16,780.55
		21,938.34	17,343.73
Minority interest		167.01	197.16
(2) Non-current liabilities			
Long-term borrowings	4	26,702.62	17,393.16
Deferred tax liabilities (net)	5	2,123.42	3,487.20
Other long term liabilities	6	910.04	600.42
Long-term provisions	7	59.56	41.19
		29,795.64	21,521.97
(3) Current liabilities			
Short-term borrowings	8	4,887.09	1,652.99
Trade payables	9	11,699.32	10,251.31
Other current liabilities	10	8,790.03	6,453.31
Short-term provisions	11	362.46	307.51
		25,738.90	18,665.12
TOTAL		77,639.89	57,727.98
II ASSETS			
(1) Non-current assets			
Fixed assets	12		
Tangible assets		45,386.49	33,347.78
Intangible assets		97.59	54.70
Capital work-in-progress		9,328.97	5,854.43
Intangible assets under development		70.78	43.44
		54,883.83	39,300.35
Goodwill on consolidation		1,561.86	1,314.32
Non-current investments	13	594.73	1,606.44
Deferred tax assets (net)	5	-	215.20
Long-term loans and advances	14	5,131.70	3,342.00
Other non-current assets	15	17.50	16.03
		62,189.62	45,794.34
(2) Current assets			
Current investments	16	68.01	143.51
Inventories	17	8,155.12	5,495.23
Trade receivables	18	2,292.44	2,106.29
Cash and cash equivalents	19	662.97	1,653.37
Short-term loans and advances	14	4,271.73	2,535.24
		15,450.27	11,933.64
TOTAL		77,639.89	57,727.98
Significant Accounting Policies	1 (B)		

The accompanying Notes 1 to 26 are an integral part of the consolidated financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

A SIDDHARTH

Partner

Place : Mumbai,

Date : 27 May 2014

LANCY VARGHESE

Company Secretary

RAJEEV PAI

Chief Financial Officer

For and on behalf of the Board of Directors

SAJJAN JINDAL

Chairman and Managing Director

SESHAGIRI RAO M.V.S.

Jt. Managing Director & Group CFO

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2014

(₹ in crores)

	Note no.	For the year ended 31 March 2014	For the year ended 31 March 2013
I Revenue from operations	20	55,431.51	41,577.84
Less: Excise duty		4,211.89	3,368.19
		51,219.62	38,209.65
II Other income	21	85.81	69.73
III Total revenue (I + II)		51,305.43	38,279.38
IV Expenses:			
Cost of materials consumed		30,221.79	24,298.28
Purchases of stock-in-trade		215.58	11.77
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(192.18)	(152.44)
Cost of construction		88.79	10.86
Employee benefits expense	23	1,298.24	980.25
Finance costs	24	3,047.86	1,967.46
Depreciation and amortization		3,182.61	2,237.48
Other expenses	25	10,421.94	6,557.01
Total expenses		48,284.63	35,910.67
V Profit before exceptional items and tax (III-IV)		3,020.80	2,368.71
VI Exceptional items			
Exchange loss (net)	26(7)	1,712.75	369.37
VII Profit before tax (V-VI)		1,308.05	1,999.34
VIII Tax expenses:			
Current tax		444.12	515.09
Deferred tax		904.33	624.26
Less: MAT credit entitlement		(428.37)	(294.10)
		920.08	845.25
IX Profit after taxation but before minority interests and share of profits/loss of associates (VII-VIII)		387.97	1,154.09
X Share of (losses) / profit of minority		(50.44)	(34.34)
XI Share of (losses) / profit from associates (net)			
Before exceptional items		13.54	(164.52)
Exceptional items		-	(60.80)
XII Profit for the year (IX-X+XI)		451.95	963.11
X Earnings per equity share:	26(14)		
Basic		17.35	41.71
Diluted (see note)		17.35	41.71
Significant Accounting Policies	1(B)		
The accompanying Notes 1 to 26 are an integral part of the financial statements			

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

A SIDDHARTH

Partner

Place : Mumbai,

Date : 27 May 2014

LANCY VARGHESE

Company Secretary

RAJEEV PAI

Chief Financial Officer

For and on behalf of the Board of Directors

SAJJAN JINDAL

Chairman and Managing Director

SESHAGIRI RAO M.V.S.

Jt. Managing Director & Group CFO

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2014

(₹ in crores)

	For the year ended 31 March 2014	For the year ended 31 March 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	1,308.05	1,999.34
Adjustments for :		
Depreciation and amortisation	3,182.61	2,237.48
Loss on sale of fixed assets	3.13	7.59
Income from current investments	(17.19)	(16.89)
Profit on sale of long term investment	(6.56)	-
Interest income	(32.70)	(45.52)
Dividend income	(22.26)	(3.96)
Interest expenses	2,289.62	1,459.77
Unrealised exchange (gain) / loss	(187.92)	122.44
Amortisation of employees share payments	-	5.74
	5,208.73	3,766.65
Operating profit before working capital changes	6,516.78	5,765.99
Adjustments for :		
(Increase) / Decrease in inventories	(975.54)	294.03
Decrease / (Increase) in trade receivables*	283.81	(644.34)
Decrease / (Increase) in loans and advances*	50.06	277.75
(Decrease) / Increase in liabilities*	(2,853.98)	659.08
(Decrease) / Increase in provisions*	(24.40)	2.24
	(3,519.51)	588.76
Cash flow from Operations	2,997.27	6,354.75
Direct Taxes Paid	(403.75)	(510.54)
NET CASH GENERATED FROM OPERATING ACTIVITIES	2,593.52	5,844.21
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital advances	(5,762.85)	(5,630.05)
Proceeds from sale of fixed assets	18.53	12.01
Investment in joint ventures and associates	(0.76)	(2.75)
Sales of investment in joint ventures and associates	-	56.61
Purchase of other long term investments (net)	(75.32)	0.02
Purchase / Sale of current investments (net)	92.88	77.38
Interest received	34.00	49.38
Dividend received	22.26	3.96
NET CASH USED IN INVESTING ACTIVITIES	(5,671.26)	(5,433.44)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	8,283.41	6,701.92
Repayment of long term borrowings	(5,242.03)	(6,025.83)
Short term borrowings (net)	2,987.61	278.55
Interest paid	(2,413.08)	(1,518.61)
Dividend paid (including corporate dividend tax)	(315.45)	(226.92)
NET CASH GENERATED FROM FINANCING ACTIVITIES	3,300.46	(790.89)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	222.72	(380.12)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	302.38	682.50
On Account of Composite Scheme of Amalgamation and Arrangement (refer note 26(4))	50.50	-
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	575.60	302.38
Add: Other cash and bank balances	61.24	1,281.47
Add: Balance in debenture interest / installments/dividend payment accounts	23.14	65.88
Add: Translation Adjustment in Cash and Cash Equivalents	2.99	3.64
CASH AND CASH EQUIVALENTS (As per Note 19)	662.97	1,653.37
# Cash and cash equivalents (refer note 19)	601.73	809.37
Less: Earmarked balances included above	23.14	503.35
Less: Translation Adjustment in Cash and Cash Equivalents	2.99	3.64
Cash and cash equivalents considered for cash flow	575.60	302.38
* Includes current and non current		

Note

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

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

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the Board of Directors
SAJJAN JINDAL
Chairman and Managing Director

A SIDDHARTH
Partner

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

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

Place : Mumbai,
Date : 27 May 2014

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 SIGNIFICANT ACCOUNTING POLICIES:

A. GENERAL INFORMATION

JSW Steel Limited, the company was incorporated on March 15, 1994. The company is predominantly engaged in the business of production and distribution of iron and steel products.

The consolidated financial statements of the group – (the parent company and all its subsidiaries) include financial information of other components, namely, joint ventures and associate companies.

The following components are included in the consolidation:

Subsidiary companies:

Name of the company	Country of incorporation	Share holding at year end either directly or through subsidiaries	Nature of operations (commenced / planned)
JSW Steel (Netherlands) B.V.*	Netherlands	100% (100%)	Acquisition and investment in steel related and steel allied businesses and trading in steel products
JSW Steel (UK) Limited	United Kingdom	100% (100%)	Investment in steel related and steel allied businesses
Argent Independent Steel (Holdings) Limited	United Kingdom	100% (100%)	Holding company of JSW Steel Service Centre (UK) Limited
JSW Steel Service Centre (UK) Limited	United Kingdom	100% (100%)	Steel service centre
JSW Steel Holding (USA) Inc.	United States of America	100% (100%)	Holding company of JSW Steel (USA) Inc. and Periana Holdings, LLC
JSW Steel (USA) Inc.	United States of America	90% (90%)	Manufacturing plates, pipes and double jointing.
Periana Holdings, LLC	United States of America	100% (100%)	Holding company
Purest Energy, LLC	United States of America	100% (100%)	Holding company
Meadow Creek Minerals, LLC	United States of America	100% (100%)	Mining company
Hutchinson Minerals, LLC	United States of America	100% (100%)	Mining company
R.C. Minerals, LLC	United States of America	100% (100%)	Mining company
Keenan Minerals, LLC	United States of America	100% (100%)	Mining company
Peace Leasing, LLC	United States of America	100% (100%)	Mining company
Prime Coal, LLC	United States of America	100% (100%)	Management company
Planck Holdings, LLC	United States of America	100% (100%)	Holding company
Rolling S Augering, LLC	United States of America	100% (100%)	Mining company
Periana Handling, LLC	United States of America	100% (100%)	Coal loading company
Lower Hutchinson Minerals, LLC	United States of America	100% (100%)	Mining company

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Name of the company	Country of incorporation	Share holding at year end either directly or through subsidiaries	Nature of operations (commenced / planned)
Caretta Minerals, LLC	United States of America	100% (100%)	Mining company
JSW Panama Holdings Corporation	Republic of Panama	100% (100%)	Holding company for Chile based companies and trading in iron ore
Inversiones Eroush Limitada	Chile	100% (100%)	Holding company (LLP) of Santa Fe Mining
Santa Fe Mining	Chile	70% (70%)	Mining company
Santa Fe Puerto S.A.	Chile	70% (70%)	Port company
JSW Natural Resources Limited	Republic of Mauritius	100% (100%)	Holding company of JSW Natural Resources Mozambique Limitada and JSW Mali Resources SA
JSW Natural Resources Mozambique Limitada	Mozambique	100% (100%)	Mining company
JSW Mali Resources SA*	Mali	100% (100%)	Mining company
JSW ADMS Carvao Limitada	Mozambique	100% (85%)	Mining company
JSW Steel East Africa Limited	Kenya	100% (100%)	Mining company
JSW Steel Processing Centres Limited	India	100% (100%)	Steel service center
JSW Bengal Steel Limited	India	98.57% (98.07%)	Steel plant
JSW Natural Resources India Limited	India	98.57% (98.07%)	Steel Plant
JSW Energy (Bengal) Limited	India	98.57% (98.07%)	Power plant
JSW Natural Resource Bengal Limited	India	98.57% (98.07%)	Mining company
Barbil Beneficiation Company Limited	India	98.57% (98.07%)	Beneficiation plant
Barbil Iron Ore Company Limited (w.e.f. 29 January 2014)	India	98.57% (-)	Mining company
JSW Jharkhand Steel Limited	India	100% (100%)	Steel plant and mining
JSW Building Systems Limited (upto 30 June 2012)	India	- (100%)	Pre-fabricated building systems and technologies
JSW Steel Coated Products Limited (formerly Maharashtra Sponge Iron Limited) (w.e.f. 1 July 2012)	India	100% (100%)	Steel plant
Amba River Coke Limited	India	100% (100%)	Coke oven plant
Nippon Ispat Singapore (PTE) Limited (w.e.f. 1 July 2012)	Singapore	100% (-)	Mining company
Erebus Limited (w.e.f. 1 July 2012)	Mauritius	100% (-)	Mining company
Arima Holdings Limited (w.e.f. 1 July 2012)	Mauritius	100% (-)	Mining company
Lakeland Securities Limited (w.e.f. 1 July 2012)	Mauritius	100% (-)	Mining company
Peddar Realty Private Limited (w.e.f. 1 July 2012)	India	100% (-)	Real estate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Joint venture companies:

Name of the company	Country of incorporation	Proportion of ownership interest at year end	Nature of operations (commenced / planned)
Vijayanagar Minerals Private Limited	India	40% [40%]	Supply of iron ore.
Rohne Coal Company Private Limited	India	49% [49%]	Coal mining company
Geo Steel LLC *	Georgia	49% [49%]	Manufacturing of TMT rebar
JSW Severfield Structures Limited (JSSL)	India	50% [50%]	Designing, fabricating and erecting structural steel works
JSW Structural Metal Decking Limited	India	33.33% [33.33%]	Metal deckings
Gourangdih Coal Limited*	India	50% [50%]	Coal mining company
JSW MI Steel Service Center Private Limited	India	50% [50%]	Steel service centre

Associate companies:

Name of the company	Country of incorporation	Proportion of ownership interest at year end	Nature of operations (commenced / planned)
Jindal Praxair Oxygen Company Private Limited*	India	26% [26%]	Production of gaseous and liquid form of oxygen, nitrogen, argon and other products recoverable from separation of air.
JSW Ispat Steel Limited (upto 30 June 2012)	India	- [46.75%]	Production and distribution of iron and steel products

* Consolidated based on unaudited financial information/estimates as certified by management.

The company has a 26% stake in Jindal Praxair Oxygen Company Private Limited (JPOCL). Though the company is entitled to exercise joint control in respect of certain operating and financial matters in terms of the shareholders' agreement, on account of certain constraints, it is unable to exercise such joint control. The Company has representation on JPOCL's Board. JPOCL has therefore been accounted for as an associate in consolidated financial statements using the equity method as per Accounting Standard (AS) - 23 "Accounting for Investments in Associates in Consolidated Financial Statements".

B. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting and preparation of consolidated financial statements

The accompanying consolidated financial statements have been prepared under the historical cost convention on an accrual basis except for the assets and liabilities acquired under the composite scheme of Amalgamation and Arrangement which are recorded at respective fair values, in accordance with Indian Generally Accepted Accounting Principles (GAAP), Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continues to be applicable in respect of section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable.

The subsidiaries are consolidated on a line-by-line basis in accordance with Accounting Standard 21 "Consolidated Financial Statements" after eliminating intra group balances, intra group transactions and resulting unrealized profits or losses, unless cost cannot be recovered. Interest of the minority shareholders in the subsidiaries' profits or losses and net worth is displayed separately in the consolidated financial statements.

Investments in joint ventures are accounted for using the proportionate consolidation method in accordance with Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures". Unrealized profits and losses

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

resulting from transactions between the company and the joint venture companies are eliminated to the extent of the company's share in the joint ventures.

Investments in associates are accounted for using the equity method in accordance with Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements". Unrealized profits and losses resulting from transactions between the company and the associates are eliminated to the extent of the company's interest in the associate.

For the purpose of consolidation, the financial statements of the subsidiaries, joint venture companies and associates are drawn up to 31 March, 2014 which is the reporting period of the company.

The excess of the cost of investment in subsidiary companies, joint venture and associate companies over the parent's share of equity is recognized in the financial statements as goodwill. When the cost to the parent of its investment in subsidiary companies, joint venture and associate companies is less than the parents' share of equity, the difference is recognized in the financial statements as capital reserve.

2. Uniform accounting policies

The consolidated financial statements of JSW and its subsidiary, joint venture and associate companies have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

3. Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions in the estimates are recognized in the periods in which the results are known/materialize.

4. Tangible assets

Tangible assets are stated at their cost of acquisition or construction less accumulated depreciation and impairment losses, if any.

Cost of acquisition comprise all costs including purchase price net of trade discounts and rebates, non-recoverable taxes, levies and duties and directly attributable costs to bring the asset to its present location and working condition up to the date the assets are put to use. Costs of construction are composed of those costs that relate directly to specific assets and those that are attributable to the construction activity in general and can be allocated to specific assets up to the date the asset are put to use. Borrowing cost incurred for qualifying assets (i.e. the assets that take substantial period of time to get ready for its intended use) is capitalised up to the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

In respect of mining projects, the Company capitalizes cost of acquisition of mining concessions and all costs incurred till mining reserves are proved, such as license fees, direct exploration costs and indirect incidental costs. Once the determination of mining reserves is made, the following conditions must be met in order for these costs to remain capitalized:

- i. The economic and operating viability of the project is assessed determining whether sufficient reserves exist to justify further capitalized expenditure for commercial exploration of the reserves, and
- ii. Further exploration and development activity is under way or firmly planned for the near future.

In respect of mining projects which are at different stages of prospecting and exploration, ranging from precursor activities to establishment of mining reserves, and where mining proper and other related activities to develop the property after assessment of economic and technical viability of the project have not yet commenced, related assets are carried at their original value, since impairment if any cannot be ascertained at this stage.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. Intangible assets

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any.

6. Depreciation and amortisation

Depreciation is provided on a straight line basis applying the rates specified in Schedule XIV to the Companies Act, 1956 or rates based on estimated useful life whichever is higher. Depreciation on assets, acquired under the Composite Scheme of Amalgamation and Arrangement, is provided, pro-rata for the period of use, by the SLM at the rates prescribed in Schedule XIV to the Act or at the SLM rates derived per independent, technical estimate of useful life, whichever is higher. The details of estimated life for each category of asset are as under:

- (i) Freehold land is not depreciated
- (ii) Leasehold land is amortized over the period of the lease, except where the lease is convertible to freehold land under lease agreements at future dates at no additional cost.
- (iii) Buildings — 2 to 62 years
- (iv) Plant and Machinery — 3 to 30 years
- (v) Furniture and Fixtures — 2 to 16 years
- (vi) Vehicles and Aircraft — 4 to 11 years
- (vii) Office Equipments — 3 to 21 years
- (viii) Computer Software — 3 to 5 years
- (ix) License Fees is amortised over the period of license
- (x) Mining assets are amortized by the unit of production method once the mine commences commercial production. All expenditure related to unsuccessful efforts are charged to the statement of profit and loss when so established. Goodwill arising on consolidation to the extent attributable to mining concessions is also amortized on the basis described above.

In some of the joint ventures depreciation is

calculated on written down value basis. The depreciation charge in respect of these entities is not significant in the context of the consolidated financial statements.

7. Impairment

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment in accordance with Accounting Standard 28 "Impairment of Assets". If any indication of impairment exists, the recoverable amount (i.e. the higher of the asset's net selling price and value in use) of such assets is estimated and impairment is recognized if the carrying amount of these assets exceeds their recoverable amount. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount but limited to the carrying amount that would have been determined (net of depreciation/amortisation) had no impairment loss been recognised in prior accounting periods.

8. Investments

Investments are classified as current or long-term in accordance with Accounting Standard (AS) 13, Accounting for Investments.

Long term investments are carried at cost or at fair value of investments acquired under the Composite Scheme of Amalgamation and Arrangement. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments. Current investments are carried at lower of cost and fair value.

9. Revenue recognition

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

Sale of goods

Revenue from sale of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained by the Company. Revenue from sale of goods is recognised gross of excise duty, and net of rebates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

and discounts, and sales tax and value added tax. Excise duty recovered is presented as a reduction from gross turnover. Export turnover includes related export benefits.

Gain arising on pre-payment of deferred Value Added Tax (VAT) at discounted rate are accounted on payment of VAT to authority.

Contract Revenue

Revenue in respect of construction contracts is calculated as that proportion of the total contract value which costs incurred bear to the total expected costs for that contract, as estimated by management. Variations in contract work, claims and incentive payments are included in revenue to the extent that it is probable that they will result in revenue and can be measured reliably. Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred of which recovery is probable. Where the outcome of a construction contract can be estimated reliably, profit is recognized on contracts by including in the income statement revenue and related cost as contract activity progresses. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized immediately.

10. Other Income

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

11. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined by the weighted average cost method.

Excise duty related to finished goods stock is included under changes in inventories of finished goods, work-in-progress and stock-in-trade (refer note 22).

12. Borrowing costs

Borrowing costs not attributable to the acquisition or construction of qualifying assets are expensed as incurred.

13. Employee benefits

Employee benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense in the statement of profit and loss in the period in which the service is rendered.

Employee benefits under defined benefit plans, such as gratuity and compensated absences which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The company's obligations recognized in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets, where applicable.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

14. Foreign currency transactions

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

Monetary foreign currency assets and liabilities (monetary items) are reported at the exchange rate prevailing on the balance sheet date. Exchange differences relating to long term monetary items are dealt with in the following manner:

- i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/ deducted from the cost of the asset and depreciated over the balance life of the asset.
- ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized in the statement of profit and loss over the balance life of the long-term monetary item, however that the period of amortization does not extend beyond 31 March 2020.

All other exchange differences are dealt with in the statement of profit and loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of the transaction - also refer note 1 (B) (8).

In translating the financial statements of subsidiary companies' non-integral foreign operations, for incorporation in the consolidated financial statements the assets and liabilities, both monetary and non-monetary, are translated at the closing rate, the income and expense items of the subsidiary company are translated at the average rate and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

15. Derivative financial instruments

The Company enters into derivative financial instruments such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date.

The Company designates certain derivatives as either hedges of the fair value of recognized assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges). The Company does not enter into derivative contracts for trading or speculative purposes.

A derivative is presented under "Short term loans and advances (note 14) or "Other current liabilities" (note 10).

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in the same line of the statement profit and loss relating to the hedged item.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are

deferred in a "Hedging Reserve Account". The gain or loss relating to the ineffective portion is recognized immediately in the statement of profit and loss. Amounts deferred in the hedging reserve account are recycled in the statement of profit and loss in the periods when the hedged item is recognized in the statement of profit and loss, in the same line as the hedged item.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. In case of fair value hedges the adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized in the statement of profit and loss from that date. In case of cash flow hedges any cumulative gain or loss deferred in the hedging reserve account at that time is retained and is recognized when the forecast transaction is ultimately recognized in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred is recognized immediately in the statement of profit and loss.

16. Income taxes

Taxes expense comprises of current and deferred tax.

Current tax is measured at the amount expected to be paid to / recovered from the revenue authorities, using the applicable tax rates and tax laws. Minimum alternate tax (MAT) credit entitlement available under the provisions of Section 115 JAA of the Income Tax Act, 1961 is recognized to the extent that the credit will be available for discharge of future normal tax liability.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or a deferred tax liability. They are measured using the substantively enacted tax rates and tax laws as on the balance sheet date. Deferred tax assets are recognised only when there is a reasonable certainty that sufficient future taxable income will be available against which they will be realised. Where there is a carry forward of losses or unabsorbed depreciation, deferred tax assets are recognised only if there is a virtual certainty

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

supported by convincing evidence of availability of taxable income against which such deferred tax assets can be realised in future.

The carrying amount of MAT credit and deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the assets can be realized.

Where certain expenses or credits which are otherwise required to be charged in the statement of profit and loss are adjusted directly to reserves in accordance with a court order or as permitted by law/accounting standards, the tax benefits or charge, arising from the admissibility or taxability of such expenses or income for tax purpose is also recognized in the reserves.

Tax on distributed profits payable in accordance with the provisions of Section 1150 of the Income Tax Act, 1961 which is accounted for in accordance with the guidance note on accounting for corporate dividend tax is regarded as a tax on distribution of profits and is not considered in determination of profits for the year.

17. Earnings per share

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

18. Leases

(i) Operating lease

Operating lease receipts and payments are recognized as income or expense in the statement of profit and loss on a straight-line basis over the lease term.

(ii) Finance leases

Assets acquired under finance leases are recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the assets and the present value of minimum lease payments. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Assets given under finance leases are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

19. Securities' expenses

Premium payable on redemption of bonds is provided for over the life of the bonds. The securities premium account is applied in providing for premium on redemption in accordance with Section 78 of the 1956 Act. On conversion of the bonds to equity the provision for the redemption premium is reversed.

Expenses on issue of securities are written off to the securities premium account in accordance with Section 78 of the 1956 Act.

20. Stock based compensation

The compensation cost of stock options granted to employees is calculated using the intrinsic value of the stock options. The compensation expense is amortized uniformly over the vesting period of the option.

21. Provisions, contingent liabilities, contingent assets and commitments

A provision is recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Contingent liabilities are not recognised; but disclosed unless the probability of an outflow of resources is remote. Contingent assets are neither recognised nor disclosed.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
Note 2 SHARE CAPITAL		
a Authorised :		
6,01,50,00,000 (Previous year 2,00,00,00,000) Equity Shares of the par value of ₹ 10 each	6,015.00	2,000.00
3,00,00,00,000 (Previous year 1,00,00,00,000) Preference Shares of the par value of ₹ 10 each	3,000.00	1,000.00
	9,015.00	3,000.00
b Issued and Subscribed:		
24,17,22,044 (Previous year 22,31,17,200) Equity Shares fully paid up	241.72	223.12
27,90,34,907 10% Cumulative Redeemable Preference Shares fully paid up	279.03	279.03
48,54,14,604 (Previous year Nil) 0.01% Cumulative Redeemable Preference Shares fully paid up	485.41	-
	1,006.16	502.15
Equity Shares Forfeited (Amount originally paid-up)	61.03	61.03
	1,067.19	563.18
c Reconciliation of number of shares outstanding at the beginning and end of the year :		
Equity :		
Outstanding at the beginning of the year	223,117,200	223,117,200
Issued during the year (on Account of Composite Scheme of Amalgamation and Arrangement) (Refer Note 26 (4))	18,604,844	-
Outstanding at the end of the year	241,722,044	223,117,200
Preference :		
10% Cumulative Redeemable Preference Shares		
Outstanding at the beginning and at the end of the year	279,034,907	279,034,907
0.01% Cumulative Redeemable Preference Shares		
Outstanding at the beginning of the year	-	-
Issued during the year (on Account of Composite Scheme of Amalgamation and Arrangement) (refer note 26(4))	485,414,604	-
Outstanding at the end of the year	485,414,604	-

e Rights, preferences and restrictions attached to Equity shares

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

f Rights, preferences and restrictions attached to Preference shares

The Company has two classes of preference shares i.e. 10% Cumulative Redeemable Preference Shares (CRPS1) of ₹ 10 per share and 0.1% Cumulative Redeemable Preference Shares (CRPS2) of ₹ 10 per share. CRPS1 are redeemable at par in four equal quarterly installments commencing from 15 December 2017. The shares carry a right to receive 10% dividend every year till redemption.

Each holder of CRPS2 is entitled to one vote per share, in proportion to the amount paid on CRPS2 held, only on resolutions placed before the Company which directly affect the rights attached to CRPS2. It carries dividend @ 0.01% p.a., when declared. CRPS2 is redeemable at par in eight quarterly installments commencing from 15 June 2018.

In the event of liquidation, the preference shareholders are eligible to receive the outstanding amount including dividend after distribution of all other preferential amounts, in proportion to their shareholding.

In the event of winding-up of the Company before redemption of preference shares, the holders of CRPS1 and CRPS2 will have priority over equity shares in the payment of dividend and repayment of capital.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

g Shareholders holding more than 5% shares in the company is set out below:

Equity

JFE Steel International Europe B.V	No. of Shares %	36,258,307 15.00%	36,068,518 16.17%
JSW Holdings Limited	No. of Shares %	17,284,923 7.15%	17,284,923 7.75%
JSW Investment Private Limited	No. of Shares %	12,599,601 5.21%	7,284,261 3.26%
JSW Energy Investments Private Limited	No. of Shares %	6,184,200 2.56%	13,764,364 6.17%

Preference

10% Cumulative Redeemable Preference Shares

ICICI Bank Limited	No. of Shares %	125,707,730 45.05%	125,707,730 45.05%
IDBI Bank Limited	No. of Shares %	69,734,847 24.99%	69,734,847 24.99%
Life Insurance Corporation of India	No. of Shares %	36,348,783 13.03%	36,348,783 13.03%
IFCI Limited	No. of Shares %	21,262,362 7.62%	21,262,362 7.62%

0.01% Cumulative Redeemable Preference Shares

JSW Logistics Infrastructure Private Limited	No. of Shares %	338,586,951 69.75%	- -
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h Shares allotted as fully paid-up pursuant to contracts without payment being received in cash during the period of five years immediate preceding the date of the Balance Sheet are as under:

1,86,04,844 equity shares to the shareholders of the erstwhile JSW Ispat Steel Limited pursuant to a Composite Scheme of Amalgamation and Arrangement.

48,54,14,604 0.01% Cumulative Redeemable Preference Shares fully paid up to the shareholders of the erstwhile JSW Ispat Steel Limited pursuant to a Composite Scheme of Amalgamation and Arrangement.

(refer note 26 (4))

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
Note 3 RESERVES AND SURPLUS		
a Capital reserve		
As per last balance sheet	529.38	529.38
Addition on Account of Composite Scheme of Amalgamation and Arrangement (Refer Note 26(4))	3,055.12	-
	3,584.50	529.38
b Capital redemption reserve		
As per last balance sheet	9.90	9.90
	9.90	9.90
c Securities premium reserve		
As per last balance sheet	5,416.63	5,536.25
Less : Provision for premium on redemption of FCCBs	-	[119.62]
	5,416.63	5,416.63
d Debenture redemption reserve		
As per last balance sheet	11.86	4.04
Add : Transfer from surplus in statement of profit and loss	54.16	7.82
	66.02	11.86

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
e Share options outstanding		
Share options outstanding	-	24.40
Less: Deferred compensation	-	-
	-	24.40
Less: Transfer to general reserve	-	(24.40)
	-	-
f Hedging reserve account		
As per last balance sheet	(8.83)	(14.46)
Addition on Account of Composite Scheme of Amalgamation and Arrangement (Refer Note 26(4))	0.05	-
Movement during the year	362.75	5.63
	353.97	(8.83)
g General reserve		
As per last balance sheet	10,070.19	9,864.79
Add : Transfer from surplus in statement of profit and loss	134.00	181.00
Transfer from share options outstanding	-	24.40
	10,204.19	10,070.19
h Foreign currency monetary item translation difference account (FCMITDA)		
As per last balance sheet	40.54	-
Movement during the year	(80.65)	40.54
	(40.11)	40.54
i Foreign currency translation reserve account		
As per last balance sheet	(75.26)	(51.04)
As per the Composite Scheme of Amalgamation and Arrangement (Refer note 26(4))	(0.02)	-
Movement during the year	(83.06)	(24.22)
	(158.34)	(75.26)
j Capital reserve on consolidation	329.70	296.19
k Surplus in statement of profit and loss		
As per last balance sheet	489.95	9.34
Add: Profit for the year	451.95	963.11
Add: Pursuant to Composite Scheme of Amalgamation and Arrangement [refer note 26(4)]	716.44	-
Less: Appropriations :		
Dividend on additional equity shares issued [refer note 26(4)]	21.77	-
Transfer to debenture redemption reserve	54.16	7.82
Dividend on Preference Shares [₹ 1 per share (previous year ₹ 1 per share)]	27.90	27.90
Proposed final dividend on Equity Shares [₹ 11 per share (previous year ₹ 10 per share)]	265.89	223.12
Corporate dividend tax on proposed dividend	49.93	42.66
Transfer to general reserve	134.00	181.00
	1,104.69	489.95
	20,871.15	16,780.55

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
	Non Current		Current (Refer note 10)	
Note 4 LONG TERM BORROWINGS				
Bonds / Debentures				
Debentures (Secured)				
10.55% Non Convertible Debentures of ₹ 10 lacs each	150.00	-	-	-
10.50% Non Convertible Debentures of ₹ 10 lacs each	150.00	-	-	-
10.55% Non Convertible Debentures of ₹ 10 lacs each	1,000.00	-	-	-
10.02% Non Convertible Debentures of ₹ 10 lacs each	1,000.00	-	-	-
10.34% Non Convertible Debentures of ₹ 10 lacs each	1,000.00	1,000.00	-	-
11% Non Convertible Debentures of ₹ 10 lacs each	1,000.00	1,000.00	-	-
10.25 % Non Convertible Debentures of ₹ 10 lacs each	500.00	500.00	-	-
10.60 % Non Convertible Debentures of ₹ 10 lacs each	350.00	350.00	-	-
10.10 % Non Convertible Debentures of ₹ 10 lacs each	718.75	968.75	250.00	31.25
11.93 % Non Convertible Debentures of ₹ 10 lacs each	-	6.28	6.28	8.38
11.93 % Non Convertible Debentures of ₹ 10 lacs each	9.75	17.55	7.80	7.80
	5,878.50	3,842.58	264.08	47.43
Term loans				
(Secured)				
Rupee term loans from banks	10,631.15	6,344.06	907.06	663.35
Foreign currency term loans from banks	3,327.61	1,616.14	1,615.74	1,115.97
Rupee term loans from financial institution	3.00	14.23	11.22	11.22
(Unsecured)				
Foreign currency term loans from banks	6,714.95	5,414.39	340.37	312.89
	20,676.71	13,388.82	2,874.39	2,103.43
Long term advance from a customer	-	-	-	128.49
Foreign currency loans from others	4.81	9.68	-	-
Deferred payment liabilities				
Deferred sales tax loan (unsecured)	120.06	110.77	10.81	0.88
Finance lease obligation	22.54	41.31	23.11	19.60
	26,702.62	17,393.16	3,172.39	2,299.83

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
Note 5 DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability comprises of timing differences on account of		
Difference between book balance and tax balance of fixed assets	5,083.94	3,572.80
	5,083.94	3,572.80
Deferred tax assets comprises of timing differences on account of		
Expenses allowable on payment basis (43B)	64.48	59.41
Provision for doubtful debts / advances	187.17	38.75
Business loss / Unabsorbed depreciation	2,685.66	-
Others	23.21	202.64
	2,960.52	300.80
Net deferred tax liabilities	2,123.42	3,272.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in crores)			
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
	Non-Current		Current (Refer note 10)	
Note 6 OTHER LONG TERM LIABILITIES				
Rent and other deposits	225.18	42.02	85.42	2.29
Retention money for capital projects	315.60	167.21	141.69	244.93
Other payables	369.26	391.19	81.13	52.89
	910.04	600.42	308.24	300.11

	(₹ in crores)			
	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
	Non-Current		Current (Refer note 10)	
Note 7 LONG TERM PROVISIONS				
Compensated absences	59.56	41.19	1.71	5.60
Gratuity provision	-	-	74.50	38.87
	59.56	41.19	76.21	44.47

	(₹ in crores)	
	As at 31 March 2014	As at 31 March 2013
Note 8 SHORT TERM BORROWINGS		
Working capital loans from banks (secured)	2,014.36	783.37
Foreign currency loan from banks (unsecured)	-	853.58
Rupee term loans from banks (unsecured)	1,855.00	-
Commercial paper (unsecured)	1,000.00	-
Foreign currency loan from others (unsecured)	17.73	16.04
	4,887.09	1,652.99

	(₹ in crores)	
	As at 31 March 2014	As at 31 March 2013
Note 9 TRADE PAYABLES		
Acceptances	8,159.29	7,765.89
Other than acceptances	3,540.03	2,485.42
	11,699.32	10,251.31

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
Note 10 OTHER CURRENT LIABILITIES		
Current maturities of long term debt (refer note 4)	3,172.39	2,299.83
Current dues of other long term liabilities (refer note 6)	308.24	300.11
Current dues of long term employee benefits (refer note 7)	76.21	44.47
Payables for capital projects	3,820.57	2,981.16
Advances from customers	315.19	199.77
Interest accrued but not due on borrowings	295.44	216.89
Other statutory liabilities	575.18	291.30
Others	203.67	100.45
Investor education and protection fund shall be credited by :		
Unclaimed debenture redemption installments	0.92	1.28
Unclaimed debenture interest	0.56	0.77
Unclaimed dividend	14.93	13.58
Unclaimed amount of sale proceeds of fractional shares	6.73	3.70
	8,790.03	6,453.31

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
Note 11 SHORT TERM PROVISIONS		
Proposed dividend on preference shares	27.90	27.90
Proposed dividend on equity shares	265.89	223.12
Corporate dividend tax on proposed dividend	49.93	42.66
Provision for tax (net)	18.74	13.83
	362.46	307.51

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 12 FIXED ASSETS

	Gross Block				Depreciation and amortisation				Net Block					
	As at 01.04.2013	Acquired under Composite Scheme of Amalgamation and Arrangement [refer note 26(A)]/ Subsidiaries	Additions	Gross Block Deductions	Other Adjustments	Translation Reserve	As at 31.03.2014	As at 01.04.2013	Acquired under Composite Scheme of Amalgamation and Arrangement [refer note 26(A)]/ Subsidiaries	For the year	Deductions	Translation Reserve	As at 31.03.2014	As at 31.03.2013
Tangibles														
Freehold Land	301.32	829.26	99.17	6.25	-	1,226.59	18.48	-	-	-	-	-	1,208.11	282.84
Leasehold Land	252.24	47.57	47.57	-	-	301.32	18.48	-	-	-	-	-	282.84	233.76
	219.82	233.77	9.24	-	-	462.83	4.59	1.83	4.37	-	-	-	10.79	452.04
	219.13	0.69	0.69	-	-	219.82	3.60	-	0.99	-	-	-	4.59	215.23
Buildings	5,859.88	493.77	346.45	1.03	1.44	6,811.46	843.71	1,024.51	212.77	0.19	18.99	8.28	1,242.00	4,835.37
	5,606.04	-	2,007.74	5.76	57.42	5,859.88	843.71	1,024.51	174.82	2.30	8.28	1,024.51	4,835.37	
Plant & Machinery ^(a)	37,036.52	9,100.18	2,737.80	41.04	569.09	49,885.30	9,913.27	1,444.29	2,908.50	31.57	91.74	12,737.65	27,123.29	
	34,351.37	0.31	2,051.97	16.14	376.54	37,036.52	7,867.41	0.07	2,008.54	4.57	41.82	9,913.27	26,463.96	
Furniture & Fixtures	106.41	4.37	9.87	0.98	-	121.08	53.26	0.82	10.13	0.09	1.03	63.51	57.57	
	100.66	0.12	6.10	0.64	-	106.41	46.51	0.04	6.84	0.27	0.14	53.26	53.15	
Vehicles & Aircrafts	178.83	5.34	13.86	6.05	-	192.62	60.57	0.03	12.93	2.68	0.60	71.45	121.17	
	174.27	-	9.95	5.76	-	178.83	49.20	-	12.81	1.68	0.24	60.57	118.26	
Office Equipments	23.75	16.73	3.76	0.98	-	43.42	6.37	1.69	3.27	0.14	0.14	11.33	32.09	
	20.85	0.10	2.85	0.16	-	23.75	5.08	0.01	1.26	0.05	0.07	6.37	17.38	
Mining Development and Projects	722.01	-	25.06	-	-	825.64	19.71	-	5.52	-	2.01	27.24	798.40	
	669.59	-	31.35	0.02	-	722.01	10.90	-	8.15	0.01	0.67	19.71	702.30	
Tangibles Total (A)	44,448.54	10,483.42	3,245.21	56.33	5,69.09	59,568.94	11,100.76	(165.64)	3,157.49	34.67	114.51	14,182.45	33,347.78	
	41,374.15	0.53	2,251.22	28.48	377.98	44,448.54	8,844.89	0.12	2,213.41	8.88	51.22	11,100.76	33,347.78	
Intangibles														
Software	72.21	-	48.92	0.01	-	121.12	44.05	-	15.59	0.01	0.02	59.45	61.47	
	48.37	0.09	23.70	-	-	72.21	29.90	0.03	14.12	-	-	44.05	28.16	
Licence Fees	25.29	-	11.40	-	-	37.74	6.01	-	3.82	-	0.02	9.85	27.89	
	16.53	-	8.57	-	-	25.29	2.66	-	3.37	-	(0.02)	6.01	19.28	
Mining Concession	4.03	-	-	-	-	4.45	-	-	-	-	-	4.45	4.03	
	3.79	-	-	-	-	4.03	-	-	-	-	-	4.03	3.79	
Port Concession	3.23	-	0.21	-	-	3.78	-	-	-	-	-	-	3.78	
	2.69	-	0.37	-	-	3.23	-	-	-	-	-	-	3.23	
Intangibles Total (B)	104.76	-	60.73	0.01	-	167.09	50.06	-	19.41	0.01	0.04	69.50	54.70	
	71.38	0.09	32.64	-	-	104.76	32.56	0.03	17.49	-	(0.02)	50.06	54.70	
TOTAL (A+B)	44,553.30	10,483.42	3,305.94	56.34	5,69.09	59,736.03	11,150.82	(165.64)	3,176.90	34.68	114.55	14,251.95	33,402.48	
Previous Year	41,445.53	0.62	2,383.86	28.48	377.98	44,553.30	8,877.45	0.15	2,230.90	8.88	51.20	11,150.82	33,402.48	
(a) Includes proportionate share of assets jointly owned														
Plant & Machinery	32.71	-	-	-	-	32.71	22.58	-	1.73	-	-	24.31	8.40	
	32.71	-	-	-	-	32.71	20.85	-	1.73	-	-	22.58	10.13	

Notes:

- (a) Freehold Land includes ₹ 21.60 crores (previous year Nil) being the cost of 44.763 acres land, which is yet to be registered in the Company's name.
- (b) Buildings include:
- (a) Roads not owned by the Company amortised over a period of five years. Gross Block ₹ 3.13 crores (previous year ₹ 3.13 crores) Net Block Nil (previous year Nil)
- (b) Assets given on operating lease for which documents are yet to be executed pending approvals from Lenders and KSIDC. Gross Block ₹ 3.08 crores (previous year ₹ 2.42 crores)
- (c) Execution of Conveyance deed in favour of the Company is pending in respect of a Building acquired in an earlier year. Gross Block Nil, Net Block Nil (previous year Gross Block ₹ 24.07 crores, Net Block ₹ 20.69 crores).
- (c) Other adjustments comprise the following costs capitalised during the year:
- (i) Borrowing costs of ₹ 60.72 crores (previous year ₹ 38.15 crores)
- (ii) Foreign Exchange Loss of ₹ 508.37 crores (previous year Foreign Exchange Gain of ₹ 339.83 crores)
- (d) Freehold Land and Buildings of ₹ 138.94 crores (previous year ₹ 158.31 crores) has been/ agreed to be hypothecated/mortgaged to lenders of related parties.
- (e) For details of assets given on operating lease, refer note 26 (13)
- (f) For details of assets taken on finance lease, refer note 26 (12)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at 31 March 2014		As at 31 March 2013	
Note 13 NON CURRENT INVESTMENTS				
1. Long term (at cost or fair value whichever is lower)				
a) In associates				
Equity shares (at cost) [refer note (a)]	27.27		2,384.39	
Add: share of profit/(loss) (net)	84.33	111.60	(1,061.45)	1,322.94
b) In joint ventures				
Equity shares	21.46		21.46	
Preference shares	5.74	27.20	5.74	27.20
c) Others				
Equity shares	256.70		126.29	
Preference shares	199.15		130.00	
Government securities	0.08	455.93	0.01	256.30
		594.73		1,606.44

Notes:

a) Goodwill arising at acquisition ₹ 0.15 crores (previous year ₹ 2,358.73 crores)

b) Summary

Quoted			
Aggregate book value (net of share of profit/ (loss) of associate)		251.30	1,345.78
Aggregate market value		602.01	1,456.07
Unquoted			
Aggregate book value (net of share of profit/ (loss) of associate)		343.43	260.66

(₹ in crores)

	As at 31 March 2014		As at 31 March 2013	
	Non-Current		Current	
Note 14 LOANS AND ADVANCES (UNSECURED)				
Capital advances	1,391.58	788.68	-	-
Less : Provision for doubtful advances	(91.28)	(89.40)	-	-
	1,300.30	699.28	-	-
Other loans and advances				
Loans and advances				
To related parties	-	69.15	0.05	-
To other body corporate	9.10	9.10	-	-
Advance to suppliers	518.95	8.54	1,508.94	680.36
Export benefits and entitlements	13.84	6.69	386.89	137.42
Amount recoverable from esop trusts	-	359.90	262.31	-
Deposits				
Security deposits	161.54	8.73	135.38	153.37
Others	18.55	109.24	0.82	1.08
Indirect tax balances/recoverables/credits	733.84	129.95	1,341.10	1,347.19
Prepayments and others	567.06	448.04	675.05	242.94
Advance tax and tax deducted at source (net)	22.51	2.92	2.72	0.36
Minimum alternative tax credit entitlement	2,084.83	1,504.27	-	-
Advance towards equity / preference capital	7.71	6.95	-	-
Unbilled revenue	-	-	34.38	35.56
Less : Provision for doubtful loans and advances	(306.53)	(20.76)	(75.91)	(63.04)
	3,831.40	2,642.72	4,271.73	2,535.24
	5,131.70	3,342.00	4,271.73	2,535.24

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
	Non-Current		Current	
Loans and advances constitute:				
Capital advances				
Considered good	1,300.30	699.28	-	-
Considered doubtful, provided	91.28	89.40	-	-
Other loans and advances				
Considered good	3,831.40	2,642.72	4,271.73	2,535.24
Considered doubtful, provided				
Loans and advances to other body corporate	9.10	9.10	-	-
Advance to suppliers	267.02	8.54	-	-
Other deposits	25.47	0.78	-	-
Prepayment and others	4.94	2.34	75.91	63.04

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
Note 15 OTHER NON CURRENT ASSETS		
Cash and bank balances (refer note 19)	17.50	16.03
	17.50	16.03

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
Note 16 CURRENT INVESTMENTS		
Mutual funds (at cost or fair value whichever is lower) (unquoted)	68.01	143.51
	68.01	143.51

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013
Note 17 INVENTORIES (at cost and net realisable value)		
Raw materials	3,573.20	2,007.02
Work-in-progress	593.24	338.13
Semi finished/finished goods	2,621.30	2,154.62
Traded goods	189.83	-
Production consumables and stores & spares	1,174.14	992.26
Construction materials	3.41	3.20
	8,155.12	5,495.23
Details of goods-in-transit		
Raw materials	152.86	288.46
Semi finished/finished goods	0.85	-
Production consumables and stores & spares	28.35	54.46

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
	Non-Current		Current	
Note 18 TRADE RECEIVABLES				
(Unsecured)				
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good	-	-	214.72	100.52
Considered doubtful	5.95	8.73	346.29	18.07
Less: provision for doubtful receivables	(5.95)	(8.73)	(346.29)	(18.07)
	-	-	214.72	100.52
Other receivables				
Considered good	-	-	2,077.72	2,005.77
	-	-	2,292.44	2,106.29

(₹ in crores)

	As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
	Non-Current (Refer Note 15)		Current	
Note 19 CASH AND BANK BALANCES				
Cash and cash equivalents				
Balances with banks				
In current accounts	-	-	405.31	325.01
In margin money with maturity less than 3 months at inception	-	-	-	0.35
In term deposit accounts with maturity less than 3 months at inception	-	-	194.72	483.41
Cheques on hand	-	-	1.05	0.04
Cash on hand	-	-	0.65	0.56
	-	-	601.73	809.37
			*	*
Others				
In margin money with maturity more than 3 months but less than 12 months at inception	-	-	13.35	1.43
In term deposit accounts				
with maturity more than 3 months but less than 12 months at inception	-	-	39.16	838.99
with maturity more than 12 months at inception	17.50	16.03	8.73	3.58
	17.50	16.03	61.24	844.00
	17.50	16.03	662.97	1,653.37
* Refer Cash Flow Statement				
Earmarked balances				
In current accounts	-	-	23.14	65.88
In term deposit accounts	17.50	16.03	20.43	1,280.44
In margin money	-	-	13.35	1.03

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in crores)	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Note 20 REVENUE FROM OPERATIONS		
Sale of products		
Domestic turnover	40,948.60	33,196.52
Export turnover	13,559.83	8,218.54
Contract revenue	112.33	48.09
	54,620.76	41,463.15
Less: Excise duty	4,211.89	3,368.19
	50,408.87	38,094.96
Other operating revenues		
Carbon credits	-	17.07
Gain on prepayment of deferred value added/sales tax	469.28	-
Miscellaneous income	341.47	97.62
	810.75	114.69
	51,219.62	38,209.65

	(₹ in crores)	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Note 21 OTHER INCOME		
Interest income	32.70	45.52
Dividend income		
From long-term investments	22.23	3.96
From current investments	0.03	0.02
Profit on sale of current investment	17.19	16.89
Profit on sale of long term investment	6.56	-
Provision for doubtful debts/ loans/ advances written back (net)	3.46	-
Miscellaneous income	3.64	3.34
	85.81	69.73

	(₹ in crores)	
	For the year ended 31 March 2014	For the year ended 31 March 2013
Note 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening stock* :		
Semi finished / finished goods	2,576.70	1,743.17
Work-in-progress	362.28	534.72
Traded goods	227.33	-
Increase on acquisition		
Semi finished / finished goods	1.54	-
Work-in-progress	0.12	-
	3,167.97	2,277.89

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Closing Stock :		
Semi finished / finished goods	2,617.16	2,154.62
Work-in-progress	589.05	338.13
Traded goods	189.83	-
	3,396.04	2,492.75
	(228.07)	(214.86)
Excise duty on stock of finished goods (net)	35.89	62.42
	(192.18)	(152.44)

* Opening stock is after adjustment of Composite Scheme of Amalgamation and Arrangement

(₹ in crores)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Note 23 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	1,159.08	881.82
Contribution to provident and other funds	45.20	40.05
Expenses on employees stock option scheme	-	5.74
Staff welfare expenses	93.96	52.64
	1,298.24	980.25

(₹ in crores)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Note 24 FINANCE COSTS		
Interest expenses	2,829.68	1,833.35
Other borrowing costs	218.18	134.11
	3,047.86	1,967.46

(₹ in crores)

	For the year ended 31 March 2014	For the year ended 31 March 2013
Note 25 OTHER EXPENSES		
Consumption of stores and spares	2,326.21	1,687.55
Power and fuel	3,813.31	2,041.00
Rent	43.57	23.42
Repairs & maintenance		
Plant & machinery	1,028.97	771.96
Buildings	34.44	72.66
Others	21.15	18.81
Insurance	126.52	90.26
Rates and taxes	64.82	29.31
Carriage and freight	1,944.10	1,379.14
Jobwork and processing charges	221.42	39.82
Commission on sales	33.95	23.88
Exchange loss (net)	226.36	-
Donations & contributions	4.69	3.21
Miscellaneous expenses	529.30	359.58
Provision for doubtful debts/ loans/ advances (net)	-	8.82
Loss on sale of fixed assets (net)	3.13	7.59
	10,421.94	6,557.01

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 26

1. Contingent liabilities :

- a) Bills discounted ₹ 3,595.19 crores (previous year ₹ 3,562.60 crores).
- b) Guarantees provided ₹ 145.83 crores (previous year ₹ 62.56 crores).
- c) Disputed claims/levies (excluding interest, if any), in respect of:
 - (i) Excise duty ₹ 512.59 crores (previous year ₹ 203.39 crores);
 - (ii) Custom duty ₹ 468.90 crores (previous year ₹ 636.16 crores);
 - (iii) Income tax ₹ 1.74 crores (previous year ₹ 15.73 crores);
 - (iv) Sales tax/Special entry tax ₹ 246.15 crores (previous year ₹ 229.22 crores);
 - (v) Service tax ₹ 156.10 crores (previous year ₹ 98.10 crores);
 - (vi) Miscellaneous ₹ 1.05 crores (previous year ₹ 0.05 crores);
 - (vii) Levies by local authorities ₹ 3.04 crores (previous year ₹ 3.04 crores);
 - (viii) Claims by suppliers and other parties (including for Forest Development Tax of ₹ 669.54 (previous year ₹ 659.53 crores) ₹ 1,215.98 crores (previous year ₹ 920.05 crores).

In 2008, the State of Karnataka levied a Forest Development Tax (FDT) treating iron ore as a forest produce. Writ petitions filed by various stakeholders challenging the levy before Karnataka High Court are pending disposal. The Management of the Company has been legally advised that this is a fairly arguable case from the company's perspective and accordingly, the tax is considered as recoverable. Tax payments made under protest in the earlier years (refer note 14)/tax payable are considered as 'contingent liabilities'.

- d) Arrears of fixed cumulative dividend on preference shares (CPRS) ₹ 0.46 crores (previous year ₹ 0.19 crores).
2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 3,779.26 crores (previous year ₹ 4,566.94 crores).

3. Other commitments :

The Group has imported capital goods under the export promotion capital goods scheme to utilise the benefit of a zero or concessional customs duty rate. These benefits are subject to future exports. Such export obligations at year end aggregate to ₹ 3,973.51 crores (previous year 11,295.30 crores) by the Group within the stipulated period.

4. On May 3, 2013 the Bombay High Court sanctioned a Composite Scheme of Amalgamation and Arrangement (Scheme) under Sections 391 to 394 of the Companies Act, 1956 amongst JSW Steel Limited, JSW Ispat Steel Limited, JSW Building Systems Limited, JSW Steel Coated Products Limited and their respective shareholders and creditors with July 1, 2012 being the appointed date. The certified copy of the scheme is filed with the Registrar of Companies (RoC) on June 1, 2013. Accordingly, effect of the scheme is considered in the financial statements in current year.

In terms of the scheme, effectively, from July 1, 2012:

- The Vasind and Tarapur units of JSW Steel Limited and the Kalmeshwar unit of JSW Ispat Steel Limited were demerged and their businesses transferred and vested to JSW Steel Coated Products Limited.
- The residual JSW Ispat Steel Limited was merged with JSW Steel Limited.
- JSW Steel Coated Products Limited emerged as a subsidiary of JSW Steel Limited.
- Accordingly, an amount of ₹ 716.44 crores for the period July 1, 2012 to March 31, 2013, have been credited to the reserve and surplus under surplus in statement of profit and loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The amalgamation is an amalgamation in the nature of purchase as defined by Accounting Standard 14 – Accounting for Amalgamations specified in the Companies (Accounting Standard) Rules 2006, Entries have been passed in the books of account of the Company to give effect to the scheme, as follows:

With effect from the appointed date,

- (a) All the assets and liabilities of residual JSW Ispat and JSW Building vest in and are transferred to the Company and recorded at their respective fair values.
 - (b) 1,86,08,844 equity shares of ₹ 10 each at par are issued to the equity shareholders of JSW Ispat in the ratio of 1 equity share of the company for every 72 equity shares of JSW Ispat.
 - (c) 48,54,14,604 , 0.01% preference shares of ₹ 10 each are issued to the preference shareholders of JSW Ispat in the ratio of 1 preference share for every preference share of JSW Ispat.
 - (d) Inter-company investments and balances, between the company, JSW Building and residual JSW Ispat stand cancelled.
 - (e) Assets and liabilities related to the Vasind and Tarapur units of the company are transferred to and vested in JSW Steel Coated.
 - (f) The difference of ₹ 3,055.12 crores resulting from the above is credited to its capital reserve account.
5. As at March 31, 2014, the carrying amounts of the fixed assets (the cash generating unit) of ₹ 4,663.31 crores pertain to steel operations at JSW Steel (USA) Inc., a subsidiary of the Company. In view of the losses from operations of the subsidiary in last few years, the Management of the Company has considered valuations of its fixed assets carried out by an independent external valuer and concluded that there is no provision for impairment is presently necessary with respect to carrying amounts of the CGU in terms of Accounting Standard (AS) 28, Impairment of Asset.
 6. Trade receivable include ₹ 184.02 crores (Previous year ₹ 184.02 crores) recoverable from a customer towards supply of steel. The customer has applied for corporate debt restructuring to CDR Cell and mentioned JSW Steel as their “critical and essential supplier” whose dues needs to be paid on priority basis. The scheme was approved by CDR empowered group during the year. Based on these developments, the company is reasonably confident about the recoverability of the said amount.
 7. Exceptional items represent effect of significant movement and volatility in the value of the Indian rupee against US dollar.
 8. **Derivatives:**
 - a) The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The use of foreign currency forward contracts is governed by the Group’s strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the group’s risk management policy.

The forward exchange contracts entered into by the group and outstanding are as under:

As at	No. of Contracts	Type	US\$ equivalent (million)	INR equivalent (crores)
31.03.2014	150	Buy	1,146.54	6,890.66
	94	Sell	1,136.19	6,828.48
31.03.2013	17	Buy	55.67	302.76
	13	Sell	99.37	540.46

- b) The group also uses derivative contracts other than forward contracts to hedge the interest rate and currency risk on capital account. Such transactions are governed by the strategy approved by the board of directors, which provide principles on the use of these instruments, consistent with the group’s risk management policy. The group does not use these contracts for speculative purposes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Notional value of interest rate swaps (IRS) to hedge against fluctuations in interest rate changes are as under:

As at	No. of Contracts	US\$ equivalent of notional value (million)	MTM of IRS (INR crores)
31.03.2014	7	50.00	(7.93)
31.03.2013	8	61.00	(12.26)

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

a) Amounts receivable in foreign currency on account of the following:

	Current year		Previous year	
	US\$ equivalent (million)	INR equivalent (crores)	US\$ equivalent (million)	INR equivalent (crores)
Trade receivables	9.74	58.53	11.26	61.22
Balances with banks				
- In fixed deposit account	-	-	0.01	0.03
- In current account	0.01	0.04	0.01	0.04

b) Amounts payable in foreign currency on account of the following:

	Current year		Previous year	
	US\$ equivalent (million)	INR equivalent (crores)	US\$ equivalent (million)	INR equivalent (crores)
Borrowings	1,104.85	6,640.13	1,269.99	6,907.41
Advance from customer	11.59	69.63	29.18	128.49
Acceptances	121.32	729.13	1,139.96	6,200.14
Trade payables	179.06	1,076.14	131.54	715.43
Payables for capital projects	409.70	2,462.27	408.61	2,222.42
Interest accrued but not due on borrowings	6.67	40.08	9.99	54.32

9. Employee benefits:

a) Defined contribution plan:

The group's contribution to provident fund ₹ 38.93 crores (previous year ₹ 27.62 crores).

b) Defined benefit plans-

(i) Gratuity:

	₹ in crores	
	Current year	Previous year
a) Liability recognized in the balance sheet		
i) Present value of obligation		
Opening balance	91.94	75.14
Service cost	7.91	6.75
Interest cost	7.58	6.38
Actuarial (gain)/loss on obligation	(5.81)	6.53
Benefits paid	(5.55)	(2.87)
Liabilities transfer in/(out)	32.87	Nil
Closing balance	128.94	91.94
Less:		
ii) Fair value of plan assets		
Opening balance	53.06	50.05
Expected return on plan assets less loss on investments	5.34	4.30
Actuarial gain / (loss) on plan assets	(1.00)	1.37
Employers' contribution	0.10	0.03
Benefits paid	(3.06)	(2.68)
Closing balance	54.44	53.06

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in crores)	
	Current year	Previous year
Amount recognized in balance sheet	74.50	38.87
B) Expenses during the year		
Service cost	7.91	6.75
Interest cost	7.58	6.38
Expected return on plan assets	(5.34)	(4.30)
Actuarial loss	(4.81)	5.16
Transferred to preoperative expenses	(0.09)	(0.23)
Total	5.25	13.76
c) Actual return on plan assets	3.61	5.68
d) Break up of plan assets :		
(i) ICICI Prudential Life Insurance Co. Limited		
Balanced fund	3.01	2.74
Group debt fund	8.92	11.23
Group short term debt fund	0.47	0.06
Endowment plan	-	-
(ii) HDFC Standard Life Insurance Co. Limited		
Defensive managed fund	1.26	1.17
Stable managed fund	13.54	12.54
Liquid fund ii	0.03	0.03
(iii) SBI Life Insurance Co. Limited – Cap assured fund	19.69	18.07
(iv) LIC of India – insurer managed fund	7.52	7.23
e) Principal actuarial assumptions		
Rate of discounting	9.31% to 9.45% p.a.	8% to 8.75% p.a.
Expected return on plan assets	8.70% p.a.	8.70% p.a.
Rate of increase in salaries	6% p.a.	6% p.a.
Attrition rate	2% p.a.	2% p.a.

The group expects to contribute ₹ 50.91 crores to its gratuity plan for the next year.

In assessing the group's Post Retirement Liabilities the group monitors mortality assumptions and uses up-to-date mortality tables, the base being the Indian Assured Lives Mortality (2006-08) Ultimate.

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

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

Other disclosures:

	(₹ in crores)				
Particulars	Current year	2012-13	2011-12	2010-11	2009-10
Defined benefit obligation	128.94	91.94	75.14	50.11	37.21
Plan assets	54.44	53.07	50.04	38.15	33.66
Deficit	(74.50)	(38.87)	(25.10)	(11.96)	(3.55)
Experience adjustments on plan liabilities - loss / (gain)	5.86	4.07	20.84	7.66	1.57
Experience adjustments on plan assets - gain / (loss)	(1.00)	(1.00)	(0.78)	(0.46)	(0.08)

(ii) Provident fund:

The group makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the group is required to contribute a specified percentage of the payroll costs to fund the benefits.

In keeping with the guidance on implementing Accounting Standard (AS) 15 (Revised) on employee benefits notified by the companies (accounting standards) rules, 2006, employer established provident fund trusts are treated as defined benefit plans, since the group is obliged to meet interest shortfall,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

if any, with respect to covered employees. According to the defined benefit obligation of interest rate guarantee on exempted provident fund in respect of employees of the group as at 31 March, 2014 works out to ₹ nil (previous year ₹ Nil) and hence no provision is required to be provided for in the books of accounts towards the guarantee given for notified interest rates.

Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

Particulars	Current year	Previous year
Rate of discounting	9.31%	8.25%
Rate of return on assets	8.95%	9.14%
Guaranteed rate of return	8.75%	8.50%

10. Segment reporting:

The group is primarily engaged in the business of manufacture and sale of iron and steel products. The group has identified primary business segments, namely steel, power (used mainly for captive consumption) and others, which in the context of Accounting Standard 17 on "Segment Reporting" constitute reportable segments.

I) Information about primary business segments

(₹ in crores)

Particulars	Year ended 31 March 2014					Year ended 31 March 2013				
	Steel	Power	Other	Eliminations	Total	Steel	Power	Other	Eliminations	Total
INCOME :										
External sales	49,890.78	567.50	714.62	-	51,172.90	36,347.52	1,088.53	773.60	-	38,209.65
Inter segment sales	1,641.26	3,510.83	-	(5,152.09)	-	1,674.85	3,040.97	-	(4,715.82)	-
Total income	51,532.04	4,078.33	714.62	(5,152.09)	51,172.90	38,022.37	4,129.50	773.60	(4,715.82)	38,209.65
Un-allocated items income					46.72					-
	51,532.04	4,078.33	714.62	(5,152.09)	51,219.62	38,022.37	4,129.50	773.60	(4,715.82)	38,209.65
SEGMENT RESULTS										
Segment/ operating results	4,628.81	1,439.36	(12.12)	-	6,056.05	2,975.51	1,081.88	21.41	-	4,078.80
Un-allocated Items:										
Income					76.59					66.39
Finance costs					(3,047.86)					(1,967.46)
Exceptional Item : Exchange loss (net)					(1,712.75)					(369.37)
Provision for taxation					(920.08)					(845.25)
Net profit					451.95					963.11
OTHER INFORMATION										
Segment assets	68,470.24	2,447.34	1,882.84		72,800.42	47,576.67	2,558.77	1,425.36		51,560.80
Un-allocated assets					4,839.47					6,167.18
Total assets					77,639.89					57,727.98
Segment liabilities	17,139.29	253.74	525.70		17,918.73	13,957.18	604.00	274.99		14,836.17
Un-allocated liabilities & Provisions					37,615.81					25,350.92
Total liabilities					55,534.54					40,187.09
Depreciation and amortisation	3,005.05	136.14	39.40			2,072.61	125.29	39.58		
Non cash expenditure other than depreciation and amortisation	2.94	-	0.19			8.04	-	5.29		
Capital expenditure	7,767.79	56.52	155.50			5,704.68	44.34	42.30		

1. Inter segment transfer from the power segment is measured at the rate at which power is purchased from/sold to the respective electricity board.
2. Inter segment transfer from the steel segment is measured on the basis of fuel cost.
3. Other business segment represents mining and construction activities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

II) Information about secondary segment – geographical segment

(₹ in crores)

Particulars	Current year 31 March 2014			Previous year 31 March 2013		
	Indian entities	Foreign entities	Total	Indian entities	Foreign entities	Total
Segment revenue	48,229.12	2,990.50	51,219.62	35,485.26	2,724.39	38,209.65
Segment assets	68,963.68	8,676.21	77,639.89	48,475.96	9,252.02	57,727.98
Capital expenditure incurred	7,757.15	222.66	7,979.81	5,666.69	124.63	5,791.32

11. Related parties disclosure as per Accounting Standard (AS) – 18:

A) List of related parties:

Parties with whom the group has entered into transactions during the year / where control exists :

1 Associates

Jindal Praxair Oxygen Company Private Limited
JSW Ispat Steel Limited [refer note 26(4)]

2 Joint ventures

Vijayanagar Minerals Private Limited
Rohne Coal Company Private Limited
Gourangdih Coal Limited
Toshiba JSW Turbine and Generator Private Limited
JSW Severfield Structures Limited
Geo Steel LLC
MJSJ Coal Limited
JSW Structural Metal Decking Limited
JSW MI Steel Service Center Private Limited

3 Key management personnel

Mr. Sajjan Jindal
Mr. Seshagiri Rao M V S
Dr. Vinod Nowal
Mr. Jayant Acharya

4 Relative of key management personnel

Mr. Parth Jindal

5 Enterprises over which key management personnel and relatives of such personnel exercise significant influence

JSW Energy Limited
JSL Limited
JSW Realty & Infrastructure Private Limited
Jindal Saw Limited
Jindal Saw USA LLC
Jindal Steel & Power Limited
JSOFT Solutions Limited
Jindal Industries Limited
JSW Cement Limited
JSW Jaigarh Port Limited
Reynold Traders Private Limited
Raj West Power Limited
JSW Power Trading Company Limited
JSW Aluminium Limited
O P Jindal Foundation
JSW Infrastructure Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

South West Port Limited
 JSW Techno Projects Management Limited
 Sapphire Technologies Limited
 St. James Investments Limited
 South West Mining Limited
 JSL Architecture Limited
 JSW Projects Limited
 JSW Bengaluru Football Club Private Limited
 JSW Foundation
 Jindal Technologies & Management Services Private Limited
 JITF Shipping & Logistics (Singapore) PTE Limited
 M/S Shaded Iron & Steel Co. LLC

(₹ in crores)

Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences.	Total
B. Transactions with related parties						
Party's name						
Purchase of goods / power & fuel / services						
JSW Energy Limited	-	-	-	-	1,138.34	1,138.34
	-	-	-	-	349.16	349.16
JSW Ispat Steel Limited	-	-	-	-	-	-
	3,539.91	-	-	-	-	3,539.91
M/s. Shaded Iron & Steel Co. LLC	-	-	-	-	446.76	446.76
	-	-	-	-	-	-
Others	193.59	17.58	-	-	963.58	1,174.75
	188.29	0.37	-	-	600.40	789.06
Total	193.59	17.58	-	-	2,548.68	2,759.85
	3,728.20	0.37	-	-	949.56	4,678.13
Reimbursement of expenses incurred on our behalf by						
JSW Energy Limited	-	-	-	-	1.28	1.28
	-	-	-	-	1.26	1.26
JSW Ispat Steel Limited	-	-	-	-	-	-
	5.27	-	-	-	-	5.27
Others	-	0.07	-	-	0.27	0.34
	-	0.31	-	-	0.12	0.43
Total	-	0.07	-	-	1.55	1.62
	5.27	0.31	-	-	1.38	6.96
Material taken on loan						
JSW Energy Limited	-	-	-	-	-	-
	-	-	-	-	31.80	31.80
Total	-	-	-	-	-	-
	-	-	-	-	31.80	31.80
Material taken on loan given back						
JSW Energy Limited	-	-	-	-	31.80	31.80
	-	-	-	-	-	-
Total	-	-	-	-	31.80	31.80
	-	-	-	-	-	-
Interest expenses						
St. James Investment Limited	-	-	-	-	8.61	8.61
	-	-	-	-	8.24	8.24
Total	-	-	-	-	8.61	8.61
	-	-	-	-	8.24	8.24
Sales of goods/power & fuel/ other income						
JSW Energy Limited	-	-	-	-	346.58	346.58
	-	-	-	-	41.09	41.09

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences.	Total
Jindal Industries Limited	-	-	-	-	352.66	352.66
	-	-	-	-	362.52	362.52
JSW Ispat Steel Limited	-	-	-	-	-	-
	488.24	-	-	-	-	488.24
Jindal Saw Limited	-	-	-	-	633.92	633.92
	-	-	-	-	301.52	301.52
JSW Power Trading Company Limited	-	-	-	-	515.94	515.94
	-	-	-	-	1,015.66	1,015.66
Others	8.04	25.10	-	-	90.02	123.16
	8.76	13.58	-	-	229.98	252.32
Total	8.04	25.10	-	-	1,939.12	1,972.26
	497.00	13.58	-	-	1,950.77	2,461.35
Other income						
JSW Ispat Steel Limited	-	-	-	-	-	-
	2.42	-	-	-	-	2.42
JSW Realty & Infrastructure Private Limited	-	-	-	-	-	-
	-	-	-	-	1.93	1.93
JSW Energy Limited	-	-	-	-	19.83	19.83
	-	-	-	-	3.99	3.99
Jindal Praxair Oxygen Company Private Limited	-	-	-	-	-	-
	2.39	-	-	-	-	2.39
	1.96	-	-	-	-	1.96
JSW Projects Limited	-	-	-	-	23.54	23.54
	-	-	-	-	-	-
Others	-	0.02	-	-	1.85	1.87
	-	0.03	-	-	0.74	0.77
Total	2.39	0.02	-	-	45.22	47.63
	4.38	0.03	-	-	6.66	11.07
Purchase of assets						
Jindal Steel & Power Limited	-	-	-	-	222.87	222.87
	-	-	-	-	182.21	182.21
JSW Severfield Structures Limited	-	49.40	-	-	-	49.40
	-	52.63	-	-	-	52.63
JSW Techno Projects Management Limited	-	-	-	-	-	-
	-	-	-	-	37.66	37.66
Others	-	-	-	-	50.62	50.62
	13.60	-	-	-	62.52	76.12
Total	-	49.40	-	-	273.49	322.89
	13.60	52.63	-	-	282.39	348.62
Donation given						
O.P. Jindal Foundation	-	-	-	-	0.70	0.70
	-	-	-	-	0.50	0.50
JSW Foundation	-	-	-	-	8.82	8.82
	-	-	-	-	-	-
Total	-	-	-	-	9.52	9.52
	-	-	-	-	0.50	0.50
Recovery of expenses incurred by us on their behalf						
JSW Energy Limited	-	-	-	-	-	-
	-	-	-	-	2.70	2.70
JSW Ispat Steel Limited	-	-	-	-	-	-
	14.59	-	-	-	-	14.59
JSW Cement Limited	-	-	-	-	1.00	1.00
	-	-	-	-	1.72	1.72
Sapphire Technologies Limited	-	-	-	-	0.72	0.72
	-	-	-	-	0.43	0.43
JSW Power Trading Company Limited	-	-	-	-	1.79	1.79
	-	-	-	-	0.84	0.84
Others	-	0.47	-	-	1.27	1.74
	-	-	-	-	0.62	0.62
Total	-	0.47	-	-	4.78	5.25
	14.59	-	-	-	6.31	20.90

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(₹ in crores)						Total
	Associates	Joint ventures	Key managerial personnel	Relatives of key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences.		
Investments / share application money given during the year							
Rohne Coal Company Private Limited	-	0.83	-	-	-	-	0.83
	-	2.00	-	-	-	-	2.00
MJSJ Coal limited	-	-	-	-	-	-	-
	-	2.75	-	-	-	-	2.75
JSW Severfield Structures Limited	-	16.50	-	-	-	-	16.50
	-	-	-	-	-	-	-
JSW Energy Limited	-	-	-	-	8.42	-	8.42
	-	-	-	-	-	-	-
Others	-	0.06	-	-	-	-	0.06
	-	-	-	-	-	-	-
Total	-	17.39	-	-	8.42	-	25.81
	-	4.75	-	-	-	-	4.75
Proceeds of redemption of preference shares							
Jindal Praxair Oxygen Company Private Limited	-	-	-	-	-	-	-
	54.66	-	-	-	-	-	54.66
Total	-	-	-	-	-	-	-
	54.66	-	-	-	-	-	54.66
Interest paid							
JSW Energy Limited	-	-	-	-	43.16	-	43.16
	-	-	-	-	-	-	-
Total	-	-	-	-	43.16	-	43.16
	-	-	-	-	-	-	-
Advance taken refunded							
JSW Infrastructure Limited	-	-	-	-	28.95	-	28.95
	-	-	-	-	-	-	-
Total	-	-	-	-	28.95	-	28.95
	-	-	-	-	-	-	-
Remuneration to key managerial personnel							
Mr. Sajjan Jindal	-	-	18.08	-	-	-	18.08
	-	-	20.25	-	-	-	20.25
Mr. Seshagiri Rao M V S	-	-	3.65	-	-	-	3.65
	-	-	3.61	-	-	-	3.61
Dr. Vinod Nowal	-	-	2.73	-	-	-	2.73
	-	-	2.70	-	-	-	2.70
Mr. Parth Jindal	-	-	-	0.12	-	-	0.12
	-	-	-	0.04	-	-	0.04
Mr. Jayant Acharya	-	-	2.36	-	-	-	2.36
	-	-	2.33	-	-	-	2.33
Total	-	-	26.82	0.12	-	-	26.94
	-	-	28.89	0.04	-	-	28.93
C. Closing balance of related parties							
Trade payables							
St . James Investment Limited	-	-	-	-	52.26	-	52.26
	-	-	-	-	39.56	-	39.56
JSW Energy Limited	-	-	-	-	168.92	-	168.92
	-	-	-	-	113.30	-	113.30
JSW Ispat Steel Limited	-	-	-	-	-	-	-
	32.58	-	-	-	-	-	32.58
South West Mining Limited	-	-	-	-	18.89	-	18.89
	-	-	-	-	30.71	-	30.71
Others	11.44	2.18	-	-	51.00	-	64.62
	17.42	0.24	-	-	36.13	-	53.79
Total	11.44	2.18	-	-	291.07	-	304.70
	50.00	0.24	-	-	219.70	-	269.94

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences.	Total
Notes payable						
St. James Investment Limited	-	-	-	-	258.43	258.43
	-	-	-	-	233.87	233.87
Total	-	-	-	-	258.43	258.43
	-	-	-	-	233.87	233.87
Advance received from customers						
Jindal Steel & Power Limited	-	-	-	-	0.63	0.63
	-	-	-	-	1.51	1.51
Raj west Power Limited	-	-	-	-	0.52	0.52
	-	-	-	-	1.86	1.86
JSW Jaigarh Port Limited	-	-	-	-	-	-
	-	-	-	-	1.30	1.30
Others	-	-	-	-	0.11	0.11
	-	-	-	-	-	-
Total	-	-	-	-	1.26	1.26
	-	-	-	-	4.67	4.67
Lease & other deposit received						
Jindal Praxair Oxygen Company Private Limited	3.83	-	-	-	-	3.83
	3.83	-	-	-	-	3.83
JSW Energy Limited	-	-	-	-	10.19	10.19
	-	-	-	-	10.19	10.19
JSW Severfield Structures Limited	-	6.50	-	-	-	6.50
	-	6.50	-	-	-	6.50
Jindal Saw Limited	-	-	-	-	5.00	5.00
	-	-	-	-	5.00	5.00
JSW Jaigarh Port Limited	-	-	-	-	3.50	3.50
	-	-	-	-	3.50	3.50
Others	-	-	-	-	2.00	2.00
	-	-	-	-	2.00	2.00
Total	3.83	6.50	-	-	20.69	31.02
	3.83	6.50	-	-	20.69	31.02
Trade receivables						
JSW Cement Limited	-	-	-	-	39.84	39.84
	-	-	-	-	37.59	37.59
JSW Ispat Steel Limited	-	-	-	-	-	-
	54.82	-	-	-	-	54.82
JSW Projects Limited	-	-	-	-	29.06	29.06
	-	-	-	-	38.91	38.91
JSW Power Trading Company Limited	-	-	-	-	59.18	59.18
	-	-	-	-	364.35	364.35
Others	-	1.13	-	-	14.63	15.76
	-	-	-	-	12.30	12.30
Total	-	1.13	-	-	142.71	143.85
	54.82	-	-	-	453.15	507.97
Capital / revenue advances given						
JSW Projects Limited	-	-	-	-	473.95	473.95
	-	-	-	-	251.31	251.31
Others	-	13.13	-	-	40.86	53.99
	-	8.25	-	-	2.36	10.61
Total	-	13.13	-	-	514.81	527.94
	-	8.25	-	-	253.67	261.92
Share application money						
Vijayanagar Minerals Private Limited	-	2.43	-	-	-	2.43
	-	2.43	-	-	-	2.43
Rohne Coal Company Private Limited	-	5.29	-	-	-	5.29
	-	4.46	-	-	-	4.46
Others	-	-	-	-	-	-
	-	0.07	-	-	-	0.07
Total	-	7.72	-	-	-	7.72
	-	6.96	-	-	-	6.96

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(₹ in crores)						Total
	Associates	Joint ventures	Key managerial personnel	Relatives of key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences.		
Other advances given							
JSW Realty & Infrastructure Private Limited	-	-	-	-	7.35		7.35
	-	-	-	-	69.15		69.15
Others	-	-	-	-	13.47		13.47
	-	0.19	-	-	1.94		2.13
Total	-	-	-	-	20.82		20.82
	-	0.19	-	-	71.09		71.28
Investments held by the company							
JSW Ispat Steel Ltd	-	-	-	-	-		-
	2,357.12	-	-	-	-		2,357.12
JSW Energy Limited	-	-	-	-	251.28		251.28
	-	-	-	-	120.90		120.90
JSW Realty & Infrastructure Private Limited	-	-	-	-	199.15		199.15
	-	-	-	-	130.00		130.00
Others	27.27	27.20	-	-	-		54.47
	27.27	27.20	-	-	-		54.74
Total	27.27	27.20	-	-	450.43		504.90
	2,384.39	27.20	-	-	250.90		2,662.49
Loans & advances taken							
JSW Infrastructure Limited	-	-	-	-	222.30		222.30
	-	-	-	-	-		-
Total	-	-	-	-	222.30		222.30
	-	-	-	-	-		-

Figures in bold represents current year numbers

12. Finance lease

a) As lessee:

- The group has acquired equipments for ₹ 117.22 crores through finance lease. The finance leases are for various durations with last lease maturing in 2016. The amount of depreciation charged in the statement of profit and loss till 31 March 2014 was ₹ 74.41 crores and the book value is ₹ 42.81 crores.
- The minimum lease payments as at 31 March 2014 and the present value as at 31 March 2014 of minimum lease payments in respect of assets acquired under the finance leases are as follows:

Particulars	(₹ in crores)					
	Minimum lease payments			Present value of minimum lease payments		
	As at 31 March 2014	As at 31 March 2013		As at 31 March 2014	As at 31 March 2013	
Payable not later than 1 year	25.39	22.98		23.11	19.60	
Payable later than 1 year and not later than 5 years	23.27	44.04		22.54	41.31	
Payable later than 5 years	-	-		-	-	
Total	48.66	67.01		45.65	60.91	
Less: Future finance charges	3.01	6.10				
Present value of minimum lease payments	45.65	60.91				

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

13. Operating lease

a) As lessor:

- i. The group has entered into lease arrangements, for renting :
- 2,279 houses (admeasuring approximately 1,410,997 square feet) at the rate of ₹ 100/- per house per annum, for a period of 180 months.
- 684 houses (admeasuring approximately 350,103 square feet) at the rate of ₹ 2/- per square feet per annum, for a period of 36 to 60 months.
- 9 houses (admeasuring approximately 9,027 square feet) at the rate of ₹ 43/- per square feet per month per house, for a period of 60 months.
- The agreements are renewable at the option of the lessee after the end of the lease term.
- ii. Disclosure in respect of assets (building) given on operating lease :

	(₹ in crores)	
	Current year	Previous year
Gross carrying amount of assets	167.57	192.71
Accumulated depreciation	23.11	20.68
Depreciation for the year	3.10	3.30

b) As lessee:

Lease rentals charged to revenue for right to use following assets are:

	(₹ in crores)	
Particulars	Current year	Previous year
Office premises, residential flats etc.	43.57	23.42

The agreements are executed for a period of 11 to 180 months with a renewable clause and also provide for termination at will by either party giving a prior notice period of 1 to 3 months.

The agreement for certain plant and equipment is on non-cancellable basis for a period of 10-15 years, which are renewable on expiry of the lease period at mutually acceptable terms.

Minimum lease payments under non-cancellable operating lease fall due as follows:

	(₹ in crores)	
Particulars	Current year	Previous year
Due not later than one year	4.05	3.26
Due later than one year but not later than five years	0.42	3.26
Later than five years	-	-
Total	4.47	6.53

Operating lease payments represent rentals payable by the group for lease of coal loading property. The agreement is executed for a period of 5 years with a renewable clause.

14. Earnings per share (EPS):

		Current Year	Previous Year
Profit after tax	₹ in crores	451.95	963.11
Less: Dividend on preference shares (including corporate dividend tax)	₹ in crores	32.65	32.43
Profit after tax for equity share holders (numerator)- basic / diluted (A)	₹ in crores	419.30	930.68
Weighted average number of equity shares for basic EPS (denominator) (B)	Nos.	241,722,044	223,117,200
Weighted average number of equity shares for diluted EPS (denominator) (C)	Nos.	241,722,044	223,117,200
Earnings per share – basic (A/B)	₹	17.35	41.71
Earnings per share – diluted (A/C)	₹	17.35	41.71
Nominal value per share	₹	10	10

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

16. The manufacturing and other expenses and depreciation include ₹ 9.39 crores (previous year ₹ 8.62 crores) and ₹ 9.03 crores (previous year ₹ 7.30 crores), respectively, in respect of research and development activities undertaken during the year.
17. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year. Figures of the previous year are not comparable on account of Composite Scheme of Amalgamation and Arrangement as referred to in note 26 (4) above.
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For and on behalf of the Board of Directors

SAJJAN JINDAL

Chairman and Managing Director

LANCY VARGHESE

Company Secretary

RAJEEV PAI

Chief Financial Officer

SESHAGIRI RAO M.V.S.

Jt. Managing Director & Group CFO

Place : Mumbai,

Date : 27 May 2014

NOTICE

Notice is hereby given that the **TWENTIETH ANNUAL GENERAL MEETING** of the Members of **JSW STEEL LIMITED** will be held on **Thursday, the 31st July, 2014 at 11.00 a.m.** at Y.B. Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021, Maharashtra, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2014, including the audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on the 10% Cumulative Redeemable Preference Shares of the Company for the financial year 2013-14.
3. To declare dividend on the Equity Shares of the Company for the financial year 2013-14.
4. To appoint a Director in place of Mr. Seshagiri Rao M.V.S. (DIN 00029136), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No.117366W/W-100018), the retiring auditors of the Company be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 23rd Annual General Meeting of the Company, on such remuneration as may be decided by the Board of Directors of the Company".

SPECIAL BUSINESS:

6. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sudipto Sarkar (DIN 00048279), who was appointed as a Director

liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto the conclusion of the 21st Annual General Meeting of the Company in the calendar year 2015."

7. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. S.K. Gupta (DIN 00011138), Director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto the conclusion of the 21st Annual General Meeting of the Company in the calendar year 2015."

8. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Vijay Kelkar (DIN 00011991), Director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto the conclusion of the 24th Annual General Meeting of the Company in the calendar year 2018."

9. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Uday M. Chitale (DIN 00043268), Director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto the conclusion of the 22nd Annual General Meeting of the Company in the calendar year 2016.”

10. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Kannan Vijayaraghavan (DIN 00544730), Director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto the conclusion of the 24th Annual General Meeting of the Company in the calendar year 2018.”

11. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Punita Kumar Sinha (DIN 05229262), Director of the Company,

whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto the conclusion of the 24th Annual General Meeting of the Company in the calendar year 2018.”

12. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT subject to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby approves the re-appointment of Mr. Seshagiri Rao M.V.S. (DIN 00029136), as a Whole-time Director of the Company, designated as 'Jt. Managing Director & Group CFO', for a period of three years with effect from April 6, 2014, upon such terms and conditions including remuneration as are set out in the Statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to the Notice of this Annual General Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any duly authorised Committee of the Board) to alter and vary the terms and conditions of the said re-appointment, including the remuneration which shall not exceed an overall ceiling of ₹ 50,00,000/- (Rupees fifty lakhs only) per month, as may be agreed to between the Board and Mr. Seshagiri Rao M.V.S.”

13. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT subject to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby approves the re-appointment of Mr. Jayant Acharya (DIN 00106543) as a Whole-time Director of the Company, designated as 'Director [Commercial & Marketing]', for a period of five years, with effect from May 7, 2014, upon such terms and conditions as are set out in the Statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to the Notice of this Annual General

Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any duly authorised committee of the Board) to alter and vary the terms and conditions of the said re-appointment, including the remuneration which shall not exceed an overall ceiling of ₹ 50,00,000/- (Rupees fifty lakhs only) per month, as may be agreed to between the Board and Mr. Jayant Acharya."

14. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the Special Resolution adopted at the 16th Annual General Meeting of the Company held on 29th June 2010, and pursuant to the provisions of Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to applicable statutory approval(s) including that of the Central Government, if necessary, the non-executive directors of the Company (i.e. directors other than the Managing Director and / or the Whole-time Directors) be paid, remuneration for a period of five years from the financial year commencing from April 1, 2014, in addition to the sitting fee and reimbursement of expenses for attending the meetings of the Board of Directors or Committees thereof, as the Board of Directors (which term shall be deemed to include any duly authorised committee thereof for the time being exercising the powers conferred on the Board of Directors by this Resolution) may from time to time determine, not exceeding in the aggregate, one percent of the net profits of the Company for each financial year, computed in the manner laid down in Section 198 of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof."

15. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the Ordinary Resolution adopted at the 19th Annual General Meeting of the Company held on 30th July 2013 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and that of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company ("**the Board**"),

for borrowing from time to time, any sum or sums of money, on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) including rupee equivalent of foreign currency loans (such rupee equivalent being calculated at the exchange rate prevailing as on the date of the relevant foreign currency agreement) may exceed, at any time, the aggregate of the paid-up capital of the Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of the Company and its free reserves shall not at any time exceed ₹ 50,000 crores (Rupees fifty thousand crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and execute all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company."

16. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the Ordinary Resolution adopted at the 19th Annual General Meeting of the Company held on 30th July, 2013 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and that of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company ("**the Board**") to hypothecate/mortgage and/or charge and/or encumber in addition to the hypothecations/mortgages and/or charges and/or encumbrances created by the Company, in such form and manner and with such ranking and at such time(s) and on such terms as the Board may determine, all or any part of the movable and/or immovable properties of the Company wherever situated both present and future, and/or create a floating charge on all or any part of the immovable properties of the Company and the whole or any part of the undertaking(s) of the Company, together with power to take over the

management of the business and concern of the Company in certain events of default, in favour of the Company's Bankers/Financial Institutions/ other investing agencies and trustees for the holders of Debentures/Bonds/other instruments/ securities to secure any Rupee/Foreign currency Loans, Guarantee assistance, Standby Letter of Credit/Letter of Credit, and/or any issue of Non-Convertible Debentures, and/or Compulsorily or Optionally, Fully or Partly Convertible Debentures and/or Bonds, and/or any other Non-Convertible and/or other Partly/Fully Convertible instruments/ securities, within the overall ceiling prescribed by the members of the Company, in terms of Section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company."

17. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 10 lakhs (Rupees ten lakhs only) plus service tax as applicable and reimbursement of actual travel and out of pocket expenses, to be paid to M/s. S.R. Bhargave & Co., Cost Auditors of the Company, for the financial year 2014-15, as approved by the Board of Directors of the Company, be and is hereby ratified."

18. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 23, 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to applicable Regulations, Rules and Guidelines prescribed by the Securities and Exchange Board of India and subject to the provisions of the Articles of Association of the Company, the consent of the members be and is hereby accorded

to the Board of Directors of the Company, for making offer(s) or invitations to subscribe to secured / unsecured redeemable non-convertible debentures, in one or more tranches, aggregating up to ₹ 10,000 crores (Rupees ten thousand crores only) during the financial year 2014-15, on private placement basis, on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said debentures be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and execute all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company."

19. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting, be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution."

20. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the Special Resolution adopted at the Fifteenth Annual General Meeting of the Company held on July 6, 2009 and in accordance with the provisions of Sections 23, 42, 62, 71 and all other applicable provisions, if any, of the Companies Act, 2013 (including any strategy modification or re-enactment thereof, for the time being in force), read with the rules made thereunder, the provisions of the Securities

and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (hereinafter referred to as the “**SEBI Regulations**”), the provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, and such other applicable statutes, notifications, clarifications, circulars, regulations, and guidelines (including any amendment thereto or re-enactment thereof) issued by the Government of India (the “**GOI**”), the Reserve Bank of India (the “**RBI**”), the Foreign Investment Promotion Board (the “**FIPB**”), the Securities and Exchange Board of India (the “**SEBI**”), Stock Exchanges and any other appropriate authorities, institutions or bodies, as may be applicable, and the enabling provisions of the Listing Agreements entered into by the Company with the stock exchanges on which the equity shares of the Company are listed (the “**Listing Agreements**”) and the Memorandum of Association and Articles of Association of the Company, and subject to all such approvals, consents, permissions and sanctions, if any, of the GOI, RBI, FIPB, SEBI, Stock Exchanges and any other appropriate authorities, institutions or bodies, as may be necessary or desirable, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting any such consents, permissions, approvals and/or sanctions (hereinafter singly or collectively referred to as “**the requisite approvals**”) which may be agreed to by the Board (or any Committee(s), constituted or hereafter constituted by the Board in this behalf), the Board be and is hereby authorised in its absolute discretion, to create, offer, issue and allot in one or more tranches, Fully Convertible Debentures/Partly Convertible Debentures/Optionally Convertible Debentures/Non-Convertible Debentures with warrants or any other Securities (other than warrants) or a combination thereof, which are convertible into or exchangeable with Equity Shares of the Company at a later date (hereinafter collectively referred to as the “**Specified Securities**”), to Qualified Institutional Buyers (as defined in the SEBI Regulations) by way of a Qualified Institutions Placement, as provided under Chapter VIII of the SEBI Regulations for an aggregate amount not exceeding ₹ 4,000 crores (Rupees four thousand crores only), inclusive of such premium as may be decided by the Board, at a price which shall not be less than the price determined in accordance with the pricing formula stipulated under Chapter VIII of the SEBI Regulations.

RESOLVED FURTHER THAT the relevant date for the purpose of arriving at the aforesaid minimum issue price of the Specified Securities shall be –

- in case of allotment of eligible convertible securities,
 - i. either the date of the meeting in which the Board or a Committee of the Board decides to open the issue of such convertible securities; or
 - ii. the date on which the holders of such convertible securities become entitled to apply for the equity shares

as may be determined by the Board.

RESOLVED FURTHER THAT:

- i. the Specified Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company.
- ii. the Equity Shares that may be issued and allotted on conversion of the Specified Securities issued through the Qualified Institutions Placement as aforesaid shall rank *pari passu* with the then existing Equity Shares of the Company in all respects including dividend; and
- iii. The number and/or conversion price in relation to Equity Shares that may be issued and allotted on conversion of the Specified Securities that may be issued through the Qualified Institutions Placement shall be appropriately adjusted in accordance with the SEBI Regulations for corporate actions such as bonus issue, rights issue, split and consolidation of share capital, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Specified Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets and the Board, subject to applicable laws, regulations and guidelines, be and is hereby authorised to dispose off such Specified Securities that are not subscribed in such manner as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things including but not limited to finalisation and approval of the preliminary as well as final offer document(s), determining the form, manner

and timing of the issue, including the investors to whom the Specified Securities are to be issued and allotted, the number of Specified Securities to be allotted, issue price, face value, premium amount on issue/conversion of Specified Securities, if any, rate of interest, execution of various agreements/deeds / documents / undertakings, creation of mortgage/charge/encumbrance in addition to the existing mortgages, charges and hypothecation by the Company as may be necessary on such of the assets of the Company both present and future, in such manner as the Board may direct, in accordance with Section 180(1)(a) of the Companies Act, 2013, in respect of any of the Specified Securities issued through the Qualified Institutions Placement, either on pari passu basis or otherwise, and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of the Specified Securities and utilisation of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members to that end and intent that the Members shall be deemed to have given their approval thereto expressly by virtue of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint such Consultants, Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Solicitors, Lawyers, Merchant Bankers and any such Agencies and Intermediaries as may be involved or concerned in such offerings of Specified Securities and to remunerate all such agencies by way of commission, brokerage, fees or the like, and to enter into or execute Agreements/ Arrangements/MOUs with any such Agency or Intermediary and also to seek the listing of any or all of such Specified Securities or securities representing the same on one or more Stock Exchanges.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors or Officers of the Company.”

21. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession of the Special Resolution adopted at the Fifteenth Annual General Meeting of the Company held on July 6, 2009 and in accordance with the provisions of Sections 23, 42, 62, 71 and all other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder, the Foreign Exchange Management

Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a person resident outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as applicable, as also the provisions of any other applicable laws, rules, regulations, and guidelines (including any amendment thereto or re-enactment thereof) and the enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and in accordance with the regulations and guidelines issued by and subject to all such approvals, consents, permissions and sanctions of the Government of India, Reserve Bank of India, Securities and Exchange Board of India and all other appropriate and/or concerned authorities and subject to such conditions and modifications, as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee(s), which the Board may have constituted or hereafter constitute in this behalf to exercise the powers conferred on the Board by this resolution), which the Board be and is hereby authorised to accept, if it thinks fit in the interest of the Company, the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot such number of Foreign Currency Convertible Bonds/Global Depository Receipts / American Depository Receipts/ Warrants and/or other Instruments convertible into equity shares optionally or otherwise (hereinafter referred to as “**Securities**”) or any combination of such Securities, whether rupee denominated or denominated in foreign currency, for an aggregate sum of up to USD 350 million (United States Dollars three hundred and fifty million only) or its equivalent in any other currency(ies), inclusive of such premium as may be determined by the Board, in the course of an international offering, in one or more foreign market(s), to all eligible investors including foreign/resident/non-resident investors (whether Institutions/Incorporated Bodies/Mutual Funds/Trusts/Foreign Institutional Investors/Banks and/or otherwise, whether or not such investors are Members of the Company), by way of a public issue through circulation of an offering circular or prospectus or by way of private placement or a combination thereof, at such time or times, in such tranche or tranches, at such price or prices, at a discount or a premium to market price or prices in such manner and on such terms and conditions

as may be deemed appropriate by the Board at the time of such issue or allotment considering the prevailing market conditions and other relevant factors, wherever necessary in consultation with the lead managers, underwriters and other advisors and intermediaries.

RESOLVED FURTHER THAT:

- i. the Securities to be created, offered, issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company; and
- ii. the underlying Equity Shares shall rank *pari passu* with the existing Equity Shares of the Company in all respects including such rights as to dividend.

RESOLVED FURTHER THAT the issue of Equity Shares underlying the Securities, to the holders of the Securities shall, *inter alia*, be subject to the following terms and conditions:

- a) The number and/or conversion price in relation to Equity Shares that may be issued and allotted on conversion of Securities that may be issued shall be subject to and appropriately adjusted in accordance with applicable laws/regulations/guidelines, for corporate actions such as bonus issue, split and consolidation of share capital, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.
- b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares upon conversion, the entitlement to the Equity Shares shall stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall (subject to applicable law) be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders, and
- c) in the event of any merger, amalgamation, takeover or any other reorganisation, the number of shares, the price and the time period shall be suitably adjusted.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of Securities in an international offering or placement may have all or any term or combination of terms or conditions in accordance with applicable regulations, prevalent market practices, including but not limited to the terms and conditions relating to payment of interest, premium on redemption to the option of the Company and/or holders of any Securities, terms for issue of Equity Shares

upon conversion of the Securities or variation of the conversion price or period of conversion of the Securities into Equity Shares or issue of additional Equity Shares during the period of the Securities.

RESOLVED FURTHER THAT the Board may enter into any arrangement with any agency or body for the issue of the Securities, in registered or bearer form with such features and attributes as are prevalent in international markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the prevailing practices and regulations in international capital markets.

RESOLVED FURTHER THAT, subject to applicable law, the Securities issued in an international offering or placement shall be deemed to have been made abroad and/or in the international markets and/or at the place of issue of the Securities and shall be governed by the applicable laws thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to dispose of such Securities as are to be issued and are not subscribed on such terms and conditions as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint such Consultants, Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Solicitors, Lawyers, Merchant Bankers and any such Agencies and Intermediaries as may be involved or concerned in such offerings of Securities and to remunerate all such agencies by way of commission, brokerage, fees or the like, and to enter into or execute Agreements/Arrangements/MOUs with any such Agency or Intermediary and also to seek the listing of any or all of such Securities on one or more Stock Exchanges within or outside India.

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise the mode, terms and timing of the issue(s), including the class of investors to whom the Securities are to be offered, issued and allotted, to the exclusion of all other categories of investors, the number of Securities to be allotted in each tranche, issue price, face value, premium amounts on issue/conversion of securities/exercise of warrants/redemptions of Securities, rates of interest, redemption, period, listings on one or more Stock Exchanges in India and/or abroad, as the Board may in its absolute discretion deem fit and to issue and allot such number of Equity Shares upon conversion of any of the Securities referred to in the paragraph(s) above in accordance with

the terms of offering and also to seek the listing/admission of any or all of such equity shares on the Stock Exchanges/Depositories in India where the existing equity shares of the Company are listed/admitted.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Securities or securities representing the same or Equity Shares, as described herein above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its absolute discretion deem necessary or desirable for such purpose, including without limitation the utilisation of issue proceeds, entering into of underwriting and marketing arrangements, to settle any questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of securities, as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company.”

22. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Sections 23, 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder, the provisions of the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a person resident outside India) Regulations, 2000, the external commercial borrowings guidelines of the Reserve Bank of India (“RBI”) as also of any other applicable laws, rules, regulations and guidelines (including any amendment thereto or re-enactment thereof) and the enabling provisions in the Memorandum of Association and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and in accordance with the regulations and guidelines issued by and subject to all such approvals, consents, permissions and sanctions of the Government of India, RBI, Securities and Exchange Board of India (SEBI) and all other appropriate and/or concerned authorities and subject to such conditions and modifications, as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term

shall be deemed), to include any committee(s), which the Board may have constituted or hereafter constitute in this behalf to exercise the powers conferred on the Board by this resolution), which the Board be and is hereby authorised to accept, if it thinks fit in the interest of the Company, the consent of the Company be and is hereby accorded to the Board to create, offer, issue, and allot such number of non-convertible foreign currency denominated bonds (“**Bonds**”), for an aggregate sum of upto USD 2 Billion (United States Dollars two billion only) or its equivalent in any other currency(ies), inclusive of such premium as may be determined by the Board, in the course of an international offering, in one or more foreign market(s), to all eligible investors including foreign/non-resident investors (whether Institutions/Incorporated Bodies/Mutual Funds/Trusts/Foreign Institutional Investors/Banks and/or otherwise, whether or not such investors are Members of the Company), through an offering circular and/or private placement basis or through such offerings as may be permitted in accordance with applicable law, at such time or times, in such tranche or tranches, at such price or prices, at a discount or a premium to market price or prices in such manner and on such terms and conditions as may be deemed appropriate by the Board at the time of such issue or allotment considering the prevailing market conditions and other relevant factors, wherever necessary in consultation with the Lead Managers, Underwriters and Advisors.

RESOLVED FURTHER THAT the Bonds to be created, offered, issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of Bonds in international offering may have all or any term or combination of terms or conditions in accordance with applicable regulations, prevalent market practices, including but not limited to the terms and conditions relating to payment of interest, premium on redemption at the option of the Company and/or holders of the Bonds.

RESOLVED FURTHER THAT the Board may enter into any arrangement with any Agency or Body for the issue of the Bonds, in Registered or Bearer Form with such features and attributes as are prevalent in International Markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the prevailing practices and regulations in international capital markets.

RESOLVED FURTHER THAT, subject to applicable law, the Bonds issued in international offering shall be deemed to have been made abroad and/or in the international markets and/or at the place of issue of the Bonds and shall be governed by applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby authorised to dispose of such Bonds as are to be issued and are not subscribed on such terms and conditions as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint such Consultants, Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Solicitors, Lawyers, Merchant Bankers and any such Agencies and Intermediaries as may be involved or concerned in such offerings of Bonds and to remunerate all such agencies by way of commission, brokerage, fees or the like, and to enter into or execute Agreements/ Arrangements/ MOUs with any such Agency or Intermediary and also to seek the listing of such Bonds in one or more Stock Exchanges and the admission of the Bonds in Depositories outside India.

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise the mode, terms and timing of the issue(s) including the class of investors to whom the Bonds are to be offered, issued and allotted, to the exclusion of all other categories of investors, the number of Bonds to be allotted in each tranche, issue price, face value, premium amounts on issue/redemptions of the Bonds, rates of interest, period as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Bonds, as described herein above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its absolute discretion deem necessary or desirable for such purpose, including without limitation the utilisation of issue proceeds, entering into of underwriting and marketing arrangements, with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of securities, as it may in its absolute discretion deem fit, including obtaining consent of the lenders of the Company, if so required and giving undertakings, declarations, affidavits, certificates and consents to authorities as may be required.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the

powers herein conferred to any Committee of Directors or any one or more Directors of the Company.”

23. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** subject to the provisions of Sections 188, 177 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the Equity Listing Agreement (as amended from time to time by the Securities and Exchange Board of India and the Stock Exchanges), and the Memorandum and Articles of Association of the Company, the consent of the Members be and is hereby accorded for the Company to enter into a contract, as a licensee, with JSW Investments Private Limited as the licensor, for a license to use the 'JSW' brand for an annual fee of 0.25% of the consolidated net turnover of the Company, payable quarterly w.e.f. April 1, 2014 and on such other terms and conditions as may be agreed to by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company.”

24. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** subject to the provisions of Section 177 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the Equity Listing Agreement (as amended from time to time by the Securities and Exchange Board of India and the Stock Exchanges), and the Memorandum and Articles of Association of the Company, the consent of the Members be and is hereby accorded for the Company to enter into various transactions with JSW Steel Coated Products Limited, a wholly owned subsidiary of the Company, for an aggregate value of ₹ 30,000 crores, over a period of 36 months starting from 1st April, 2014, on such terms and conditions as may be agreed to by the Board, provided however that the transactions so carried out shall at all times be on arm's length basis and in the ordinary course of the Company's business.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company.”

By Order of the Board
For **JSW STEEL LIMITED**

Place : Mumbai
Date: May 27, 2014

Lancy Varghese
Company Secretary

NOTES:

1. The statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of the business under Item Nos. 6 to 24 set out above and the details under Clause 49 of the Listing Agreement with Stock Exchanges in respect of Directors proposed to be appointed / re-appointed at the Annual General Meeting, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument(s) appointing the proxy, if any, shall be deposited at the Registered Office of the Company at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 not less than forty eight (48) hours before the commencement of the Meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. The Register of Members and Share Transfer Books of the Company will remain closed from 09.07.2014 to 11.07.2014 (both days inclusive) in connection with the Annual General Meeting and for the purpose of payment of Dividend, if declared at the Meeting.
4. In order to provide protection against fraudulent encashment of dividend warrants, shareholders

holding shares in physical form are requested to intimate the Company under the signature of the Sole/First joint holder, the following information which will be used by the Company for dividend payments:

- i) Name of Sole/First joint holder and Folio No.
- ii) Particulars of Bank Account viz.:
 - Name of the Bank
 - Name of Branch
 - Branch Code
 - Complete address of the Bank with Pin Code Number
 - Account type, whether Savings Bank (SB) or Current Account (CA)
 - Bank Account number allotted by the Bank

In case of Shareholders holding shares in electronic form, Bank account details provided by the Depository Participants (DPs) will be used by the Company for printing on dividend warrants. Shareholders who wish to change such bank accounts may advise their DPs about such change with complete details of Bank Account including MICR Code.

Shareholders residing at the centres where National Electronic Clearing Service (NECS) Facility is available are advised to avail of the option to collect dividend by way of NECS.

Equity shareholders holding shares in physical form are requested to send their NECS Mandate Form in the format available for download on the Company's website www.jsw.in, duly filled in, to the Registrars and Share Transfer Agent of the Company - Karvy Computershare Pvt. Ltd. In case of Equity Shareholders holding shares in Electronic form, the NECS Mandate Form will have to be sent to the concerned Depository Participants (DPs) directly.

5. The amounts of the unclaimed dividend declared by the erstwhile Jindal Iron & Steel Company Limited (JISCO) upto the financial year ended 31.03.1995 have been transferred to the General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956. Shareholders who have not yet encashed their dividend warrants for the said period are requested to forward their claims in Form No. II prescribed under The Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, to the Registrar of Companies, Maharashtra, Hakoba Compound, 2nd Floor, Fancy Corpn. Ltd. Estate, Dattaram Lad Marg, Kalachowkie, Mumbai 400 033.

- Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India and no payments shall be made in respect of any such claims, by the Fund. Accordingly, all unclaimed/unpaid dividends of the erstwhile Jindal Iron & Steel Company Ltd (now merged with JSW Steel Limited) in respect of financial years 1995-96 to 2003-04 has been transferred to IEPF. The Company's unpaid or unclaimed interim and final dividend for FY 2004-05 and final dividend for FY 2005-06 has also been transferred to the IEPF. Members who have not encashed their final dividend warrants for the FY 2006-07 or thereafter are requested to write to the Company's Registrar and Share Transfer Agent.
6. Members are requested to intimate the Registrar and Share Transfer Agent of the Company – Karvy Computershare Pvt. Ltd., Plot No.17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081, immediately of any change in their address in respect of equity shares held in physical mode and to their Depository Participants (DPs) in respect of equity shares held in dematerialised form.
 7. Members holding share certificates under different folio numbers but in the same order of name are requested to apply for consolidation of such folios and send relevant share certificates to the Registrars and Share Transfer Agent of the Company.
 8. Electronic copy of the Annual Report for FY 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a Physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report for FY 2013-14 is being sent through the permitted mode. Members may also note that the Annual Report for FY 2013-14 will also be available on the Company's website www.jsw.in for their download.
 9. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, Members have been provided with the facility to cast their vote electronically, through the e-voting services provided by KARVY, on all resolutions set forth in this Notice.

Notice of the 20th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes through electronic mode unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the 20th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent through the permitted mode.

The instructions for e-voting are as under:

1. Use the following URL for e-voting:
<https://evoting.karvy.com>
2. Enter the login credentials i.e., user id and password mentioned below:

User – ID For Members holding shares in Demat Form:-

- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID
- b) For CDSL :- 16 digits beneficiary ID

For Members holding shares in Physical Form:-

- Event no. followed by Folio Number registered with the company

Password As e-mailed. In case of shareholders who have not registered their e-mail addresses, their Password has been communicated in the physical ballot form sent to them.

Captcha Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

3. After entering the details appropriately, click on LOGIN.
4. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

5. You need to login again with the new credentials.
6. On successful login, the system will prompt you to select the EVENT i.e., JSW STEEL LIMITED.
7. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR" / "AGAINST" as the case may be. You are not required to cast all your votes in the same manner. You may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option "ABSTAIN" in case you wish to abstain from voting. If you do not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
8. Shareholders holding multiple folios/demat account shall choose the voting process separately for each folios/demat account.
9. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
10. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail at nilesh@ngshah.com
11. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.
12. The e-voting portal will be open for voting from Friday, July 25, 2014 (9.00 a.m. IST) to Sunday, July 27 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on June 13, 2014, may cast their vote electronically. The e-voting module shall be disabled by KARVY for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
13. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on June 13, 2014.
14. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Mr. Varghese P A of Karvy Computershare Pvt. Ltd. at 040 44655000 or at 1800 345 4001 (toll free).
15. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
16. The results of e-voting will be placed by the Company on its website: www.jsw.in within two days of the AGM and also communicated to the stock exchanges, where the shares of the Company are listed.
17. The resolutions proposed will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolutions.
18. Mr. Nilesh Shah, Practicing Company Secretary, (Membership No. FCS 4554) has been appointed as the Scrutiniser to scrutinise the e-voting process.
10. In terms of Clause 35 B of the Listing Agreement, those members, who do not have access to e-voting facility, may send their assent or dissent in writing on the Ballot Form sent along with this AGM Notice so as to reach the Scrutinizer at the address- Mr. Nilesh Shah, Practicing Company Secretary, (Membership No. FCS 4554), C/o Karvy Computershare Pvt. Ltd., Unit : JSW Steel Limited, Plot No. 17-24, Vithal Rao Nagar, Madhapur, Hyderabad – 500 081 on or before July 26, 2014. Any Ballot Form received after this date will be treated as if the reply from the member has not been received.
11. All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company's Registered Office at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 on all working days of the Company, between 10.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
12. Members/Proxies are requested to bring their attendance slip duly filled in along with their copy of Annual Report to the Meeting.

ANNEXURE TO NOTICE

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT 2013:

The statement pursuant to Section 102(1) of the Companies Act, 2013 for Item Nos. 6 to 24 of the accompanying notice is as under:

Item Nos.6 to 11

Mr. Sudipto Sarkar retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. Dr. S.K.Gupta, Dr. Vijay Kelkar, Mr. Uday Chitale, Mr. Kannan Vijayaraghavan and Mrs. Punita Kumar Sinha are directors whose period of

Name of Director	Tenure of appointment
Dr. S.K. Gupta	Upto the conclusion of the 21st Annual General Meeting of the Company in the calendar year 2015.
Dr. Vijay Kelkar	Upto the conclusion of the 24th Annual General Meeting of the Company in the calendar year 2018.
Mr. Uday M. Chitale	Upto the conclusion of the 22nd Annual General Meeting of the Company in the calendar year 2016.
Mr. Kannan Vijayaraghavan	Upto the conclusion of the 24th Annual General Meeting of the Company in the calendar year 2018.
Mr. Sudipto Sarkar	Upto the conclusion of the 21st Annual General Meeting of the Company in the calendar year 2015.
Mrs. Punita Kumar Sinha	Upto the conclusion of the 24th Annual General Meeting of the Company in the calendar year 2018.

Mr. Sudipto Sarkar, Dr. S.K.Gupta, Dr. Vijay Kelkar, Mr. Uday Chitale, Mr. Kannan Vijayaraghavan and Mrs. Punita Sinha are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Sudipto Sarkar, Dr. S.K. Gupta, Dr. Vijay Kelkar, Mr. Uday M. Chitale, Mr. Kannan Vijayaraghavan and Mrs. Punita Kumar Sinha for the office of Directors of the Company.

The Company has also received declarations from Mr. Sudipto Sarkar, Dr. S.K. Gupta, Dr. Vijay Kelkar, Mr. Uday M. Chitale, Mr. Kannan Vijayaraghavan and Mrs. Punita Kumar Sinha that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The aforesaid Independent Directors are eminent personalities in their respective fields. Your Board considers that their continued association with the Company would be of immense benefit to the Company. In the opinion of the Board, Mr. Sudipto Sarkar, Dr. S.K. Gupta, Dr. Vijay Kelkar, Mr. Uday M. Chitale, Mr. Kannan Vijayaraghavan and Mrs. Punita Kumar Sinha fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Sudipto Sarkar, Dr. S.K. Gupta, Dr. Vijay Kelkar, Mr. Uday M. Chitale, Mr. Kannan Vijayaraghavan and Mrs. Punita Kumar Sinha are independent of the management.

office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. All of the aforesaid Directors have held the positions as such for more than 5 (five) years, except for Mrs. Punita Sinha, Director who has held the position for one year.

Dr. S.K. Gupta, Dr. Vijay Kelkar, Mr. Uday M. Chitale, Mr. Sudipto Sarkar, Mr. Kannan Vijayaraghavan and Mrs. Punita Kumar Sinha being eligible and offering themselves for appointment, are proposed to be appointed as Independent Directors under Section 149 and all other applicable provisions of the Companies Act, 2013 to hold office as follows:

Brief resume of Mr. Sudipto Sarkar, Dr. S.K. Gupta, Mr. Antony Paul Pedder, Dr. Vijay Kelkar, Mr. Uday M. Chitale, Mr. Kannan Vijayaraghavan and Mrs. Punita Kumar Sinha, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, are provided in the statement giving details under Clause 49 of the Listing Agreement with Stock Exchanges in respect of Directors proposed to be appointed / re-appointed, annexed to this Notice.

None of the Directors or Key Managerial Personnel or their relatives other than the aforesaid Independent Directors and their relatives, are in any way concerned or interested in the proposed resolution.

Your Directors recommend the resolutions as at Item Nos. 6 to 11 for your approval.

Item No. 12

Past Appointment

The Members of the Company had in their 15th Annual General Meeting held on July 6, 2009 approved the re-appointment of Mr. Seshagiri Rao M.V.S. as a Whole-time Director of the Company, designated as 'Jt. Managing Director & Group CFO' for a period of five years commencing from April 6, 2009 upon a remuneration within a ceiling of ₹ 28,00,000/- (Rupees twenty eight lakhs only) per month. At the 17th Annual General Meeting held on July 25, 2011, the Members of the Company approved the increase in ceiling on remuneration of Mr. Seshagiri Rao from ₹ 28,00,000/- (Rupees twenty eight lakhs only) per month to ₹ 50,00,000/- (Rupees fifty lakhs only) per month w.e.f. April 1, 2011 for the remainder of his tenure, The term of Mr. Seshagiri Rao expired on April 5, 2014.

Board Approval

Your Directors have in their meeting held on May 27, 2014 re-appointed Mr. Seshagiri Rao M.V.S. as a Whole-time Director of the Company designated as 'Jt. Managing Director & Group CFO' for a period of three years w.e.f. April 6, 2014, subject to the approval of the members in General meeting.

Qualifications

Mr. Seshagiri Rao, M.V.S aged 56 years, is a member of the Institute of Cost and Management Accountants of India and a Licentiate member of the Institute of Company Secretaries of India. He is also a Certified Associate of the Indian Institute of Bankers and a Diploma holder in Business Finance awarded by the Institute of Chartered Financial Analysts of India. Mr. Rao joined the Company as Chief Financial Officer in 1997. He became Director (Finance) in the year 1999 and has over the years grown with the Company progressively shouldering higher responsibilities. Mr. Rao has played an active role in the growth strategies of the Company. Prior to joining the Company he has worked with various reputed organisations like VST Industries, Andhra Bank, ESSAR Steel Ltd. and Nicholas Piramal India Limited in various capacities. He possesses rich experience spanning over three decades in the areas of corporate finance and banking. In his present capacity as Jt. Managing Director & Group CFO, Mr. Rao is responsible for the overall operations of the Company, strategic formulations, related business development, expansion of existing businesses, joint ventures, mergers and acquisitions and cost management.

In view of his rich and vast experience and distinguished career, the re-appointment of Mr. Seshagiri Rao M.V.S. as a Whole-time Director of the Company, designated as 'Jt. Managing Director & Group CFO', would be in the best interest of the Company.

Remuneration

The remuneration of Mr. Seshagiri Rao M.V.S. is to be so fixed by the Board of Directors from time to time, such that the salary and the aggregate value of all perquisites and allowances like furnished accommodation or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; bonus; performance incentive; medical reimbursement; club fees and leave travel concession for self and family; medical insurance, contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961; Gratuity as per rules of the Company (which shall not exceed one half month's salary for each completed year of service); Earned leave with full pay or encashment as per rules

of the Company; Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Seshagiri Rao M.V.S. shall not except as set out below, exceed the overall ceiling on remuneration approved by the members in General Meeting. Your Directors have recommended a ceiling of ₹ 50,00,000/- (Rupees Fifty Lacs only) per month.

The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:

- a) Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls);
- b) Contribution to the provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- c) Gratuity at a rate not exceeding half a month's salary for each completed year of service; and
- d) Earned leave with full pay or encashment as per rules of the Company.

For the purposes of calculating the above ceiling, perquisites shall be evaluated as per the provisions of the Income-tax Act, 1961, wherever applicable. In the absence of any such provisions, perquisites shall be evaluated at actual cost.

In the event of loss or inadequacy of profits in any financial year, the 'Jt. Managing Director & Group CFO' shall be paid remuneration by way of salary and perquisites as specified above subject to the approval of the Central Government, if required.

The 'Jt. Managing Director & Group CFO' shall not be eligible for any sitting fees for attending the Company's Board or Committee Meetings. The Board of Directors may, in its absolute discretion, pay to the 'Jt. Managing Director & Group CFO', lower remuneration than the maximum remuneration herein above stipulated and revise the same from time to time within the maximum limit stipulated by this resolution.

The proposed remuneration is within the limits prescribed under Section I of Part II of Schedule V of the Companies Act, 2013.

The terms of remuneration of the 'Jt. Managing Director & Group CFO' has been approved by the Remuneration Committee of the Company.

Termination of Office

The office of the Whole-time Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

Inspection of Agreement

A copy of the draft agreement to be executed with Mr. Seshagiri Rao M.V.S. is available for inspection by the Members of the Company at the Company's Registered Office at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 on all working days of the Company, between 10.00 a.m. and 1.00 p.m.

Disclosure of Interest/Concern

None of the Directors or Key Managerial Personnel or their relatives other than Mr. Seshagiri Rao MVS or his relatives (to the extent of their shareholding interest, if any, in the Company), are in any way concerned or interested, financially or otherwise, in the resolution.

Board Recommendation

Your Directors recommend the resolution as at Item No. 12 for your approval.

Item No. 13

Past Appointment

The Members of the Company had in their 15th Annual General Meeting held on July 6, 2009 approved the appointment of Mr. Jayant Acharya as a Whole-time Director of the Company, designated as 'Director (Sales & Marketing)' for a period of five years commencing from May 7, 2009 at a remuneration within a ceiling of ₹ 18,00,000/- (Rupees Eighteen Lakhs only) per month. Mr. Acharya was re-designated as 'Director (Commercial & Marketing)' w.e.f. April 1, 2010, which was subsequently approved by the Members in the Extra Ordinary General Meeting of the Company held on August 26, 2010. At the 17th Annual General Meeting held on July 25, 2011, the Members of the Company approved the increase in ceiling on remuneration of Mr. Jayant Acharya from ₹ 18,00,000/- (Rupees Eighteen Lakhs only) per month to ₹ 50,00,000/- (Rupees Fifty Lakhs only) per month w.e.f. April 1, 2011 for the remainder of his tenure. The term of Mr. Jayant Acharya expired on May 6, 2014.

Board Approval

Your Directors have in their meeting held on May 27, 2014 re-appointed Mr. Jayant Acharya as a Whole-time Director of the Company designated as 'Director (Commercial & Marketing)' w.e.f. May 7, 2014 subject to the approval of the members in General meeting.

Qualifications

Born in 1963, he graduated with a degree in Chemical Engineering and Masters in Physics. Further, he went on

to complete his Masters in Business Administration in the year 1999.

Mr. Acharya has numerous achievements to his credit in the Fields of Marketing and Sales, notably among them being the Establishment of JSW's Product Portfolio, both in India and Abroad. He has played a pivotal role in re-defining the sales of steel in India by entering into long term contracts with Domestic OEM'S and also in the development of NEW products to cater to the ever increasing demand in the Indian and Global Markets. The "JSW Shoppe" with a Pan India presence in excess of 400 outlets, engaged in Organised Steel Retailing has been spearheaded by him.

In addition to the Marketing Function, Mr. Acharya also heads the bulk raw material procurement for JSW Steel Ltd which includes coking coal, coke, dolomite, limestone etc from various global suppliers.

He is the Chairman of JSW Severfield Ltd and a Board Member of JSW Structural Metal Decking which are Joint Venture companies of JSW engaged in the manufacture of High Rise Steel Construction in India. He is also the Co-Chair of the Committee on Steel & Non-Ferrous Metals for the Federation of Indian Chambers of Commerce and Industry (FICCI) and has addressed various conventions across the globe on Steel and Raw Materials.

In view of his rich and vast experience and distinguished career, the re-appointment of Mr. Jayant Acharya as a Wholetime Director of the Company designated as 'Director (Commercial & Marketing)' would be in the best interest of the Company.

Remuneration

The remuneration of Mr. Jayant Acharya is to be so fixed by the Board of Directors from time to time, such that the salary and the aggregate value of all perquisites and allowances like furnished accommodation or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; Bonus; Performance Incentive; medical reimbursement; club fees and leave travel concession for self and family; medical insurance; contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961; Gratuity as per rules of the Company (which shall not exceed one half month's salary for each completed year of service); Earned leave with full pay or encashment as per rules of the Company; Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Jayant Acharya shall not, except as set out below, exceed the overall ceiling

on remuneration approved by the members in General Meeting.

The following prerequisites shall not be included in the computation of the ceiling on remuneration specified above:

- a) Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls);
- b) Contribution to the provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- c) Gratuity as per rules of the Company (which shall not exceed one half month's salary for each completed year of service); and
- d) Earned leave with full pay or encashment as per rules of the Company.

For the purposes of calculating the above ceiling, prerequisites shall be evaluated as per the provisions of the Income-tax Act, 1961, wherever applicable. In the absence of any such provision, prerequisites shall be evaluated at actual cost.

In the event of loss or inadequacy of profits in any financial year, the 'Director (Commercial & Marketing)' shall be paid remuneration by way of salary and prerequisites as specified above subject to the approval of the Central Government, if required.

The 'Director (Commercial & Marketing)' shall not be eligible for any sitting fees for attending the Company's Board or Committee Meetings. The Board of Directors may, at its discretion pay to the 'Director (Commercial & Marketing)' lower remuneration than the maximum remuneration herein above stipulated and revise the same from time to time within the maximum limit stipulated by this resolution.

The proposed remuneration is within the limits prescribed under Section I of Part II of Schedule V of the Companies Act, 2013.

The terms of remuneration of the 'Director (Commercial & Marketing)' has the approval of the Remuneration Committee.

Termination of Office

The office of the Whole-time Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

Inspection of Agreement

A copy of the draft Agreement to be executed with Mr. Jayant Acharya is available for inspection by the

Members of the Company at the Company's Registered Office at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 on all working days of the Company, between 10.00 a.m. and 1.00 p.m.

Disclosure of Interest/Concern

None of the Directors or Key Managerial Personnel or their relatives other than Mr. Jayant Acharya or his relatives (to the extent of their shareholding interest, if any, in the Company), are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 13.

Board Recommendation

Your Directors recommend the resolution as at Item No.13 for your approval.

Item No. 14

At the 16th Annual General Meeting of the Company held on June 29, 2010, the members had authorised the Board of Directors to pay the Non-Executive Directors of the Company remuneration by way of commission not exceeding one percent of the net profits of the Company as computed in the manner specified under Section 198 (1) of the Companies Act, 1956, in addition to the sitting fees and reimbursement of expenses for attending the meetings of the Board and/or Committees thereof, for a period of five years from the financial year commencing from April 1, 2010.

In view of the increasing role and responsibilities of the Directors under the Companies Act, 2013 and the current competitive environment, and also considering the amount of time devoted and the contribution made by them, it is desirable that the payment of remuneration to the Non-Executive Directors be continued.

It is therefore proposed that the present practice of payment of remuneration, not exceeding one percent of the net profits of the Company as computed in the manner specified under the Companies Act, to the Non-Executive Directors of the Company be continued in addition to the sitting fee and reimbursement of expenses for attending the meetings of the Board and/or Committees thereof.

The amount of remuneration as aforesaid payable to each of the Non-Executive Directors shall be decided by the Board of Directors (or any duly authorised committee thereof) for each financial year within the ceiling specified above.

Save and except all the Non-Executive Directors of the Company, and their relatives (to the extent of their shareholding interest, if any in the Company), none of the other Directors / Key Managerial Personnel of the Company / their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 14.

Your Directors recommend the resolution as set out at Item No. 14 of the Notice for your approval.

Item No. 15

At the Nineteenth Annual General Meeting of the Company held on July 30, 2013, the members had pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, authorised the Board of Directors of the Company to borrow from time to time, a sum of money (apart from temporary loans obtained from bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, provided that, the sum or sums so borrowed and remaining outstanding at any time shall not exceed ₹ 40,000 crores (Rupees forty thousand crores only).

Taking into consideration the requirements of additional financial resources to meet the Company's capital expenditure programmes, including proposed investments in Indian and overseas subsidiaries in pursuit of horizontal and vertical integration in steel business and its expansion and acquisition plans, the said limit of ₹ 40,000 crores (Rupees forty thousand crores only) in excess of the aggregate of the paid-up capital of the Company and its free reserves, is utilised to a considerable extent. It is therefore proposed to increase this limit from the existing ₹ 40,000 crores (Rupees forty thousand crores only) to ₹ 50,000 crores (Rupees fifty thousand crores only) in excess of the aggregate of the paid-up capital of the Company and its free reserves. The resolution as at Item No. 15 is being proposed in view of the provisions contained in Section 180(1)(c) of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution.

Your Directors recommend the resolution as at Item No.15 for your approval.

Item No. 16

Vide the resolution passed by the Members of the Company at the Nineteenth Annual General Meeting of the Company held on July 30, 2013, the Members had pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956, empowered the Board of Directors to hypothecate/mortgage and/or charge in addition to the hypothecations/mortgages and/or charges created by the Company, all or any part of the movable and/or immovable properties of the Company, wherever situated both present and future, and/or create a floating charge on all or any part of the immovable properties of the Company, to secure the borrowings of the Company, within the overall ceiling prescribed by the Members of the Company in terms of Section 293(1)(d) of the Companies Act, 1956.

As the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 (corresponding to Section 293(1)(d) of the Companies Act, 1956), is sought to be enhanced vide Item No. 15 of this notice, it is proposed to seek fresh consent of the Members in terms of Section 180(1)(a) of the Companies Act, 2013, to mortgage, create charges and or/hypothecate and/or encumber the Company's properties as and when necessary to secure any Rupee/foreign currency loans, guarantee assistance, standby letter of credit/letter of credit, and/or any issue of non-convertible debentures, and/or compulsorily or optionally, fully or partly convertible debentures and/or bonds, and/or any other non-convertible and/or partly/fully convertible instruments/securities, from time to time, within the overall ceiling prescribed by the Members of the Company, in terms of Section 180(1)(c) of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution.

Your Directors recommend the resolution as at Item No. 16 for your approval.

Item No. 17

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on 27.05.2014, has considered and approved the appointment of M/s. S.R. Bhargave & Co. as the Cost Auditor of the Company for the financial year 2014-15 at a remuneration of ₹ 10 lakh (Rupees ten lakh only) per annum plus service tax as applicable and reimbursement of actual travel and out of pocket expenses.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration, as approved by the Board of Directors of the Company on the recommendation of the Audit Committee, is required to be subsequently ratified by the Members of the Company.

The Resolution as at Item No. 17 of the Notice is therefore set out as an Ordinary Resolution for approval and ratification by the Members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution.

Your Directors recommend the resolution as at Item No.17 for your approval.

Item No. 18

In terms of Section 42 of the Companies Act, 2013 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company shall not make a private placement of its securities unless the proposed

offer of securities or invitation to subscribe to the securities has been previously approved by the Members of the Company by a Special Resolution. In case of an offer or invitation to subscribe to non-convertible debentures on private placement, the Company can obtain previous approval of its shareholders by means of a Special Resolution once a year for all the offers or invitations for such non-convertible debentures during the year.

In order to augment the long term resources for financing inter alia, the ongoing capital expenditure, for refinancing of part of the existing loans to reduce interest costs and for general corporate purposes, the Company may offer or invite subscription to secured / unsecured redeemable non-convertible debentures, in one or more tranches on private placement basis.

Accordingly, an enabling resolution as set out at Item No. 18 of the Notice is being sought to borrow funds by offer or invitation to subscribe to secured/unsecured redeemable non-convertible debentures for an amount not exceeding ₹ 10,000 crores (Rupees ten thousand crore only). This resolution would be valid for a period of one year from the date of this Annual General Meeting.

The price at which the securities will be issued will be determined by the Board of Directors of the Company in accordance with applicable law and in consultation with the appropriate advisors.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution set out at Item No. 18 of the Notice.

Your Directors recommend the resolution as at Item No.18 for your approval.

Item No. 19

The Companies Act, 2013 is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs (“MCA”) had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections. Importantly, the substantive sections of the Companies Act, 2013 which deal with the general working of companies stand notified.

The existing Articles of Association (“AoA”) of the Company are based on the Companies Act, 1956. Not only do several regulations in the existing AoA contain references to specific Sections of the Companies Act, 1956, but some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013.

With the coming into force of the Companies Act, 2013 several regulations of the existing AoA of the Company require alteration or deletions. It is therefore considered expedient to wholly replace the existing AoA by a new set of AoA.

The substitution of the existing AoA with the new AoA is proposed to align the AoA of the Company with the provisions of the Companies Act, 2013.

Shareholder’s attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- a) Provisions relating to e-voting, quorum, demand for poll have been brought in line with the Companies Act, 2013.
- b) the statutory provisions of the Companies Act, 2013, which permit a company to do some acts “if so authorized by its articles” or provisions which require a company to do acts in a prescribed manner “unless the articles otherwise provide” have been specifically included so as to allow the Company maximum flexibility in its operations;
- c) the AoA now facilitate the appointment of the same person as Chairperson as well as the Managing Director/Chief Executive Officer of the Company in terms of Section 203 of the Companies Act, 2013; and
- d) Some of the provisions of the existing AoA which are already part of the rules made under the Companies Act, 2013 have not been reproduced in the new draft AoA as they would only lead to duplication and would warrant repeated alteration as and when the rules are changed/amended.

The proposed new draft AoA is being uploaded on the Company’s website for perusal by the shareholders.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution set out at Item No. 19 of the Notice.

Your Directors recommend the resolution as at Item No. 19 for your approval.

Item Nos. 20, 21 & 22

The Company has planned to incur capital expenditure aggregating ₹ 12,000 crores over the next two years to increase the capacity from 14.3 MTPA to 18 MTPA (subject to necessary approvals), besides backward integration projects, cost reduction and efficiency improvement projects.

The capital expenditure for the current financial year is estimated to be ₹ 7,500 crores (Rupees Seven Thousand Five Hundred crores only).

It is therefore in the interest of the Company to pro-actively arrange long-term funding to meet the planned capital expenditure and for other corporate purposes, including refinancing of expensive debt to reduce interest costs and to meet any unlikely shortfall in unforeseen circumstances.

Following the outcome of recent general elections in India in the formation of stable Government, the capital markets have reacted positively opening up a new window of opportunity to raise capital. It is therefore proposed that the Board of Directors be authorised by way of enabling resolutions as at Item Nos. 20, 21 & 22 of this Notice, to raise additional long term resources to part finance the Company's capital expenditure needs and / or for other General Corporate purposes, including refinancing of expensive debt, depending upon market dynamics by way of:

- i. Issue of Fully Convertible Debentures/Partly Convertible Debentures/Optionally Convertible Debentures/Non-Convertible Debentures along with warrants and/or convertible securities other than warrants convertible into equity shares, to eligible Qualified Institutional Buyers, in one or more tranches, through a Qualified Institutions Placement not exceeding a sum of ₹ 4,000 crores (Rupees four thousand crores only) in the aggregate; and/or
- ii. Issue of Global Depository Receipts/American Depository Receipts/Foreign Currency Convertible Bonds/Warrants and/or any other instrument(s) convertible into equity shares optionally or otherwise, or any combination thereof, in the international capital market, in one or more tranches, not exceeding US \$ 350 Million (United States Dollar Three Hundred and Fifty Million only) in the aggregate; and/or
- iii. Issue of non-convertible foreign currency denominated bonds not exceeding US \$ 2 Billion (United States Dollar two billion only) in the aggregate in the international capital market.

The price at which the securities will be issued will be determined by the Board of Directors of the Company in accordance with applicable law and in consultation with the experts / investment bankers / advisors.

In case of issue of the Specified Securities under Chapter VIII of the SEBI Regulations, the basis of pricing of such Specified Securities shall be the pricing formula as prescribed under Regulation 85 of the SEBI Regulations. In case of other issuance of securities by the Company, the pricing shall be in accordance with applicable law.

The end use of the issue proceeds will be in compliance with applicable laws and regulations.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution set out at Item Nos. 20, 21 & 22 of this Notice.

Your Directors recommend the resolution as at Item Nos. 20, 21 & 22 for your approval.

Item No. 23

The "JSW" brand is owned by JSW Investments Private Limited (JSWIPL), a promoter group company. The brand has been registered across 8 categories (plus 1 pending) under the Trade and Merchandise Marks Act, 1958 with the Trademark Registry, Mumbai. The brand "JSW" is being used by companies which are managed by Mr. Sajjan Jindal.

JSW Group is a well-respected, reputed and recognized conglomerate, having a sizable presence in core sectors of the Indian economy. Considering its track record, the JSW Brand has gained recognition and is now ranked at No. 32 in India with a brand value of US\$ 701 Million (United States Dollar Seven Hundred and One Million only) as per Brand Finance Rankings 2013.

The JSW Group has promoted "Bengaluru FC" in the last year and it is heartening to note that this club won their first ever I-League. The Group companies contributed in the promotion of this initiative. This initiative has enhanced the JSW brand value immensely. Several such initiatives are on the anvil. It is therefore essential to increase the spend on the JSW Brand which helps the group companies to promote business.

Instead of taking such initiatives on an ad-hoc basis and on standalone company basis, a professional approach with a structural set up or framework has to be put in place to sustain the brand image.

The Company has been informed that, given the size and scale of the JSW group, JSWIPL plans to nurture the brand by adopting the best global practices. This is to ensure that brand "JSW" will be identified against certain benchmarks on governance structure, code of conduct and business excellence models. JSWIPL intends to promote JSW brand through various initiatives to create brand awareness and to build brand credibility.

A well nurtured brand brings several advantages to the Company. It enables the Company to get connected to various stakeholders with whom the Company deals in the ordinary course of business. The Company has, in many ways, been able to leverage the JSW brand to its advantage in terms of attracting and retaining talent besides enhancing long term business opportunities.

As part of the initiative to sustain and develop the "JSW" brand, JSWIPL has proposed to put in place a brand architecture which shall be effective April 1, 2014:

- Establishing clear governance mechanism with defined roles and responsibilities between brand owner and brand user.
- Agree and align on a code of conduct that builds trust around the brand.

- Design framework for adoption of business excellence model and evaluation of the effectiveness of the model.
- Agree to a license fee to sustain, nurture and develop the brand further based on a percentage of revenue.

A levy in the range of 0.15% - 0.50% of the consolidated total operating income as brand license fee is being charged by brand owners in various Groups for the brand usage, depending upon the level of adherence to standard practices, code of conduct, business excellence models and extent of usage of brand name.

Hence, it is proposed to pay a brand license fee of 0.25% of the consolidated net turnover of the Company to JSWIPL with effect from April 1, 2014 payable quarterly subject to the Company agreeing to comply with the conditions as may be stipulated for brand name usage. The Company is given to understand that the other group companies will also contribute towards brand development.

The transaction being a related party transaction, has been approved by the Audit Committee in its meeting held on May 26, 2014 and by the Board in terms of section 177 of the Companies Act, 2013 and the Securities and Exchange Board of India Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and the revised Clause 49 of the Listing Agreement, to be effective from October 1, 2014.

Even though the proposed transaction is at arm's length, and in the ordinary course of business of the Company, the Company is seeking the consent of its shareholders as a measure of good corporate governance. Hence, the Board recommends the resolution at Item No. 23 permitting the Company to enter into appropriate agreement with JSWIPL for use of the brand "JSW" and to pay a license fee of 0.25% of the consolidated net turnover of the Company.

In accordance with Section 102(1) and the proviso to Section 102(2) of the Companies Act, 2013, the shareholding interest of the promoters/directors/Key Managerial Personnel of the Company in JSWIPL to the extent that such shareholding is in excess of 2% is set out below:

- Mrs. Sangita Jindal, wife of Mr. Sajjan Jindal (Promoter and Chairman and Managing Director of the Company), holds directly and through nominees 20,49,880 shares representing 99.99% of the total Equity Share capital of JSWIPL.
- The 8% Non-Cumulative Non-Convertible Redeemable Preference Shares of JSWIPL are held by the following entities forming part of the promoter group of the Company:

Sr. No.	Name of the Shareholder	No. of shares	%
1	Sun Investments Pvt. Ltd.	580,00,000	64.09
2	Jindal Steel & Alloys Ltd.	135,00,000	14.92
3	Vrindavan Services Pvt. Ltd.	190,00,000	20.99
Total		905,00,000	100

- The entire 10% Non Cumulative Non Convertible Redeemable Preference Shares of JSWIPL aggregating to 3,02,00,000 shares are held by Tranquil Homes & Holdings Pvt. Ltd, a promoter group Company.
- The 8% Cumulative Optionally Convertible Preference Shares of JSWIPL are held by the following entities forming part of the promoter group of the Company:

Sr. No.	Name of the Shareholder	No. of shares	%
1	JSW Realty & Infrastructure Pvt. Ltd.	10,00,00,000	29.04
2	Gagan Trading Company Ltd.	9,11,50,000	26.47
3	JSW Holdings Ltd. (formerly known as Jindal South West Holdings Limited)	6,56,00,000	19.05
4	Sun Investments Pvt. Ltd.	5,79,50,000	16.83
5	Jindal Steel & Alloys Ltd.	1,80,00,000	5.23
6	Vrindavan Services Pvt. Ltd.	1,16,50,000	3.38
Total		34,43,50,000	100

Except as set out above, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution set out at Item No. 23 of this Notice.

Your Directors recommend the resolution as at Item No. 23 for your approval.

Item No. 24

The Company in the ordinary course of its business, and on arm's length basis, sells Hot Rolled Coils, Cold Rolled Coils and Steel Products to JSW Steel Coated Products Limited, its wholly owned subsidiary and also purchases Steel/Scrap from it, besides allocating common corporate expenditure, providing guarantee and making of investments/loans.

The value of the transactions proposed which would be on an arm's length basis, is based on the Company's estimated transaction value for FY 2014-15.

The proposal has been approved by the Audit Committee in its meeting held on May 26, 2014 in accordance with the Securities and Exchange Board of India Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and the revised Clause 49 of the Listing Agreement, to be

effective from October 1, 2014, as well as Section 177 of the Companies Act, 2013.

Even though approval of the Shareholders would not be required under the provisions of the Companies Act, 2013 for transactions which are in the ordinary course of the Company's business and are at arm's length, in terms of the Securities and Exchange Board of India Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and the revised Clause 49 of the Listing Agreement, to be effective from October 1, 2014, all existing material related party contracts or arrangements as on the date of the said circular, which are likely to continue beyond March 31, 2015, shall be placed for approval of the shareholders in the first General Meeting subsequent to October 01, 2014. However, a company may choose to get such contracts approved by the shareholders even before October 01, 2014.

The transactions envisaged are likely to exceed during a financial year, 5% of the annual turnover or 20% of the net worth of the Company, whichever is higher as per the

latest Audited financial statements of the Company and are considered material in terms of the revised Clause 49 of the Listing Agreement.

Approval of the Shareholders is therefore being sought in terms of the aforesaid Securities and Exchange Board of India Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and the revised Clause 49 of the Listing Agreement, to be effective from 1st October, 2014.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution set out at Item No. 24 of this Notice.

Your Directors recommend the resolution as at Item No. 24 for your approval.

By Order of the Board
For **JSW STEEL LIMITED**

Place : Mumbai
Date: May 27, 2014

Lancy Varghese
Company Secretary

Important Communication to Members

In an effort to make the Earth a better place to live, the green movement has been sweeping over the globe. Not only are individuals doing things to help the environment, companies and governments are as well. The Companies Act, 2013 is a step forward in promoting "Green Initiative" by providing for service of documents by a Company to its Members through electronic mode. The move of the Ministry allows public at large to contribute to the green movement. To support this green initiative of the Government in full measure, Members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill in the Registration form provided in this Annual Report and register the same with Karvy Computershare Private Limited.

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING [Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges]

Name of the Director	Mr. Seshagiri Rao M.V.S.	Mr. Jayant Acharya	Dr. S.K. Gupta	Dr. Vijay Kelkar
Date of Birth	15.01.1958	25.01.1963	18.08.1938	15.05.1942
Date of Appointment	06.04.1999	07.05.2009	25.04.1994	20.01.2010
Qualification	AICWA, LCS, CAIIB, Diploma in Business Finance.	BE (Chemical), M.Sc (Physics), MBA (Marketing)	B.Sc. (Met. Engg.), Ph.D. (Tech.), Moscow, D.Sc. (Tech), Moscow.	B.S., M.S. and Ph.D. (University of California at Berkeley).
Expertise in specific functional area	Mr. Seshagiri Rao M.V.S. joined the Company in 1977 as Chief Financial Officer and has played an active role in growth strategies of the Company. Prior to joining the Company, he has worked with various reputed organisations like VST Industries, Andhra Bank, Essar Steel Limited and Nicholas Piramal India Limited in various capacities. He possesses rich experience spanning over three decades in the areas of Corporate Finance and Banking. In his present capacity as Joint Managing Director & Group CFO, Mr. Rao is responsible for overall Operations of the Company, Strategic initiatives related to business development, expansion of existing business, joint ventures, mergers and acquisitions and cost management.	Mr. Acharya has numerous achievements to his credit in the Fields of Marketing and Sales, notably among them being the Establishment of JSW's Product Portfolio, both in India and Abroad. He has played a pivotal role in re-defining the sales of steel in India by entering into long term contracts with Domestic OEM'S and also in the development of NEW products to cater to the ever increasing demand in the Indian and Global Markets. The "JSW Shoppe" with a Pan India presence in excess of 400 outlets, engaged in Organised Steel Retailing has been spearheaded by him. In addition to the Marketing Function, Mr. Acharya also heads the bulk raw material procurement for JSW Steel Ltd which includes coking coal, coke, dolomite, limestone etc from various global suppliers. He is the Chairman of JSW Severfield Ltd and a Board Member of JSW Structural Metal Decking which are Joint Venture companies of JSW engaged in the Manufacture of High Rise Steel Construction in India. He is also the Co-Chair of the Committee on Steel & Non-Ferrous Metals for the Federation of Indian Chambers of Commerce and Industry (FICCI) and has addressed various conventions across the globe on Steel and Raw Materials. A nature lover and keen music enthusiast, he believes in the potential of youth to drive the India growth story.	Dr. Saibal Kanti Gupta, has over 50 years of experience in the field of metallurgy, engineering and management in research and development, engineering and management of steel plants and large engineering companies and has held key positions such as Executive Vice Chairman, JSW Steel Limited, Managing Director of Rourkela Steel Plant, Steel Authority of India Limited, Chairman and Managing Director of MECON and Managing Director of Mishra Dhatu Nigam Limited (MIDHANI), Ministry of Defence. He was Professor and Head of the Department of Metallurgical Engineering at the Indian Institute of Technology, Bombay and a member of the Board of Industrial Development Bank of India (IDBI) and various other national institutions. He served as the Chairman of the Government of India task force on Steel Growth Plan. He was the recipient of the "Metallurgist of the Year" award instituted by the Government of India in 1980 and was conferred the National Metallurgist Award in 1998. On 14th November, 2008 he received IIM Platinum Medal. He has more than 100 research publications in leading journals on Metallurgy and Management. In recognition of Dr. Gupta's pioneering and phenomenal contribution to the growth of the National Steel industry, including planning and introduction of path breaking technologies in steel and allied sectors, the Ministry of Steel, Government of India, awarded Dr. Gupta, the Lifetime Achievement Award in 2013.	Dr. Vijay Kelkar is the recipient of the prestigious "Padma Vibhushan" award in 2011, for his exemplary service to the Nation. Dr. Kelkar joined the Planning Commission in 1973 and thereafter the Commerce Ministry in 1977 as Economic Adviser and has since then served in various posts including as Secretary to the Economic Advisory Council to the Prime Minister between 1985 and 1988. In 1994, he served as Petroleum Secretary and was made Finance secretary in 1998. He was an Executive Director in the International Monetary Fund (IMF), overseeing its operations in South Asia during 2000-02. Dr. Kelkar retired as Chairman, Finance Commission in the rank of a Union Cabinet Minister. He has held several other key positions in the Government of India, amongst them as Advisor to the Minister of Finance; Finance secretary, Chairman Tariff Commission and Secretary, Ministry of Petroleum and Natural Gas. He was also the Chairman of the National Stock Exchange of India Limited (NSE). He has also represented the Government of India on Global Forums as Executive Director for India, Sri Lanka, Bangladesh and Bhutan at the International Monetary Fund, Washington D.C., USA and as Director at the United Nations Conference on Trade and Development. He was Chairman (Elect), Forum of Federations, Ottawa, Canada from 2010-2013.
Directorship in other Indian Public Limited Companies as on 31.03.2014	<ul style="list-style-type: none"> JSOFT Solutions Limited 	<ul style="list-style-type: none"> JSW Steel Coated Products Limited JSW Steel Processing Centres Limited JSW Severfield Structures Limited JSW Structural Metal Decking Limited 	<ul style="list-style-type: none"> JSW Holdings Limited Jindal Saw Limited Sobha Developers Limited Surana Industries Limited B.M.M. Ispat Limited 	<ul style="list-style-type: none"> Britannia Industries Limited Go Airlines (India) Limited Green Infra Limited JM Financial Limited Lupin Limited Tata Chemicals Limited Tata Consultancy Services Limited
Chairman/ Membership of Committees in other Indian Public Limited Companies as on 31.03.2014* (C = Chairman; M = Member)	Nil	Audit Committee <ul style="list-style-type: none"> JSW Severfield Structures Limited (M) JSW Steel (Processing Centres Limited (M) 	Audit Committee <ul style="list-style-type: none"> JSW Holdings Limited (M) Sobha Developers Limited (M) Shareholders/Investors Grievance Committee <ul style="list-style-type: none"> JSW Holdings Limited (M) Sobha Developers Limited (C) Surana Industries Limited (M) 	Audit Committee <ul style="list-style-type: none"> JM Financial Limited (M) Tata Consultancy Services Limited (M) Shareholders/Investors Grievance Committee <ul style="list-style-type: none"> Lupin Limited (C) JM Financial Limited (M)
No. of Shares held in the Company as on 31.03.2014	22,320	9216	4,500	-

*only two Committees namely, Audit Committee, Shareholders/Investors Grievance Committee have been considered.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING
[Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges] (Continued).....**

Name of the Director	Mr. Uday M. Chitale	Mr. Kannan Vijayaraghavan	Mr. Sudipto Sarkar	Mrs. Punita Kumar Sinha
Date of Birth	20.10.1949	04.05.1959	21.03.1946	13.05.1962
Date of Appointment	20.10.2005	16.06.2008	09.05.2005	28.10.2012
Qualification	B. Com, ACA	Fellow Member of the Institute of Chartered Accountants of India, Certified Management Consultant and Fellow of the Institute of Management Consultants.	B. Sc. (Maths - Hons), BA (Law Tripos), LL.M. (International Law), MA (Law) Barrister, Gray's Inn, London.	Ph.D. in Finance, University of Pennsylvania, MBA (Finance), B.Tech. in chemical engineering, IIT (Delhi).
Expertise in specific functional area	Mr. Uday M. Chitale is presently Senior Partner of M/s. M.P. Chitale & Co., Chartered Accountants, with offices at Mumbai and Pune and affiliated offices throughout India and other parts of the world as a part of global association of independent accounting firms and business advisers, DFK International. He has extensive experience of Corporate Auditing, Business Advisory Services, Commercial Dispute Resolution, Business Negotiations and Valuation. He has undertaken specialized training in Commercial Mediation from Centre for Effective Dispute Resolution (CEDR), UK at the International Summer School, Geneva (September 2000) and is an accredited CEDR Mediator. He is also on the panel of Arbitrators of Leading Institutions in India and abroad and on the panel of resource persons of the Hon'ble Bombay High Court for implementing the scheme of court annexed ADR. He has served various Expert Committees set up by organisations such as ICAI, SEBI, IRDA and IBA. He has also published several articles in leading Financial Dailies and Professional Journals. He has also conducted corporate workshops on ADR in India and abroad (Canada, Taiwan & Indonesia) and also given talks and contributed papers in several professional seminars and conferences in India and abroad. His past Directorship includes ICICI Bank Ltd., United Western Bank Ltd., Finolex Industries Ltd., NGDEX, etc.	Mr. Kannan Vijayaraghavan, is a Fellow Member of the Institute of Chartered Accountants of India, Certified Management Consultant and Fellow of the Institute of Management Consultants. He is the chairman and founder of Sathguru Management Consultants Pvt Ltd, Hyderabad, a large consultancy and policy advisory firm founded in the year 1985. He is also Partner of DFK International, a worldwide firm of accountants and business advisors, a Visiting Fellow and Faculty, Executive Education, Cornell University, Ithaca, NY and a Regional Coordinator for Cornell University Research Programs in South Asia and South East Asian Region. Over the last twenty six years, he has handled over 300 assignments in the areas of Strategic Planning, Mergers and Acquisitions and Organisational Growth in Emerging Market related Environment. He also has wide exposure to overseas environment with consulting exposure to large Multinational and Emerging National Companies. Global Companies consulted include 20 Fortune 500 Companies, about 100 Mid Cap Enterprises and NASDAQ listed Companies. He is a member of the International Advisory Committee of AUTM and Honorary President of the Society for Technology Management (STEM), the Indian Association of Technology Management Professionals.	Mr. Sudipto Sarkar is presently practicing as a Senior Advocate in the Calcutta High Court and has had experience in Commercial Law particularly Company, Intellectual Property and Shipping Laws. He is a B. Sc. (Mathematics) from the Presidency College, Kolkata, BA (Law Tripos), LL.M. (International Law), M.A. (Law), University of Cambridge and Barrister, Gray's Inn, London. He also has several publications to his credit and is the collaborating editor of the Ramaya's Guide to the Companies Act and contributor to several volumes of International Law Reports (Cambridge). His past Directorship includes Bombay Stock Exchange Limited, Clarion Advertising Services Ltd., (now known as Bates India Ltd.), etc.	She is the Founder and Managing Partner, Pacific Paradigm Advisors, an independent investment advisory and management firm. Prior to founding Pacific Paradigm Advisors in 2012, she was Senior Managing Director of Blackstone Group, leading Blackstone Asia Advisors as the business unit head and Chief Investment Officer. She was also the Senior Portfolio Manager for The India Fund (NYSE:IFN), the largest Indian Fund in the US for almost 15 years and The Asia Tigers Fund (NYSE:GRI), and The Asia Opportunities Fund L.P. She has more than twenty years of experience in fund management in international and emerging markets. She has been frequently featured in the media, including: The Financial Times, The New York Times, The Wall Street Journal, Barron's, Forbes, CNN, CNBC, Fox News, Star News, Bloomberg, ET Now and The Economic Times. Many of her contributions at seminars and conferences have projected the potential and prospects of India as an investment destination. She is a member of the Boston Security Analysts Society and the Council on Foreign Relations. She is a Charter Member and Board Member of TIE-Boston.
Directorship in other Indian Public Limited Companies as on 31.03.2014	<ul style="list-style-type: none"> Axis Mutual Fund Trustee Limited Electronica Plastic Machines Limited GMR Vemagiri Power Generation Limited ICICI Securities Primary Dealership Limited ICICI Securities Limited ICICI Prudential Pension Fund Management Co. Limited 	Nil	<ul style="list-style-type: none"> Vesuvius India Limited McNally Bharat Engineering Company Limited EIH Associated Hotels Limited Eveready Industries India Limited 	<ul style="list-style-type: none"> Freedom Advisors Private Limited SREI Infrastructure Finance Limited Rallis India Limited
Chairman/Membership of Committees in other Indian Public Limited Companies as on 31.03.2014* (C = Chairman; M = Member)	<ul style="list-style-type: none"> Audit Committee ICICI Securities Primary Dealership Limited (C) ICICI Securities Limited (C) Axis Mutual Fund Trustee Limited (M) Electronica Plastic Machines Limited (M) GMR Vemagiri Power Generation Limited (M) Shareholders/Investors Grievance Committee Electronica Plastic Machines Limited (M) 	N.A.	<ul style="list-style-type: none"> Audit Committee Vesuvius India Limited (M) Eveready Industries India Limited (M) EIH Associated Hotels Limited (M) Shareholders/Investors Grievance Committee Vesuvius India Limited (M) EIH Associated Hotels Limited (M) 	Nil
No. of Shares held in the Company as on 31.03.2014	-	-	-	-

*only two Committees namely, Audit Committee, Shareholders/Investors Grievance Committee have been considered.



Regd. Office: JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

E-COMMUNICATION REGISTRATION FORM

To,
Karvy Computershare Private Limited
Unit: **JSW Steel Limited**
Plot No. 17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad - 500 081

Green Initiative in Corporate Governance

I/we hereby exercise my/our option to receive all communications from the Company such as Notice of General Meeting, Explanatory Statement, Audited Financial Statements, Balance Sheet, Profit & Loss Account, Directors' Report, Auditor's Report etc. in electronic mode pursuant to the 'Green Initiative in Corporate Governance' taken by the Ministry of Corporate Affairs. Please register my e-mail ID as given below, in your records, for sending the communications:

Folio No. / DP ID & Client ID No. :

Name of 1st Registered Holder :

Name of Joint Holder(s), if any :

Registered Address of the Sole/

1st Registered Holder :

No. of Shares held :

E-mail ID (to be registered) :

Date:

Signature:

Notes:

- 1) On registration, all communications will be sent to the e-mail ID registered.
- 2) The form is also available on the website of the Company www.jsw.in under the section 'Shareholder's information'.
- 3) Shareholders are requested to keep the Company's Registrar-Karvy Computershare Private Limited informed as and when there is any change in the e-mail address.

NATIONAL ELECTRONIC CLEARING SERVICES (NECS)

MANDATE FORM

To, JSW Steel Limited C/o. Karvy Computershare Private Limited Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081 (In case of physical holding)	To, The Depository Participant concerned (In case of electronic holding)
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Please fill in the information in CAPITAL LETTERS IN ENGLISH only.

Folio No./Client ID No.*

DP ID*

For Office only	
ECS Ref. No.	<input type="text"/>

* Applicable only in case of Electronic holding.

Name of Sole/First holder	<input type="text"/>
Bank Name	<input type="text"/>
Branch Name	<input type="text"/>
Branch code	<input type="text"/> (9 Digits Code number appearing on the MICR Band of the cheque supplied by the Bank). Please attach a photo copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the bank's name, branch name and code number.

Account type (Please Tick (✓) wherever applicable)	→	Savings <input type="checkbox"/>	Current <input type="checkbox"/>	Cash Credit <input type="checkbox"/>
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A/c. No. (as appearing in the cheque book)	→	<input type="text"/>
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I, hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, I shall not hold the Company/ Karvy Computershare Private Limited, responsible. I agree to avail the NECS facility as implemented by JSW Steel Limited.

I further undertake to inform Karvy Computershare Private Limited/concerned Depository Participant of any change in the particulars given above to facilitate updation of records.

Place : _____

Date : _____

(Signature of Sole/First holder)

Notes :

- Whenever the Shares in the given folio are entirely dematerialised, then this NECS mandate form if given to the Company will stand rescinded.
- For shares held in dematerialised mode, NECS Mandate is required to be filed with the concerned Depository Participant.



Corporate Identification No. (CIN) - L27102MH2005 PLC 152925
 Regd. Office: JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

ATTENDANCE SLIP

Regd. Folio No.

** D.P. I.D.

** Client I.D.

TWENTIETH ANNUAL GENERAL MEETING – 31ST JULY, 2014

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the **Twentieth Annual General Meeting** of the Company held on Thursday, 31st July, 2014 at 11.00 a.m at Y.B. Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021, Maharashtra.

 * Member's / Proxy's Name in Block Letter

 * Member's / Proxy's Signature

Note:

- Member / Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed, at the registration counter.
- The Copy of the Notice may please be brought to the Meeting Hall.

* **Strike out whichever is not applicable.**

** **Applicable only in case of investors holding shares in Electronic form.**

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Corporate Identification No. (CIN) - L27102MH2005 PLC 152925
 Regd. Office: JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014

Name of the Member(s) :

Registered address :

E-mail ID :

Folio No./Client ID No. : D.P. ID. No.

I/We being a member(s) ofshares of JSW Steel Limited, hereby appoint :

1. Name: E-mail Id:
 Address: Signature:
 or failing him

2. Name: E-mail Id:
 Address: Signature:
 or failing him

3. Name: E-mail Id:
 Address: Signature:

as my/our Proxy to attend and vote (on a poll) for me/us on my / our behalf at the **Twentieth Annual General Meeting** of the Company to be held on Thursday, 31st July, 2014 at 11.00 a.m Y.B. Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below.

- Adoption of Audited Financial Statements of the Company for the financial year ended 31st March, 2014, including the audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- Declaration of dividend on the 10% cumulative redeemable preference shares for the financial year 2013-14.
- Declaration of Dividend on the equity shares of the Company for the financial year 2013-14.
- Re-appointment of Mr. Seshagiri Rao M.V.S (DIN 00029136) as a Director.
- Appointment of Auditors to hold office from the conclusion of the 20th Annual General Meeting until the conclusion of the 23rd Annual General Meeting of the Company and fixing their remuneration.

See overleaf



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- 6 Appointment of Mr. Sudipto Sarkar (DIN 00048279), as an Independent Director.
- 7 Appointment of Dr. S.K. Gupta (DIN 00011138), as an Independent Director.
- 8 Appointment of Dr. Vijay Kelkar (DIN 00011991) as an Independent Director.
- 9 Appointment of Mr. Uday M. Chitale (DIN 00043268) as an Independent Director.
- 10 Appointment of Mr. Kannan Vijayaraghavan (DIN 00544730) as an Independent Director.
- 11 Appointment of Mrs. Punita Kumar Sinha (DIN 05229262), as an Independent Director.
- 12 Re-appointment of Mr. Seshagiri Rao M.V.S.(DIN 00029136), as a Whole-time Director of the Company.
- 13 Re-appointment of Mr. Jayant Acharya(DIN 00106543) as a Whole-time Director of the Company.
- 14 Payment of Remuneration to non-executive Directors.
- 15 Increase in Borrowing Powers of the Board.
- 16 Consent to hypothecate/ mortgage and/or charge all or any part of the movable and/or immovable properties of the Company.
- 17 Ratification of Remuneration payable to M/s. S.R. Bhargave & Co., Cost Auditors of the Company, for the financial year 2014-15,
- 18 Private placement of redeemable non-convertible debentures.
- 19 Approval and Adoption of proposed draft regulations in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.
- 20 Consent for Issue of Securities to Qualified Institutional Buyers.
- 21 Consent for issue of Foreign Currency Convertible Bonds (FCCBs)/ Global Depository Receipts (GDRs)/ American Depository Receipts (ADRs)/ Warrants and/or other Instruments convertible into Equity shares.
- 22 Consent for issue of non-convertible foreign currency denominated bonds.
- 23 Consent to enter into a contract with JSW Investments Limited for license to use the 'JSW' brand for an annual fee.
- 24 Consent to enter into transactions with JSW Steel Coated Products Limited.

Signed this day of 2014

Note:

1. Proxy need not be a member.
2. Proxy form, complete in all respects, should reach the Company's Registered Office at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, not less than 48 hours before the scheduled time of the meeting.

** Applicable only in case of investors holding shares in Electronic form.

Affix
Revenue
Stamp

Signature of Shareholder

BOOK-POST



IF UNDELIVERED PLEASE RETURN TO:

JSW Steel Limited
JSW Centre,
Bandra Kurla Complex,
Bandra (E)
Mumbai - 400 051