



**STAYING STRONG.  
GROWING STRONGER.**



## IN TRIBUTE TO A MAN WHO BELIEVED IN INDIA AND ITS PEOPLE

The vision for a self-reliant India. The determination to reform and serve society. And the dream to make a difference in the lives of others. For one of India's leading industrialists, ambition held a wholly different meaning. Where setting up schools and healthcare centers was a part of every business plan. Where increasing profitability went hand-in-hand with alleviating poverty. And where building an empire never came before building a nation.

Shri O.P. Jindal

August 7, 1930 to March 31, 2005

Visionary and Founder - O. P. Jindal Group

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Proxy Form

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NECS Mandate Form

# 6<sup>th</sup>

Position among world-class steel makers as per WSD in 2016

# 18<sup>MTPA</sup>

Steel-making capacity

## STAYING STRONG. GROWING STRONGER.

The strength of businesses is determined not by how well they do in good times, but in how courageously they sustain through periods of uncertainty and challenges. Looked at from this prism, we at JSW Steel have demonstrated our ability to withstand such challenges and adversities through our performance in FY 2015-16. At JSW Steel, we did not just hold on to our production levels in such a scenario. In fact, we increased our installed capacity to 18 MTPA and reported our highest ever sales in the last quarter. We were not just content with the cost savings that the commodity price softening allowed us. We went a step ahead to achieve further operational efficiencies and enrich our product mix. The unviability of exports did not deter us. Instead we focused on growing our domestic sales and aggressively expanding our retail network and achieve higher branded sales. Our commitment to long-term, sustainable value creation stands validated. Thus for JSW Steel, FY 2015-16 was not just a year of staying strong but also growing stronger.

### Highlights FY 2015-16 (Standalone)

# 12.56<sub>MnT</sub>

Crude Steel Production

# ₹ 36,202<sub>Cr</sub>

Net Turnover

# ₹ 5,723<sub>Cr</sub>

EBITDA

# ₹ 7.50<sub>per share</sub>

Equity Dividend

## JSW STEEL AT A GLANCE

JSW Steel is the flagship company of the USD 11 billion JSW Group, part of the O.P. Jindal Group. JSW Steel is among the world's most illustrious steel companies and is India's leading primary integrated steel producer.

JSW Steel has plants' located across 6 strategic locations in South and West India, namely, Karnataka, Tamil Nadu and Maharashtra. Our strategy of always staying on the leading edge of technical advancement has led to partnerships with global sector leaders and has helped our plants rank amongst the lowest-cost steel producers in the world.

We continue to strive for excellence with our strengths being our product mix, state of the art technology, excellence in execution and our unstinting focus on employee engagement.

## MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR



Dear Shareholders,

The year 2015-16 was an eventful year for the country as a whole and for us at JSW Steel. We faced significant headwinds, but acted with resilience. We stayed strong and grew stronger, just as India did.

Against a backdrop of global turbulence and sluggish growth, India stands out as a haven of stability and an outpost of opportunity. During FY 2015-16, the country became the world's fastest growing major economy, despite contraction in exports and two consecutive years of inadequate rainfall. That's a remarkable achievement by any measure; and even by conservative estimates the economy has the potential to grow at around 8%, going forward.

The Government of India has unveiled a series of policy initiatives to enhance public investments in the infrastructure sector, especially roads, railways and ports. In this context, it would be pertinent to mention the advantages of the Government's Make in India initiative. This initiative is now acquiring the stature of a national movement to promote manufacturing expertise in India, in line with global quality benchmarks. Besides, the Government has also enhanced the ease of doing business in India, attracting enhanced foreign capital, technology and human expertise. The focus on Smart Cities with best-in-class amenities and drive to enhance rural income also deserve to be mentioned. These trajectories are acting as a force multiplier for the economy as a whole, and the steel sector in particular.

During the year, India was the only major steel consuming market globally, which saw a demand escalation. However, the country suffered from an unprecedented, unbridled and unfair inflow of steel imports from China, Japan, South Korea and Russia. These countries continued to sell their surplus steel production at predatory prices. South Korea and Japan benefited due to the free trade agreement with India. The result was that the domestic industry was forced to take a series of price cuts, leading to a severe margin squeeze for domestic steel companies.

With eroding profitability and worsening leverage ratios, the Government of India stepped in and undertook necessary corrective trade remedial measures. The objective was to provide a level playing field to the domestic steel industry. The Government enhanced customs duty, and introduced the minimum import price (MIP) mechanism to curb imports at prices below marginal cost of exporting nations. If not for this timely intervention, the steel industry would have been reeling under a lot more pressure than currently. Among the other measures, the Government also introduced BIS standards for steel to check sales of inferior quality steel into India.

In such a challenging operating environment, I am happy to share that team JSW Steel rose to the occasion and was able to achieve a positive consolidated operating EBITDA of ₹ 6,073 crores. We shifted our focus to the domestic market, widening our footprint to the markets in the South; we also concentrated on developing new markets in the East and North East of India. Additionally, we enriched our product mix through development of new and cutting edge steel grades, enhanced our quality benchmarks and rationalised our cost structure to minimise erosion of margins.

The year 2015-16 was the sixth year of our strategic and technical collaboration with JFE Steel Corporation. Our focus was on customer approvals and commercialisation of the auto grade steel (advanced CRCA and galvanised) produced in the state-of-the art CRM #2 complex, set up at Vijayanagar Works. With JFE's experience in value-added product market, the Company has received certification from several major auto producers for supply of auto grade steel with the Company's own substrates. Under the collaboration, we also set a 0.2 MTPA state-of-the art Annealing and Coating Line (ACL) for production of fully-processed Non Grain Oriented electrical steel grades. The major focus this year was to stabilise and sustain the international standards

in Electrical steel products. The Company aims to increase sales of these value-added products in the year 2016-17.

Our joint venture with Vallabh Tinplate has performed extremely well during the year. The Company's subsidiary, JSW Steel Coated Products Limited is setting up a 0.2 MTPA Tin Plate Mill and related facilities at its Tarapur Works to cater to the increasing demand for tinplate.

JSW Steel currently does not enjoy access to captive raw material resources. However, the new MMDR Act has called for a level playing field for industry players with a transparent allocation process of raw materials through competitive bidding. The Company will focus on this opportunity to enhance raw material security, going forward. The Company also intends to participate in the forthcoming auctions of C-category iron ore mines in Karnataka.

We initiated an array of cost-saving projects in areas like logistics, repairs and maintenance, stores and spares, improving yields, process efficiencies and so on. We have setup a "Logistics Centre of Excellence" to optimise and reduce overall logistics cost for both inward and outward freight movement.

At the same time, we completed a few very low-cost and returns-accretive capacity expansion projects at Vijayanagar, Dolvi and Salem in FY 2015-16. With a 25% enhancement in capacity, at 18 MTPA, JSW Steel is now the leading steel producer in India by installed capacity. This expansion has also enabled us to enhance the proportion of long products in our portfolio, well in time to capitalise on the upswing in infrastructure creation and construction activity.

Following the ramp-up of new facilities, we will be well positioned to deliver around 25% growth in volumes in the coming year; with a target of crude steel production of 15.75 MTPA and saleable steel sales of 15 MTPA in FY 2017. We are also confident of reducing our cost of production even further, with economies of scale and consistent focus on efficiency improvement.

Despite temporary challenges, India's long-term outlook for the steel sector continues to be bright. The Government of India is aiming to scale up the country's steel production to 300 million tonnes by 2025. It is taking relevant steps to bolster the growth of the sector. Some of the initiatives comprise setting up of the Steel Research and Technology Mission of India to spearhead research and development activities; and establishing Special Purpose Vehicles (SPVs) with four iron ore rich states to set up plants having capacity between 3 and 6 MTPA.

In the Union Budget 2016-17, the Government of India has proposed to spend ₹ 2,18,000 Crores on roads and railways. In addition, India's automobile industry witnessed a rebound in demand among emerging economies. Such a scenario augurs well for the domestic steel sector. Other initiatives of the Government such as Housing for All by 2022, Power for All by 2019, 100 Smart Cities by 2022 and Atal Mission for Rejuvenation & Urban Transformation (AMRUT) are likely to drive steel demand significantly.

From the fledgling one million tonne industry at the time of Independence, India's steel sector has now risen to be the third largest producer of crude steel in the world. This is a proud moment for all of us. At JSW Steel, we are committed to partner the nation's journey from strength to strength. Our vision at JSW Steel is to touch 40 MTPA capacity in the next decade. However, our growth trajectory shall be calibrated in such a manner, so that we can continue to maintain financial prudence and a strong balance sheet sustainably. We are committed to retaining our leadership position as an efficient allocator of capital and industry-leading return ratios, despite industry cycles, in both the quantum as well as timing of future growth projects – both organic as well as inorganic.

As we look forward to a period of higher volumes and improving margins, we are confident of improving profitability and strengthening cash flows in the coming years.

I am thankful to the team for working hard and for helping make JSW Steel one of the leading steel companies in India and the world. We will also continue to support JSW Foundation in its mission to empower communities with sustainable livelihoods. Besides, our interventions in conserving the environment and reducing the carbon footprint continue to be a priority for us.

I look forward to your continued support in our collective journey to build a sustainable and value creating enterprise.

Best Wishes,  
**Sajjan Jindal**  
Chairman & Managing Director



## SUSTAINABILITY AT JSW STEEL

JSW Steel believes in pursuing its business objectives ethically, transparently and with accountability to its stakeholders across the value chain. The Company is committed to promoting integrated responsible behaviour and value for social and environmental well-being.

Our commitment to doing business responsibly is built in our core values.

### We rely on:

- A dynamic leadership
- Adherence to core values
- A well-articulated Enterprise Risk Management framework
- Practices that seek to sustain and enhance the long-term competitive advantage of JSW steel with care for the society and environment

### Improvement in Safety Performance

In FY 2015-16, 11,178 employees at the plants, including associate employees were trained in various internal safety standards to inculcate the good practices in safety. Consequently, a Lost Time Injury Frequency Rate of 0.5 was achieved - an improvement of 9% over FY 2014-15 and an improvement of 49% over FY 2013-14.

### Engaging with Key Stakeholders

Interactions with around 300 internal and external stakeholders were held across all locations, including the corporate office. Risks and opportunities that were significant to the respective functions were compiled and analysed to arrive at the top positive and negative issues.

### Developing Sustainable Products

One significant development made by JSW Steel has been manufacturing customised products for the passenger vehicles sector, and becoming a market leader. These products were earlier



Model Anganwadi

imported due to the deficit of quality suppliers in India. This development led to several positive effect for the economy, customer and the environment.

### Community Development

JSW Steel recognises the potential outcomes of investing in the community, and consequent mutual benefits that accrue through community cooperation and collaboration. Our community initiatives are increasingly becoming strategic, and leveraging access to larger resources by linking up with communities and the Government, as well as their effective deployment. Our community initiatives are focused around Nutrition and Healthcare, Water and Sanitation, Education, Skill Development, and Art, Culture & Sports.



Field Bunds

### Highlights of the sustainability performance in FY 2015-16

<b>71%</b> Waste heat utilisation	<b>98.5%</b> Waste gases utilisation
<b>958 MT</b> Scrap recycled	<b>1,897 MT</b> Waste (non-hazardous & hazardous) recycled
<b>30%</b> Recycled and reused wastewater	<b>76%</b> Inbound and outbound logistics by rail
<b>7,515 GJ</b> Reduction of indirect energy consumption from FY 2014-15	<b>3.51mn</b> Total energy saved
<b>18%</b> Increase in CSR expenditure from FY 2014-15	<b>9%</b> Decrease in lost time injury frequency rate since FY 2014-15
<b>3,496 tCO<sub>2</sub>e GJ</b> Reduction in indirect GHG emissions from FY 2014-15	

Notes:  
MT - Metric Tonnes  
GJ - Gigajoules  
CO<sub>2</sub>e - Carbon Dioxide Equivalent

## 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. Naveen Raj Singh, IAS

Nominee Director, KSIIDC

#### Mr. Kyoichi Kameyama

Nominee Director,  
JFE Steel Corporation, Japan

#### Mr. Malay Mukherjee

Independent Director

#### Dr. Vijay Kelkar

Independent Director

#### Mr. Uday M. Chitale

Independent Director

#### Dr. (Mrs.) Punita Kumar Sinha

Independent Director

#### Mr. Kannan Vijayaraghavan

Independent Director

#### Mr. Haigreve Khaitan

Independent 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

### 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. Vidyanagar, 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 Taluk,  
Raigad District,  
Maharashtra - 402 107.  
Tel: + 91 2143 - 277502 to 15  
Fax: + 91 2143 - 277533 to 42

#### Salem Works

Pottaneri,  
M. Kalipatti Village,  
Mecheri Post, Mettur Taluk,  
Salem District,  
Tamil Nadu - 636 453.  
Tel: + 91 4298 - 272000  
Fax: + 91 4298 - 272272

#### Registrar & Share Transfer Agents

Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad - 500 032.  
Tel. No. 040 - 67161500  
Fax. No. 040 - 23001153  
E-mail: einward.ris@karvy.com  
Website: www.karvy.com  
Toll Free No. of exclusive Call Centre:  
1-800-345001

# MANAGEMENT DISCUSSION AND ANALYSIS

## 1. JSW STEEL – AN OVERVIEW

JSW Steel, the flagship company of the JSW Group, is among the world's iconic steel enterprises, and has emerged as a leading manufacturer of steel in India. JSW Steel is the only TMT Rebar producer through integrated route in the western India. The Company has an installed capacity of 18 MTPA. It has six manufacturing facilities across Southern and Western India. Its Vijayanagar Works represents largest capacity at a single location in the country. Primarily banking on domestic demand, its global footprint extends to the US, South America, Middle East and Africa.

### COMPETITIVE EDGE

- Project execution capabilities
- One of the **lowest-cost** steel producers globally
- Wide product portfolio with customisation to suit evolving customer requirements
- Use of **cutting-edge** innovative technology
- Strategic **focus** on value-added and special steel products
- Flexible sourcing of inputs and dynamic marketing strategies
- **Export reach** to over 100 countries, strong domestic presence

### WIDE PRODUCT CANVAS

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

#### FLATS

- Hot Rolled (HR) coils, sheets and plates
- Cold Rolled coils and sheets
- Galvanised products
- Galvalume products
- Non-grain oriented Electrical steel (CRNGO)
- Pre-painted galvanised products (Colour Coated Sheets / Coils)
- Pre-painted Galvalume products

#### LONGS

- TMT bars
- Wire rods
- Special steel bars / wires
- Rounds and blooms
- Angles

# 3.1%

The global economic growth remained largely subdued at 3.1% in CY2015 as against 3.4% in CY2014.



Panoramic view of Vijayanagar Works

### MANUFACTURING FACILITIES

Location	Capacity	Products
Vijayanagar, Karnataka	12 MTPA	Slabs, Billets, HR coils and sheets, Cold Rolled Close Annealed (CRCA) coils and sheets, Galvanised products, Non-grain Oriented Electrical Steel, Wire Rods, Bar Rods and Angles
Dolvi, Maharashtra	5 MTPA	Hot Rolled coils (HRC) and Bar Rods
Salem, Tamil Nadu	1 MTPA	Special steel long products
Vasind, Maharashtra (*)	0.42 MTPA	Galvanised, Galvalume & Colour Coated products
Tarapur, Maharashtra (*)	0.76 MTPA	Galvanised, Galvalume & Colour Coated products
Kalmeshwar, Maharashtra (*)	0.58 MTPA	Galvanised, Galvalume & Colour Coated products

(\*) Belongs to JSW Coated Products Steel, a wholly owned Subsidiary. Capacity w.r.t. GI/GL

## 2. ECONOMIC SCENARIO

### 2.1 GLOBAL

The global economic growth remained largely subdued at 3.1% in CY2015 as against 3.4% in CY2014. The emerging markets and developing economies' growth which still accounts for over 70% of global growth, declined for the fifth consecutive year and the advanced economies witnessed a modest but uneven recovery. However, the global economy saw a sizeable leg down in the last quarter of CY2015 – in both advanced and emerging markets and developing economies. During the year, the global economic activities were negatively impacted by: a) a gradual slowdown and





rebalancing in China leading to lower investments and negative impact on global trade flows and export dependent economies, b) overcapacities and higher output gap leading to worldwide depressed investment, c) a downward pressure on prices of energy and commodities, d) a hawkish US Fed commentary which added to the volatility in the financial, currencies as well as commodity markets and e) depressed domestic demand with growing disorder of global trade has resulted in increasing trade remedial actions by various economies.

#### SNAPSHOT

- The US is transitioning to a new normal, its economic growth stood at 2.4% in CY2015 – similar to CY2014. During the year, the benefits of strengthening corporate balance sheets, contained fiscal drag, and an improving housing and labour market were offset by weaker than expected domestic demand and weak performance of the manufacturing sector as well as declining exports due to stronger dollar/adverse external trade environment.
- The Euro area economy grew by 1.6% in CY 2015 – faster than CY 2014. Its business cycle continued to largely shrug off global growth concerns with support from three tailwinds: a) lower oil prices (boosting consumer expenditure/domestic demand), b) expansionary fiscal policies, and c) an accommodative ECB. However, sub-zero inflation, high non-performing loans and debt trajectories, low investment, and eroding skills due to high long-term unemployment remained key challenges for the area.

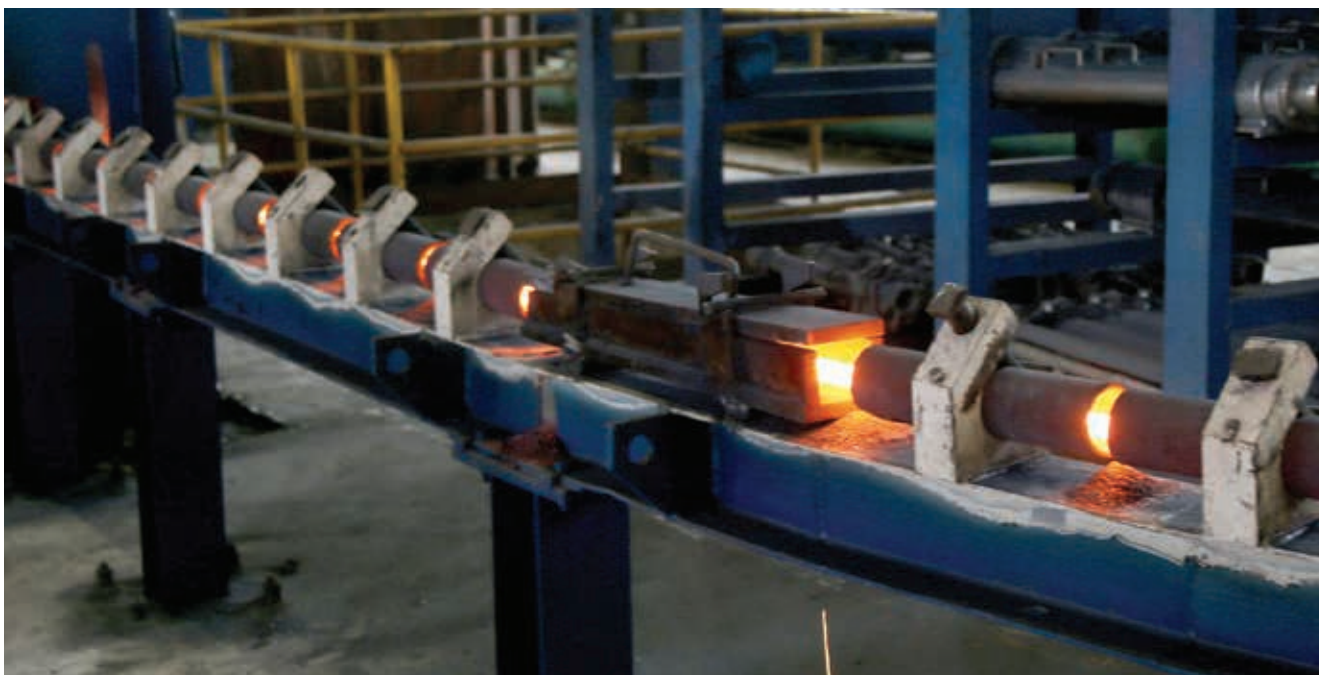
**DURING THE YEAR, THE GLOBAL ECONOMIC ACTIVITIES WERE NEGATIVELY IMPACTED BY A GRADUAL SLOWDOWN AND REBALANCING IN CHINA LEADING TO LOWER INVESTMENTS AND NEGATIVE IMPACT ON GLOBAL TRADE FLOWS AND EXPORT DEPENDENT ECONOMIES.**

**DEPRESSED DOMESTIC DEMAND WITH GROWING DISORDER OF GLOBAL TRADE HAS RESULTED IN INCREASING TRADE REMEDIAL ACTIONS BY VARIOUS ECONOMIES.**

- In CY 2015, Japan's economic growth at 0.5% was weaker than expectations from the benefits of Abenomics. The corporate profits improved but they were driven by JPY depreciation and lower oil prices. The capacity-boosting investments remained muted with lower capacity utilization as sales growth failed to pick-up.
- Economic activity in other Asian advanced economies (Hong Kong Special Administrative Region and Taiwan Province of China) closely integrated with China weakened sharply during the first half of 2015, owing in part to a steep decline in exports. Economic activity picked up by less than expected during the second half of the year, as domestic demand remained weak; and the pace of recovery in exports was relatively modest.
- The Chinese economic growth moderated to 6.9% in CY 2015. The slowdown and rebalancing of the economy led to a decline in investment in real estate, manufacturing and allied industries. The emerging and export market economies were negatively impacted by China's rebalancing as it resulted in a broad-based slowdown in global trade, and volatility in commodity as well as financial markets.
- The economic performance of many African countries was also disappointing. Resource-intensive countries in Africa suffered a two-fold blow. First owing to a decline in the prices of commodities; and second because their frontier markets were adversely affected by tighter global financing conditions.

## 6.9%

The Chinese economic growth moderated to 6.9% in CY 2015. The slowdown and rebalancing of the economy led to a decline in investment.



Bar Rod Mill

#### GLOBAL GROWTH TREND (%)

	2015	2016 (P)	2017 (P)
World Output	3.1	3.2	3.5
Advanced Economies	1.9	1.9	2.0
United States	2.4	2.4	2.5
Euro Area	1.6	1.5	1.6
Japan	0.5	0.5	-0.1
United Kingdom	2.2	1.9	2.2
Other Advanced Economies *	2.0	2.1	2.4
Emerging and Developing Economies	4.0	4.1	4.6
China	6.9	6.5	6.2
Sub-Saharan Africa	3.4	3.0	4.0

P: Projections \*(Excludes the G7 - Canada, France, Germany, Italy, Japan, United Kingdom, United States and euro area countries)  
(Source: International Monetary Fund, 2016)

## 2.2 INDIA

India's GDP grew by 7.6% in FY2016, registering a stellar performance in a world battered by sluggish growth as well as turbulent financial and commodity markets. The Government

of India has ushered in various reforms in agriculture, manufacturing and services sectors to help the economy realise its full potential. The economy also benefited from declining fiscal deficit, moderating inflation, lower oil prices and an easing interest rate trajectory.

#### INDIAN GDP GROWTH (%)

Particulars	2013-14	2014-15	2015-16*
Private Consumption	6.8	6.2	7.4
Public Consumption	0.4	12.8	2.2
GFCF	3.4	4.9	3.9
Exports	7.8	1.7	-5.2
Imports	-8.2	0.8	-2.8
GDP	6.6	7.2	7.6

(Source: Advance CSO Estimates)

The Indian economy, however, also faced major headwinds during the year in the form of : a) slow agricultural growth due to two consecutive years of poor monsoons, b) disappointing manufacturing output owing to weak demand and low commodity prices, c) sharp contraction in exports due to weak global demand and low commodity prices and d) growing NPA's and stressed assets.

India's trade deficit declined to US\$ 5.1 billion in March 2016. This was the result of a fall in net imports by 21.6%. Stability in the political environment and the Government's pro-reform approach continued to strengthen the confidence of entrepreneurs and investors. Higher infrastructure spending, increased fiscal devolution to states, and the

**THE GOVERNMENT OF INDIA HAS USHERED IN VARIOUS REFORMS IN AGRICULTURE, MANUFACTURING AND SERVICES SECTORS TO HELP THE ECONOMY REALISE ITS FULL POTENTIAL**

focus on enhancing the ease of doing business resulted into improved investor sentiment and business outlook.

The Government's 'Make in India' initiative has also encouraged domestic entrepreneurs to match global best practices and also attracted FDI. The Make in India initiative is expected to help the country emerge as a hub for global manufacturing bellwethers. This, together with expansion in services is expected to stimulate employment, as well as higher consumer spending.

The Government also introduced the JAM Trinity (Jan Dhan Yojana, Aadhaar and Mobile) to bolster financial inclusion and bring large unbanked parts of the population into the ambit of formal channels of finance. In addition, payment banks and small finance banks are expected to drive micro-credit offtake, besides reforming the Indian financial sector.

#### SNAPSHOT

- Asia's third largest economy has recently crossed the US\$ 2 trillion dollar mark; and the GDP growth rate for the fourth quarter was 7.9%, even as emerging markets like China, Russia and Brazil continued to slow down.
- For the second consecutive year, India experienced less-than-normal monsoons, leading to lower agricultural output. The sector grew by 1.2% over the previous year.
- In contrast, the industrial sector grew by 7.4%, whereas the service sector growth was at 8.9%.
- Exports declined by 18% due to low prices of commodities and lacklustre global demand.

### 3. STEEL INDUSTRY SCENARIO

#### 3.1 GLOBAL

In CY2015, the global steel demand declined by 3% to 1,500 million tonnes, primarily due to the slowdown in China and globally a low investment trend.

Global steel industry continued to be impacted by large overcapacity especially in China, Japan, Korea and CIS. Though the steel production decreased in all regions except Oceania during the year, the decline in production was slower than the drop in demand. Global crude steel production decreased by 2.9% to 1,621 million tonnes in 2015. Exports from the steel surplus countries flooded the global steel markets leading to a severe pressure on supply and demand balance and steel prices. Consequently, the negatively impacted countries intensified trade remedial actions to check the surge in imports from steel surplus countries. Meanwhile, the oversupplied iron ore and coking coal market also followed the trend of the falling steel prices.

Towards the end of the financial year 2015-2016, the global steel price recovered mainly due to the thrust on stimulus and physical market tightness in China. However, the sharp

**GLOBAL CRUDE STEEL PRODUCTION DECREASED BY 2.9% TO 1,621 MILLION TONNES IN 2015. EXPORTS FROM THE STEEL SURPLUS COUNTRIES FLOODED THE GLOBAL STEEL MARKETS LEADING TO A SEVERE PRESSURE ON SUPPLY AND DEMAND BALANCE AND STEEL PRICES.**

price recovery in Chinese steel prices fizzled out recently as the Chinese steel market fundamentally continues to be challenged by overcapacity and slowing investments trend. The prices in other regions are witnessing lesser volatility due to broad-basing of trade remedial measure.

#### DEVELOPED ECONOMIES

Country	Crude steel production 2015 (MnT)	% change from 2014
North America	110.9	8.4% ↓
US	78.8	10.6% ↓
EU (28)	166.1	1.9% ↓
Germany	42.7	0.6% ↓
Italy	22.0	7.1% ↓
France	15.0	7.2% ↓
Spain	14.8	4.2% ↓

#### EMERGING ECONOMIES

Country	Crude steel production 2015 (MnT)	% change from 2014
Asia	1,113.6	2.3% ↓
CIS	101.5	4.3% ↓
Russia	70.9	0.8% ↓
Ukraine	22.9	15.5% ↓
South America	43.9	2.5% ↓
Brazil	33.3	1.9% ↓
China	803.8	2.3% ↓

**Relevant facts about global steel:** Performance in CY 2015 over CY 2014

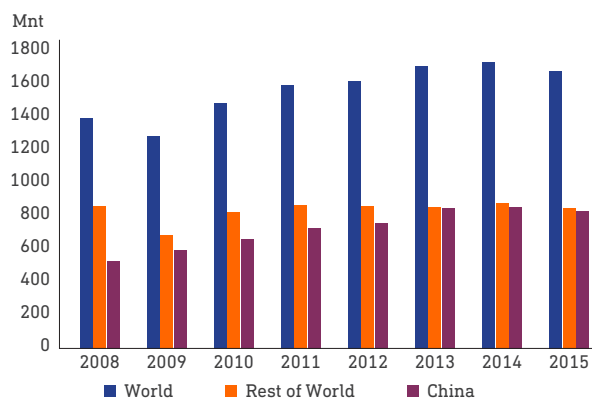
- **Capacity:** 2384 MnT grew by 1.4% (2351MnT)
- **Production:** 1621 MnT de-grew by (2.9%) (1670 MnT)
- **Consumption:** 1500 MnT de-grew by (3%) (1547 MnT)

(Source: World Steel Association)

# 18%

Exports declined by 18% due to low prices of commodities and lacklustre global demand.

#### ANNUAL CRUDE STEEL PRODUCTION



#### TOP 10 STEEL-PRODUCING COUNTRIES

Rank	Country	2015 (MnT)	2014 (MnT)	%2015/2014
1	China	803.8	822.8	-2.3
2	Japan	105.2	110.7	-5.0
3	India	89.6	87.3	2.6
4	United States	78.9	88.2	-10.5
5	Russia	71.1	71.5	-0.5
6	South Korea	69.7	71.5	-2.6
7	Germany	42.7	42.9	-0.6
8	Brazil	33.2	33.9	-1.9
9	Turkey	31.5	34.0	-7.4
10	Ukraine	22.9	27.2	-16.6

(Source: World Steel Association)

#### OUTLOOK

Global economy continues to grow, albeit at a slow pace. The industrial activities across major regions/countries remain subdued despite sustained monetary easing. It appears that a pickup in global activity levels will be more gradual as downside risks to growth have increased – with issues related to persistent deflationary environment, political uncertainty in EU and risk of Brexit, a lack of confidence on sustainability of commodity prices and volatile capital flows and currencies. The International Monetary Fund (IMF) has revised down its projections for CY 2016 World Economic Growth yet again to 3.2% compared to 3.1% in CY 2015.

Developed markets prospects' remain subdued due to low investment, unfavourable demographics, and weak productivity growth. The Euro Area and the US both face certain unfavourable factors. The Euro Area continues to battle migrant crisis, sub-zero inflation and high non-performing loans. In the US, economic growth is likely to be steadier in near term rather gaining any upward momentum as improved fiscal condition and housing market is being offset by lower exports, weakening manufacturing sector and declining investment in energy sector.

The emerging economies also remain vulnerable to further declines in commodity prices, currency devaluation and internal political turmoil. The Chinese economy is transitioning to a more balanced growth path after a decade of strong credit and investment growth. As the prior excesses in China's economy are unwinding; its investment in real estate, manufacturing and allied industries is declining. This is impacting trade growth as well as sharp scaling down of investment in commodity markets/economies. Despite all of this, the recovery, which is expected to strengthen only in CY 2017 and beyond, will be driven primarily by emerging market and developing economies as conditions in stressed economies start gradually to normalize.

The global steel industry continues to face headwinds of weak demand and overcapacity. What is more worrisome is that Chinese Steel production as well as exports surged back in recent months. The World Steel Association forecasts Chinese steel demand to drop by 4% in CY 2016 leading to a decline in global steel demand further by 0.8% to 1,488 MnT. CY 2016 Steel demand in developed economies is expected to grow by 1.7% whereas it is expected to increase by just 1.8% in Emerging and Developing economies (ex-China).

#### 3.2 INDIA

Despite multiple headwinds, India produced 89.8 MnT crude steel in FY 2015-16, an increase of 0.9% since last year. In FY 2015-16, the country consumed 80.5 million tonnes (MnT) of finished steel, growth of 4.5% over last year. The industry growth is driven by an availability of raw materials such as iron ore and cost-effective labour.

India was the only major steel consuming market globally which continued to witness increasing demand environment - finished steel demand growth stood at 4.5% in FY 2015-16. However, the country suffered from an unprecedented, unbridled and unfair inflow of steel imports from countries like China, Japan, South Korea and Russia, which continued to sell their surplus steel production at predatory prices. South Korea and Japan, especially, benefited due to the free trade agreement with India. Consequently, the consumption of domestically produced steel fell by 0.6% during the financial year. The domestic steel industry was forced to take a series of price cuts – leading to a severe margin squeeze for the Indian steel companies.

The surge in imports at predatory pricing led to the Indian government first increasing import duty on carbon steel by 5% (in two steps). Subsequently, it also imposed a safeguard duty on certain hot rolled steel products. When these measures were ineffective, in February 2016, the Government imposed a minimum import price (MIP) on various steel products for a period of six months to create a level playing field for the domestic steel industry.



Meanwhile, Indian steel manufacturers (including JSW Steel) continued their focus on enhancing product mix/quality standards, rationalizing cost and manufacturing value-added steel products to minimize erosion of margins.

**Relevant facts about domestic steel :** (Performance in FY'16 with reference to FY'15 : JPC)

- Capacity – 117 MnT grew by 6.4% (110 MnT)
- Crude Steel Production – 89.8 MnT grew by 0.9% (89 MnT)
- Consumption – 80.5 MnT grew by 4.5% (77 MnT)
- Steel Imports – 12.7 MnT grew by 26.7% (10 MnT)

#### GOVERNMENT MEASURES TO BOOST INDUSTRY GROWTH

The Government of India is aiming to scale up steel production in the country to 300 MnT by 2025 from current levels. Some of the other recent government initiatives in this sector are as follows:

- The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of ₹ 200 crore.
- Government of India plans to auction eight coal blocks with reserves of 1,143 million tonnes to steel and cement firms.
- Government has planned Special Purpose Vehicles (SPVs) with four iron ore rich states i.e., Karnataka, Jharkhand, Orissa, and Chhattisgarh to set up plants having capacity between 3 to 6 MTPA.
- A Project Monitoring Group (PMG) has been constituted under the Cabinet Secretariat to fast track various clearances/resolution of issues related to investments of ₹ 1,000 crore or more.
- To increase domestic value addition and improve iron ore availability for domestic steel industry, duty on export of iron ore was increased to 30%.
- In union budget 2016-17 the Government of India has proposed to spend ₹ 2,18,000 Crores on roads and railways.

#### OUTLOOK

Despite challenges, India has emerged as one of the brightest spots in a world grappling with economic turbulence and fragile growth. It is expected to be the largest growing economy in the world in FY 2017 with a growth rate anywhere between 7.5-8% – driven by the fundamentals of strong consumption and growth in real income as well as the

government's push for streamlining business processes. The Indian economy continues to recover gradually as public capital expenditure (with focus on infrastructure creation and extensive urbanization/Smart Cities) and foreign direct investment continue to improve. The infrastructure project awards are seeing a pick-up with higher budgetary allocations. The household consumption demand is expected to benefit from the upcoming Pay Commission award, continued low commodity prices, recent interest rate cuts, and measures announced in the Union Budget 2016-17 to transform the rural sector. The consumer confidence remains upbeat, while the corporate sector's expectations of business conditions remain positive. The expectations of a normal monsoon this year is likely to drive consumer discretionary spending in rural areas. Overall, the Indian economy is poised to realize the benefits of large scale capital expenditure, policy initiatives by the Government, and corporate deleveraging in FY 2017.

As per the WSA, the Indian steel demand growth rate in CY 2016 is expected to be the highest amongst the top 10 steel consuming regions/countries which account for more than 85% of the world steel consumption. JSW Steel expects Indian steel demand to grow by about 6% in FY 2017.

The Indian government's measures to pump prime the economy and progress on various policy reforms underpin a constructive medium term demand outlook. However, this also makes India an attractive export destination for steel surplus countries. Imposition of minimum import price on various steel products has provided some relief; however, the industry sees the need for adequate, swifter and longer shelf-life trade remedial measures to check unbridled and unfair imports of steel in to India.







Colour Coated Coils

#### 4. PRODUCTS & MARKET PERFORMANCE: A SNAPSHOT

JSW Steel recorded crude steel production for FY 2015-16 at 12.56 million tonnes. There were planned shutdowns for modification and capacity enhancement resulting in lower production volumes during the second half of financial year.

JSW Steel's diversified portfolio is aligned to address the growing demand for steel worldwide. The Company's investments in setting up downstream facilities such as the Cold Rolling Mill (CRM), Continuous Annealing Line (CAL), Galvanneal, Colour Coated and Bar & Wire Rod Mill anticipated this trend. The emphasis on enriching the product mix further, continued throughout the year with a sharp focus on high-value products, i.e. value-added and special products. This segment grew over the past year to comprise 35% of overall sales. Given the sluggishness of export markets, JSW Steel was able to rapidly shift focus to enhancing penetration and sales in the domestic market, especially retail.

The Company delivered an industry leading performance in the domestic market, with a 20% increase in volumes YoY and domestic sales crossing the 10 million ton mark.

# 12.56MnT

JSW Steel recorded crude steel production for FY 2015-16 at 12.56 million tonnes.

The stellar performance, in a market where domestic growth was 4.5% in FY 16 over FY 15, was possible due to:

Re-orientation of Exports	Domestic OEM Focus	Retail Expansion
<ul style="list-style-type: none"> <li>Reduced share of exports from 26% to 12% of total sales</li> <li>Strategically shifted focus to high value customers and geographies</li> </ul>	<ul style="list-style-type: none"> <li>Followed sectoral approach in a stagnant market, adding volumes in sectors like Construction &amp; Infra, Automotive, Yellow Goods, Appliances, Solar etc.</li> <li>New grade and product development to cater to new segments</li> </ul>	<ul style="list-style-type: none"> <li>75% increase in Retail sales</li> <li>Focus on branding and branded sales</li> <li>Expansion of retailer network increasing the depth of distribution network</li> </ul>

#### HIGHLIGHTS OF FY 2015-16

The key highlights of FY 2015 – 16 were:

- Domestic Sales up by 20%
- Retail sales up by 75%
- Value-added product share in total business at 35%
- Branded products sales grew 126% YoY & share of branded sales in total sales increased to 45% in FY 16 from 35% in FY 15
- TMT sales increase 86% YoY & CRCA grew 41% YoY

#### PRODUCT PORTFOLIO

The diversified portfolio of JSW Steel is one its biggest strength, which not only acts a natural hedge against sector volatility, but also gives agility to the organization to implement strategies best suited to the economic environment of the country.

Sales Volume* Product	FY 2014-15 %	FY 2015-16 %
Semis	3%	2%
Hot Rolled	51%	44%
Cold Rolled	14%	16%
Galvanised	12%	12%
Colour Coated	3%	4%
Longs	16%	22%
<b>Total</b>	<b>100%</b>	<b>100%</b>

\* including volumes of JSW Steel Coated Products Limited. 100% subsidiary of JSW Steel Limited

#### PRODUCT HIGHLIGHTS

##### 4.1 FLATS

Flats comprised 76% of product portfolio in FY 2016

Production of flat products was lower in the fiscal due to planned shutdowns for modification and capacity enhancement. There was also re-orientation of exports, where volumes were reduced in exports focussing on the domestic market. Cold rolled, Galvanised & Colour Coated registered

growth in domestic sales. Hot rolled products witnessed a dip in volumes due to increased captive consumption.

#### 4.1.1 HOT ROLLED

##### Volume

Hot Rolled products comprised 44% of product portfolio in FY 2016

Hot Rolled coils and sheet are manufactured at Vijayanagar and Dolvi Works . During the year:

- Sales volume of CTL Sheets / Plates increased by over 19% .
- Captive consumption of HR increased resulting thereby reducing the overall HRC sales volumes by 15%
- Retail sales of general grade hot rolled products however grew in the domestic market.

##### Sector

The major market sectors in India are Automotive, Construction & Infra, Industrial & Engineering and Consumer Durables. There are many sub-sectors like Yellow Goods, Pipes & Tubes, Packaging etc.

In-roads were made into sub-sectors like Yellow Goods, thereby increasing volumes in the Industrial & Engineering sector.

In Automotive, additional approvals were received for 2 new grades for 2 applications.

It is important to note that the Company could maintain and increase its volumes in all the sectors despite challenges posed by the heavy imports for major part of the fiscal.

#### 4.1.2 COLD ROLLED

##### Volume

Cold Rolled products comprised 16% of product portfolio in FY 2016

Cold Rolled coils and sheets are manufactured at Vijayanagar works for sales to external customers. During the year sales volume of CRCA increased 41%

##### Sector

85% of cold rolled products in India is consumed by Automotive and Industrial & Engineering sectors

Automotive sector witnessed a reasonable growth during the year, with passenger vehicles, three wheeler as well as commercial vehicle production increasing YoY, with an overall production of vehicles in India crossing the 5 million mark.

JSW Steel continues to focus on automotive sector and made

considerable headway in approvals of automotive grade steel. New cold rolled grades were approved over 8 applications like roof, doors etc.

The company started producing Electrical steel in the year with technological know-how from JFE Steel Corporation, Japan. Electrical steel has usage across sectors such as electric motors, generators, nuclear power station, power generation plant and equipment, domestic appliances, transformers & automotive electricals.

In the first year, the Company got approvals from over 75 customers and commenced supplies. Approvals were also received from 9 large OEMs for supplies to critical components.

#### 4.1.3 GALVANISED

##### Volume

Galvanised products comprised 12% of product portfolio in FY 2016

Galvanised coils and sheets are manufactured at Vijaynagar, Vasind, Tarapur and Kalmeshwar works. During the year domestic sales volume of galvanised products increased by 45%

##### Sector

86% of galvanised products in India is consumed by Construction & Infra and Consumer Durables.

JSW Steel has been a pioneer in the Solar energy infra sector by upgrading the steel used in the solar panel base from galvanised to galvalume steel. JSW Galvos, the galvalume steel supplied to the solar sector comes with an extended warranty option, thereby increasing the quality of infrastructure in the country. The Company has been able to capture majority market share of the solar sector for galvalume, whereas the overall market share is over 45% for coated products.

In Automotive sector, approvals were received for 10 grades across 8 applications.

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**JSW STEEL HAS BEEN A PIONEER IN THE SOLAR ENERGY INFRA SECTOR BY UPGRADING THE STEEL USED IN THE SOLAR PANEL BASE FROM GALVANISED TO GALVALUME STEEL**

#### 4.1.4 COLOUR COATED

##### Volume

Colour Coated products comprised 4% of product portfolio in FY 2016

Colour coated coils, sheets and profiles are manufactured in our Vasind, Tarapur and Kalmeshwar works. During the year domestic sales volume of colour coated products increased by 33%.

##### Sector

Colour coated products in India is almost fully consumed by Construction & Infra and Consumer Durables.

JSW Steel is the largest colour coated player in the domestic market with over 35% share. JSW Colouon+, JSW Colouon & JSW Pragati – the three brands of JSW Steel in the colour coated segment enjoy high market share in the individual home builder (IHB) segment.

The Company has also made substantial headway in the appliance sector, with approvals in place from several major consumer durables manufacturers in the country.

#### 4.1.5 LONGS

##### Volume

Long products comprised 22% of product portfolio in FY 2016

Long products are manufactured at Vijaynagar, Dolvi and Salem works. During the year:

- Long product sales increased by 37%
- Domestic TMT sales increased by 86%
- Wire Rod domestic sales increased by 20%

##### Sector

Long product in India is largely consumed by Construction & Infra and Industrial & Engineering, with high value demand in Automotive sector also.

TMT and Alloy steel were two key areas of growth in the year. JSW Neosteel, the TMT brand of JSW Steel, has made inroads into villages, with substantial market share in South India.

JSW Neosteel was used in major projects in the country from Metro railway projects, ISRO projects, expressways & highways and critical atomic power projects.

JSW Steel – Salem works with a capacity of 1 million tonnes focusses on long products for Automotive sector and other specialized applications like Industrial & Engineering and Railways. The Company is the largest player in the long product – special steel automotive sector with over 25% share in the domestic market. The Company is the largest domestic producer of spring steels flats, alloy steel rounds & bars and alloy steel wire rods.

During the year JSW Steel has added 1.2 MTPA of long product finishing capacity at Vijayanagar and planning to commence commercial production of 1.4 MTPA of Bar Rod mill at Dolvi during Q1 of 2016-17.

With this, the share of long product production capacity has increased from 17% in FY 2014-15 to ~30%.

During the year, 12 new grades were approved for longs which included high value alloyed and micro alloyed steel for various components of engine, transmission and suspension.

#### 4.2 VALUE ADDED SPECIAL PRODUCTS

JSW Steel is continuously increasing the share of value-added products to address its growing demand, de-commoditise the product basket and enhance spreads. 35% of total sales in FY16 comprised of Value Added Special Products.

There is a strong focus on cold rolled, galvanised and galvaneal products for body panels of automobiles. The Company aims to continuously diversify and enrich its product mix, while capturing niche markets of colour coated products, electrical steel and tin plate steel.

Going forward, JSW Steel's focus will be twofold:

- Ramping up the new CAL-2 and electrical steel mill complex at Vijayanagar
- Further improving product mix with successful product approvals from auto and appliance manufacturers.

The Company is also setting up another service centre in Delhi after Pune under its joint venture - JSW MI Steel Service Centre. This new service centre is expected to further increase the serviceability to auto segment customers and enhance the value added products segment.

Electrical steel is a high value sector where the Company has commenced supplies during the year. Around 30% of the CRNO Electrical steel requirement in India is imported which the Company is targeting to substitute in the coming years.

## 35%+ Market Share

JSW Steel is the largest colour coated player in the domestic market with over 35% share.

The Company is now in a position to be a complete steel solutions provider to the electrical industry with all required steel products under its manufacturing capability - Cold rolled and Electrical steel from Vijaynagar works, Coated products from the Downstream plants and Long products from Salem works.

Appliance grade steel has ensured JSW Steel's mark in the high value colour coated steel applications. Appliance industry witnessed a good run last year, with certain segments like air-conditioner growing at 32%. With high market potential and considerable imports in this sector, the Company increased its supplies by more than 300% to the appliance manufacturers and its products have been approved by major appliance players, who comprise of 85% of total consumption of appliance grade steel in India.

The Company now has 20% market share in colour coated appliance segment and is working closely with appliance manufacturers to develop products to substitute imports, thereby making India self-reliant in this sector.

Solar structures also hold a lot of promise with the Government of India targeting 100 GW of capacity by the year 2022. The Company has developed a special grade galvanised product, customised for solar sector which will help increase the life of the structure further. The Company is already a leader in galvalume supplies to the sector with majority market share.

Automotive sector witnessed a lot of action in the year. Commercial supplies for galvaneal started during the year and approvals are in place from major customers. Currently, 50% of galvaneal is imported into India. The Company is working closely with the customers to indigenise the procurement which will enable just-in-time supplies.

High tensile Cold rolled products approval was received from major customers in the year. The Company has developed Advanced High Strength steel for automotive with upto 980 MPa strength. High tensile Cold rolled products are used for structural and crash components of the vehicle.

The Company has also started discussions with the technology supplier/s to build a new Tin Plate Complex at Tarapur.

#### 4.3 SEGMENTAL PERFORMANCE

FY 2015-16 was the year of shift to the domestic market. The domestic sales share increased from 74% in FY 2014-15 to 88% in FY 2015-16, with major thrust to the retail segment.

Year	Domestic	Exports
FY 2015-16	88%	12%
FY 2014-15	74%	26%



Cold Rolled Coil

##### 4.3.1 OEM

This year, the focus was on increasing presence in high value sectors, develop new grades and products and penetrate into new sub-sectors.

Hot rolled products saw increase in value added high strength steel supplied to automotive and yellow goods sectors. Major part of the volumes was tied up through supply contracts which acted effectively as a volume-risk mitigation strategy in an uncertain market.

In Cold rolled products, the products of the new CRM-II complex was approved by several major automotive customers, making both CRM-I as well as CRM-II complex supply ready for the automotive sector.

New grades were developed in coated steel which helped in deeper penetration in the market. The Company has developed a new grade in colour coated for support-less roofs which will help in import substitution for the application. Zero spangle, lead free product was developed addressing the needs of appliances, panels and ducting customers. The product is extremely environment friendly.

Longs witnessed capacity addition during the fiscal. Share of longs in the total sales increased from 16% to 22%. The Company has become a major player in TMT, supplying to major infra projects across the country.

During the year new grades were approved for longs which included high value alloyed and micro alloyed steel from JSW Salem works.





#### 4.3.2 RETAIL

JSW Steel has been investing in brand building activities across product lines. Presently, 45% of retail sales are branded.

The Company continued its focus on enhancing the domestic retail presence, servicing newer sectors and developing new products for emerging needs.

The year was marked by increase in Retail sales by 75% y-o-y, which leaped domestic sales growth of 20% y-o-y.

Approximately 6,500 retail outlets, covering 75% districts pan India, have been set up to cater to small and rural customers. This has enabled JSW Steel to reach across the length and breadth of the country. JSW Steel plans to expand its business scope across 3,000 – 5,000 sub-districts.

Besides, the Company has been undertaking extensive marketing and branding initiatives. A 360 brand campaign was done in FY16 for JSW Neosteel including TV, radio, print, outdoor and below-the-line activities. Some special initiatives included presence at events like Kumbh Mela and also extensive branding activity during festivals like Navratri and Ganesh Utsav.

Large scale advertising activities were undertaken using different platforms like TV, radio, cinema, newspaper, hoardings, shop boards and wall paintings. These initiatives have gone a long way in brand building.

#### JSW Shoppe and dealer distribution network

The JSW Shoppe and JSW Shoppe Connect network has been increasing every year. In FY16, the company had more than 560 branded outlets across the country.

Influencer engagement continued in FY 2015-16 and approx. 350 large meets were held by the company in various markets connecting to engineers, architects, masons and fabricators.

JSW Steel launched a relationship cum loyalty programme 'Sahyog', which integrates dealers, contractors, retailers, consultants and various channel partners with a vision to 'Grow Together'.

#### 4.3.3 EXPORT

Exports were strategically re-aligned due to the volatility and sluggish demand in the international market.

The focus was on maintaining high percentage of value added products for higher realisations. Value added as percentage of overall exports was over 78% compared to ~ 49% in the previous year.

Special grade steel was developed in galvanised products, which helped the Company to climb up the value chain.

In view of the sluggish global demand, the Company repositioned some of its supplies to favourable markets.

We commenced supplies of several new grades for critical applications in galvanised and colour coated steel, making inroads into new sectors.

## 5. OPERATIONAL REVIEW

### 5.1 VIJAYANAGAR

#### OVERVIEW

The 12 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 coke-oven plant, the first-of-its-kind in India, facilitates coke blending from diverse sources.

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

The plant's CRM-II facility 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 has the capability to produce high strength and advanced



high strength steel, both in uncoated and coated (galvanised and galvanealed GI and GA) categories; and having width up to 1,870 mm. The CRM II facility also includes Continuous Annealing Lines.

Products such as slabs, billets, blooms, Hot Rolled (HR) coils and sheets, Cold Rolled Close Annealed (CRCA) coils and sheets, wire rods and bar rods, are customised to user applications; and contribute significantly to the organisation's profitability.

The capacity enhancement at the plant includes BF1 capacity augmentation from 0.9 to 1.9 MTPA, increasing process efficiencies in other blast furnaces as well, installation of new casters, modification of the converter shell to increase steel melting capacity and balance the product mix by installing a new 1.2 MTPA TMT bar mill. Besides, an Electrical Steel Complex at CRM-1 to produce 0.2 MTPA of Cold Rolled Non Grain Oriented (CRNGO) products along with annealing and coating lines (ACL) also started operating during the year.

#### FY 2015-16 Highlights

- Blast Furnace (BF) 1 was reconstructed, enhancing capacity to 1.9 MTPA.
- BF 2 increased oxygen availability from 6% to 8%, which increased productivity.
- Revamping of all converters of Steel Melt Shop (SMS) 2 was completed in 161 days resulting in enhanced production capacity.
- North yard hot metal entry was successfully commissioned in February 2016, leading to production enhancement.
- A total of 89 steel grades were developed.

#### Awards

- Platts Global Metals Award. (Industry Leadership)
- Porter Prize for Creating Shared Value. Porter Prize of Leveraging Unique Activities – weathering the iron ore crisis.
- CII-EXIM Bank Business Excellence Award – 2015 Awarded by Confederation Indian Industries (CII): Commendation Certificate for Significant Achievement.
- National Sustainability Award – 2015: First Prize amongst the Integrated Steel Plants Category by Indian Institute of Metals.
- CII-ITC Sustainability Award 2014: Awarded for Outstanding Accomplishment in Category F.
- Steel Minister's Trophy for 2013-14.

#### Way forward

- Augmentation of casting capacities of SMS1 and SMS2 to optimise product mix.
- Stabilisation of Electrical steel production, its service centre and product approvals with various OEMs.



Blast Furnace

## 5.2 DOLVI OVERVIEW

The 5.0 MTPA integrated steel plant at Dolvi is advantageously located on the western coast of Maharashtra. It is located close to a captive port and a jetty beside the complex can handle cargo of up to 15 MTPA. As part of backward integration, a pellet plant and a coke oven has been added to the complex through its 100% subsidiary Amba River Coke Limited. The Dolvi plant is India's first 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.

Blast furnace capacity has been enhanced to 3.5 MTPA. New 1.5 MTPA Billet caster and 1.4 MTPA Bar Mill have been set up. In addition, a second Sinter plant of 2.5 MTPA capacity has also been set up, to meet the enhanced sinter requirement of revamped blast furnace.

The Company's expansion at Dolvi will ensure diversification in terms of products and regions. The manufacture of long products at this plant will result in enhanced market access in western India and de-risking of supply chain disruptions. JSW Steel has now emerged as the only primary producer of long products in western India.

#### FY 2015-16 Highlights

- Capacity expansion in Phase1 was increased from 3.3 to 5 MTPA included the following:
- Blast furnace modification from 2 to 3.5 MTPA through the single block method, used for the first time in India.
- Sinter Plant 2 of 2.5 MTPA, Billet Caster of 1.5 MTPA and Bar Mill of 1.4 MTPA capacities installed.
- De-bottlenecking of SMS and up-gradation in caster and mill (Thin slab caster route).

- Second gallery of cross-country conveyor, installed with capacity to house four conveyors. One conveyor installed and commissioned.
- Rotary feeder installed at pellet plant for coke and lime, which resulted in reduced spillage and emissions.
- HTQ (high temp quenching) system was installed to improve the effectiveness of the Gas Cleaning Plant at SMS.

#### Awards

- Certificate of appreciation for achieving maximum overall improvement in 2013-14. The Dolvi plant secured 3rd rank in Prime Minister's Trophy 2013-14 competitions.
- Received Environment Greentech award in the Gold category.

#### Way forward

- Stabilising operations of the newly installed production facilities under capacity expansion.
- Implementing environment related projects aimed at reducing carbon footprint.

### 5.3 SALEM

#### OVERVIEW

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

#### FY 2015-16 HIGHLIGHTS

- BF 2 capital repair was completed and commissioned successfully, which helped to reduce fuel rate by 12 kg/THM and increased hot blast temperature from 1,060 to 1,175° C.
- The oil reheating furnace was replaced by 100 TPH BF gas fired furnace.
- For the first time in India, an online defect detection system for the inspection of coils at BRM was commissioned.
- High pressure descaling system (250 bar) was installed to improve the surface quality of rolled product.
- Hot Saw No. 3 at Blooming Mill was installed to improve the quality of cut ends in final products.
- 15 new steel grades were developed and customised.

#### Awards

- Won the second prize in IIM Sustainability Award under the alloy steel category.
- Received the commendation certificate for strong commitment to excel in CII-EXIM Business Excellence Award.
- Received the performance excellence trophy in the Ramakrishna Bajaj National quality award.
- Won the silver award at Greentech CSR Award.
- Platinum Award in Ratriyavibhushan CSR Award
- Received par excellence and distinguished award from National Convention and Quality Concepts (NCQC).
- Won the silver award in the six sigma category at the International Convention on Quality Control Chapter (ICQCC).
- Won two gold, three silver and 1 bronze in State Level Convention on Quality Circle (SLCQC).

#### Way forward

- Additional Caster (Caster 3) for SMS will be installed.
- Conversion of EOF-1 capacity from 45 to 65 tonnes.
- Downstream value addition through Annealing lines for BRM products will be undertaken.
- Installation of Waste Heat Recovery Boiler (WHRB 5) to reduce energy consumption.
- 30 MW steam turbine generators with auxiliaries will be installed.

## 6. FINANCIAL PERFORMANCE

### 6.1 STANDALONE

#### HIGHLIGHTS FY 2015-16

	(₹ Crores)		
	2015-16	2014-15	Growth (%)
Gross Turnover	40,354	49,658	-19%
Net Turnover	36,202	45,352	-20%
Operating EBIDTA	5,723	8,872	-35%
EBIDTA margin (%)	15.6%	19.2%	-19%
Depreciation and amortisation expense	2,551	2,785	
Interest Cost	2,687	2,909	
Profit before Exceptional Items	794	3,645	
Exceptional Items	5,860	396	
PAT	(3,498)	2,166	
Earnings per share (diluted) (₹)	(146.11)	88.24	
ROCE (%)	6.27%	11.89%	
Net Debt gearing ratio*	1.41	1.02	

\* excluding acceptance

The Company's gross turnover in FY 2015-16 declined by 19% from ₹ 49,658 crores to ₹ 40,354 crores mainly due to a decline in realisations, inspite of increase of 1 lacs tonnes of volume of sales. The operating EBIDTA for the year was at ₹ 5,723 crores, lower by 35% over last year, and EBIDTA margin stood at 15.6%. EBIDTA is lower due to reduction in sales realisation in line with international prices and import of steel products

# ₹40,354 Crores

Gross turnover in FY 2015-16 declined by 19% from ₹ 49,658 crores to ₹ 40,354 crores.

at predatory prices into India. However lower prices of Iron ore and Coal and operational efficiencies has mitigated the impact of lower realisation to some extent.

The Company registered a net loss after tax of ₹ 3,498 crores, primarily driven by provision for diminution in value of investments and loans and advances in 3Q FY 2016.

The Company's total net debt gearing was at ₹ 1.41 (vis-à-vis ₹ 1.02, as on March 31, 2015). The weighted average interest cost of debt was at 7.50% (vis-à-vis 7.75% as on March 31, 2015).

#### Revenue analysis

(₹ Crores)				
	2015-16	2014-15	Change	Change %
Domestic Turnover	37,590	41,247	(3,657)	-9%
Export Turnover	2,764	8,410	(5,646)	-67%
	40,354	49,658	(9,303)	-19%
Less: Excise duty	4,152	4,306	(154)	-4%
	36,202	45,352	(9,149)	-20%
Other Operating Revenues	504	736	(231)	-31%
<b>Total</b>	<b>36,707</b>	<b>46,087</b>	<b>(9,381)</b>	<b>-20%</b>

#### Product wise sales quantity break-up (MnT.)

	2015-16	2014-15	% growth
Products			
Semis	0.21	0.39	-46%
Rolled products – Flat	9.20	9.66	-5%
Rolled products – Long	2.71	1.98	+37%
<b>Total Saleable Steel</b>	<b>12.13</b>	<b>12.03</b>	<b>+1%</b>

FY 2015-16 was particularly challenging for the Steel Industry, due to structural global over supply and fall in demand. The global steel demand was weak with lower investment activities and weak manufacturing across most regions. As the steel surplus countries resorted to dumping in other countries, the realisations were impacted severely. More over the global uncertainties and volatility has significantly impacted the commodities market.

The domestic steel industry continues to suffer from rising imports – especially from China, Japan and South Korea. The domestic steel industry is grappling with headwinds of an insipid demand, excess supply and pricing pressure, driven by a surge in imports at predatory pricing.

In this scenario, JSW's performance was relatively strong with improvement in absolute volumes in domestic market. The sales volume stood at 12.13 million tons up by 1% as compared to the previous year. JSW reduced the export dependency and focussed on domestic market to protect the fall in realisations. This was driven by a focus on value-added and branded products in addition to developing existing and new markets.

**IN THIS SCENARIO, JSW STEEL'S PERFORMANCE WAS RELATIVELY STRONG WITH IMPROVEMENT IN ABSOLUTE VOLUMES IN DOMESTIC MARKET. THE SALES VOLUME STOOD AT 12.13 MILLION TONS UP BY 1% AS COMPARED TO THE PREVIOUS YEAR.**

The other operating revenues was lower by ₹ 231 crores as compared to the previous year due to lower sales tax incentives, in view of the decline in realisations and one-off write back of liabilities during the previous year.

#### Highlights FY 2015-16

- Increase in retail sales by 75% helped domestic sales to grow by 20%.
- Product mix improved with value-added products sales, reaching 35% of total sales, despite lower exports.
- TMT sales grew 86%.
- CRCA sales grew 41%.

(₹ Crores)				
	2015-16	2014-15	Change	Change %
Other Income	310	467	(157)	-34%

Other income for the year is lower as there were certain one-off incomes relating to profit on sale of equity share to other subsidiaries and sale of fixed assets in the previous year and lower dividend income from investments in subsidiaries and associates.

(₹ Crores)				
	2015-16	2014-15	Change	Change %
Cost of materials consumed	20,283	26,064	(5,782)	-22%

The Company's expenditure on raw materials decreased by 22% from ₹ 26,064 crores in FY 2015-16 to ₹ 20,283 crores in FY 2015-16 primarily on account of lower input prices of iron ore, coking-coal and other raw material prices. The various cost saving measures including price negotiations under taken during the year contributed to the lower cost of materials consumed.

(₹ Crores)				
	2015-16	2014-15	Change	Change %
Employee Remuneration and Benefits	956	947	10	1%

Employee benefits expenses increased by 1% to ₹ 956 crores in FY 2015-16 from ₹ 947 crores in FY 2015-16. The Company employed about 11,904 employees as on March 31, 2016, vis-a-vis 12,271 as at the end of March last year.

Manufacturing and other expenses (₹ Crores)				
	2015-16	2014-15	Change	Change%
Other Expenses	9,745	10,205	(459)	-5%

Manufacturing and other expenses decreased by 5% from ₹ 10,205 crores to ₹ 9,745 crores in FY 2015-16, owing to a decrease in power and fuel cost by ₹ 383 crores during the year. The power and fuel cost came down because of lower thermal coal cost and corresponding reduction in purchased power.

Finance cost (₹ Crores)				
	2015-16	2014-15	Change	Change%
Finance cost	2,687	2,909	(221)	-8%

Finance cost decreased by 8% to ₹ 2,687 crores in FY 2015-16 from FY ₹ 2,909 crores. The decline was primarily due to lower borrowing cost due to refinancing of rupee term loan with \$ 500 million foreign currency bond in the previous year, refinancing of high cost debt, and reduction in rupee term loans interest rates due to reduction in base rate of various banks.

Depreciation and amortisation (₹ Crores)				
	2015-16	2014-15	Change	Change%
Depreciation and amortisation	2,551	2,785	(233)	-8%

Depreciation and amortisation decreased by 8% to ₹ 2,551 crores in FY 2015-16 from ₹ 2,785 crores in FY 2014-15. This was primarily due to componentisation of assets as required under the Companies Act, 2013.

Pursuant to Companies Act, 2013 (the Act), effective April 1, 2015, the Company has, based on external technical advice, identified components (significant parts) of the main assets having different useful lives, compared to the main asset and consequently revised the estimated useful life of assets. This decrease in depreciation was partially offset by additional depreciation due to capitalisation of Steel Melting Shop-3, Bar Rod Mill and Cold Rolling Mill-2 facilities at the Vijayanagar location.

Fixed Asset (₹ Crores)				
	2015-16	2014-15	Change	Change%
Tangible assets	41,975	38,498	3,477	9%
Intangible assets	62	72	(10)	-14%
Capital work-in-progress	6,204	7,594	(1,390)	-18%
Intangible assets under development	236	196	40	20%
<b>Total</b>	<b>48,476</b>	<b>46,359</b>	<b>2,117</b>	<b>5%</b>

Fixed Assets increased during the year primarily due to capitalisation of the cold rolling mill and 12 MnT project at Vijayanagar works during the year.

Loans and advances (₹ Crores)				
	FY 2015-16	FY 2014-15	Change	Change%
Long-term loans and advances	4,858	5,012	(154)	-3%
Short-term loans and advances	3,626	6,537	(2,911)	-45%

Long-term loans and advances decreased by ₹ 154 crores mainly due to decrease in Capital Advance paid to suppliers against Fixed Assets. The short-term loans were lower by ₹ 2,911 crores primarily due to provisions made during the year for loans and advances given to certain overseas subsidiaries.

Inventories (₹ Crores)				
	2015-16	2014-15	Change	Change%
Raw Materials	2,651	3,266	(616)	-19%
Work-in-Progress	588	890	(302)	-34%
Semi Finished/Finished Goods	2,360	3,178	(818)	-26%
Production Consumables and Stores & Spares	1,176	1,250	(74)	-6%
<b>Total</b>	<b>6,776</b>	<b>8,585</b>	<b>(1,809)</b>	<b>-21%</b>

The average inventory holding in terms of number of days as on March 31, 2016 was 80 days vis-a-vis 84 days as on March 31, 2015. The value of Inventories reduced by 21% primarily due to lower Inventory rates due to lower prices of iron ore, coal and other raw materials as compared to previous year.

Trade receivables (₹ Crores)				
	2015-16	2014-15	Change	Change%
Trade Receivables	2,511	2,027	484	24%

The average debtors i.e. collection period, in terms of the number of days as on March 31, 2016 was 23 days, compared to 15 days as on March 31, 2015.

Borrowings (₹ Crores)				
	2015-16	2014-15	Change	Change%
Borrowings	31,199	28,134	3,065	11%

Borrowings increased by ₹ 3,065 crores during the year. This increase was primarily due to a drawal of loan for the capacity expansion projects at Vijayanagar and 1.5 MTPA expansions project at Dolvi during the year.

Trade payables	(₹ Crores)			
	2015-16	2014-15	Change	Change%
Trade payables	10,998	12,515	(1,518)	-12%

Trade payables decreased by 12% mainly due to decrease in acceptances for raw material and lower raw material prices.

#### Capital employed

Total capital employed decreased by 5% from ₹ 56,825 crores as on March 31, 2015 to ₹ 54,176 crores as on March 31, 2016.

Return on capital employed is 6.27% for FY 2015-16. This is expected to improve over the next year, because the 25% expanded capacity (from 14.3 MTPA to 18 MTPA) will start earning returns.

#### Own funds

Net worth decreased from ₹ 25,725 crores as on March 31, 2015 to ₹ 21,753 crores as on March 31, 2016; as the Company has made provisions relating to certain subsidiaries for diminution in value of investments, other than temporary, in the value of certain overseas investments, loans and advances; and towards certain guarantees for borrowing by the subsidiaries, which has been disclosed as exceptional items in books.

The book value per share was ₹ 868 as on March 31, 2016 against ₹ 1,033 as on March 31, 2015.

Reserves: Reserves and surplus decreased from ₹ 24,657 crores as on March 31, 2015 to ₹ 20,686 crores as on March 31, 2016.

## 7.2 CONSOLIDATED

The Company has reported a consolidated gross turnover, net turnover, operating EBIDTA and net loss after tax of ₹ 45,642 crores, ₹ 41,217 crores, ₹ 6,073 crores and ₹ 742 crores, respectively. The Company's consolidated financial statements include the financial performance of the following Subsidiaries, Joint Ventures and Associates.

Subsidiaries	
1	JSW Steel (Netherlands) B.V.
2	JSW Steel (UK) Limited
3	Argent Independent Steel (Holdings) Limited
4	JSW Steel Service Centre (UK) Limited
5	JSW Steel Holding (USA) Inc.
6	JSW Steel (USA) Inc.
7	Periama Holdings, LLC
8	Purest Energy, LLC
9	Meadow Creek Minerals, LLC
10	Hutchinson Minerals, LLC
11	R.C. Minerals, LLC

Subsidiaries	
12	Keenan Minerals, LLC
13	Peace Leasing, LLC
14	Prime Coal, LLC
15	Planck Holdings, LLC
16	Rolling S Augering, LLC
17	Periama Handling, LLC
18	Lower Hutchinson Minerals, LLC
19	Caretta Minerals, LLC
20	JSW Panama Holdings Corporation
21	Inversiones Eroush Limitada
22	Santa Fe Mining
23	Santa Fe Puerto S.A.
24	JSW Natural Resources Limited
25	JSW Natural Resources Mozambique Limitada
26	JSW Mali Resources SA
27	JSW ADMS Carvao Limitada
28	JSW Steel East Africa Limited
29	JSW Steel Processing Centres Limited
30	JSW Bengal Steel Limited
31	JSW Natural Resources India Limited
32	JSW Energy (Bengal) Limited
33	JSW Natural Resource Bengal Limited
34	Barbil Beneficiation Company Limited
35	Barbil Iron Ore Company Limited
36	JSW Jharkhand Steel Limited
37	JSW Steel Coated Products Limited
38	Amba River Coke Limited
39	Nippon Ispat Singapore (PTE) Limited
40	Erebus Limited
41	Arima Holdings Limited
42	Lakeland Securities Limited
43	Peddar Realty Private Limited
44	Everbest Steel & Mining Holdings Limited
45	JSW Steel (Salav) Limited
Associate companies:	
46	JSW Praxair Oxygen Private Limited
47	Dolvi Minerals & Metals Private Limited
48	Dolvi Coke Projects Limited
Jointly controlled entities:	
49	Vijayanagar Minerals Private Limited
50	Rohne Coal Company Private Limited
51	Geo Steel LLC
52	JSW Severfield Structures Limited
53	JSW Structural Metal Decking Limited
54	Gourangdih Coal Limited
55	JSW MI Steel Service Center Private Limited
56	JSW Vallabh Tinplate Private Limited

## 7. RESEARCH, DEVELOPMENT AND INNOVATION

The Company's Research and Development (R&D) initiatives comprise: process development and improvements, energy optimisation, product development and customisation, effective waste utilisation and conservation of natural resources.



JSW Steel's R&D division is actively involved in industry-academic partnerships; and has initiated multiple collaborative projects with leading academic and research institutes in India like, CSIR-NML Jamshedpur, IIT Bombay, IIT Madras, IIT Kharagpur, IISc Bangalore, NIT Surathkal, NCCBM Ballabgarh, CSIR-IMMT Bhubaneswar and BITS Pilani. In addition, the Company initiated an international collaborative research programme with BASF, Germany, to develop special purpose reagents for iron ore beneficiation. An MoU for this was signed in September 2015.

**Products developed/customise**

Location	Products
Vijayanagar	89 steel grades, including flat and long rolled products
Dolvi	5 steel grades
Salem	15 steel grades

**Intellectual Property**

**Patents filed and Technical Papers published**

Location	Patents filed	Technical Publications
Vijayanagar	6	22
Dolvi	2	5
Salem	Nil	9
<b>Total</b>	<b>8</b>	<b>36</b>

**The Way Ahead**

At JSW Steel, the focus of the R&D division is to aid continuous performance improvement, value creation and cost reduction through innovative research (relating to existing operations and strategic business requirements).

The Division's focus for the next three years, therefore, will be to:

- Develop reagents for improving the efficiency of floatation process, so that it can handle high alumina ores.
- Develop high strength steel with 1,300 MPA for automotive applications.
- Develop fluidised bed reduction roasting process for slimes and low grade iron ores for maximising iron recovery.
- Develop processes that enable energy conservation, waste utilisation, water conservation and reduce overall harmful impact on the environment.
- Develop new products/grades for upcoming applications.

**8. BULK RAW MATERIAL PROCUREMENT**

**8.1 RAW MATERIAL OVERVIEW**

Iron ore and coal prices have witnessed large-scale volatility in recent times. This made sourcing and keeping costs under control a significant challenge in the last fiscal. The Company's



consistent focus and strategy to diversify raw material sourcing has provided us the desired result, especially during the turbulent times in the commodities market. The Company has been able to meet its raw material requirement without compromising on quality or production schedules.

**IRON ORE**

Iron ore prices in international markets plunged to a record low in the last fiscal. To sustain the requirement for iron ore, the Company strategised to optimally source it, from different regions. Moreover, this year commodity prices were also partially hedged, de-risking the volatility associated with imports.

**COAL**

A basket of contract provisions linked to market with options and continuous buying across troughs and peaks of a business cycle are in place to reduce the impact of volatility in price. Concerted efforts towards sourcing from different geographies and suppliers over past few years is being followed to have desired results without compromising the production schedules; qualitative or quantitative.

**LOGISTICS**

Another significant cost attached to bulk raw material is logistics. A focused drive across plants was initiated by JSW Steel during the year to optimise costs from customised solutions. The initiative has already started yielding results to optimise shipping freight. The development of a cape compliant port to handle imported cargo added to the Company's efficiency and cost competitiveness.

## 8.2 RAW MATERIAL SECURITY

JSW Steel currently does not enjoy as much access to captive raw material resources like some of its peers. However, the Company is working to enhance its raw material self-sufficiency. To achieve this, it continues to explore opportunities, both within and outside India.

The new MMDR Amendment Act has called for a level playing field for industry players and transparent allocation process of raw materials through competitive bidding. JSW Steel will focus on this opportunity to enhance raw material security, going forward.

Significant developments on the raw materials front include:

1. Secured the 'Moitra' coking coal block via an auction process. This mine has total extractable coal reserve of around 30 MnT, is situated at Jharkhand.
2. Intends to participate in the forthcoming auctions of C-category iron ore mines in Karnataka.
3. Plans to participate in the auction iron ore mines in few others states as well, to fulfil the Company's goal of self-sufficiency on the raw materials front.

## 9. ENERGY MANAGEMENT OVERVIEW

At JSW Steel, energy management plays a pivotal 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 implemented a comprehensive energy management programme, encompassing steam, fuel, special gases and hot air.

### ACHIEVEMENTS IN FY 2015-16

#### Vijayanagar

- Consumption of DRI gas in gas mixing station to increase captive power generation.
- Flaring of Corex gas was reduced to 1.4% and was made possible by parallel enabling high pressure in the Corex and improved utilisation in Direct Reduced Iron plant. Gas utilisation in BF gas was optimised at 96.8% by utilising surplus BF gas in process steam boilers and in power plants.

#### DOLVI / Dolvi

- Achieved 22,000 Nm<sup>3</sup>/hour usage of coke oven gas to produce DRI at Sponge Iron Plant, which is nearly 20% of the gas requirement.

### THE NEW MMDR AMENDMENT ACT HAS CALLED FOR A LEVEL PLAYING FIELD FOR INDUSTRY PLAYERS AND TRANSPARENT ALLOCATION PROCESS OF RAW MATERIALS THROUGH COMPETITIVE BIDDING. JSW STEEL WILL USE OPPORTUNITY TO ENHANCE RAW MATERIAL SECURITY.

- Blast Furnace Gas (BFG) flaring has been reduced by 5.5%.
- Replacing conventional lights with LED lights at HSM area for Energy Savings.
- Achieved the COG utilisation 99.8%.
- Revamping of waste heat recovery Boiler of Sinter-I, resulting in increase of Steam generation.

#### Salem

- Coal handling plants running duration was reduced by avoiding idle running and non-value added running.
- Power consumption was reduced in chiller unit through process optimisation and by installation of drives in cooling water system.
- Coke consumption was reduced in BF 2 by increasing the hot blast temperature.
- Power saving through coating of pump casing.

#### The way forward

##### Vijayanagar

- Installation and commissioning of 150 TPH boiler at BF-1.
- Plan to convert its LPG station electric vaporisers to steam vaporisers.
- Plans to install a turbine at the 60 TPH boiler to offset steam purchase and generate power, utilising the differential pressure.

##### Dolvi

- Installation of Waste heat recovery Boiler in Sinter-II, generation of 14 tons/hr steam at low pressure.
- Installation of BF gas holder to reduce the gas flaring.
- Running both coke oven batteries on Mixed gas for saving COG, which inturn will reduce NG requirement.

##### Salem

- Installation of waste heat recovery boiler at coke oven battery No. 2.
- Drive for PCI exhaust fan.

## 10. RISK MANAGEMENT

JSW Steel follows the Committee of Sponsoring Organisation (COSO) framework of risk management that ensures timely anticipation, impact assessment, prioritisation and response to risks affecting organisational objectives.



Billet Storage Yard

The Company follows a combination of top down and bottom up approach, ensuring foresight and insight with regards to risks before they arise or spread.

The risk management oversight framework at JSW Steel comprises:

- Board of Directors
- Risk Committee Directors (four independent and all executive)
- Corporate Risk Committee (Chaired by the JMD and attended by unit and corporate function heads)

Key risks are as under:

Risk type	Risk and impact	Response strategies
Macro environment and demand supply dynamics	<p>The macroeconomic situation and overall oversupply in the world meant that steel capacities were underutilised (less than 70%).</p> <p>Despite of high capital, labour, logistics, mineral taxation costs, India is the world's second most competitive country. However, due to large scale Chinese imports at predatory prices coupled with protectionist measures by other countries, export potential has reduced. The exchange rate devaluation by other countries has made it more difficult for Indian steel to get exported.</p>	<p>Representations to Government for enforcement of various trade measures, including Safeguard, anti-dumping and Minimum Import Price.</p> <p>JSW Steel undertakes a strategic de-risking programme by deepening customer reach and widening product range.</p> <p>In addition, increased value addition and segmentation planning has ensured that the Company's production is better aligned to demand, and it insulates against lower capacity utilisation to a large extent.</p> <p>The Company has aligned itself to proactively address risks through plans that are system driven, both annually and on a roll over basis. The plans are dynamic, that can be changed as per shifts in market.</p> <p>The Company tracks macroeconomic, country, industry, market segment specific factors and import data affecting investment, consumption and cost competitiveness.</p>

<b>Risk type</b>	<b>Risk and impact</b>	<b>Response strategies</b>
Raw material availability and cost	Trading of commodities has plateaued globally. Many bulk commodities are trading close to production-cost level. Focus on renewable energy continues to affect the demand for coal.	The Company regularly tracks: <ul style="list-style-type: none"> <li>• Commodity markets.</li> <li>• Sourcing options from different alternatives.</li> <li>• Relationship management for regular supply and timely signals of future trends on the commodities market.</li> <li>• Any changes in government policies of the sourcing countries.</li> <li>• Options for price contracts (long term/ spot or indexed) and hedging as per approved strategy.</li> </ul>
Disruptions in plant operations	Last year's less than normal monsoon resulted in acute water scarcity in several parts of our country.	<b>Vijayanagar</b> <ul style="list-style-type: none"> <li>• Present water storage capacity is being increased from 25 days' to 90 days' storage.</li> <li>• Additionally, water allocation has been requested from the State Government for future plant expansions.</li> <li>• Treated sewage water as make-up has been tried successfully.</li> </ul> <b>Dolvi</b> <ul style="list-style-type: none"> <li>• Dependence on one pipeline alone has been reduced by installing an additional line.</li> <li>• Worked on devising schemes, that was proposed to Maharashtra Water resources department for carrying water from main river to pumping station via tunnel.</li> </ul>
Infrastructure and logistics	The following constraints can affect material movements and future preparedness for increased volume: <ul style="list-style-type: none"> <li>• Port – capacity, infrastructure, hinterland connectivity.</li> <li>• Railway tracks and rakes – needs other industry players.</li> <li>• Road congestion condition, pollution, safety and availability of trucks.</li> <li>• Limited options in internal water ways.</li> <li>• Pipelines - ROW, topography, continuous availability of water and power supply.</li> <li>• Distribution network – geographical location, as well as the product type that is to be distributed.</li> <li>• Internal raw material handling system – storage space and evacuation.</li> </ul>	The Company's centralised logistics cell facilitates: <ul style="list-style-type: none"> <li>• Strategic roadmap to be implemented to be future ready for worst/best case scenario in 2020. The road map includes multiple options for transportation, prioritisation of activity and an effective network. Besides, new models like multi-modal transport and other key initiatives will be implemented.</li> <li>• Optimisation of infrastructure spend, evenly spread evacuation from plant, inventory, service level, material handling care and costs.</li> </ul>
Environment	The Central Pollution Control Board (CPCB) has proposed new draft standards for Integrated Steel Plants (ISPs) related to dust emissions, liquid discharge and more. New norms for coal-based Thermal Power Plant have also been notified. These regulations are stringent and have to be complied within two years. Ecological sensitivities in the surrounding areas of the plants cause local communities to react.	The Company closely monitors compliance with norms. Integrated Steel Plants are discussing with The Central Pollution Control Board (CPCB) to have acceptable norms matching with technology implemented. The Company engages with local people and government bodies to preserve bio-diversity in eco-sensitive areas.

<b>Risk type</b>	<b>Risk and impact</b>	<b>Response strategies</b>
Finance: a) Funding b) Liquidity c) Credit d) Volatility	Multiple factors cause uncertainty about capital flows. Unknown risks, therefore, affect liquidity, funding and volatility.  Banks' exposure to commodity producers is being reduced due to commodity market conditions.  Customer/vendor financial position affects capacity and credit limit. Thus, it has a direct bearing on the credit situation.	The Company ensures that the following key actions are implemented: <ul style="list-style-type: none"> <li>• Understanding global inter linkages/ dynamics and stress testing ensures that the Company is prepared for sudden shifts in the global financial landscape.</li> <li>• Regularly reviewing hedging strategy.</li> <li>• Regular tracking of funding and covenants.</li> <li>• The Executive Committee and other unit/functional heads closely monitor operational plans, cost optimisation, inventory, collections and vendor credit.</li> </ul>
Information systems	Absence of comprehensive disaster management for SAP can affect systems and hinder operations.  The slow pace of digitisation can affect operations and reduce competitive advantage.	The Company has the following initiatives in place: <ul style="list-style-type: none"> <li>• The disaster management will be strengthened.</li> <li>• Distributor Management system is being digitalised to get visibility of secondary sales and enhance customer experience.</li> <li>• GPS implementation and integration work for outbound dispatches at Vijayanagar.</li> <li>• Internet and intranet-based applications for strong positioning of the JSW brand and improve employee collaboration and learning.</li> </ul>

## **11. HUMAN RESOURCE MANAGEMENT OVERVIEW**

JSW Steel has emerged as a leading steel manufacturer in India through a deep conviction in its capabilities and persistent efforts. The Company's phenomenal growth, over the years, is a testament of the dedication and perseverance of every JSWite.

JSW Steel attributes its success to its people and is proud to have a robust talent pool with varied skill sets in engineering, management and finance, CSR, HR and other domains.

The rich experience of its leadership, coupled with the exuberance of its young workforce has helped create a vibrant and collaborative environment at the organisation.

### **ORGANISATIONAL DEVELOPMENT**

A multi-pronged approach in organisational development is in place to attract, retain and develop people. JSW Steel believes in infusing the right talent across the organisational hierarchy; and as a sustainable measure, the Company believes in inducting young workforce.

The structured JSW Summer Internship Programme (SIP) and Graduate Rotation Programme (GRP) are designed to identify and groom future leaders for the Company.

Every year talented undergraduate interns are recruited from premiere institutes across India. They are assigned specific projects that add value to the business/systems and processes. These youngsters go through a rigorous training for two months. At the end of their stint, they are evaluated through a robust assessment process; and the best performing interns are offered employment under GRP.

In its endeavour to retain, develop and build home-grown talent, JSW Steel has also introduced the Fast Track Programme (FTP) for the high-performing and high potential employees across grades.

Similarly, Project UTKARKH has been initiated at Vijayanagar for developing a competency framework for the organisation to assess capabilities and prepare individual development plans. The project focuses on the identification of competencies of middle and senior management using the framework.

### **EMPLOYEE MENTORING AND COACHING**

A new mentoring initiative called 'Gurucool' has been implemented to engage new recruits and help them in their professional and personal journey at JSW Steel. This initiative ensures that new employees are gainfully engaged and properly groomed to inculcate a culture of triumph through teamwork.



'Gurucool' is a strategic approach to develop an employee (mentee). Senior leaders are being identified, trained and certified to be a coach at the workplace. In the first phase, 10 leaders have been certified as coaches.

## EMPLOYEE ENGAGEMENT

JSW Steel has devised various engagement frameworks to improve and strengthen employee engagement.

A few such initiatives include:

- PRERANA**  
 A four-month programme, 'Prerana', empowers young engineers with the requisite technical and behavioural skills, before deploying them at the workplace.
- KWENCH – LEARN ON THE GO (THE ONLINE LIBRARY)**  
 An online library has been set up in collaboration with 'Kwench'. This library can be accessed by employees and their families across different locations and businesses.
- MERA SUHJAV (SUGGESTION) SCHEME**  
 This employee suggestion scheme provides a solid platform for employees to engage, participate and contribute to the process improvement, which is expected to result in significant time and cost savings.

### Training and development

The new and existing employees are trained through various in-house training programmes and are made ready to support the growth trajectory of JSW Steel. The Company also runs a large number of training programmes at its plant locations, with internal faculties to impart technical and behavioural training. The programmes cover employees as well as associates for improving productivity and foster a safe working environment.

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

- Over 500 technical and over 200 behavioural training programmes were conducted in-house by both internal and external faculty.
- Tie ups with premier institutes for employee education. To inculcate a culture of continuous learning among employees, JSW Steel has tied up for an off-campus B.S. course with BITS Pilani, M. Tech with IIT Mumbai and Post Diploma in Industrial Safety with RGIST.
- Talent acquisition through industrial projects is a programme under which students (pursuing degrees

in engineering and business management from premier technology institutes and business schools) are encouraged to take up internships and projects with JSW Steel. The Company's manufacturing and other functional departments prioritise projects to offer to the selected students' group. The objective is to evaluate their knowledge application, innovative approach, teamwork and professional temperament to facilitate measurable outcomes, leading to pre-placement offers to selected students.

### Capability building

The Company has commenced a series of advanced interventions for employees across the organisation. Some specific interventions introduced are Great Managers, Presentation Excellence, Breakthrough Communications, Great Leaders and Workplace Coaching for Leaders, among others. Additionally, the Company is making a shift in the learning and development space by moving to the e-learning platform. The aim is to cover the entire workforce in a phased manner.

### Empowerment of women

JSW Steel conducts a series of initiatives to maintain an appropriate gender balance in its workforce. It also helps create legal awareness for women employees and has a zero-tolerance approach towards sexual harassment at the workplace. Women employees are also imparted special trainings. These initiatives reflect the Company's commitment to empowerment of women.

JSW Steel is an equal opportunity employer and strives to increase the number of positions held by women employees every year. Special programmes on personality development, managerial development and leadership development are being organised for grooming and enhancing the competencies of women employees for positions higher up the hierarchy.

There are sessions conducted for women to make them aware of legal acts, such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Protection of Human Rights Act, 1993.

Women also participate in special training programmes like Life Enrichment, First Aid, and Life Etiquette Training programme, among others.

### Rewards and recognition

The rewards and recognition mechanism continues to evolve at JSW Steel to encourage innovation at work. The idea is to strengthen a culture of creativity and innovation through the use of various mechanisms to reward and recognise employees, either as an individual or as part of a team, for top-



notch performance. This facilitates the Company's pursuit of its strategic goals and objectives.

In addition to the impressive array of awards ('Best Employee', 'Exemplary Work', 'Best Suggestion', 'Best Safety Man', 'Bravery and Courage' award, 'Best QC', 'Intellectual Property Rights', Award for 'Best Contractor'), a new award ('Quarterly Departmental/ Cluster Champions') has been added.

The quarterly award of cluster champion is given in recognition of self-initiated improvements, best safety practices, troubleshooting skills and innovation and creativity. Champions are selected every quarter and their photographs are displayed in prominent areas of their department.

## **12. INFORMATION TECHNOLOGY OVERVIEW**

JSW has already embarked on the digitisation journey. The entire organisation is now on SAP platform encompassing ERP, Supply Chain Management (SCM) and Business Intelligence

(BI) systems. This has enhanced the Company's ability to plan with trustworthy data, manufacture on-spec quality products and better on-time delivery compliance.

### **HIGHLIGHTS**

- During the year, the Company improved the Information Technology – Operations Technology (IT-OT) integration spanning across L1 to L4 automation systems.
- Better order-to-cash and plan-to-produce cycles through seamless data exchange.
- To cover the entire value chain, the Company has started extending information systems (as per proper access authorisations) to customers, distributors and retailers.

### **WAY FORWARD**

- As a next step on the digitisation route, the Company is designing enterprise architecture to embrace the next generation Industry 4.0 architecture.
- The size and complexity of data, along with the depth and breadth at each layer of automation, requires a smart footprint of L5 – Business Intelligence layer. It will collect, collate, read, infer and analyse data to accelerate and amplify the ability to take informed decisions.
- The Company is also embarking upon the implementation of SAP Business Planning & Consolidation (BPC) system, Governance Risk & Compliance (GRC) and Mobility solutions.
- The revamped website ensures improved viewer accessibility and excellent reader experience. Overall, adding value to the Company's image and brand equity.
- In FY 2016-17, the intranet will be overhauled with a view to improve employee collaboration and knowledge management.

## **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.

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## DIRECTORS' REPORT

To the Members of  
**JSW STEEL LIMITED,**

Your Directors take pleasure in presenting the Twenty Second Annual Report of your Company, together with the Standalone and Consolidated Audited Financial Statements for the year ended March 31, 2016.

### 1. FINANCIAL RESULTS

(₹ in crores)

Particulars	Standalone		Consolidated	
	FY 2015-16	FY 2014-15	FY 2015-16	FY 2014-15
Gross turnover	40,354.48	49,657.51	45,642.48	56,571.86
Less : Excise duty	4,152.04	4,305.99	4,425.18	4,521.29
Net turnover	36,202.44	45,351.52	41,217.30	52,050.57
Add : Other operating revenues	504.48	735.80	661.58	920.94
Revenue from operations	36,706.92	46,087.32	41,878.88	52,971.51
<b>OPERATING EBIDTA</b>	5,722.52	8,871.64	6,072.99	9,402.29
Add : Other income	310.19	466.77	168.21	111.44
Less : Finance costs	2,687.34	2,908.69	3,302.68	3,493.03
Less : Depreciation and amortization	2,551.45	2,784.50	3,187.92	3,434.49
Profit before exceptional items and tax	793.92	3,645.22	(249.40)	2,586.21
Less : Exceptional items	5,860.45	396.30	2,125.41	47.10
Profit /(Loss) before taxation (PBT)	(5,066.53)	3,248.92	(2,374.81)	2,539.11
Less : Tax expense	(1,568.25)	1,082.44	(1,524.05)	819.41
Profit after taxation, but before minority interests and share of profits/(loss) of associates	(3,498.28)	2,166.48	(850.76)	1,719.70
Share of profit / (losses) of minority	-	-	(95.03)	(74.77)
Share of (losses) / profit from associates (Net)	-	-	13.78	2.10
Profit after taxation (PAT)	(3,498.28)	2,166.48	(741.95)	1,796.57
Add : Profit brought forward from previous year	5,229.20	3,744.93	2,218.95	1,104.69
Amount available for appropriation	1,730.92	5,911.41	1,477.00	2,901.26
Depreciation on transition to Schedule II of the Companies Act, 2013	(109.98)	(47.29)	(118.71)	(47.39)
Transfer to debenture redemption reserve	(302.44)	(64.32)	(302.44)	(64.32)
Dividend on preference shares	(27.90)	(27.90)	(27.90)	(27.90)
Proposed final dividend on equity shares	(181.29)	(265.89)	(181.29)	(265.89)
Corporate dividend tax	(42.59)	(59.81)	(42.59)	(59.81)
Transfer to general reserve	-	(217.00)	-	(217.00)
Closing Balance	1066.72	5,229.20	804.07	2,218.95

### 2. RESULTS OF OPERATIONS

The financial year FY 2015-16 was marked by structural excess steel capacity globally, falling demand and steep drop in prices. Indian steel industry, in-spite of growth in demand faced severe stress and fall in margins caused by surge in steel imports at predatory prices. In these challenging conditions, the Company's profitability was also impacted.

#### (A) STANDALONE RESULTS

The Company recorded Crude Steel production at 12.56 million tonnes, lower by 1% YoY while Saleable Steel sales volume stood at 12.13 million tonnes, up by 1%. The current year volumes were lower, as the

second half of the year was marked by the shutdowns of three of its furnaces for relining/modification and capacity expansion at the Vijayanagar, Dolvi and Salem units of the Company. The Blast Furnaces at Vijayanagar and Salem works were re-commissioned in February 2016 and the Blast Furnace at Dolvi works was re-commissioned in March 2016. On completion of these projects, the installed capacity of the Company has increased by about 25% – from 14.3 million tonnes per annum to 18 million tonnes per annum.

The gross turnover and net turnover for the year under review stood at ₹ 40,354 crores and ₹ 36,202 crores, respectively – registering a decline of 19% and 20%.

The topline was impacted by lower steel prices due to lower commodity prices, accentuated by elevated level of imports at predatory prices. Consequently, the operating EBITDA at ₹ 5,723 crores, was lower by 35% mainly due to weaker price realisations. EBITDA margin was at 15.60%. The net loss after tax was at ₹ 3,498 crores after considering exceptional item charge of ₹ 5,860 crores. The exceptional item includes provisioning for diminution in value of investments, other than temporary, in the value of certain investments, loans and advances and towards certain guarantees for borrowing by the subsidiaries. The Company's net worth was ₹ 21,753 crores as on March 31, 2016 as compared to ₹ 25,725 crores as on March 31, 2015. The Company's net debt gearing stood at 1.41x (compared to 1.02x as on March 31, 2015) and net debt to EBITDA was at 5.35x (compared to 2.97x as on March 31, 2015).

### (B) CONSOLIDATED RESULTS

The consolidated gross turnover and consolidated net turnover for the year under review was ₹ 45,642 crores and ₹ 41,217 crores, respectively, both showing a reduction of 19% and 21% respectively, primarily on account of lower steel prices. The consolidated Operating EBITDA declined by 35% to ₹ 6,073 crores. The net loss after tax was at ₹ 742 crores, after considering exceptional item charge of ₹ 2,125 crores.

As a result, the consolidated net worth decreased to ₹ 21,651 crores as on March 31, 2016, from ₹ 23,152 crores as on March 31, 2015. The net debt gearing was at 1.78x (compared to 1.55x as on March 31, 2015) and net debt to EBITDA was at 6.33x (compared to 3.81x as on March 31, 2015).

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.

In terms of Section 134(3)(l) of the Companies Act, 2013, except as disclosed elsewhere in this report, no material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this 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 per share on the 10% Cumulative Redeemable Preference Shares of ₹ 10 each of the Company, for the year ended March 31, 2016. Considering the Company's performance and financial position for the year under review, the Board has also recommended a dividend of ₹ 7.50 (75%) per fully paid-up Equity Share of ₹ 10 each of the Company, for the year ended March 31, 2016, 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 ₹ 218.20 crores, vis-à-vis ₹ 320.02 crores paid for FY 2014-15.

### 4. PROSPECTS

The global economic growth remained largely subdued in CY 2015. The year was marked by: a) gradual slowdown and rebalancing in China b) lower investments and subdued global trade flow growth, c) declining prices of energy and other commodities, and d) a hawkish stance by US Fed. Despite the sustained monetary easing by most of the economies, the global growth remained sluggish. The global economy saw a sizeable leg down in the last quarter of CY 2015 – in both advanced and emerging markets/developing economies. The world finished steel demand declined by 3% to 1,500 million tonnes in CY 2015 amidst the subdued economic environment. The world crude steel production decreased by 2.9% to 1,621 million tonnes. The global steel industry continued to be impacted by large overcapacities and exports from the steel surplus countries especially from China, Japan, Korea and CIS flooded the global steel markets. As steel surplus countries resorted to dumping in other countries, the margins were severely impacted. Most of the countries responded with trade remedial measures to a provide level playing field to their respective domestic steel industry.

It appears that a pickup in global activity levels will be more gradual as downside risks to growth have increased with issues related to: a) persistent deflationary environment, b) political uncertainty in EU and risk of Brexit, c) a lack of confidence on sustainability of commodity prices, and d) volatile capital flows and currencies. Developed markets prospects' remains subdued due to low investment, unfavourable demographics, and weak productivity growth. The Euro Area and the US both face certain unfavourable factors. The Chinese economic growth is slowing down as it is transitioning to a consumption base growth path after a decade of strong credit and investment growth. The emerging economies also remain vulnerable to volatility in commodity prices, currency fluctuations and geo-political factors. The International Monetary Fund (IMF) has revised down its projections for CY 2016 World Economic Growth yet again to 3.2%.



The weakness in global steel demand is expected to continue with lower investment pipeline and weak manufacturing activities across the regions. The World Steel Association forecasts Chinese steel demand to drop by 4% in CY 2016 leading to a decline in global steel demand by 0.8% to 1,488 million tons. Amidst the environment of subdued demand and surplus capacities, mainly in China, trade remedial action will continue to intensify across the regions. Meanwhile, the iron ore and coking coal market are also expected to remain range bound.

#### **INDIAN SCENARIO**

Despite muted private Capex/investments, weakening rural consumption and depleting exports, India has emerged as the fastest growing major Global economy during FY 2015-16 – GDP grew by 7.6% as against 7.3% in FY 2014-15. – India was the only major steel consuming market globally which witnessed a demand growth at 4.5% during the year.

However, the country suffered from an unprecedented, unbridled and unfair inflow of steel imports from steel surplus countries. The steel imports sharply increased to 12.69 million tonnes up by 27%. The steel imports pressure turned severe in second half of the year. The surge in imports at predatory pricing led the Indian government to first increase import duty on carbon steel by 5% (in two steps). Subsequently, it also imposed a safeguard duty on certain hot rolled steel products. In February 2016, when these measures were ineffective, the Government imposed a minimum import price (MIP) on various steel products for a period of six months to create a level playing field for the domestic steel industry.

The Indian steel industry remains one among the most competitive steel industries in the world. However, there is a need to create a fair and level playing field amidst supply glut caused by surplus capacities in steel surplus countries. The preferential treatment to Japan, Korea and ASEAN countries, offering advantage of concessional duty rates under the free trade agreements, is also one of the major impediments in creation of fair and level playing field. The Indian steel industry continues to call for exclusion of steel from the purview of all FTA's.

India has emerged as one of the brightest spots in a world grappling with economic turbulence and fragile growth. It is expected to be one of the fastest growing economies in the world in FY 2017 with a growth rate estimated between 7.5%-8.0% – driven by the fundamentals of strong consumption and the government's push for streamlining business processes. Focus on infrastructure creation, extensive urbanization/Smart Cities (outlay of ₹ 2.21 lakh

crore), Make in India & promoting affordable housing policy initiatives by the Government of India augers well for the Steel demand pick up in India. The consumption demand is expected to benefit from the upcoming Pay Commission award, continued low commodity prices, recent interest rate cuts, and measures announced in the Union Budget FY 2016-17 to transform the rural sector. The consumer confidence remains upbeat, while the corporate sector's expectations of business conditions also remain positive. The monsoon, after two years of drought, is expected to be normal this year and this is likely to drive consumer discretionary spending in rural areas. Overall, the Indian economy is poised to realize the benefits of higher government spending, & policy initiatives, rural demand and continuing reforms.

The Indian government's measures to pump prime the economy and progress on various policy reforms underpin a constructive medium term demand outlook. However, this also makes India an attractive export destination for steel surplus countries. Imposition of minimum import price on various steel products has provided some relief; however, the industry sees the need for adequate, swifter and longer shelf-life trade remedial measures to check unbridled and unfair imports of steel in to India. As per the World Steel Association (WSA), the Indian steel demand growth rate in CY 2016 is expected to be the highest amongst the top 10 steel consuming regions/countries which account for more than 85% of the world steel consumption. The Company expects Indian steel demand to grow by about 6% in FY 2016-17.

## **5. PROJECTS AND EXPANSION PLANS**

### **(A) PROJECTS COMMISSIONED DURING FY 2015-16**

#### **VIJAYANAGAR**

- Reconstruction of Blast Furnace no. 1 to increase the capacity from 0.9 MTPA to 1.9 MTPA.
- The second Continuous Annealing lines (CAL) with a capacity of 0.95 MTPA.
- Electrical Steel Complex to produce 0.2 MTPA of Cold Rolled Non Grain Oriented (CRNGO) products along with annealing and coating lines (ACL).
- Slab Auto Scarfing for removing surface and sub-surface defects.
- Slab sizing press at HSM-2 to provide flexibility in caster operations and increase throughout of the slab casters.

- I-Shop to machine and fabricate precision components in-house with a capacity of 2000 tons per year.
- 600 TPD Lime Kiln-12 to provide calcined lime and dolomite for steel making.

**DOLVI**

- Expansion work at Dolvi plant to increase its capacity from 3.3 MTPA to 5 MTPA which includes commissioning of 2.5 MTPA new Sinter Plant and capacity enhancement of Blast Furnace from 2 MTPA to 3.5 MTPA, 1.5 MTPA Billet Caster and 1.4 MTPA Bar Mill.

**SALEM**

- The Blast Furnace - 2 was re-commissioned successfully after completion of the capital repair.
- Installation of Hot Saw no-3 at Blooming Mill for improving quality of cut ends in final products.

**(B) PROJECTS UNDER IMPLEMENTATION****VIJAYANAGAR**

- SMS-1, SMS-2 and SMS-3 augmentation: The facilities include modification of ladles, additional convertors, RH, Ladle heating furnaces, KR unit, additional casters, 6th Strand Biller Caster and other supporting facilities. This augmentation of casting capacities are expected to be commissioned during the FY 2016-17.
- Slitting Line-1 (5000 T/Month), part of Electrical Steel Service Center expected to be commissioned in the FY 2016-17.

**DOLVI**

- New covered yard for raw material handling system at Jetty.
- Fuel conversion from Coal to mixed gas at Lime Calcination Plant.

**SALEM**

- Installation of new Bloom caster.
- Expansion of EOF-1 capacity from 45 Ton to 65 Ton.
- Annealing lines for increasing the volume of Bar Rod Mill Products.

- A 31.5 tonne per hour waste heat recovery boiler at coke oven battery #2 to utilise COP waste heat for generating power is expected to be commissioned in FY 2016-17.

**(C) KEY NEW PROJECTS****VIJAYANAGAR****Pipe Conveyor System:**

A pipe conveyor system for transporting Iron ore from the yard near the mines to the Vijayanagar plant would be set up with a capacity of 20 MTPA. This will be an environment friendly solution and reduce transportation costs of iron ore to the plant. The estimated project cost is ₹ 650 crores and is expected to be commissioned in a period of 24 months.

**Water Reservoir:**

The Company would build a water reservoir facility to augment the storage capacity of water at its Vijayanagar Plant. This investment is strategic in nature for un-interrupted operations of the plant. The estimated project cost is ₹ 520 crores and is expected to be commissioned in a period of 26 months.

**6. SUBSIDIARY, JOINT VENTURE (JV) AND ASSOCIATE COMPANIES**

The Company had 42 direct and indirect subsidiaries, 10 Joint Ventures and 3 Associates as on March 31, 2016.

No subsidiary companies were acquired or formed during the year.

During the year under review, Everbest Steel and Mining Holdings Limited, Argent Independent Steel (Holdings) Ltd. and JSW Mali Resources SA. ceased to be the Company's subsidiaries. JSW Steel East Africa Limited ceased to be subsidiary w.e.f. April 8, 2016.

The details of major subsidiaries, JV and associate companies are given below:

**A. INDIAN SUBSIDIARIES****1. JSW STEEL COATED PRODUCTS LIMITED (JSW STEEL COATED)**

JSW Steel Coated Products Limited is the Company's wholly-owned subsidiary. It has three manufacturing facilities in the State of Maharashtra at Vasind, Tarapur and Kalmeshwar. It is engaged in the manufacture of value added steel products which mainly consists of Galvanized and Galvalume Coils/Sheets and Colour Coated Coils/Sheets. JSW Steel Coated caters to both domestic and international markets.

The production of Galvanising / Galvalume products stood at 1.48 Million tonnes and sales at 1.53 Million tonnes during FY 2015-16. Domestic sales increased by 0.25 Million tonnes over the previous year, witnessing a 36% growth.

The gross turnover and net turnover for the year under review was ₹ 7,683 crores and ₹ 7,105 crores respectively. The operating EBITDA during FY 2015-16 was ₹ 345 crores as compared to the EBITDA of ₹ 326 crores in FY 2014-15. The operating EBITDA margin improved to 5% from 4% in FY 2014-15. The net profit after tax stood at ₹ 50 crores, compared to net loss after tax of ₹ 25 crores in FY 2014-15.

#### KEY NEW PROJECTS

Tarapur Complex – Tin Plate Mill:

JSW Steel Coated Products Limited is setting up a Tin Plate Mill and related facilities at its Tarapur works to cater to the increasing demand for the tin plate. The estimated project cost is ₹ 650 crores and is expected to be commissioned in a period of 24 months.

#### 2. AMBA RIVER COKE LIMITED (ARCL)

Amba River Coke Limited (ARCL) is a wholly owned subsidiary of the Company. ARCL has set up a 1 MTPA Coke Oven Plant and a 4 MTPA pellet plant in June 2014 and September 2014, respectively. ARCL has produced 0.95 Million tonnes of coke and 2.51 Million tonnes of pellet during FY 2015-16. The coke and pellets produced are being supplied to Dolvi unit of the Company. The profit after tax for FY 2015-16 was ₹ 115 crores as compared to ₹ 119 crores in FY 2014-15.

#### 3. JSW STEEL (SALAV) LIMITED (JSW SALAV)

JSW Steel Limited acquired 99.87% stake in JSW Steel (Salav) Limited (formerly known as Welspun Maxsteel Limited) on October 31, 2014. JSW Salav has a DRI plant with a capacity of 0.9 MTPA, along with a captive jetty and railway sliding.

The loss after tax for FY 2015-16 was ₹ 225 crores, compared to loss after tax of ₹ 133 crores in FY 2014-15. The operations of JSW SALAV were temporarily suspended since August 2015, due to shutdown of Dolvi plant for capacity expansion coupled with subdued market conditions. JSW SALAV restarted its operations in March 2016.

#### 4. JSW STEEL PROCESSING CENTRES LIMITED (JSWSPCL)

JSW Steel Processing Centres Limited (JSWSPCL) is the Company's wholly owned subsidiary. JSWSPCL was set up as a steel service centre, comprising HR/CR slitter and cut-to-length facility, with an annual slitting capacity of 6.5 lakh tonnes. The Company processed 4.81 lakh tonnes of steel during FY 2015-16, compared to previous year's 5.97 lakh tonnes, mainly due to planned shutdown of Vijaynagar plant. The profit after tax for FY 2015-16 was ₹ 15 crores, compared to ₹ 24 crores in FY 2014-15.

#### 5. PEDDAR REALTY PRIVATE LIMITED (PRPL)

Peddar Realty Private Limited (PRPL) is the Company's wholly-owned subsidiary.

Profit after tax for FY 2015-16 was ₹ 2 crores, compared to ₹ 4 crores in FY 2014-15.

#### 6. 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)

As a part of the Company's overall growth strategy, JSW Bengal Steel's Salboni project was planned to set up 10 MTPA capacity Steel plant in phases. All enabling work to take up implementation of the project are in place.

However, due to uncertainties in the availability of key raw materials like iron ore and coal, post cancellation of allotted coal blocks, the implementation of the project is currently put on hold. In the meantime, efforts are being made to secure long term linkages of raw materials. In the light of the new policy on the allocation of coal blocks and coal linkages from Coal India Ltd., and auction of the Iron ore mines under the Mines and Minerals Development and Regulation (MMDR) Act, the Company is hopeful of establishing raw material linkages.

#### 7. JSW JHARKHAND STEEL LIMITED

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

### B. OVERSEAS SUBSIDIARIES

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

JSW Steel (Netherlands) B.V. is a holding company

for subsidiaries based in the US, the UK, Chile and East Africa. It also has 49% equity holding of Georgia-based Geo Steel LLC, incorporated under the laws of Georgia.

- (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 2015-16, the US plate and pipe mill's performance continued to be impacted due to lack of orders for pipes from oil & gas sector. This unit produced 197,408 net tonnes of plates and 54,262 net tonnes of pipes with capacity utilisation of 21% and 10%, respectively.

In view of the continuing losses at the plate and pipe mill operations, JSW Steel USA Inc. carried out an impairment assessment of its fixed assets. Since the recoverable amount determined based on the estimated discounted future cash flows was lower than the carrying value of the fixed assets and due to an ongoing antitrust law suit, JSW Steel USA Inc. has recognised an impairment and other provisions aggregating to ₹905 crores.

Net loss after tax for FY 2015-16 was ₹ 1,361 crores, compared to ₹ 302 crores in FY 2014-15.

#### Coal mining operation

JSW Steel Holding (USA) Inc. has 100% equity interest in coal mining concessions in West Virginia, USA. During the year, the operation of the Company was minimal due to subdued market conditions.

During the year ended March 31, 2016, Periana Holdings LLC performed impairment tests considering coal demand supply and pricing outlook. The impairment testing indicated that estimated future discounted cash flows were lower than the carrying value for certain asset groups and accordingly, the Company recorded assets impairment charge and provision towards certain advances aggregating to ₹ 172 crores.

Loss after tax for FY 2015-16 was ₹ 175 crores, compared to ₹ 61 crores in FY 2014-15.

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

Due to weak iron ore prices in the international market, the Company has undertaken a temporary suspension of mining operations since May 2015. During FY 2015-16, the production was 83,774 tonnes as compared to 818,671 tonnes in FY 2014-15.

During the fiscal year under review, the subsidiary Inversiones Eurosh has decided not to continue with the development of the Daniel and Catalina mining assets in view of the falling international iron-ore prices and hence has made a provision of ₹ 407 crores towards these mining assets.

Loss after tax for FY 2015-16 was ₹ 507 crores, compared to ₹ 114 crores in FY 2014-15.

- (c) JSW Steel UK Limited and its subsidiaries, namely Argent Independent Steel (Holdings) Limited and JSW Steel Service Centre (UK) Limited

As a part of the consolidation process, Argent Independent Steel (Holdings) Limited was dissolved on November 17, 2015 and JSW Steel Service Centre (UK) Limited is in the process of being dissolved.

- (d) JSW Steel East Africa Limited

As a part of consolidation process, JSW Steel East Africa Limited was dissolved on April 8, 2016.

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. This initiative was taken to acquire coal assets and engage in prospecting and exploring coal, iron ore and manganese. JSW Natural Resources Mozambique Lda completed the exploration activities in Mutara District of Tete Province and is in the process of obtaining the necessary approvals for lease of certain mining assets.

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 exploration activities and is in the process of making various applications for obtaining the necessary approvals for mining operations.

As a part of consolidation process, JSW Mali resources SA was dissolved on June 18, 2015.

3. Nippon Ispat Singapore (PTE) Limited, Erebus Limited, Arima Holdings Limited, Lakeland Securities Limited, JSW Mali Resources S.A. There were no significant operations during the financial year.

### **C. JOINT VENTURE COMPANIES**

#### **1. GEO STEEL LLC**

Georgia-based JV, Geo Steel LLC, in which the Company holds 49% equity through JSW Steel (Netherlands) B.V., has set up a steel rolling mill in Georgia, with 175,000 tonnes production capacity. Geo Steel produced 85,548 tonnes of rebars and 120,613 tonnes of billets, during FY 2015-16.

Profit after tax for FY 2015-16 was ₹ 7 crores, compared to ₹ 2 crores in FY 2014-15.

#### **2. ROHNE COAL COMPANY PRIVATE LIMITED**

Rohne Coal Company Pvt. Ltd. is a JV for developing Rohne coal block. While Rohne coal block was under development, the Hon'ble Supreme Court of India cancelled the allocation of coal blocks by the Government of India to State and private sectors during the financial year 2014-15. Consequently, the allocation of Rohne coal block to Rohne Coal Company Private Limited stood cancelled.

#### **3. MJSJ COAL LIMITED (MJSJ)**

The Company, along with other partners agreed to participate in the 11% equity of MJSJ Coal Limited, Odisha. This was in accordance with the JV agreement to develop Utkal-A and Gopal Prasad (West) thermal coal block in Odisha.

The Hon'ble Supreme Court of India cancelled the allocation of coal blocks by the Government of India to state and private sectors in during the financial year 2014-15. Consequently, the allocation of coal block to MJSJ stood cancelled.

The Ministry of Coal, Government of India, has not yet commenced the auction of these Coal blocks.

#### **4. GOURANGDIH COAL LIMITED**

Gourangdih Coal Ltd. (GCL) is a 50:50 JV between JSW Steel Limited and Himachal EMTA Power Corporation

Ltd. (HEPL). It was incorporated to develop and mine coal from West Bengal's Gourangdih, ABC thermal coal block. The Hon'ble Supreme Court of India cancelled the allocation of coal blocks by the Government of India to state and private sectors during the financial year 2014-15. Consequently, the allocation of the coal block to GCL stood cancelled. Gourangdih Coal block has been re-allocated to West Bengal Mineral Development & trading corporation by Ministry of Coal vide its notice dated 16th March, 2016.

#### **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 JV company with a 75% shareholding by Toshiba Corporation Limited, Japan, 22.52% by JSW Energy Limited and 2.48% by JSW Steel Limited. This Company is into designing, manufacturing, marketing and maintaining of mid to large-size supercritical steam turbines and generators of size 500 MW to 1,000 MW.

#### **6. VIJAYANAGAR MINERALS PRIVATE LIMITED (VMPL)**

According to the Hon'ble Supreme Court's order to stop all mining operations in Bellary district in Karnataka, activities from Thimmappanagudi Iron Ore Mines (TIOM), operated by VMPL were halted since July 2011.

The mining operations remained suspended during FY 2015-16. As per the Apex Court direction, the mines are being operated by Mysore Minerals Limited directly.

#### **7. JSW SEVERFIELD STRUCTURES LIMITED AND ITS SUBSIDIARY JSW STRUCTURAL METAL DECKING LIMITED**

JSW Severfield Structures Limited (JSSL) is operating a facility to design, fabricate and erect structural steel work and ancillaries for construction projects.

These projects have a total capacity of 55,000 TPA at Bellary, Karnataka. JSSL produced 36,014 tonnes during the year. Its order book stood at ₹ 306 crores (32,396 tonnes), as on March 31, 2016.

The Loss after tax for FY 2015-16 was ₹ 11 crores, compared to Profit after tax of ₹ 1 crores in FY 2014-15.

JSW Structural Metal Decking Limited (JSWSMD), a subsidiary company of JSSL is engaged in the



business of designing, roll forming of structural metal decking and accessories like edge trims and shear studs. The plant's total capacity is 10,000 TPA.

The profit after tax for FY 2015-16 was ₹ 2 crores, compared to ₹ 0.4 crores in FY 2014-15.

#### 8. JSW MI STEEL SERVICE CENTRE PRIVATE LIMITED (MISI JV)

JSW Steel and Marubeni-Itochu Steel signed a JV agreement on September 23, 2011, to set up steel service centres in India.

The JV Company had started the commercial operation of its steel service centre in western India (near Pune), with 0.18 MTPA initial installed capacity in March 2015. MISI JV has also started the project work for its steel service centre in Palval, Haryana, with 0.18 MTPA initial capacity. This facility is expected to be commissioned by end of FY 2016-17. The service centre is equipped to process flat steel products, such as hot rolled, cold rolled and coated products. Such products offer just-in-time solutions to automotive, white goods, construction and other value-added segments.

MISI JV incurred a loss after tax of ₹ 5 crores during FY 2015-16 in view of lower capacity utilisations, compared to profit after tax of ₹ 3 crores in FY 2014-15.

#### 9. JSW VALLABH TINPLATE PRIVATE LIMITED (JSWVTPL)

JSW Steel holds 50% stake in JSWVTPL which is into tinplate business and has a capacity of 1.0 lakh tonnes.

JSWVTPL produced 75,846 tonnes during FY 2015-16. Net Profit after tax for FY 2015-16 was ₹ 7 crores, compared to loss after tax of ₹ 6 crores in FY 2014-15.

### D. ASSOCIATE COMPANIES

#### 1. JSW PRAXAIR OXYGEN PRIVATE LIMITED (JPOPL) (FORMERLY KNOWN AS JINDAL PRAXAIR OXYGEN COMPANY PRIVATE LIMITED)

JPOPL's oxygen plants have been working satisfactorily, primarily to meet requirements of steel plant operations at Vijayanagar Works.

#### 2. DOLVI MINERAL & METALS PRIVATE LIMITED (DMMPL) AND ITS SUBSIDIARY DOLVI COKE

#### PROJECTS LIMITED (DCPL)

The Company had earlier decided to setup a 3 million tonnes per annum Coke Oven Plant at Dolvi through Dolvi Coke Projects Limited (DCPL). The Company holds 39.996% stake in Dolvi Minerals & Metals Private Limited, which, in turn, holds 100% stake in DCPL. This project was put on hold last year in view of macro economic factors. With the completion of expansion projects and installed steel making capacity increasing to 18 million tonnes per annum, the existing coke making facilities are falling short of the total coke requirement of the Company. Therefore, the Company has decided to setup, in the first phase, a 1.5 million tonnes per annum coke oven plant at Dolvi through DCPL. The total cost for this project will be about ₹ 2,000 crore and is expected to be commissioned in 18 months

### E. COAL BLOCK

The Company had entered into three separate JV agreements for the development of Rohne Coal Block, Gopal Prasad (West) and Utkal (A) Coal Block and Gourangdih Coal Block. While the coal blocks were under development, the Hon'ble Supreme Court of India cancelled the allocation of coal blocks by the Government of India to state and private sectors. Consequently, the allocation of coal blocks to these three JVs stood cancelled. Subsequently, the Government of India, promulgated the Coal Mines (Special Provision) Act 2015. As per the provisions of the Act, the investment made in the block by the prior allottee, to the extent permitted under the said provisions will be reimbursed by the successful bidder of the coal block. The Company has made an assessment of recoverable amounts of investments and other assets, impacted by the said order. It has also recognised a provision of ₹ 25.39 crores as on March 31, 2016, (₹ 21.20 crores as on March 31, 2015) considering the principle of conservatism.

### 7. ACQUISITIONS DURING THE YEAR

There were no acquisitions made during the FY 2015-16.

However, pursuant to the auction conducted by the Nominated Authority under the Coal Mines (Special Provisions) Act, 2015, the Company has been allotted the Moitra Coal Mine, vide vesting order No 104/21/2015/NA dated April 22, 2015 issued by the Ministry of Coal, Govt. of India.

Moitra coal mine is situated in Hazaribagh District, Jharkhand. Moitra Coal Mine has total extractable coal reserves of 29.91 million tonnes.

## **8. TECHNICAL COLLABORATION WITH JFE STEEL CORPORATION, JAPAN**

FY 2015-16 was the 6th year of strategic collaboration between the Company and JFE Steel Corporation. The strategic partners were engaged in taking customer approvals for various grades and commercializing the grades produced in state-of-the art CRM #2 complex in Vijayanagar Works. The Company has received approvals from several major auto producers for supply of auto grades with the Company's own substrates.

Electrical Steel facility of 0.2 MTPA was commissioned in Vijayanagar works. The major focus was to stabilize and sustain the international standards (quality & properties) in Electrical steel products, with the support of JFE.

## **9. RISK MANAGEMENT**

The Company's robust risk management framework identifies and evaluates business risks and opportunities. The Company recognises that these risks need to be managed and mitigated to protect its shareholders and other stakeholders interest, to achieve its business objectives and enable sustainable growth. The risk framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions. Risk management is embedded in our critical business activities, functions and processes. The risks are reviewed for the change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risks and future action plans.

Pursuant to the requirement of Regulation 21 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Clause 49 of the erstwhile Listing Agreement, the Company has constituted a sub-committee of Directors to oversee Enterprise Risk Management Framework to ensure execution of decided strategies with focus on action and monitoring risks arising out of unintended consequences of decisions or actions and related to performance, operations, compliance, incidents, processes, systems and transactions are managed appropriately.

The Company believes that the overall risk exposure of present and future risks remains within risk capacity.

## **10. INTERNAL CONTROLS, AUDIT & INTERNAL FINANCIAL CONTROLS OVERVIEW**

A robust system of internal control, commensurate with the size and nature of its business, forms an integral part of the Company's 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 company's corporate governance framework. Some significant features of internal control system 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; proper and authorised recording and reporting of all transactions.
- Preparation and monitoring of annual budgets for all operating and service functions.
- Ensuring reliability of all financial and operational information.
- Audit committee of Board of Directors, comprising of Independent Directors. The Audit committee regularly reviews audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards etc.
- 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**

The Company has an internal audit function that inculcates global best standards and practices. The Company has a strong internal audit department reporting to Audit Committee comprising of Independent Directors. The Company successfully integrated the COSO framework with its audit process to enhance the quality of its financial reporting, compatible with business ethics.

## AUDIT PLAN AND EXECUTION

Internal Audit department prepares a risk-based Audit Plan. The frequency of audit is decided by 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 regulatory changes, emerging industry trend and value of the transactions. In addition, the Audit Committee also places reliance on internal customer feedback and other external events for inclusion of areas into the audit plan.

## INTERNAL FINANCIAL CONTROLS

As per Section 134(5)(e) of the Companies Act 2013, the Directors have an overall responsibility for ensuring that the Company has implemented robust system and framework of Internal Financial Controls. This framework provides the Directors with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks. The framework ensures that the Company has policies and procedures for ensuing orderly and efficient conduct of the business, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records, and timely preparation of reliable financial information. The Company has devised appropriate systems and framework including proper delegation of authority, effective IT systems aligned to business requirements, risk based internal audits, risk management framework and whistle blower mechanism.

The Company has also developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes a risks and control matrix covering entity level controls, process & operating level controls and IT general controls.

The entity level policies include anti-fraud policies such as code of conduct, conflict of interest, confidentiality and whistle blower policy and other policies (viz. organization structure, insider trading policy, HR policy, IT security policy, treasury policy and business continuity and disaster recovery plan). The Company has also prepared Standard Operating Procedures (SOP) for each of its processes like procure to pay, order to cash, hire to retire, treasury, fixed assets, inventory, manufacturing operations etc.

During the year, controls were tested and no reportable material weakness in design and effectiveness was observed. There have been no significant changes in the Company's internal financial controls during the year.

## 11. CREDIT RATING

During the year, Fitch Ratings downgraded the Company's Long Term Issuer Default Rating (IDR), senior unsecured rating and rating on the outstanding USD 500 million senior unsecured fixed rate notes due 2019 (Notes) by one notch from "BB+" to "BB". Moody's Investors Service has also downgraded the Corporate Family Rating and rating on the Notes by 2 notches from Ba1 to Ba3. Outlook on the ratings by both the agencies is negative.

The domestic credit rating for long term debt/facilities/ NCD's by CARE and ICRA has also been downgraded by one notch from "AA" to "AA-", while the short term debt/facilities continue to be rated at the highest level of "A1+". The outlook on the long term rating by ICRA is negative.

Your Company obtained long term credit rating from India Ratings for the first time during the year. India Ratings has assigned long term issuer rating and rating for the outstanding non-convertible debentures of the Company is "AA" with stable outlook.

The downward rating actions were driven by falling sales realizations due to continued import of steel products into the country at predatory prices affecting the operating performance of the Company during the year, adverse impact on leverage matrix due to lower EBIDTA, demand-supply imbalance in the global steel industry and negative outlook on the sector.

## 12. INDIAN ACCOUNTING STANDARDS (IND AS)

As per the roadmap announced by the Ministry of Corporate affairs, the Company will comply with the new Accounting Standards, IND AS in preparation of its financial statements for accounting periods beginning on April 1, 2016, along with the comparatives for the period ending March 31, 2016. IND AS will also be applicable to subsidiary Companies, Joint venture or associates of the Company. Hence the Company and JSW Steel group would prepare and report results/ financial statements under IND AS from April 1, 2016, including restatement of the opening balance sheet.

## 13. FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public. Therefore, it is not required to furnish information in respect of outstanding deposits under Non-banking, Non-financial Companies (Reserve Bank) Directions, 1966 and Companies (Accounts) Rules, 2014.

## 14. SHARE CAPITAL

There was no change in the Company's share capital during the year under review.

The Company's paid up equity share capital remained at ₹ 2,41,72,20,440 comprising of 24,17,22,044 equity shares of ₹ 10 each. The aggregate preference share capital remained at ₹ 76,44,49,511 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.

#### **15. FOREIGN CURRENCY BONDS (FCBS)**

During the year 2014-15, the Company had allotted 2,500, 4.75% Fixed Rate Senior Unsecured Notes of US\$ 2,00,000 each of the Company due 2019 (the "Notes") aggregating to US\$ 500 million to eligible investors. The Bonds issued by the Company in the International Market are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

#### **16. CORPORATE GOVERNANCE**

Your Company has complied with the requirements of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Clause 49 of the erstwhile Listing Agreement regarding Corporate Governance. A report on the Corporate Governance practices, the Auditors' Certificate on compliance of mandatory requirements thereof are given as an annexure to this report.

#### **17. MANAGEMENT DISCUSSION & ANALYSIS**

A detailed report on the Management Discussion & Analysis is provided as a separate section in the Annual Report.

#### **18. BUSINESS RESPONSIBILITY / SUSTAINABILITY REPORTING**

The Company is deeply committed to growing the business sustainably, as well as to the nine principles enshrined in the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business notified by the Ministry of Corporate Affairs, Government of India, in July 2011. It has also been voluntarily disclosing its sustainability performance anchored to the framework of the Global Reporting Initiative (GRI), and further embellished by third party assurance as per the International Standards for Assurance Engagements (ISAE 3000). The Company has adopted policies for each NVG principle, as approved by the Board of Directors in its meeting held on January 28, 2013 which is available at the Company's website (<http://www.jsw.in/investors/investor-relations-steel>). A Committee of the Board consisting of three Independent Directors and three Executive Directors (as on March 31, 2016) review the Company's performance in terms of Business Responsibility / Sustainability Reporting on a quarterly basis. The Group Chief Sustainability

Officer is responsible for planning and implementing the sustainability initiatives as well as the stakeholder grievance redressal mechanism.

The Securities and Exchange Board of India (SEBI) has, vide its circular dated August 13, 2012, mandated the inclusion of a Business Responsibility Report (BRR) as a part of the Annual Report for the top 100 listed entities based on their market capitalisation on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, as on March 31, 2012, and is aligned to the NVGs. Furthermore, the requirements as per Regulation 34 (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been fulfilled.

Pursuant to the press release PR No. 48/2013 and FAQs dated May 10, 2013, issued by SEBI, the Company's BRR is hosted on its website (<http://www.jsw.in/investors/investor-relations-steel>) and forms a part of this Annual Report. Any stakeholder interested in obtaining a copy of the same may write to the Company Secretary.

#### **19. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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. Sajjan Jindal (DIN 00017762), retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

Mr. Malay Mukherjee (DIN 02861065) who was appointed as an Additional Director of the Company in the category of Independent Director, by the Board of Directors with effect from July 29, 2015 in terms of Section 161 of the Companies Act, 2013 and in terms of Article 123 of your Company's Articles of Association, holds office until the date of the ensuing Annual General Meeting. Your Company has received a notice under Section 160 of the Companies Act, 2013 from a shareholder of your Company, signifying his intention to propose the name of Mr. Malay Mukherjee, for appointment as a Director of your Company.

Mr. Haigreve Khaitan (DIN 00005290), who was appointed as an Additional Director of the Company in the category of Independent Director, by the Board of Directors with effect from September 30, 2015 in terms of Section 161 of the Companies Act, 2013 and in terms of Article 123 of your Company's Articles of Association, holds office until the date of the ensuing Annual General Meeting. Your Company has received a notice under Section 160 of the Companies Act, 2013 from a shareholder of your

Company, signifying his intention to propose the name of Mr. Haigreve Khaitan, for appointment as a Director of your Company.

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

Mr. Uday M. Chitale, who was appointed as an Independent Director in the Company's 20th Annual General Meeting held on July 31, 2014, would complete his term upon the conclusion of the ensuing 22nd Annual General Meeting of the Company and being not eligible for re-appointment in terms of the Company's policy for appointment/re-appointment of Independent Directors, has not offered himself for re-appointment.

There were no changes in the Key Managerial Personnel of the Company during the year.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

Matching the needs of the Company and enhancing the competencies of the Board are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board.

The current policy is to have a balanced mix of executive and non-executive Independent Directors to maintain the independence of the Board, and separate its functions of governance and management. As at 31.03.2016, the Board of Directors comprises of 12 Directors, of which 8 are non-executive, including 1 woman director. The number of Independent Directors is 6, which is one half of the total number of Directors.

The policy of the Company on directors' appointment, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is governed by the Nomination Policy read with Company's policy on appointment/re-appointment of Independent Directors. The remuneration paid to the directors is in accordance with the remuneration policy of the Company.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each of the independent directors, under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **20. BOARD EVALUATION**

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. Details of the same are given in the Report on Corporate Governance annexed hereto.

## **21. AUDITORS AND AUDITOR'S REPORT**

### **1.1 STATUTORY AUDITORS**

At the Company's 20th Annual General Meeting (AGM) held on July 31, 2014, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai, were appointed as the Company's Statutory Auditors from the conclusion of the 20th AGM till the conclusion of the 23rd AGM.

In terms of Section 139 (1) of the Companies Act, 2013, the appointment of the statutory auditors to hold office from the conclusion of the 20th AGM until the conclusion of the 23rd AGM, is placed for your ratification.

The Auditors Report to the shareholders for the year under review does not contain any qualification.

No frauds have been reported by the Auditors under Section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report.

#### **EXPLANATION TO AUDITOR'S COMMENT:**

Auditors have in their report drawn attention to (i) note 10(1) to the Abridged Standalone Financial Statements and note 25(4)(a) to the Standalone Financial Statements regarding provision of ₹ 5,855.52 crores for other than temporary diminution in the value of investments, loans and advances doubtful of recovery and guarantees for borrowings, relating to certain subsidiaries and (ii) note 9(a) to the Abridged Consolidated Financial Statements and note 27(4)(a) to the Consolidated financial statements regarding provision of ₹ 1,829.69 crores pertaining to corresponding fixed assets, goodwill, mine development cost of the projects in the consolidated financial statements.

In the opinion of the Board, the recoverable amount of the said investments, loans and advances (in the case of standalone financial statements) and the



recoverable amount of the corresponding fixed assets, goodwill, mine development and related assets (in the case of consolidated financial statements) have been arrived based on the estimate of value of businesses / assets of the said subsidiaries by independent valuers and cash flow projections considering capacity utilisation of the plants, mining plans, analyst's commodity consensus estimates of long term prices and other factors. Based on the estimated recoverable amounts, the Board has concluded that no further provision is necessary as of 31st March, 2016, except as considered in the standalone and consolidated financial statements. These assumptions will be reviewed periodically by the respective subsidiaries and the management of the Company and adjustments if any, will be made to the amount of provisions, if conditions related to the assumptions indicate that such adjustments are appropriate

Auditors have in their report drawn attention to (i) note 11 to the Abridged Standalone Financial Statements and note 25(5) to the Standalone Financial Statements regarding Company's assessment that no provision is necessary against the carrying amount of investments (net of provisions) and loans and advances amounting to ₹ 883.42 crores relating to certain subsidiaries and joint ventures and (ii) note 10 to the Abridged Consolidated Financial Statements and note 27(5) to the Consolidated Financial Statements regarding Company's assessment that carrying amount of ₹ 938.19 crores relating to corresponding fixed assets (including capital work in progress), Mining Development and Projects, advances, goodwill and inventories in the Consolidated Financial Statements is considered fully recoverable.

In the opinion of the Board, the recoverable amount of these investments and loans relating to the said subsidiaries and joint ventures (in the case of standalone financials) and corresponding fixed assets, capital work in progress, advances, goodwill, inventories, mine development expenses and licence fees (in the case of consolidated financial statements) have been derived based on the estimate of value of businesses / assets, considering estimates in respect of capacity utilisation, operating performance, future raw material prices, foreign exchange rates, operating margins, terminal value etc. the plans for commencing construction of the projects and commencing mining operations and valuation of the residential complex of a subsidiary carried out by an independent valuer. The Board has concluded

that no provision is required for these assets as the recoverable amounts derived as explained above are higher than the carrying amount of these assets.

## **21.2 COST AUDITORS**

Pursuant to Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit), Amendment Rules 2014, your Company is required to get its cost accounting records audited by a Cost Auditor.

Accordingly, the Board at its meeting held on May 18, 2016, has on the recommendation of the Audit Committee, re-appointed M/s. S.R. Bhargave & Co., Cost Accountants to conduct the audit of the cost accounting records of the Company for FY 2016-17 on a remuneration of ₹ 12 lacs plus service tax as applicable and reimbursement of actual travel and out of pocket expenses. The remuneration is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification.

## **21.3 SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. S. Srinivasan & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit carried out is annexed herewith as Annexure "C". The report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

The Board at its meeting held on May 18, 2016, has re-appointed M/s. Srinivasan & Co., Practicing Company Secretaries, as Secretarial Auditor, for conducting Secretarial Audit of the Company for FY 2016-17.

## **22. RELATED PARTY TRANSACTIONS**

All Related Party Transactions (RPT) that were entered into during the financial year were on arm's length basis and in the ordinary course of business. There were no material Related Party Transactions entered during the FY 2015-16.

The policy on dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website <http://www.jsw.in/investors/steel/related-party-policy>. The Policy intends to ensure that proper

reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Clause 49 of the erstwhile Listing Agreement.

The disclosure of material Related Party Transactions is required to be made under Section 134(3) (h) read with Section 188(2) of the Companies Act, 2013 in Form AOC 2. Accordingly, Related Party Transactions, that, individually or taken together with previous transactions during a financial year, that exceed ten percent of the annual consolidated turnover as per the last audited financial statements, which were entered into during the year by your Company, is given in 'Annexure E' to this report.

Your Directors draw your attention to Note 15 to the Abridged Standalone financial statements and Note No. 25(13) to the Standalone financial statements which sets out related party disclosures.

### 23. EMPLOYEE STOCK OPTION PLAN (ESOP)

The Board of Directors of the Company at its meeting held on January 29, 2016 formulated the JSWSL Employees Stock Ownership Plan – 2016 ("ESOP Plan"), with an objective of enabling the Company to attract and retain talented human resources by offering them the opportunity to acquire a continuing equity interest in the Company which will reflect their efforts in building the growth and the profitability of the Company. More than being a compensation element, the plan will have a strategic significance and will act as a key enabler to achieve long-term business objectives.

At the said meeting, the Board authorized the JSWSL ESOP Committee for the superintendence of the ESOP Plan. Grant of stock options under the ESOP Plan shall be as per the terms and conditions as may be decided by the JSWSL ESOP Committee from time to time in accordance with the provisions of Companies Act, 2013, the rules made thereunder and the Securities and Exchange Board of

India (Share Based Employee Benefits) Regulations, 2014 ("ESOP Regulations"). The new ESOP Plan is proposed to be implemented through the JSW Steel Employees Welfare Trust ("ESOP Trust"). The ESOP Trust will acquire equity shares of the Company from the secondary market for this purpose.

Under the provisions of the Companies Act, 2013 and the ESOP Regulations, approval of the members by way of a special resolution vide a postal Ballot was obtained on March 24, 2016 for the ESOP plan involving acquisition of shares of the Company from the secondary market.

A total of 28,68,700 (Twenty-Eight Lakhs Sixty-Eight Thousand Seven Hundred) options would be available for grant to the eligible employees of the Company and its director(s) excluding independent directors and a total of 3,16,300 (Three Lakh Sixteen Thousand Three Hundred) options would be available for grant to the eligible employees of the Indian Subsidiaries of the Company and their director(s) excluding independent directors, under the ESOP Plan.

7,43,685 options have been granted under this plan by the JSWSL ESOP Committee in its meeting held on 17th May 2016 under the 1st Grant to the eligible employees of the Company and its Indian Subsidiaries, including the Whole-time Directors of the Company. The Grant of ESOPs to Whole-time Directors of the Company has been approved by the Nomination and Remuneration Committee and the Board. Mr. Seshagiri Rao M.V.S, Dr. Vinod Nowal and Mr. Jayant Acharya, Whole-time Directors of the Company have been granted 19,268, 17,983 and 17,983 options respectively towards the first grant under the ESOP Plan. As per the ESOP Plan 50% of these options will vest at the end of the third year and the balance 50% at the end of the fourth year.

The applicable disclosures relating to the earlier JSWSL Employees Stock Ownership Plan – 2012 as stipulated under the ESOP Regulations pertaining to the year ended March 31, 2016 is hosted on the Company's website at <http://www.jsw.in/investors/investor-relations-steel> and forms a part of this Report.

Voting rights on the shares, if any, as may be issued to employees under the JSWSL Employees Stock Ownership Plan - 2012 are to be exercised by them directly or through their appointed proxy, hence the disclosure stipulated under Section 67(3) of the Companies Act, 2013 is not applicable. As no grants have been made under the new ESOP Plan during the period under review, disclosures in respect of the new plan are not applicable.

There is no material change in the aforesaid ESOP Plans and the same are in compliance with the ESOP Regulations.

The Certificate from the Statutory Auditors of the Company certifying that the Company's Stock Option Plans are being implemented in accordance with the ESOP Regulations and the resolution passed by the Members, would be placed at the Annual General Meeting for inspection by Members.

## **24. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

JSW Steel believes in inclusive growth to facilitate creation of a value-based and empowered society through continuous and purposeful engagement with society around.

The Company is well on its course to execute programs under the theme 'Janam Se Janani Tak (JSJT) – JSW Aap Ke Saath', a long term commitment extending services to meet the pressing needs towards empowering women and children living in the Direct Influence Zone of JSW Steel's plant locations and beyond. Through JSJT our efforts are directed towards enabling an ideal scenario where women and girls have access to quality education, healthcare and livelihood skills to build their own destinies while taking vital decisions in their families and society at large.

Guided by the belief that every life is important and must be given fair opportunities to make best out of it, the Company is working towards eradicating poverty & hunger, tackling malnutrition, promoting social development, addressing social inequalities by empowering the vulnerable section of society, addressing environmental issues, preserving national heritage and promoting sports training.

The Company is committed to:

- Continue allocating at least 2 percent of Profit Before Tax (PBT) towards special corpus for Corporate Social Responsibility as per the categories of the Companies Act 2013.
- Transparent and accountable system for social development and impact assessments through an external agency.
- Concentrate on community needs and perceptions through social processes and related infrastructure development.

- Provide special thrust towards empowerment of women through a process of social inclusion.
- Promote arts, culture and sports; and conserve cultural heritage.
- Spread the culture of volunteerism through the process of social engagement.

JSW Foundation administers the planning and implementation of all our CSR interventions. All the CSR initiatives are approved by the committee in line with the CSR policy approved by the Board on May 27, 2014 and the same are reviewed periodically. The CSR policy formulated is uploaded on the website of the Company at <http://www.jswin/investors/investor-relations-steel>.

Taking a note of the importance of synergy and interdependence at various levels, JSW Steel has adopted a strategy that combines working with multi-stakeholders as well as directly, depending on the appropriateness and some of this are:

- Priority is given to the villages in the immediate vicinity of the plant locations defined as Direct Influence Zone (DIZ). The policy enables plants to define their own DIZ with the provision that this could be expanded as per the size of operations. However, certain programs might be expanded beyond this geographical purview and upscaled. This context is defined as Indirect Influence Zone (IIZ).
- All the interventions shall be formulated based on need assessment using different quantitative and qualitative methods that lead to measurable impact.
- All these interventions shall be implemented either directly or in partnership with both Government and civil society organizations at various levels.
- All the interventions shall be adopted based on concurrent evaluation and knowledge management through process documentation and sharing.
- Social Mobilization, advocacy at various levels, and/or appropriate policy changes shall form part of the interventions in each sector.

Following are the Company's thematic interventions as per Schedule VII of the Companies Act 2013:

- Improving living conditions (eradication of hunger, poverty, malnutrition etc.)

- Promoting social development (education, skill development, livelihood enhancements etc.)
- Addressing social inequalities (gender equality, women empowerment etc.)
- Ensuring environmental sustainability
- Preserving national heritage
- Sports training
- Supporting technological incubators
- Rural development projects

The disclosure as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Report as Annexure D.

## 25. ENVIRONMENTAL INITIATIVES

The Company has always been a frontrunner in continually improving its operational performance in all areas like safety and use of natural resources. These initiatives have been taken across all production facilities to ensure they become the culture at JSW. All the stack emissions, ambient air quality, effluent quality and work zone air quality are generally within the norms.

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

### ENVIRONMENTAL INITIATIVES

#### VIJAYANAGAR

The following are the highlights of the year:

#### AIR POLLUTION CONTROL:

- Efforts were further intensified towards reduction of air pollution by installing six additional bag filters.
- Five numbers of projects are underway in Steel Melt Shop (SMS) to reduce the roof top emissions.
- With this, the specific dust emissions have been reduced by 24%.

#### WATER POLLUTION CONTROL:

- Intensive reuse of fresh water has helped in reuse of more than 50,000 m<sup>3</sup>/day of blow down water in certain applications.
- The existing sewage treatment plant was upgraded to double the capacity i.e. 3000 m<sup>3</sup>/d with a new technology based on membrane process (Membrane

Bio Reactor). The quality of treated water meets the new standards mandated by CPCB/KSPCB. The treated water is being used in CRM-2, thereby resulting in a savings of 3000 m<sup>3</sup>/d.

- The commissioning of the world's largest (224 m<sup>3</sup>/hr) ceramic water treatment was completed during the year. This system is being implemented for the first time in India and treats the oily contaminated alkaline water in cold rolling mills to give a permeate, which can be recycled.
- In view of the severe water crisis, due to deficient monsoon, several measures were taken to intensify recycling of blow down water. This has helped in reducing the specific water consumption by 16%.

#### SOLID WASTE MANAGEMENT:

During the year under review, waste utilization was given a fillip with the commissioning of the "waste to wealth" plant. These processes iron bearing dusts & sludge to produce value added material for use in pellet plant. The plant achieved a maximum production of 600 TPD in March 2016.

Micro pellet plant and mill scale briquetting plants operated above their designed capacities.

The utilization of solid waste (dust & sludge) was enhanced to 97.35%.

Efforts to provide processed granulated blast furnace slag as an alternate to river sand in 2015-16 showed encouraging results & its acceptance, with nearly one lakh tonnes of slag sand sold to construction industry.

Steam aging process has been developed by R&D department for accelerated weathering of steel slag using steam to convert steel slag into high quality aggregates. Further, an analytical method for determining the effectiveness of the weathering has been developed & included in BIS 383.

#### DOLVI

To increase the efficiency of the dust extraction system and improve the work zone air quality, following measures were taken:

- Installed new dust suppression system with dry fog at Jetty.

- Installed new de-dusting system in waste material recycling area, sinter fines return conveyor and product conveyor at Sinter plant.
- Improved the efficiency of existing gas cleaning plants by installation of high temperature quenching tower 4 nos. at EAF Shell 1 & 2 and Shell 3 & 4.
- Installed new de-dusting systems at Blast Furnace Cast House and Stock house.
- Installed retractable telescopic chute at Lime Calcination Plant (LCP) at lime loading points.
- Installed Industrial Vacuum Cleaner (IVC) to extract spillage of dust at various working platforms in the Jetty and LCP.
- Installed additional dust extraction system with venturi scrubbing in Sponge Iron Plant.
- Optimizing the combustion of fuel gas in Coke Oven for better efficiency and lesser emission.

Dolvi works has been conferred with Greentech Environment Award-2015 in Gold Category from Greentech Foundation, New Delhi.

#### **SALEM**

- To increase the effectiveness of monitoring and effective air pollution control, additional 62 online continuous emission monitoring systems were commissioned and connected real-time to Care Air Centre (CAC), TNPCB, Chennai.
- Flow details of wastewater (collection and reuse) was connected online along with CCTV camera to Water Quality Watch (WQW), TNPCB, Chennai.
- Liquid Chlorine (hazardous substance) in Captive Power Plant was replaced by Chlorine dioxide in cooling water treatment at CPP II for safer and better handling.
- BF gas fired reheating furnace at Bar & Rod Mill was commissioned for maximizing BF gas consumption thereby reducing the usage of furnace oil.
- As a major initiative in enhancing the use of renewable energy, Solar energy for street light of 5 KW capacity was installed in the plant.

- Chemical consumption in main raw water treatment plant was reduced by 10% through periodical monitoring of input water quality.
- Secondary de-dusting system was commissioned at LRF to reduce fugitive emissions.
- As a part of green belt development, 10000 nos. of trees were planted inside the plant including 5000 Bheema Bamboo trees which would consume more Carbon dioxide than the other trees.
- Rain water harvesting pond of 2200 m3 capacity was constructed near Coke Oven Plant for collection and re-using the water in the process to minimize the consumption of raw water.
- Initiative taken to install 3 numbers of continuous Air Quality Monitoring Station for continuous monitoring of ambient air quality.
- Initiative taken to eliminate DM plant regeneration wastewater by installing R.O. plant in CPP II.

The Company is dedicated to constantly improving its performance on the prevention & control of Pollution, the proper use of natural resources and the minimisation of any hazardous impact stemming from the production, development, use and disposal of any of the products and services of the Company.

#### **26. AWARDS AND ACCOLADES**

Over the years, JSW Steel has participated and won many rewards and recognitions. This includes in areas like Business Excellence, Sustainability, Industry Leadership, etc. The award won during FY 2015-16 include the following:

1. Platts Global Metals Awards- (Industry Leadership Award) JSW Steel 2015.
- 2a. Porter Prize for Creating Shared Value.
- 2b. Porter Prize of Leveraging Unique Activities - Weathering the Iron Ore crisis.
3. CII-EXIM Bank Business Excellence Award – 2015 awarded by Confederation of Indian Industries (CII): Commendation Certificate for Significant Achievement.
4. National Sustainability Award-2015: First Prize amongst the Integrated Steel Plants Category by Indian Institute of Metals.



5. CII-ITC Sustainability Award 2014: Awarded Outstanding Accomplishment in category F.
6. Steel Minister's Trophy for the year 2013-14: Announced.
7. Governor of Karnataka Mr. Vaju Bhai Vala conferred a honorary Doctorate to Mr.Sajjan Jindal Chairman & Managing Directorat the 4th Convocation of the Vijayanagar Sri Krishna Devara University held at Joladarashi Doddanagouda Ranga Mandir in Ballari on March 30, 2016.

#### CERTIFICATION

The surveillance audit was conducted for the IMS (Integrated Management System) which includes all the ISO-9001, ISO-14001 & BS-OHSAS-18001 for the JSW works and the JSW Township.

#### 27. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134 sub-section 3(c) and sub-section 5 of the Companies Act, 2013, your Directors hereby state and confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- (ii) Such accounting policies have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent to give a true and fair view of the Company's state of affairs as at March 31, 2016 and of the Company's profit or loss for the year ended on that date.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The annual financial statements have been prepared on a going concern basis.
- (v) That internal financial controls were laid down to be followed and that such internal financial controls were adequate and were operating effectively.
- (vi) Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 28. DISCLOSURES

##### NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year six Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Regulations 17 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

##### AUDIT COMMITTEE

The Audit Committee comprises of Three 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 as per the Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Clause 49 of the erstwhile Listing Agreement.

There are no recommendations of the Audit Committee which have not been accepted by the Board.

##### EXTRACT OF ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the extract of the annual return in Form No. MGT-9 is annexed (Annexure "B") hereto and forms a part of this report.

##### WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company has a vigil mechanism named Whistle Blower Policy / Vigil Mechanism to deal with instance of fraud and mismanagement, if any. Details of the same are given in the Corporate Governance Report.

##### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no significant or material orders passed by the Regulators/ Courts/ Tribunals which could impact the going concern status of the Company and its future operations.

**PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, is given in the statement annexed (Annexure "A") hereto and forms a part of this report.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The information required to be disclosed in the Directors' Report pursuant to Section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is set out as Annexure "F" to this Report.

Having regard to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013, an abridged version of the Annual Report, excluding the aforesaid information, is being sent to the members of the Company and others entitled thereto. For those persons who have registered their e-mail addresses with the Company, the full version of the Annual Report containing the aforesaid information is being sent to them electronically. Members and other entitled persons who have not registered their e-mail addresses with the Company may access the full version of the Annual Report up to the date of the ensuing Annual General Meeting on the website of the Company; or by physically inspecting the full version of the Annual Report at the Registered Office of the Company on all working days of the Company, between 10.00 a.m. and 01.00 p.m; or by requesting a physical copy by writing to the Company Secretary.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention,

Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

No complaints pertaining to sexual harassment were received during FY 2015-16.

**OTHER DISCLOSURES / REPORTING**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOPs referred to in this Report.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

**29. APPRECIATION**

Your Directors take this opportunity to express their appreciation for the cooperation and assistance received from the Government of India, Republic of Chile, Kenya, Mauritius, Mozambique, Mali, the 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**  
Chairman

Mumbai, dated: May 18, 2016

## ANNEXURE 'A' TO DIRECTORS' REPORT

### INFORMATION IN ACCORDANCE WITH THE PROVISIONS OF SECTION 134(3) (M) OF THE COMPANIES ACT, 2013, READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

#### A. ENERGY CONSERVATION

JSW Steel has always been a frontrunner in continually improving its operational performance in all areas, like productivity, yield, utilisation and a host of other operating metrics, while reducing the consumption of fuel, power, stores and others. This is done by adopting an approach of continual improvement of process metrics across all energy consuming facilities.

#### VIJAYANAGAR

The Energy departments renewed its efforts by carrying out energy benchmarking with the best-in-class steel players and adopting some of the relevant best practices. Energy conservation was taken up as a key improvement theme during the year and the new approach attempted to prioritize actions through a **three-pronged** strategy:

1. Higher **Prevention / minimisation** – i.e., Preventing wastage / minimisation of energy usage by relentless optimisation of process parameters to achieve lower values of fuel / energy consumption.
2. Improving **Recovery** – deploying innovative methods of recovering higher amount of unused fuel heat in various process exhausts / recovery systems.
3. Higher **Re-use / Re-cycling** – studying available potential of recovered energy from various sources and doing a cost-benefit analysis of practices required.

#### A) STEPS TAKEN FOR ENERGY CONSERVATION

##### VIJAYANAGAR

- Reduction in LPG consumption in plant by about 30%.
- Conversion of Corex gas holder to Linz-Donawitz (LD) gas holder. This has led to increase the LD gas recovery by 20%.
- Reduction of carbon fuel rate in sinter plant by 5.3%.
- Increased the blast furnace pulverized coal injection by 7.6%.

- Increased power generation of 22 MW in FY 2015-16 from Top Recovery Turbine, as compared to 19 MW in FY 2014-15.
- Maximized Blast furnace gas utilization i.e. 96.85% by utilizing surplus BF gas in process steam boilers & in power plants.
- Reduced argon consumption in SMS by 17% by utilizing Nitrogen in between heats.
- Power consumption at SMS III has been reduced by 36% by improving the furnace availability & maximizing utilization.
- The oxygen bleeding was reduced from 8.7% in FY 2014-15 to 3.9% in FY 2015-16 i.e. reduction of 54%, achieved by optimizing the supply pressure set points of all ASU units.

#### DOLVI

- Dolvi works has initiated the usage of Coke Oven Gas in place of Natural Gas (NG) at the following locations to improve cost efficiency in FY 2015-16:
  - a. As a partial replacement of Natural Gas (NG) for production of Direct Reduced Iron (DRI).
  - b. At Tunnel Furnace for slab heating.
  - c. At Indurating furnace of Pellet plant mixed with Blast Furnace Gas (BFG).
  - d. In Sinter plant 1 & 2.
- By replacing conventional lights with LED lights at HSM area energy savings of 45,000 KWH/annum has been achieved.
- Setup of Energy Management Cell (EMC) for focussed approach on effective and efficient energy management.
- Fuel conversion of BF Boiler from 'Blast Furnace Gas + Natural Gas (NG)' to 'Blast Furnace Gas + Coke Oven gas (COG)'.
- Post revamping blast furnace capacity enhancement, Top Recovery Turbine (TRT) capacity has increased from 5 MW to 15 MW.

#### **SALEM**

- Energy savings through Steam generation improvement from 27.5 TPH to 29 TPH in Waste Heat Recovery Boiler #3 through Six sigma project. 375kw of additional power generation through waste heat.
- At CPP, reducing the air flow in AFBC boiler at 90TPH boiler operation, resulted in reduction of fans power consumption.
- At ASP, reduction of Power Consumption by reducing MAC intercooler DP.
- At ASP, reduction of power consumption in cooling water system and chiller unit.
- At Coke Oven Plant, reduction of power consumption through optimisation of coke dryer fan.

#### **EXPENDITURE ON ENERGY CONSERVATION PROJECTS**

The capital investment on energy conservation equipments:

#### **VIJAYANAGAR**

A capital expenditure of ₹ 72.3 crores was incurred on energy conservation projects, resulting in a reduction of 0.022 Gcal / tcs and a financial savings of about ₹ 123.00 crores on annualized basis.

#### **DOLVI**

A capital expenditure of ₹ 30.1 crores was incurred on energy conservation projects, resulting in a reduction of 0.117 Gcal / tcs and a financial savings of ₹ 44.07 crores on annualized basis.

#### **SALEM**

A capital expenditure of ₹ 0.67 crores was incurred on conservation projects, resulting in a reduction of 4.4 million units of power and a financial savings of ₹ 2 crores on annualized basis.

### **B) 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. involve process improvements, development of new processes & products, energy optimization, waste utilization and conservation of natural resources.

The key focus areas include -

- Beneficiation and agglomeration.
- Cost reduction through process efficiency improvements.
- Product development and customization.
- Energy and waste management

R & D is actively involved in industry-academic partnership and has initiated a number of collaborative projects with leading academic and research institutes in India – CSIR-NML Jamshedpur, IIT Bombay, IIT Madras, IIT Kharagpur, IISc Bangalore, NIT Surathkal, NCCBM Ballabgarh, CSIR-IMMT Bhubaneswar and BITS Pilani.

JSW Steel for the first time has initiated an international collaborative research program with BASF, Germany to develop special purpose reagents for iron ore beneficiation. An MoU was signed in September 2015 by management of JSW Steel and BASF.

#### **2. BENEFITS DERIVED AS A RESULT OF R & D EFFORTS**

##### **A) Vijayanagar Works:**

The following important developmental works leading to techno-economic benefits have been completed.

- Development of a process for recovery of Fe and carbon from plant waste.
- Use of CDQ fines in micropelletization.
- Optimisation of binder consumption in pellet plant by activated binders.
- Development of Tundish covering compound from process wastes.
- Development of magnetic assisted spiral concentrator.
- Development of low temperature refractory constables using EAF slag.

Process development:

- Process Optimization of micro-pelletization with dry dusts and CDQ fines.

- Optimization of alumina/silica ratio in pellet feed to improve the properties.
- Optimization of process for reduction in shape related defects (waviness) in HR coils.
- Development of Bosh model for Blast furnace.
- Development of blast furnace raceway zone model for process monitoring and optimization.
- Development of Simulation model for Silicon Prediction in Corex furnace.
- Stabilization of high carbon grades in WRM through microstructural analysis.
- Process optimization of Pellet plant 2 for high alumina iron ores.
- Performance improvement of jigging Process in beneficiating medium and low grade iron ores.
- Improvement of Steel Cleanliness in 8-Strand Billet Caster Tundish through Water Modeling Studies.
- Sinter Process optimization for use of increased micro fines.

#### New products developed / customized

Development of high strength steels mainly for automotive and white goods applications have been the major focus at JSW Steel. The developments involve incremental improvements in material properties to match the customer requirements and develop new grades for new applications.

A total of 89 numbers of new steel grades have been developed / customized that include flat and long rolled products.

#### B) Dolvi Works:

The following process and technology development projects have been completed.

- Improvement & consistency of mechanical property of SAPH440 grade by using Nitrovan.
- Reduction of mill load and improvement in surface quality due to temperature mark in thinner gauge SH41AL grade by partial replacement of Nb by V with the use of Nitrovan.

- Study to reduce strain hardening behavior of different microalloyed steel grade used for ERW pipe application.
- Feasibility of use of BF & EAF slag for water filtration in cooling tower.
- CFD study of non uniformity of air flow across the width of pellet car in sinter plant.

#### New products developed / customized

Total 5 numbers of new steel grades have been developed / customized.

#### C) Salem Works:

The following process and technology improvement projects have been completed:

- Stabilization of volumetric fraction inclusion analysis through immersion UT process.
- Reduction of hardness by 20 BHN in 51CrV4 grade flat products by slow cooling method.
- Optimization of combustibility of Pulverized Coal in the Blast furnaces by addition of the catalyst, Iron Oxide powder in the PCI coal- Phase 1.
- Development of Paver blocks and bricks made from EOF slag.
- Study on macro inclusions in billets through CCM1 to assess the cleanliness of steel on volumetric basis.
- Carbonization of pure coals to optimize coal blends.

#### New products developed / customized

Total 15 numbers of new steel grades have been developed / customized.

### 3. WAY AHEAD AND FUTURE PLAN OF ACTION

The R & D shall focus on continuous improvement of performance, value creation and cost reduction through innovative research relating to the existing operations and future strategic business requirements. The R & D focus areas for the next 3 years are:

- Utilization of iron and carbon recovered from process wastes in pellet making process.



- Development of a process for producing clinker directly from BF slag through Dry granulation methods and energy recovery system.
- Development of reagents for improving the efficiency of floatation process to handle high alumina ores.
- Development of high strength steel with 1300 MPa for automotive applications.
- Development of fluidized bed reduction roasting process for slimes and low grade iron ores for maximizing the iron recovery.
- Focus on energy conservation, waste utilization, water conservation and environmental impact.
- Development of new products/grades for new applications.

#### 4. EXPENDITURE ON R & D (2015-16)

(₹ in Crores)		
a) Capital	:	1.56
b) Revenue	:	11.82
c) Total	:	13.38
d) Total R & D	:	Not determined in view
expenditure	:	of the net loss for the
as % of PAT	:	financial year 2015-16.

### B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

#### A) VIJAYANAGAR WORKS :

1. Commissioning of Continuous Annealing Line - 2 of 0.95 MTPA, part of Cold Rolling Mill Phase-1

#### B) DOLVI WORKS :

1. Commissioning of sinter plant-II
2. Commissioning of steel melt shop with enhanced capacity.
3. Upgradation of electrical and automation system at HSM.

#### C) SALEM WORKS:

1. Commissioning and stabilization of SEM – EDS

### INTELLECTUAL PROPERTY

1. Patents filed

#### VIJAYANAGAR WORKS:

1. Test apparatus for measurement of expansion of slag and method for the same.
2. A microwave electrothermal thruster adapted for in-space electrothermal propulsion.
3. Coke dry quenched (CDQ) fines enriched agglomerate composition and a process for producing the same using silica based activated mineral binder.
4. High strength interstitial free steel having excellent formability and a process for manufacturing the same.
5. A seismic resistant reinforcement steel and a process for producing the same.
6. A Magnetic assisted spiral concentrator equipment for efficient separation of iron ores.

#### DOLVI WORKS:

1. A device for lifting and lowering of a stopper rod in a casting apparatus.
2. A hinged NRV flap assembly for installation at blower discharge outlet to air duct line in LCP.

2. Publication of Technical Papers

#### VIJAYANAGAR WORKS:

Total numbers of technical publications - 22 (14 Journals and 8 Conference proceedings)

#### DOLVI WORKS:

Total numbers of technical publications- 05 (Journals / Conference proceedings).

#### SALEM WORKS:

Total numbers of technical publications - 09 (6 Journals and 3 Conference proceedings).

### I) THE BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT OR IMPORT SUBSTITUTION

The R & D developments in process improvement, energy optimization and cost reduction have helped in savings in operational costs and revenue generation due to product development.

## II) INFORMATION REGARDING IMPORTED TECHNOLOGY (IMPORTED DURING THE LAST THREE YEARS RECKONED FROM THE BEGINNING OF THE FINANCIAL YEAR)

Innovation / Technology	Year of Import	Status of Implementation
Twin Shaft Lime Calcining Plant	FY 2013-14	Commissioned
ICSD Software Model for X-ray Diffractometer	FY 2013-14	Commissioned
Waste heat recovery system in Sinter plants 2, 3 & 4	FY 2013-14	Commissioned
Waste heat recovery system in Blast Furnace 3 & 4	FY 2013-14	Commissioned
Recycling system for dedusting effluents	FY 2013-14	Commissioned
Extruder	FY 2013-14	Commissioned
Magnetic Flux leakage technology	FY 2013-14	Commissioned
Infra-red thermography technology	FY 2013-14	Commissioned
KR Technology for external desulphurisation of hot metal	FY 2014-15	Commissioned
Steel Melt Shop-3 (Electric Arc Furnace Steelmaking and Billet Caster)	FY 2014-15	Commissioned
Cold Rolling Mill-2 plant and development & stabilisation of auto grade steels	FY 2014-15	Commissioned
Bar Rod Mill-2	FY 2014-15	Commissioned
Adoption and stabilisation of sub-lance system in SMS2 converters	FY 2014-15	Commissioned
Commissioning and stabilisation of automatic ultrasonic testing	FY 2014-15	Commissioned
Commissioning and stabilisation of Billet grinding machine	FY 2014-15	Commissioned
Commissioning of Cold and Hot Coke Oven Gas addition to DRI Furnace	FY 2014-15	Commissioned
Installation of Trommal screen of Rubber material at Pellet plant Ball mill to improve the life of Filter plates & cloths and Membranes	FY 2014-15	Commissioned
Commissioning of servo electric oscillator in CCM	FY 2014-15	Commissioned
Commissioning of Scanning electron microscope	FY 2014-15	Commissioned
Commissioning of high pressure de-scaler	FY 2014-15	Commissioned
Commissioning of HYDRIS for Hydrogen measurement of liquid steel in turndish	FY 2014-15	Commissioned
Commissioning of hot profiler for online measuring of size of bars in Blooming mill	FY 2014-15	Commissioned
Commissioning of Continuous Annealing Line for CRM-2	FY 2015-16	Commissioned
Commissioning of Electrical Steel Complex (ACL) at CRM-1 to produce Cold Rolled Non Grain Oriented (CRNGO)	FY 2015-16	Commissioned
Commissioning of Slab Auto Scarfing for removing surface and sub-surface defects for auto grades and non-auto grades	FY 2015-16	Commissioned
Commissioning of Blast Furnace No. 1 with enhanced capacity at Vijayanagar	FY 2015-16	Commissioned
Commissioning of I-Shop to machine and fabricate precision components in-house	FY 2015-16	Commissioned
Commissioning of Slab sizing press at HSM-2	FY 2015-16	Commissioned
Commissioning of Lime kiln-12	FY 2015-16	Commissioned
Commissioning of Blast Furnace with enhanced Capacity at Dolvi	FY 2015-16	Commissioned
Commissioning of Sinter Plant II at Dolvi	FY 2015-16	Commissioned
Commissioning of High temperature quenching system in GCP	FY 2015-16	Commissioned
Commissioning of Ladle Furnace #5	FY 2015-16	Commissioned
Commissioning of EMBR in CSP Caster #1 and Caster #2	FY 2015-16	Commissioned
Metallurgical Length Extension of CSP Caster #1	FY 2015-16	Commissioned
Commissioning of New Billet Caster at Dolvi	FY 2015-16	Commissioned
Commissioning of upgraded HSM Level 2 and Drives at Dolvi	FY 2015-16	Commissioned
Commissioning of New Bar Mill at Dolvi	FY 2015-16	Commissioned

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used and earned during the year:

	(₹ in Crores)	
	FY 2015-16	FY 2014-15
Foreign Exchange earned	2,698.13	8,093.59
Foreign Exchange used	11,597.30	18,304.53

## ANNEXURE 'B' TO DIRECTORS' REPORT

### FORM NO. MGT- 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2016  
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

01.	CIN:	L27102MH1994PLC152925
02.	Registration Date	15.03.1994
03.	Name of the Company	JSW Steel Limited
04.	Category / Sub-Category of the Company	Iron & Steel Making Facilities.
05.	Address of the Registered office and contact details	JSW Centre, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 Tel. No: 022-42861000 Fax. No.: 022-42863000 Website: www.jsw.in
06.	Whether listed company Yes / No	Yes
07.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500008 Tel. No.: 040 33211500 Fax. No.: 040 23001153

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Hot Rolled Steel Strips / Sheets/ Plates		51.0%
2	Rolled Long Products	241	23.2%
3	MS Cold Rolled Coils/Sheets		14.2%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :-

Sr. No.	Name of the Company	Address of the Company	Cin/Gln	% of Shares held
<b>SUBSIDIARY [APPLICABLE SECTION: 2(87)(II)]</b>				
1	JSW Steel (UK) Limited	Roxburghe House, 273283 Regent Street, London W1B 2HA, UK.	Not applicable	100%
2	JSW Steel Service Centre (UK) Limited	Lake Road, Leeway Industrial Estate, New Port, NP 194 WN K, UK.	Not applicable	100%
3	Argent Independent Steel (Holdings) Limited	Lake Road, Leeway Industrial Estate, New Port, NP 194 WN K, UK.	Not applicable	100%
4	JSW Natural Resources Limited, Mauritius	C/o, International, Financial Limited, IFS Court, Twenty Eight, Cybercity, Ebene Mauritius.	Not applicable	100%
5	JSW Natural Resources Mozambique Lda	C/O, KPMG Auditors,E Consultors, Predio Progresso, Avenida 24 de Julho, 2096-3, Ander, Maputo.	Not applicable	100%
6	JSW ADMS Carvao Limitada	AV.25 de Setembro, N 1676, 1 Andar EScritorio No.10, Maputo, Mozambique	Not applicable	100%
7	JSW Mali Resources SA	Bamako-Cite du Niger II Oceania IX, Republic du Mali	Not applicable	100%

Sr. No.	Name of the Company	Address of the Company	Cin/Gln	% of Shares held
8	JSW Steel (Netherlands) B.V.	Claude Debussylaan 24,1082 MD Amsterdam	Not applicable	100%
9	JSW Steel Holdings (USA) Inc.	2711, Centreville Road, Suite 400, City of Wilmington Country of New Castle Delaware 19808	Not applicable	100%
10	JSW Steel (USA) Inc.	701, Brazos Street, Suite 1050, Austin, Texas - 78701	Not applicable	90%
11	Periama Holdings, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
12	Purest Energy LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
13	Planck Holdings, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
14	Prime Coal, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
15	Rolling S Augering, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
16	Caretta Minerals, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
17	Periama Handling, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
18	Lower Hutchinson Minerals, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
19	Meadow Creek Minerals, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
20	Keenan Minerals, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
21	Hutchinson Minerals, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
22	RC Minerals, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
23	Peace Leasing, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
24	JSW Panama Holding Corporation	48th East Street, Bella Vista, P.O. Box No.: 0816-01832, Panama.	Not applicable	100%
25	Inversiones Eurosh Limitada	Apoquindo 3650 Oficina 803, Las Condes, Santiago.	Not applicable	100%
26	Santa Fe Mining	Apoquindo 3650, Oficina 803, Las Condes, Santiago.	Not applicable	70%
27	Santa Fe Puerto S.A.	Apoquindo 3650 Oficina 803, Las Condes, Santiago.	Not applicable	70%
28	JSW Steel East Africa Limited	ALN House, Eldama Ravine Gardens, Off Eldama Ravine Road, Westlands, P.O. Box 20000606, Saud Centre, Nairobi, Kenya	Not applicable	100%
29	JSW Steel Processing Centres Limited	JSW Centre, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051	U01010MH2003PLC176595	100%
30	JSW Jharkhand Steel Limited	JSW Centre, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051	U27310MH2007PLC171405	100%
31	JSW Bengal Steel Limited	JSW Centre, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051	U27106MH2007PLC170160	98.65%
32	Barbil Beneficiation Company Limited	JSW Centre, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051	U51420MH2008PLC184386	98.65%
33	JSW Natural Resources India Limited	JSW Centre, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051	U14200MH2007PLC173687	98.65%
34	JSW Energy (Bengal) Limited	JSW Centre, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051	U40300MH2010PLC199844	98.65%
35	JSW Steel Coated Products Limited	JSW Centre, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051	U27100MH1985PLC037346	100%
36	Amba River Coke Limited	JSW Centre, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051	U23100MH1997PLC110901	100%
37	Peddar Realty Pvt. Limited	JSW Centre, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051	U45200MH2002PTC137214	100%
38	Arima Holdings Ltd.,	Suit G12, St.James Court, St. Denis Street Port Louis	Not Applicable	100%

Sr. No.	Name of the Company	Address of the Company	Cin/Gln	% of Shares held
39	Lakeland Securities Ltd.,	Suit G12, St. James Court, St. Denis Street Port Louis	Not Applicable	100%
40	Erebus Limited	Suit G12, St. James Court, St. Denis Street Port Louis	Not Applicable	100%
41	Nippon Ispat Singapore (Pte) Ltd.,	17 Philip Street # 05-01 Grand Building Singapore 048695.	Reg No.199303132W	100%
42	JSW Natural Resource Bengal Limited	JSW Centre, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051	U10300MH2010PLC200871	98.65%
43	Barbil Iron Ore Company Limited	10th Floor, Tower-I, Godrej Waterside, Block DP-Plot no 5, Sector V, Salt Lake City, Kolkata - 700098	U13100WB2014PLC199846	98.65%
44	JSW Steel (Salav) Limited	Welspun City, Village Versamedi, Taluka Anjar, Kutch, AnjarGujrat.	U27100GJ2008PLC064145	99.87%
45	Everbest Steel and Mining Holdings Limited	Jindalgarh, Kharsia Road, Patrapli Raigarh - 496 001	UI3100CT2013PLC000681	60%
<b>ASSOCIATES [APPLICABLE SECTION: 2(6)]</b>				
46	JSW Praxair Oxygen Private Limited (formerly known as Jindal Praxair Oxygen Company Pvt. Ltd.)	P.O.Torangallu, Bangalore Karnataka - 583 123	U85110KA1995PTC018868	26%
47	Dolvi Mineral & Metals Pvt. Ltd.	JSW Centre, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051	U51900MH2014PTC257483	39.996%
48	Dolvi Coke Projects Limited	JSW Centre, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051	U23209MH2014PLC254395	39.996%

#### IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

##### 1. CATEGORY-WISE SHAREHOLDING:-

Category Code	Category of Shareholder	No. of Shares held at the beginning of the year 01/04/2015				No. of Shares held at the end of the year 31/03/2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP</b>									
(1)	INDIAN									
(a)	Individual /HUF	4051047	0	4051047	1.68	4051047	0	4051047	1.68	0.00
(b)	Central Government/ State Government(s)	907952	0	907952	0.38	907952	0	907952	0.38	0.00
(c)	Bodies Corporate	86092335	0	86092335	35.62	89602358	0	89602358	37.07	1.45
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total A(1) :</b>	<b>91051334</b>	<b>0</b>	<b>91051334</b>	<b>37.67</b>	<b>94561357</b>	<b>0</b>	<b>94561357</b>	<b>39.12</b>	<b>1.45</b>
(2)	FOREIGN									
(a)	Individuals (NRIs/ Foreign Individuals)	11099	0	11099	0.00	11099	0	11099	0.00	0.00
(b)	Bodies Corporate	5704612	0	5704612	2.36	5704612	0	5704612	2.36	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00



Category Code	Category of Shareholder	No. of Shares held at the beginning of the year 01/04/2015				No. of Shares held at the end of the year 31/03/2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
	<b>Sub-Total A(2) :</b>	<b>5715711</b>	<b>0</b>	<b>5715711</b>	<b>2.36</b>	<b>5715711</b>	<b>0</b>	<b>5715711</b>	<b>2.36</b>	<b>0.00</b>
	<b>Total A=A(1)+A(2)</b>	<b>96767045</b>	<b>0</b>	<b>96767045</b>	<b>40.03</b>	<b>100277068</b>	<b>0</b>	<b>100277068</b>	<b>41.48</b>	<b>1.45</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>									
<b>(1)</b>	<b>INSTITUTIONS</b>									
(a)	Mutual Funds /UTI	4592537	19865	4612402	1.91	3641346	19767	3661113	1.51	-0.39
(b)	Financial Institutions /Banks	4306553	2580	4309133	1.78	2859186	2580	2861766	1.18	-0.60
(c)	Central Government/ State Government(s)	1237500	0	1237500	0.51	1237500	0	1237500	0.51	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	45884882	11713	45896595	18.99	45915033	11713	45926746	19.00	0.01
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total B(1) :</b>	<b>56021472</b>	<b>34158</b>	<b>56055630</b>	<b>23.19</b>	<b>53653065</b>	<b>34060</b>	<b>53687125</b>	<b>22.21</b>	<b>-0.98</b>
<b>(2)</b>	<b>NON-INSTITUTIONS</b>									
(a)	Bodies Corporate	16396435	733025	17129460	7.09	17889302	732014	18621316	7.70	0.62
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 2 lakh	11353385	2968235	14321620	5.92	10288351	2887765	13176116	5.45	-0.47
	(ii) Individuals holding nominal share capital in excess of ₹ 2 lakh	9829981	0	9829981	4.07	14525216	0	14525216	6.01	1.94
(c)	Others									
	Employees Welfare Trust	0	0	0	0.00	1881732	4	1881736	0.78	0.78
	Foreign Bodies Corporates	41748100	46566	41794666	17.29	36258307	46566	36304873	15.02	-2.27
	Non-Resident Indians	2769336	450480	3219816	1.33	2798963	437530	3236493	1.34	0.01
	Overseas Corporate Bodies	31092	1066	32158	0.01	1092	1066	2158	0.00	-0.01
	Trusts	2571642	26	2571668	1.06	9921	22	9943	0.00	-1.06
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total B(2) :</b>	<b>84699971</b>	<b>4199398</b>	<b>88899369</b>	<b>36.78</b>	<b>83652884</b>	<b>4104967</b>	<b>87757851</b>	<b>36.31</b>	<b>-0.47</b>
	<b>Total B=B(1)+B(2):</b>	<b>140721443</b>	<b>4233556</b>	<b>144954999</b>	<b>59.97</b>	<b>137305949</b>	<b>4139027</b>	<b>141444976</b>	<b>58.52</b>	<b>-1.45</b>
	<b>Total (A+B) :</b>	<b>237488488</b>	<b>4233556</b>	<b>241722044</b>	<b>100.00</b>	<b>237583017</b>	<b>4139027</b>	<b>241722044</b>	<b>100.00</b>	<b>0.00</b>

Category Code	Category of Shareholder	No. of Shares held at the beginning of the year 01/04/2015				No. of Shares held at the end of the year 31/03/2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
<b>(C) SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED</b>										
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
<b>GRAND TOTAL (A+B+C):</b>		<b>237488488</b>	<b>4233556</b>	<b>241722044</b>	<b>100.00</b>	<b>237583017</b>	<b>4139027</b>	<b>241722044</b>	<b>100.00</b>	<b>0.00</b>

## 2. SHAREHOLDING OF PROMOTERS:

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% change in shareholding
		No. of Shares held as on 01/04/2015	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares held as on 31/03/2016	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	JSW Holdings Limited	17284923	7.15	41.61	17368923	7.19	75.50	0.49
2	Vividh Consultancy and Advisory Services Pvt. Ltd.	13885669	5.74	93.14	13885669	5.74	86.38	0.00
3	JSW Investments Private Limited	13516309	5.59	74.00	13516309	5.59	84.44	0.00
4	Sahyog Tradecorp Private Limited	10320586	4.27	43.82	10970586	4.54	79.35	0.27
5	JSW Power Trading Company Limited	7003835	2.90	12.14	7003835	2.90	12.14	0.00
6	Danta Enterprises Private Limited	6036825	2.50	0.00	6036825	2.50	62.84	0.00
7	Virtuous Tradecorp Private Limited	6036825	2.50	0.00	6036825	2.50	0.00	0.00
8	Nalwa Sons Investments Ltd.	4548637	1.88	0.00	4548637	1.88	0.00	0.00
9	JSW Techno Projects Management Ltd.	2216523	0.92	28.51	4992546	2.07	57.63	1.15
10	Beaufield Holdings Limited	1922797	0.80	0.00	1922797	0.80	0.00	0.00
11	Reynold Traders Private Limited	1812371	0.75	0.00	1812371	0.75	0.00	0.00
12	Glebe Trading Private Limited	1715793	0.71	0.00	1715793	0.71	18.16	0.00
13	JSW Logistics Infrastructure Private Limited	1712577	0.71	0.00	1712577	0.71	0.00	0.00
14	Sajjan Jindal	2329080	0.96	0.00	2329080	0.96	0.00	0.00
15	Karnataka State Industrial and Infrastructure Development Corporation	907952	0.38	0.00	907952	0.38	0.00	0.00
16	Heston Securities Limited	425239	0.18	0.00	0	0.00	0.00	-0.18
17	Jargo Investments Limited	425000	0.18	0.00	0	0.00	0.00	-0.18
18	Sarmento Holdings Limited	421957	0.17	0.00	0	0.00	0.00	-0.17
19	Mendez Holdings Limited	421809	0.17	0.00	421809	0.17	0.00	0.00
20	Nacho Investments Limited	420738	0.17	0.00	420738	0.17	0.00	0.00

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% change in shareholding
		No. of Shares held as on 01/04/2015	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares held as on 31/03/2016	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
21	Templar Investments Limited	420652	0.17	0.00	420652	0.17	0.00	0.00
22	Pentel Holding Limited	416657	0.17	0.00	0	0.00	0.00	-0.17
23	Estrela Investment Company Limited	416007	0.17	0.00	416007	0.17	0.00	0.00
24	Vavasa Investments Limited	413756	0.17	0.00	0	0.00	0.00	-0.17
25	Tarini Jindal	491389	0.20	0.00	491389	0.20	0.00	0.00
26	Tanvi Jindal	488363	0.20	0.00	488363	0.20	0.00	0.00
27	Parth Jindal	352000	0.15	0.00	352000	0.15	0.00	0.00
28	Sangita Jindal	287813	0.12	0.00	287813	0.12	0.00	0.00
29	Urmila Bhuwarka	25000	0.01	100.00	25000	0.01	100.00	0.00
30	R K Jindal & Sons Huf	14865	0.01	0.00	14865	0.01	0.00	0.00
31	Nirmala Goyal	12000	0.00	0.00	12000	0.00	0.00	0.00
32	Prithvi Raj Jindal	8458	0.00	0.00	8458	0.00	0.00	0.00
33	Savitri Devi Jindal	7530	0.00	0.00	7530	0.00	0.00	0.00
34	Ratan Jindal	6021	0.00	0.00	6021	0.00	0.00	0.00
35	Sminu Jindal	5597	0.00	0.00	5597	0.00	0.00	0.00
36	Deepika Jindal	5462	0.00	0.00	5462	0.00	0.00	0.00
37	Urvi Jindal	5082	0.00	0.00	5082	0.00	0.00	0.00
38	Abhyuday Jindal	5078	0.00	0.00	5078	0.00	0.00	0.00
39	Tripti Jindal	5066	0.00	0.00	5066	0.00	0.00	0.00
40	P R Jindal Huf	4555	0.00	0.00	4555	0.00	0.00	0.00
41	Naveen Jindal	5499	0.00	0.00	5499	0.00	0.00	0.00
42	Aiyush Bhuwarka	1400	0.00	100.00	1400	0.00	100.00	0.00
43	Hexa Tradex Limited	1362	0.00	0.00	1362	0.00	0.00	0.00
44	Arti Jindal	1108	0.00	0.00	1108	0.00	0.00	0.00
45	S K Jindal and Sons Huf	776	0.00	0.00	776	0.00	0.00	0.00
46	JSW Projects Limited	100	0.00	0.00	100	0.00	0.00	0.00
47	Deepika Jindal	4	0.00	0.00	4	0.00	0.00	0.00
48	Jsl Overseas Limited	0	0.00	0.00	2102609	0.87	0.00	0.87

**3. CHANGE IN PROMOTERS' SHAREHOLDING**

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year		Date	Sold	Purchased	Remarks
		No. of Shares held as on 01.04.2015	% of total shares of the Company	No. of Shares held as on 31/03/2016	% of total shares of the Company				
1	JSW Holdings Limited	17284923	7.15	17368923	7.19	01-04-2015	0.00	0	17284923
						18-03-2016		83915	17368838
						25-03-2016		85	17368923
						31-03-2016		0	17368923
2	Vividh Consultancy and Advisory Services Pvt. Ltd.	13885669	5.74	13885669	5.74	01-04-2015	0	0	13885669
						31-03-2016			13885669
3	JSW Investments Private Limited	13516309	5.59	13516309	5.59	01-04-2015	0	0	13516309
						31-03-2016			13516309
4	Sahyog Tradcorp Private Limited	10320586	4.27	10970586	4.54	01-04-2015	0	0	10320586
						21-08-2015		234650	10555236
						28-08-2015		415350	10970586
						31-03-2016		0	10970586
5	JSW Power Trading Company Limited	7003835	2.90	7003835	2.90	01-04-2015	0	0	7003835
						31-03-2016			7003835
6	Danta Enterprises Private Limited	6036825	2.50	6036825	2.50	01-04-2015	0	0	6036825
						31-03-2016			6036825
7	Virtuous Tradecorp Private Limited	6036825	2.50	6036825	2.50	01-04-2015	0	0	6036825
						31-03-2016			6036825
8	Nalwa Sons Investments Ltd.	4548637	1.88	4548637	1.88	01-04-2015	0	0	4548637
						31-03-2016			4548637

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year		Date	Sold	Purchased	Remarks
		No. of Shares held as on 01.04.2015	% of total shares of the Company	No. of Shares held as on 31/03/2016	% of total shares of the Company				
9	JSW Techno Projects Management Ltd.	2216523	0.92	4992546	2.07	01-04-2015	0	0	2216523
						10-04-2015		780	2217303
						29-05-2015		133000	2350303
						05-06-2015		450000	2800303
						12-06-2015		185000	2985303
						26-06-2015		75000	3060303
						30-06-2015		101000	3161303
						03-07-2015		308000	3469303
						07-08-2015		144000	3613303
						14-08-2015		234970	3848273
						21-08-2015		460000	4308273
						28-08-2015		373000	4681273
						04-09-2015		311273	4992546
31-03-2016		0	4992546						
10	Beaufield Holdings Limited	1922797	0.80	1922797	0.80	01-04-2015	0	0	1922797
						31-03-2016			1922797
11	Reynold Traders Private Limited	1812371	0.75	1812371	0.75	01-04-2015	0	0	1812371
						31-03-2016			1812371
12	Glebe Trading Private Limited	1715793	0.71	1715793	0.71	01-04-2015	0	0	1715793
						31-03-2016			1715793
13	JSW Logistics Infrastructure Private Limited	1712577	0.71	1712577	0.71	01-04-2015	0	0	1712577
						31-03-2016			1712577
14	Sajjan Jindal	2329080	0.96	2329080	0.96	01-04-2015	0	0	2329080
						31-03-2016			2329080
15	Karnataka State Industrial and Infrastructure Development Corporation	907952	0.38	907952	0.38	01-04-2015	0	0	907952
						31-03-2016			907952
16	Heston Securities Limited	425239	0.18	0	0.00	01-04-2015	0	0	425239
						24-04-2015	425239		0
						31-03-2016	0		0
17	Jargo Investments Limited	425000	0.18	0	0.00	01-04-2015	0	0	425000
						11-09-2015	425000		0
						31-03-2016	0		0



Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year		Date	Sold	Purchased	Remarks
		No. of Shares held as on 01.04.2015	% of total shares of the Company	No. of Shares held as on 31/03/2016	% of total shares of the Company				
18	Sarmiento Holdings Limited	421957	0.17	0	0.00	01-04-2015 11-09-2015 31-03-2016	0 421957 0	0	421957 0 0
19	Mendeza Holdings Limited	421809	0.17	421809	0.17	01-04-2015 31-03-2016	0	0	421809 421809
20	Nacho Investments Limited	420738	0.17	420738	0.17	01-04-2015 31-03-2016	0	0	420738 420738
21	Templar Investments Limited	420652	0.17	420652	0.17	01-04-2015 31-03-2016	0	0	420652 420652
22	Pentel Holding Limited	416657	0.17	0	0.00	01-04-2015 11-09-2015 31-03-2016	0 416657 0	0	416657 0 0
23	Estrela Investment Company Limited	416007	0.17	416007	0.17	01-04-2015 31-03-2016	0	0	416007 416007
24	Vavasa Investments Limited	413756	0.17	0	0.00	01-04-2015 11-09-2015 31-03-2016	0 413756 0	0	413756 0 0
25	Tarini Jindal	491389	0.20	491389	0.20	01-04-2015 31-03-2016	0	0	491389 491389
26	Tanvi Jindal	488363	0.20	488363	0.20	01-04-2015 31-03-2016	0	0	488363 488363
27	Parth Jindal	352000	0.15	352000	0.15	01-04-2015 31-03-2016	0	0	352000 352000
28	Sangita Jindal	287813	0.12	287813	0.12	01-04-2015 31-03-2016	0	0	287813 287813

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year		Date	Sold	Purchased	Remarks No. of shares at the end of the year
		No. of Shares held as on 01.04.2015	% of total shares of the Company	No. of Shares held as on 31/03/2016	% of total shares of the Company				
29	Urmila Bhuwalka	25000	0.01	25000	0.01	01-04-2015 31-03-2016	0	0	25000 25000
30	R K Jindal & Sons Huf	14865	0.01	14865	0.01	01-04-2015 31-03-2016	0	0	14865 14865
31	Nirmala Goyal	12000	0.00	12000	0.00	01-04-2015 31-03-2016	0	0	12000 12000
32	Prithvi Raj Jindal	8458	0.00	8458	0.00	01-04-2015 31-03-2016	0	0	8458 8458
33	Savitri Devi Jindal	7530	0.00	7530	0.00	01-04-2015 31-03-2016	0	0	7530 7530
34	Ratan Jindal	6021	0.00	6021	0.00	01-04-2015 31-03-2016	0	0	6021 6021
35	Sminu Jindal	5597	0.00	5597	0.00	01-04-2015 31-03-2016	0	0	5597 5597
36	Deepika Jindal	5466	0.00	5466	0.00	01-04-2015 31-03-2016	0	0	5466 5466
37	Urvi Jindal	5082	0.00	5082	0.00	01-04-2015 31-03-2016	0	0	5082 5082
38	Abhyuday Jindal	5078	0.00	5078	0.00	01-04-2015 31-03-2016	0	0	5078 5078
39	Tripti Jindal	5066	0.00	5066	0.00	01-04-2015 31-03-2016	0	0	5066 5066
40	P. R. Jindal Huf	4555	0.00	4555	0.00	01-04-2015 31-03-2016	0	0	4555 4555
41	Naveen Jindal	5499	0.00	5499	0.00	01-04-2015 31-03-2016	0	0	5499 5499

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year		Date	Sold	Purchased	Remarks No. of shares at the end of the year
		No. of Shares held as on 01.04.2015	% of total shares of the Company	No. of Shares held as on 31/03/2016	% of total shares of the Company				
42	Aiyush Bhuwalka	1400	0.00	1400	0.00	01-04-2015 31-03-2016	0	0	1400 1400
43	Hexa Tradex Limited	1362	0.00	1362	0.00	01-04-2015 31-03-2016	0	0	1362 1362
44	Arti Jindal	1108	0.00	1108	0.00	01-04-2015 31-03-2016	0	0	1108 1108
45	S. K. Jindal and Sons Huf	776	0.00	776	0.00	01-04-2015 31-03-2016	0	0	776 776
46	JSW Projects Limited	100	0.00	100	0.00	01-04-2015 31-03-2016	0	0	100 100
47	Deepika Jindal	4	0.00	4	0.00	01-04-2015 31-03-2016	0	0	4 4
48	JSL Overseas Limited	0	0.00	2102609	0.87	01-04-2015 26-06-2015 11-09-2015 31-03-2016	0	0 425239 1677370 0	0 425239 2102609 2102609

#### 4. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS: (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year		Date wise Increase/Decrease in Shareholding during the year			No. of shares at the end of the year
	No. of Shares held as on 01/04/2015	% of Total Shares of the Company	No. of Shares held as on 31/03/2016	% of Total Shares of the Company	Date	Sold	Purchased	
JFE Steel International Europe B.v.	36258307	15.00	36258307	15.00	01-04-2015	0	0	36258307
					31/03/2016	0	0	36258307
APMS Investment Fund Ltd.	4417000	1.83	3688500	1.53	01-04-2015	0	0	4417000
					23/10/2015	700000	0	3717000
					18/03/2016	28500	0	3688500
					31/03/2016	0	0	3688500
Lotus Global Investments Ltd.	4170965	1.73	4164965	1.72	01-04-2015	0	0	4170965
					26/02/2016	6000	0	4164965
					31/03/2016	0	0	4164965

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year		Date wise Increase/Decrease in Shareholding during the year			No. of shares at the end of the year
	No. of Shares held as on 01/04/2015	% of Total Shares of the Company	No. of Shares held as on 31/03/2016	% of Total Shares of the Company	Date	Sold	Purchased	
Gagandeep Credit Capital Pvt. Ltd.	4152765	1.72	4598265	1.90	01-04-2015	0	0	4152765
					17/07/2015	0	100000	4252765
					07/08/2015	0	345500	4598265
					31/03/2016	0	0	4598265
Duferco Coke Investments Limited	4074210	1.69	0	0.00	01-04-2015	0	0	4074210
					24/04/2015	400000	0	3674210
					01/05/2015	475000	0	3199210
					08/05/2015	645000	0	2554210
					15/05/2015	155000	0	2399210
					22/05/2015	23940	0	2375270
					29/05/2015	180000	0	2195270
					05/06/2015	205000	0	1990270
					12/06/2015	10000	0	1980270
					26/06/2015	55500	0	1924770
					31/07/2015	50000	0	1874770
					21/08/2015	200000	0	1674770
					04/09/2015	149500	0	1525270
					25/09/2015	265000	0	1260270
					09/10/2015	350000	0	910270
					16/10/2015	344185	0	566085
					23/10/2015	20200	0	545885
30/10/2015	430885	0	115000					
06/11/2015	115000	0	0					
31/03/2016	0	0	0					
The Indiaman Fund (Mauritius) Limited	3032693	1.25	3010000	1.25	01.04.2015	0	0	3032693
					10/04/2015	0	50000	3082693
					17/04/2015	50000	0	3032693
					24/04/2015	50000	0	2982693
					15/05/2015	0	115000	3097693
					22/05/2015	0	51300	3148993
					29/05/2015	0	186489	3335482
					05/06/2015	0	62211	3397693
					12/06/2015	0	135000	3532693
					09/10/2015	50000	0	3482693
					16/10/2015	55000	0	3427693
					20/11/2015	2000	0	3425693
					04/12/2015	193000	0	3232693
					11/12/2015	200000	0	3032693
					18/12/2015	22693	0	3010000
					31/12/2015	0	50000	3060000
					08/01/2016	45000	0	3015000
22/01/2016	5000	0	3010000					
31/03/2016	0	0	3010000					
Alka Pandey	3030163	1.25	3030163	1.25	01-04-2015	0	0	3030163
					31/03/2016	0	0	3030163
Life Insurance Corporation of India	2934252	1.21	1813174	0.75	01-04-2015	0	0	2934252

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year		Date wise Increase/Decrease in Shareholding during the year			
	No. of Shares held as on 01/04/2015	% of Total Shares of the Company	No. of Shares held as on 31/03/2016	% of Total Shares of the Company	Date	Sold	Purchased	No. of shares at the end of the year
					10/04/2015	0	158283	3092535
					10/04/2015	0	220639	3313174
					26/02/2016	77415	0	3235759
					04/03/2016	362476	0	2873283
					11/03/2016	467306	0	2405977
					18/03/2016	383775	0	2022202
					25/03/2016	130000	0	1892202
					31/03/2016	79028	0	1813174
					31/03/2016	0	0	1813174
Nirmal Kumar Jain / K.N. Patel (Trust)	2569912	1.06	1881732	0.78	01-04-2015	0	0	2569912
					03/04/2015	1526	0	2568386
					10/04/2015	2758	0	2565628
					17/04/2015	2232	0	2563396
					24/04/2015	17477	0	2545919
					08/05/2015	139	0	2545780
					22/05/2015	616	0	2545164
					29/05/2015	1627	0	2543537
					05/06/2015	210	0	2543327
					12/06/2015	2344	0	2540983
					19/06/2015	1793	0	2539190
					26/06/2015	3693	0	2535497
					30/06/2015	955	0	2534542
					17/07/2015	588	0	2533954
					24/07/2015	1492	0	2532462
					07/08/2015	1802	0	2530660
					14/08/2015	4205	0	2526455
					21/08/2015	9621	0	2516834
					28/08/2015	139	0	2516695
					04/09/2015	10630	0	2506065
					11/09/2015	20260	0	2485805
					18/09/2015	9173	0	2476632
					25/09/2015	8230	0	2468402
					30/09/2015	847	0	2467555
					09/10/2015	480	0	2467075
					16/10/2015	7209	0	2459866
					30/10/2015	813	0	2459053
					13/11/2015	269	0	2458784
					20/11/2015	3008	0	2455776
					27/11/2015	5392	0	2450384
					04/12/2015	15384	0	2435000
					11/12/2015	6123	0	2428877
					18/12/2015	57326	0	2371551
					25/12/2015	22403	0	2349148
					31/12/2015	17549	0	2331599
					08/01/2016	51399	0	2280200
					15/01/2016	3974	0	2276226



Name of the Shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year		Date wise Increase/Decrease in Shareholding during the year			
	No. of Shares held as on 01/04/2015	% of Total Shares of the Company	No. of Shares held as on 31/03/2016	% of Total Shares of the Company	Date	Sold	Purchased	No. of shares at the end of the year
					22/01/2016	10194	0	2266032
					05/02/2016	14792	0	2251240
					12/02/2016	4470	0	2246770
					19/02/2016	1951	0	2244819
					26/02/2016	72173	0	2172646
					04/03/2016	34623	0	2138023
					11/03/2016	56375	0	2081648
					18/03/2016	90328	0	1991320
					25/03/2016	48080	0	1943240
					31/03/2016	61508	0	1881732
					31/03/2016	0	0	1881732
Sudarshan Securities Private Limited	2533323	1.05	0	0.00	01-04-2015	0	0	2533323
					10/07/2015	2533323	0	0
					31/03/2016	0	0	0
	<b>67173590</b>	<b>27.79</b>	<b>58445106</b>	<b>24.18</b>				

## 5. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Sajjan Jindal, Chairman & Managing Director (incl. HUF)	2329856	0.96	2329856	0.96
2	Mr. Seshagiri Rao MVS, Jt. Managing Director & Group CFO	22320	0.01	22320	0.01
3	Dr. Vinod Nowal, Dy. Managing Director	9073	0.00	73	0.00
4	Mr. Jayant Acharya, Director (Commercial & Marketing)	11206	0.00	11206	0.00
5	Dr. Vijay Kelkar, Director	Nil	Nil	Nil	Nil
6	Mr. Uday Chitale	Nil	Nil	Nil	Nil
7	Dr. Malay Mukherjee	Nil	Nil	Nil	Nil
8	Mr. K. Vijayaraghavan	Nil	Nil	Nil	Nil
9	Mr. Kyoichi Kameyama, Nominee Director (JFE Steel Corpn)	Nil	Nil	Nil	Nil
10	Dr. (Mrs.) Punita Kumar Sinha	Nil	Nil	Nil	Nil

11	Mr. Naveen Raj Singh, Nominee Director (KSIIDC)	Nil	Nil	Nil	Nil
12	Mr. Haigreve Khaitan	Nil	Nil	Nil	Nil
13	Mr. Rajeev Pai, Chief Financial Officer	3113	0.00	0	0.00
14	Mr. Lancy Varghese, Company Secretary	126	0.00	0	0.00

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:-

	Amt. in ₹			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>INDEBTEDNESS AT THE BEGINNING OF THE FINANCIAL YEAR</b>				
i) Principal Amount	1,70,28,87,12,752	1,11,05,22,12,131	-	2,81,34,09,24,883
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,95,81,52,460	1,05,68,96,455	-	3,01,50,48,915
<b>Total (i+ii+iii)</b>	<b>172,24,68,65,212</b>	<b>1,12,10,91,08,586</b>	<b>--</b>	<b>2,84,35,59,73,798</b>
Change in Indebtedness during the financial year				
* Addition	42,64,91,38,325	111,970,543,141	-	154,619,681,466
* Reduction	44,592,079,262	86,818,133,032	-	131,410,212,294
<b>NET CHANGE</b>	<b>(1,942,940,937)</b>	<b>25,152,410,109</b>	<b>-</b>	<b>23,209,469,172</b>
<b>INDEBTEDNESS AT THE END OF THE FINANCIAL YEAR</b>				
i) Principal Amount	1,70,56,10,21,658	1,41,42,49,84,326	-	3,11,98,60,05,984
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,01,87,90,111	1,34,88,20,705	-	3,36,76,10,816
<b>Total (i+ii+iii)</b>	<b>172,57,98,11,769</b>	<b>142,77,38,05,031</b>	<b>-</b>	<b>3,15,35,36,16,800</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Sajjan Jindal	Mr. Seshagiri Rao	Dr. Vinod Nowal	Mr. Jayant Acharya	
1	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	9.56	4.61	3.33	2.95	20.45
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.01	0.01	0.00	0.00	0.02
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify	1.73	-	-	-	1.73
5	Others, please specify	-	-	-	-	-
	<b>Total (A)</b>	<b>11.30</b>	<b>4.62</b>	<b>3.33</b>	<b>2.95</b>	<b>22.20</b>
	Ceiling as per the Act (excluding commission)	12.00	6.00	6.00	6.00	30.00

Amt. in ₹ Crores

## B. REMUNERATION TO OTHER DIRECTORS

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Name of Directors												Total Amount				
		Mr. Uday Chitale	Dr. Vijay Kelkar	Mr. Malay Mukherjee	Vijayaraghavan	Mr. K. Dr. (Mrs.) Punita Kumar Sinha	Mr. Haigreve Khaitan	Dr. S.K. Gupta (part of the year)	Mr. Sudipto Sarkar (part of the year)	Mr. Anthony Paul Pedder*	Yes	Yes	Yes		Yes	Yes	Yes	
1	INDEPENDENT DIRECTORS																	
	Fee for attending board committee meetings	6.40	2.00	2.80	6.40	4.40	0.40	1.80	0.40	19.24	19.24	2.49	24.60					
	Commission	42.00	41.00	21.26	41.50	41.00	14.60	19.24	19.24	2.49	242.33							
	Others, please specify																	
	<b>Total (1)</b>	<b>48.40</b>	<b>43.00</b>	<b>24.06</b>	<b>47.90</b>	<b>45.40</b>	<b>15.00</b>	<b>21.04</b>	<b>19.64</b>	<b>2.49</b>	<b>266.93</b>							
2	OTHER NON-EXECUTIVE DIRECTORS																	
	MR. KYOICHI MR. KAMEYAMA (JFE NOMINEE)	1.20	0.60										1.80					
	RAJ SINGH (KSIIDC NOMINEE)	41.00	37.00										78.00					
	Others, please specify																	
	<b>Total (2)</b>	<b>42.20</b>	<b>37.60</b>										<b>79.80</b>					
	<b>Total (B)=(1+2)</b>												<b>346.73</b>					
	Total Managerial Remuneration (Excluding Sitting Fees)	₹ 25.46 Crores																
	Overall Ceiling as per the Act	₹ 37.97 Crores (11% of the net profits of the Company for that financial year).																

\* Additional Commission for FY 2014-15 paid during the year.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

In Crores

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	0.49	1.33	1.82
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.01	0.01
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit			
5	Others, please specify			
	<b>Total</b>	<b>0.49</b>	<b>1.34</b>	<b>1.83</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NIL		
Compounding					

## ANNEXURE 'C' TO DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members of  
**JSW STEEL LIMITED,**  
JSW Centre, Bandra Kurla Complex,  
Bandra (East),  
Mumbai 400051.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by JSW Steel Limited (L27102MH1994PLC152925) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by JSW Steel Limited for the financial year ended on 31st March 2016 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) All other relevant laws applicable to the Company, a list of which has been provided by the management. The examination and reporting on these laws and rules are limited to whether there are adequate systems and processes in place to monitor and ensure compliance with those laws.

We have also examined compliances with the applicable clauses of the following and have to report as under :

#### (I) SECRETARIAL STANDARDS

The Secretarial Standards SS - I and SS - 2 issued and notified by the Institute of Company Secretaries of India have been complied with by the Company during the financial year under review.

#### (II) LISTING AGREEMENTS

The Company has complied with the applicable clauses of the Listing Agreements entered into by it with the Bombay Stock Exchange (BSE) and the National Stock Exchange of India Limited as also with the applicable clauses of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above:



We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through as there are no dissenting members' views.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure

compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events/actions such as Public Issue of Securities, buy back, merger, amalgamation, foreign technical collaborations etc. or any other major decisions in pursuance of section 180 of the Companies Act, 2013 which require compliance of applicable provisions thereof.

For *S. Srinivasan & Co.,*

**S. SRINIVASAN**

Company Secretary

FCS No:2286

CP No :748

Place : Mumbai

Date : May 18, 2016

*This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.*

## **Annexure 'A' to Secretarial Audit Report of JSW Steel Limited dated 18.05.2016**

To  
The Members of  
**JSW STEEL LIMITED,**  
JSW Centre, Bandra Kurla Complex,  
Bandra (East),  
Mumbai 400051.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations, happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Yours truly,

For *S. Srinivasan & Co.,*

**S. SRINIVASAN**

Company Secretary

FCS No:2286

CP No :748

Place : Mumbai

Date : May 18, 2016

## ANNEXURE 'D' TO DIRECTORS' REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(Pursuant to Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014).

#### 1 A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS.

A brief outline of the Company's CSR Policy has been given in the Director's Report. A copy of the policy is available on the company's website at - [www.jsw.in/investors/investor-relations-steel](http://www.jsw.in/investors/investor-relations-steel)

#### 2. THE COMPOSITION OF THE CSR COMMITTEE.

Dr. Vijay Kelkar (Chairman)	Mr. Uday Chitale, Director
Mr. Seshagiri Rao MVS, Jt. MD & Group CFO	Mr. K. Vijayaraghavan, Director
Dr. Vinod Nowal, Dy. Managing Director	Dr. (Mrs.) Punita Kumar Sinha, Director
Mr. Jayant Acharya, Director (Commercial & Marketing)	Mr. Naveen Raj Singh, IAS, Nominee Director (KSIIDC)

#### 3 AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS:

₹ 2561.15 crores

#### 4. PRESCRIBED CSR EXPENDITURE (TWO PER CENT OF THE AMOUNT AS IN ITEM 3 ABOVE):

₹ 51.22 crores

#### 5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

(a) Total amount to be spent for the financial year;	₹ 51.22 crores
(b) Total amount spent in the financial year;	₹ 51.36 crores
(c) Amount unspent, if any;	Nil

#### (d) MANNER IN WHICH THE AMOUNT SPENT DURING THE FINANCIAL YEAR IS DETAILED BELOW:

-1	-2	-3	-4	-5	-6	-7	-8
Sr. No.	CSR projects or activities	Sector in which the Initiatives were covered	Projects or Program (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs wise ₹ in Crores	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) overheads:	Cumulative expenditure up to the reporting period ₹ in Crores	Amount spent Direct or through implementing agency *
1	Malnourishment project, Mid-day meals, Leprosy project, General Health & Cataract Camps, Drinking Water Supply Artificial Limb Replacement etc.	Improving Living Conditions	Around Direct Investment Zone (DIZ) at Vijayanagar, Dolvi, Vasind, Salem, Tarapur; also at Thane, Palghar	13.39	11.89	11.89	Direct / Through Implementing agency
2	School Infrastructure development and Enhancement of Quality education; Nehru Science Centre Lecture Series, School for Differently- Aabled. Vocational Training Institutes	Promoting Social Development	Around Direct Investment Zone (DIZ) at Vijayanagar, Vasind, Dolvi, Kalmeshwar, Tarapur; also at Uttarakhand	17.08	15.65	15.66	Direct / Through Implementing agency

-1	-2	-3	-4	-5	-6	-7	-8
Sr. No.	CSR projects or activities	Sector in which the Initiatives were covered	Projects or Program (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs wise ₹ in Crores	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) overheads:	Cumulative expenditure up to the reporting period ₹ in Crores	Amount spent Direct or through implementing agency *
3	Children's Observation Home, Support to Old Age Home, Battery Operated transport for senior citizens, Empowering Self Help Groups including linkage with Microfinance, Satellite Tailoring Centre, Program for adolescent girls	Addressing Social Inequalities	Around Direct Investment Zone (DIZ) at Vijayanagar, Salem; and also at Mumbai	0.63	1.15	1.15	Direct / Through Implementing agency
4	Watershed Management, Conservation of Natural Resources, Tree Plantation, School Sanitation Program, Garbage Management, Construction of Individual toilets, Clean Fuel Stoves	Addressing Environmental Issues	Around Direct Investment Zone (DIZ) at Vijayanagar, Dolvi, Salem, Vasind, Kalmeshwar, Tarapur	2.42	1.97	1.97	Direct / Through Implementing agency
5	Conservation of Hampi; Restoration of various Historical Monuments	Preserving National Heritage	Around Direct Investment Zone (DIZ) at Vijayanagar Dolvi-Alibaug; also at Mumbai	1.00	0.84	0.84	Direct / Through Implementing agency
6	Sports Excellence Programs; Domestic/ International Training / Medical support	Sports Training	At various locations	4.08	4.53	4.53	Direct / Through Implementing agency
7	Construction of community halls, village roads, drainages, bus shelters etc.	Rural Development Projects	Around Direct Investment Zone (DIZ) at Salem, Tarapur, Vasind, Dolvi & Vijayanagar	8.23	7.80	7.80	Direct / Through Implementing agency
8	IIT-Monash	Supporting Technology Incubators	Mumbai	0.70	0.71	0.71	Direct / Through Implementing agency
9	School toilets & community toilets	Swachcha Bharat Abhiyan	Around Direct Investment Zone (DIZ) at Vijayanagar, Dolvi, Vasind, Kalmeshwar, Salem, Tarapur;	5.49	4.26	4.26	Direct / Through Implementing agency
10		Contribution to PM Relief Fund		0.13	-	-	-
11	Staff salaries	Overheads		2.85	2.56	2.56	Direct
<b>TOTAL</b>				<b>56.00</b>	<b>51.36</b>	<b>51.36</b>	

\* CSR activities have been carried out directly and through several other private, Non-Governmental Organisations and Charitable Institutions. We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

Sd/-  
**SAJJAN JINDAL**  
 Chairman & Managing Director

Sd/-,  
**VIJAY KELKAR**  
 Chairman CSR Committee

# ANNEXURE 'E' TO DIRECTORS' REPORT

## FORM NO. AOC-2

(Pursuant to Clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

### 1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:

(a) Name(s) of the related party and nature of relationship	
(b) Nature of contracts/ arrangements/ transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
(e) Justification for entering into such contracts or arrangements or transactions	(All contracts or arrangements or transactions with related parties are at arm's length basis).
(f) Date(s) of approval by the Board	
(g) Amount paid as advances, if any	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

### 2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS:

(a) Name(s) of the related party and nature of relationship	
(b) Nature of contracts/ arrangements/ transactions	
(c) Duration of the contracts/ arrangements/ transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
(e) Date(s) of approval by the Board, if any	
(g) Amount paid as advances, if any	

## ANNEXURE 'F' TO DIRECTORS' REPORT

### INFORMATION AS PER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH THE RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNAL) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016.

Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in ₹)	Experience (No. of Years)	Previous Employment (Designation)	Percentage of equity share held by employee in company
<b>EMPLOYED THROUGHOUT THE YEAR AND WERE IN RECEIPT OF REMUNERATION OF NOT LESS THAN ₹ 60,00,000 PER ANNUM</b>								
Acharya Jayant	53	BE (Chemical), MBA (Marketing), MSC (Physics)	01-Jul-1999	Director - Commercial & Marketing	30,417,926	33	Essar Steel Ltd. (Jt. General Manager)	0.0038%
Aggarwal Ashok Kumar	57	B. Sc ( Engineering )	02-Jun-1998	Joint Chief Executive Officer	16,710,570	30	Essar Steel Limited ( Jt. General Manager )	
Agarwal Anurag Kumar	41	B.Com., CA.	17-Oct-2011	General Manager - Finance & Accounts	6,264,968	15	Tata Communication	
Agarwal Jyoti Kumar	42	B. Com., CFA, MBA, CA.	01-Jul-2014	Vice President - Finance & Accounts	16,535,588	17	Standard Chartered Bank ( Director )	
Agarwal Prakash Kumar	37	B.Com., ACA.	28-Aug-2008	Dy. General Manager (Internal Audit )	6,187,581	15	Arcelor Mittal	
Agrawal Sanjay	52	B. Tech (Metallurgy)	28-Oct-2010	Sr. Vice President - Sales & Marketing	8,310,422	29	Jindal Steel & Power Ltd. - GM (Sales & Marketing)	
Agrawal Vineet	45	BE (Electronics & Telecom), MTECH (Management & Systems)	11-Feb-2011	Sr. Vice President & Group Head - Direct Taxation	11,763,795	19	Reliance Power Ltd. (Vice President - Taxation)	
Asawale Sudhakar S	59	B. Tech (Metallurgy)	21-Nov-2011	Sr. Vice President (Steel & Rolling Mills )	10,262,562	34	Remi Metals ( President )	
Ashutosh B Gangrade	56	B.E. (Mechanical)	21-Dec-1992	Vice President - Commercial & Marketing	6,660,047	31	Grindwell Norton Limited (Product Engineer)	
Atturi Ratnaprasad Venkata	57	BE ( Metallurgy )	19-Nov-2014	Sr. Vice President - Operation	7,295,493	36	Bhushan Steel Ltd. (President)	
Bakshi Rajiv	55	B. Com, LLB	04-Mar-2013	Sr. Vice President - Legal & Group Counsel General	13,972,726	31	Godrej Industries Limited (Executive Vice President - Legal)	
Bharadwaj Ashok Venkatram	57	BE ( Mechanical ), PGDM	20-Jul-2009	Sr. Vice President - Marketing	8,089,131	32	Mercedes Benz ( Head - Business Sales )	
Chandra Alok	50	B.E.	14-Mar-2000	Executive Vice President - Operations	11,439,199	28	SAIL - Bhilai ( Manager )	
Chandra Ashish	46	BE ( Mechanical )	23-Jun-1997	Vice President - Operations	6,923,687	24	Rajinder Steels Ltd ( Sr. Engineer )	
Chaturvedi Nikhil	46	MMS, B.Tech.	29-Sep-2014	Vice President - Information & Technology	16,284,560	21	SAP - Senior Director	



Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in ₹)	Total Experience (No. of Years)	Previous Employment (Designation)	Percentage of equity share held by employee in company
Chauhan Rakesh	51	PG Diploma, B.E.	18-Jul-2006	Associate Vice President - Sales & Marketing	6,762,195	27	Global Steel Philippines (DGM- Marketing)	
D. Ravichandar	59	BE (Mechanical), BE (Electrical), Diploma (Finance)	18-Nov-1994	CEO (Salem Works)	15,683,869	38	Bhushan Steel & Strips Ltd. (General Manager)	0.0013%
Das B K	61	H.S.C.	16-Oct-1992	Vice President - Projects	6,810,314	25	Essar Projects Limited (Dy. Cons. Super)	
Dasgupta Subrata	53	B.TECH -MECH	01-Jun-1995	Vice President - Projects	7,151,916	28	New Associated Fabricators (Turner)	
Deshpande Tushar	57	BCOM ( HONS), MBA( FIN )	02-Feb-2005	Vice President - Domestic Marketing	6,901,900	33	KEC International ( Chief Manager )	
Dhoot Avinash	46	B.Com., CA.	15-Mar-2007	Associate Vice President - Merger & Acquisition	6,397,381	20	MAHAJAN AIBARER	
Dixit Praveen	51	B. Sc., M. Sc., PGD(Industrial), MMM	30-Dec-1991	Vice President - Sales & Marketing	8,560,922	28	Roadmaster Steel Strips Limited (Engineer - PPC)	
Dua Haresh K.	47	CA, B.COM, CIA, CISA, CISSP	22-May-2008	Sr. Vice President - Internal Audit	10,682,358	23	Pantaloan Retail India Ltd(Chief Internal Auditor)	
Gupta Ajay	46	B. Sc	03-Apr-2014	Pilot - Aviation	8,114,332	25	Indian Navy - Commander	
Ghorpade Jagdish V	60	B.SC, LLB, MBA IN PM & IR.	04-Jul-2011	Vice President - HR	9,135,594	35	Sika India ( Head HR )	
Ghorui Prabhat Kumar	52	BE (Metallurgy)	09-May-1998	Sr. Vice President -Technology Excellence & Coal Planning	7,846,577	28	Essar Steel Ltd ,Hazira .Surat ( Deputy Manager )	
Goel Ashwani K	54	BE (Metallurgy)	20-Feb-1991	Associate Vice President - Sales & Marketing	6,209,346	29	Steel Strips Limited	
Gokhale Sandeep Gopal	53	BE (Electrical), MBA (Finance)	25-Aug-2008	President - Business Development	21,392,117	30	Mumbai International Airport Pvt. Ltd. (Director - Commercial)	
Goutam Yugesh	51	B.Com., PG Diploma.	16-Jun-2014	Group President - HR	31,780,438	29	KEC International - Executive Director	
Guron Paramjit	53	BA, CPL	03-Oct-2005	Pilot - Aviation	15,958,452	26	Orient Flying School (Chief Pilot & CFI)	
Hukku Shiv	52	B.Sc., PG Diploma	18-Oct-2011	Vice President - Sales & Marketing	9,650,245	28	TATA Steel Head Marketing-General Engg & Process Improvement(Flat Products)	

Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in ₹)	Total Experience (No. of Years)	Previous Employment (Designation)	Percentage of equity share held by employee in company
Hyung Suk Oh	58	BE ( Material Engng. )	01-Oct-2014	Associate Vice President - Operation	11,481,275	31	Poshmetal ( Production System Director )	
Jadhav Sanjay Shankarrao	54	DIP -ELECTR, AMIE,	06-Nov-1996	Vice President - Operations	6,479,671	36	Binani Glass Fibre (Manager)	
Jain Prashant	44	BE (Mechanical)	01-Feb-2011	Sr. Vice President - Corporate Strategy & Development	17,473,036	24	JSW Jharkhand Steel Ltd. (Director -Project)	
Jayram Sanjay	55	Diploma in Export Mgt.,B.A.(Economics),B.E. (Mechanical)	03-Apr-2006	Sr. Vice President - Sales & Marketing	11,022,370	30	Essar Steel Ltd., (General Manager)	
Jayaraman R.	51	B.Com., MBA	01-Oct-1990	Vice President - Corporate Planning & Imports	9,556,578	25	Indian Market Research Bureau (Field Surveyor)	
Jindal Sajjan	56	BE (Mechanical)	04-Jul-1992	Chairman & Managing Director	120,770,118	34	Jindal Strips Ltd. (Jt. Managing Director)	0.9635%
Jong Seok Jang	59	BE (Chemical)	23-Jul-2014	Associate Vice President - Operation	11,481,275	31	POSCO PMC Tech ( Dy. Director )	
Kandoi Umesh Ramlal	52	B.Com., CA.	01-Jul-2006	Associate Vice President - Shipping	7,177,436	29	Grasim India Ltd. (DGM-Purchase)	
Kattikaren John A.	50	BE (Civil)	02-Jun-2008	Associate Vice President - Civil	12,579,707	28	Lupin Group Ltd. (Sr. General Manager)	
Kathariya Sunil D.	56	BE	24-Apr-1995	Sr. Vice President - CMD	8,687,758	31	Lecturer at Enggineering Collage	
Kedia Pawan Kumar	56	B.Com., ICWA	06-Jan-2012	Group President - Commercial Strategy	14,113,192	32	Consultant	
Krishnan Sreenivas	52	B.A., MBA,	16-Feb-2011	Vice President - Aviation	8,716,400	31	Indian Navy - Commander	
Kulkarni Pankaj	58	BE (Metallurgy), MTECH, MFM	10-Mar-2008	CEO - Special Projects	22,084,269	34	Essar Steel( Hazira) Ltd. (CEO)	
Kulkarni Sanjay	55	M. Sc. Geology	14-Aug-2008	Vice President - Raw Material Planning	6,696,973	34	Inox Air Productust Limited	
Kunwar Rajendra	58	B.Sc. Engg (Chemical), B. Sc (Chemistry)	07-Nov-2005	Associate Vice President - Project	7,621,067	32	Mecon Ltd. (Sr. Manager - Design & Engineering)	
Lal H R	61	B.Sc.,PGD In Social Work (Labour Welfare), LLB	08-Apr-2004	Sr. Vice President - HR & Admin.	10,258,314	39	SAIL (Jt. Director - Estate Management)	
Lochan Pankaj	43	B. Tech (Mechanical )	16-Sep-2014	Vice President - TQM	6,080,073	20	Dr. Reddy's Laboratories (Sr. Director)	
Maheshwari Arun	46	MBA (Marketing & Finance)	20-Feb-2003	Sr. Vice President - Commercial	16,559,356	24	Maketi Rolling Mills Ltd. (Manager - Business Development)	0.0008%

Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in ₹)	Total Experience (No. of Years)	Previous Employment (Designation)	Percentage of equity share held by employee in company
Mogaraju Gopi Krishna	57	B.A., M.A., LL.M, M.L	12-Mar-2012	Vice President - Sales & Marketing	8,637,091	32	Wellspon Corp Ltd. (President - Sales & Marketing, Plate & Mills Division)	
Mohite Krishnarao Nivritti	53	DME, AMIE (MECH), GDMM, EMBA in Marketing,	05-May-2003	Associate Vice President - Procurement	7,323,436	32	Jindal Iron & Steel Limited (AGM)	
Murugan P K	49	B.Sc. (PCM), B.Tech (Production Engg)	17-Jan-1998	Sr. Vice President - Commercial, Mines & Law	12,473,265	25	Essar Steels Limited (Dy Manager)	0.0008%
N Gopalakrishna	58	B.Sc., LL.B., DPM, MBA, MBL.	01-Oct-2014	Vice President - Legal	11,290,761	31	Hindustan Zinc Ltd. (Vice President - Legel)	
Naha Tapan Kumar	59	BE (Metallurgy)	30-Sep-2002	Sr. Vice President - Technology Excellence & Raw Material Planning	11,665,681	35	Bhilai Steel Plant (AGM - SGP)	
Nangalia Ram Prakash	58	B.Com, LLB, CS, CA,	29-Sep-2011	President - Corporate Relations	11,285,125	34	Consultant	
Nimbarte Bharat Balkrishna	57	B.Tech - Chem, M.Tech in Chem	28-Jul-2014	Vice President- Environment	7,086,944	32	Maharashtra Pollution Control Board (Jt. Director)	
Nowal Sushil	49	B.Com., MBA (Mktg), EDM	01-Jan-1989	Vice President - Logistic	8,309,205	29	Jindal Strips Ltd. (Marketing Assistant)	
Nowal Vinod K	60	MBA, Ph.D (Inventory Management)	14-Feb-1984	Deputy Managing Director	34,385,088	37	K. M. Sugar Mills Ltd. (Factory Manager)	0.0000%
Oza Hemang Ramesh	47	BE (Metallurgy)	01-Mar-2008	Vice President - Sales & Marketing	7,781,373	22	Essar Steel Ltd. (Jt. General Manager - Marketing)	
P. Rajashekar	58	BE ( Mechanical )	13-Jul-1998	President - Operations	15,354,234	33	RINL ( Manager )	
Pai Rajeev M.	54	B. Com, CA, CS (Inter)	01-Dec-2000	Chief Financial Officer	13,359,047	32	Crompton Greaves Ltd. (Manager - Finance)	0.0013%
Parasramka Ashok Kumar	45	B.Com, CA,	21-Mar-2007	Vice President - Corporate Administration	7,275,166	19	Singhi & Co (Chartered Accountants) - Partner	
Patidar Vijaykumar	57	B.E.-ELLEC	07-Jan-1992	Sr. Vice President - Project	13,965,510	33	Electrotech Engg. ( Partner )	
Patil Sadashiv	58	BA, Dip in Human Resources	29-Apr-1995	Sr. Vice President - Corporate Relations & Administration	9,481,317	37	Special Steels Ltd. (Deputy Manager - Administration)	0.0000%
Patra Pradip Kumar	56	B.E MET, M.TECH,	15-Oct-2001	Vice President - Research & Development	7,431,760	34	Jindal Strips Ltd. ( Adml. - General Manager )	

Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in ₹)	Experience (No. of Years)	Previous Employment (Designation)	Percentage of equity share held by employee in company
Pillai Sukumar	55	B.L., LLB.	16-Aug-2014	General Manager - Legal Real Estate	6,581,167	26	HCC Real Estate (Vice President - Legal)	
Prabhakaran Chandrasekaran	41	B.Sc., CA, ICWA	24-Nov-2014	Financial Controller	10,457,678	18	Sesa Sterlite Ltd. ( Associate Vice President - Finance )	
Rai Umesh	51	BE (Electrical)	09-Feb-1988	Sr. Vice President - WRM & BRM	8,393,701	28	--	0.0012%
Ranade Surender	64	B. Sc Engrg. (Mech)	08-Dec-2009	Executive Director - Operations	16,187,821	40	Bokaro Steel Limited, Unit of SAIL (Executive Director - Works)	
Ranganath T	55	B.Com., CA, ICWA,	08-Jun-2000	Vice President - Finance & Accounts	7,372,795	26	Punjab National Bank - Manager (Financial Analyst)	0.0004%
Ranka Balwant	49	CA,B.Com	01-Jun-2014	Vice President - Corporate Affairs	9,388,992	26	JSW Energy Limited (Vice President -Commercial)	
Rath Sanjay Kumar	47	BE (Mechanical)	02-Jan-2006	Vice President - Commercial	7,387,100	26	Essar Steel Ltd. (Dy. General Manager - Procurement)	
Ravindranath K.	57	AMIE ( Mech )	16-Sep-1998	Vice President - Growth Shop	6,848,127	35	Essar Steel India Limited (Dy. Manager)	0.0006%
Reddy S. L. V. P.	50	BE ( Mechanical )	05-Jul-1995	Vice President - Agglomeration 2, Coke Oven & CDQ	6,383,821	30	Lloyds Steel Industries Ltd. ( Asst. Manager )	
Roy Jayanta	50	M.E., B.E.	17-Nov-2014	Associate Vice President - Project	6,646,557	29	Jamipol Limited ( Senior General Manager )	
Roy Kinshuk	51	MBA (Marketing), B.E. (Metallurgy)	11-Feb-2008	Vice President - Sales & Marketing	7,060,987	27	Tata Steel Ltd. - Head, Product Application Group	
Rustogi Manoj Kumar	45	BE ( Mechanical ), PG Diploma	25-Jul-2011	Vice President ( Business Development )	6,545,960	22	IBM India	
Saimi Gulsham Kumar	56	AMIE ( Mech )	06-Apr-1993	Associate Vice President - Project	6,081,477	35	S K Foils Pvt. Limited (Mechanical Engineer )	
Sarda Pankaj	58	CA, CS, CWA, CISA	04-Sep-2006	Associate Vice President - Risk Management	8,358,581	33	Reliance Energy Group (Additional Vice President - F&A)	
Sasindran P.	67	BE (Electrical)	09-May-1998	Chief ( Technology, Innovation & Development )	17,038,372	44	Essar Steel Ltd. (General Manager)	
Satya Prakash	50	B. Tech - Electr , EMBA-Operation	16-Mar-2005	Vice President - Operations	8,736,533	27	Bokaro Steel Limited (Sr. Manager )	
Sawhney Sanjay	50	MBA	15-Dec-2014	Associate Vice President - Sales & Marketing	6,007,979	26	Essar Steel Limited (Business Leader - HR Products )	

Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in ₹)	Experience (No. of Years)	Total Previous Employment (No. of Years)	Percentage of equity share held by employee in company
Seshagiri Rao M.V.S.	58	B.Com, CAIIB, AICWA, LCS, DBF	01-Sep-1997	Joint Managing Director & Group CFO	47,543,381	37	Nicholas Piramal (India) Ltd. (Sr. Vice President)	0.0092%
Sekhar V. R	49	Dip. Metallurgy, AMIM (Metallurgy)	24-Nov-1998	Vice President - Steel Melting Shop - I (BOF)	6,534,876	27	Rashtriya Ispat Nigam Ltd. (Junior Officer - Operation)	
Shah Tushar V	48	B.Com., ICWA,	12-Aug-1991	Associate Vice President - Finance & Accounts	7,530,460	27	The Bombay Silk Mills Ltd. (Cost Accountant)	
Sharma Raj Kumar	55	Dip ( Mechanical ) / BE ( Mechanical )	25-Apr-1996	Vice President - Customer Service	6,383,595	36	Khema Ispat Ltd. ( Works Manager )	
Sharma Rakesh Kumar	51	B. Sc., M.Sc., MBA	31-Jul-1997	Vice President - Sales & Marketing	6,456,785	28	Jai Corp Limited - Comet Steel Division	
Sharma Sanjay	51	BE ( Metallurgy )	01-Apr-2005	Vice President - CRM	6,279,241	26	Tata Steel Limited (Sr. Manager - Production)	0.0001%
Sharma Shashikant	56	B. Com., Dip in Business Administration	28-May-2004	Vice President - Commercial	7,591,378	37	Essar Steel Limited (Jt. General Manager - Materials)	
Shroff Vinay	52	BE (Chemical)	22-Apr-2010	Sr. Vice President - Retail	13,959,055	29	Reliance Industries Ltd. (Sr. VP - SCM & Business Head - Logistics)	
Singh Anil Kumar	50	B. Sc ( Engineering )	01-Dec-1994	Sr. Vice President - Administration	11,864,564	28	BSBK Limited ( General Manager)	
Singh Lokendra Raj	53	B.Tech (Metallurgy)	12-Feb-2008	Vice President - Iron Making	7,655,337	29	Kremikovelsi AD global steel holding ltd. Sofia, Bulgaria (General Manager)	
Singh Rana Pratap	45	B.Tech (Mining), PGDBA	26-Jul-2010	Associate Vice President - Project	6,363,890	21	Areelor Mittal India Limited	
Singh R B	54	B. Sc., Dip in Marketing Operation	01-Jan-2007	Vice President - Sales & Marketing	6,177,358	28	Essar Steel Ltd., (Joint General Manager)	
Somani K C	60	B.Com, ACA,	19-Aug-1986	Vice President - Finance & Accounts	10,376,424	32	Shree Hanuman Sugar & Ind. Ltd. (Accountant)	
Sriram K S N	47	CA, ICWA, B.Com	06-Oct-2000	Associate Vice President - MSD	7,581,538	22	Bermaco Group (Sr. Manager - Accounts & Finance)	0.0003%
Sureka Raj Kumar	57	B. Com., FCA, FICWA, CS ( Inter )	01-Feb-1997	Sr. Vice President - Finance & Accounts	15,497,520	39	Balasure Alloys Limited (General Manager - Commercial)	



Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in ₹)	Total Experience (No. of Years)	Previous Employment (Designation)	Percentage of equity share held by employee in company
Surendranath V. Vandakudri	57	B.Com., CA.	19-Apr-1999	Vice President - Taxation	7,350,248	33	Ritz Private Ltd. (Taxation Manager)	
Verma Atulya Kumar	53	BE - Metallurgy	01-Dec-2014	Sr. Vice President - Project	10,596,296	25	Electronics Steel Ltd. (COO)	
Varma P P	51	B. Tech.,	31-May-2004	Vice President - Operation	6,820,788	28	Bokaro Steel Ltd. (Sr. Manager)	
Vinay Pritesh	40	B.Sc.(Engg), MMS (Finance)	15-Oct-2012	Vice President - Finance & Investors Relations	10,232,587	14	Goldman Sachs, India (Executive Director - Global Investment Research)	
Vishwanath S. C.	52	B. Sc., M.Sc., M. Tech (Process Metallurgy)	09-May-1998	Vice President - Operations	7,223,167	28	Essar Steel India Limited (Manager)	
Warrier Madhav M. R.	58	BE (Mech), ICWA	30-Sep-1998	Sr. Vice President - F & A, Excise & Insurance	9,945,582	35	Ispat Industries, (GM - Costing)	0.0008%
Yogeswara T.	59	BE ( Fire Engg. ), Ph. D. in Environment & Science	08-Mar-1999	Vice President - Fire & Safety	7,038,656	24	SAIL, Rourkela Steel Plant	
<b>EMPLOYED FOR THE PART OF THE YEAR AND WERE IN RECEIPT OF REMUNERATION AGGREGATING TO NOT LESS THAN ₹ 5,00,000 PER MONTH</b>								
Singh Gurnam	53	B. Sc. ( Engineering )	27-Jul-2015	Vice President - I Shop	4,284,882	29	Praj Industries Limited (Business Head)	
M.V. Krishna	45	BE (Electrical), MBA	15-Apr-2015	Associate Vice President - Sales & Marketing	6,883,481	20	Piaggio Vehicles Pvt Ltd.	
Mohita Manoj Kumar	45	B.Com., AICWA, CA.	01-Sep-2015	Vice President - Finance & Accounts (Project)	5,193,531	21	Aditya Birla Management Corp. Ltd. (Dy. General Manager - Management Service Division)	
Kole P R	56	B.Com, CA, LLB	01-Oct-1988	Sr.Vice President - Corporate Relations	3,471,280	31	BDPL Group (Accounts Executive)	0.0001%
Mishra Tanaya	46	BA, LLB, Ph.D, DIPLOMA	16-Aug-2011	Sr. Vice President - HR	3,222,536	22	ACC (Chief People Officer)	
Nayak Ranjan	44	BE (Mining), PG Diploma	21-Feb-2011	Associate Vice President - Corporate Strategy & Development	1,575,857	18	Accenture	
Kavadia Anil	44	B. Sc. ICWA, CA, CS	02-Jan-2007	Associate Vice President - Finance & Accounts	2,335,219	21	Entegra Infrastructure	

Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in ₹)	Total Experience (No. of Years)	Previous Employment (Designation)	Percentage of equity share held by employee in company
Sengupta Partha	58	B. Tech ( Metallurgy )	01-Oct-2015	President - Operation	8,123,493	30	SREI Infra and Finance Limited	
Chowdhury Bikash	39	B.Com., MBA ( Marketing & Finance )	01-Jul-2015	Associate Vice President - Finance & Accounts	5,498,847	14	DBS Bank Ltd. (Vice President - FX Trading)	
Sachdeva Gaurav	37	B. Tech ( Chemical Engg. ), MBA ( Finance, Strategy )	20-Jul-2015	Associate Vice President - Finance & Accounts	4,713,283	15	Bennett, Coleman & Co. Ltd. ( General Manager )	
Chatterjee Ajanta	48	B.A., Post Graduate in Sociology	20-Oct-2015	Vice President - Human Resources	4,124,885	17	Vodafone India Ltd. (Associate Vice President - HR)	
Sanyal Saptarshi	41	B.Sc., PGDDBA ( Marketing )	07-Dec-2015	Vice President - Corporate Communication	2,434,026	17	Delhi International Airport Pvt. Ltd. GMR Group (General Manager)	
Krishna Suneet	49	B. Sc., MBA	01-Feb-2016	Pilot - Aviation	1,531,263	27	Centre for Airborne Systems, Chief Test Pilot	
Irani Zenobia	54	B. Com.	03-Jul-1995	Sr. Manager	9,985,559	35	Carrier Transicold	

Remuneration shown above includes Salary, Performance Reward / Special Allowance, House Rent Allowance / Perquisite for Accommodation, Leave Travel Allowance, Medical Reimbursement, Perquisite for Car, Bonus, Variable Pay, Commission, monetary value of perquisites ( excluding ESOP Perquisites ) as per income tax rules and Company's Contribution to Provident Fund. But does not include Leave Encashment, Company's Contribution to Gratuity Fund.

None of the employees is covered under Rule 5(3)(viii) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of Section 197 of the Companies Act, 2013.

The nature of employment in all cases is contractual except in case of Mr. Sajjan Jindal. Mr. Sajjan Jindal is relative of Mrs. Savitri Devi Jindal, Chairperson emeritus of the Company.

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2015-16 (₹ in crores)	% Increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Sajjan Jindal Chairman & Managing Director	12.08	12.5%	228:1	
2.	Seshagiri Rao MVS Joint Managing Director & Group CFO	4.75	12.5%	90:1	Profit before tax (before exceptional items) decreased by 76.6% in financial year 2015-16
3.	Dr. Vinod Nowal Dy. Managing Director	3.44	12.5%	65:1	
4.	Jayant Acharya Director ( Commercial & Marketing )	3.04	12.5%	58:1	
5.	Rajeev Pai Chief Financial Officer	1.37	10.5%	N.A.	
6.	Lancy Varghese Company Secretary	0.50	8.5%	N.A.	

- (ii) The median remuneration of employees of the Company during the financial year was Rs 5.29 lacs.
- (iii) In the Financial year, there was an increase of 8.54% in the median remuneration of employees;
- (iv) There were 11,904 permanent employees on the rolls of Company as on March 31, 2016;
- (v) Relation between average increased in remuneration and company performance: - The Profit before Tax (before exceptional items) for the financial year ended March 31, 2016 decreased by 76.6% whereas the increase in median remuneration was 10.54%. The average increase in median remuneration was in line with the market trends.
- (vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

The total remuneration of Key Managerial Personnel decreased by 33.2% from ₹ 37.71 crore in 2014-15 to ₹ 25.18 crore in 2015-16 whereas the Profit before Tax before exceptional items decreased by 78.2% to ₹ 794 crore in 2015-16 (₹ 3,645 crore in 2014-15). Remuneration of the Key Managerial Personnel as % of Profit before tax (before exceptional items) is 3.14%.

- a) Market capitalisation of the Company & Price Earnings ratio:

Date	Market Price ₹	EPS in ₹	P/E Ratio	Market Capitalisation ₹ Crs.	% Change
March 31, 2016	1283.25	(148.79)	(8.62)	31,019	
March 31, 2015	906.55	88.24	10.27	21,913	41.5

- b) The Company has made initial public offer in the year 1995 for ₹ 10/- per share at par. The market price of the Company share as on March 31, 2016 is ₹ 1283.25.
- (vii) Average percentage increase made in the salaries of employees other than the managerial personnel in FY 2015-16 was 8.54%.
- (viii) The key parameter for the variable component of remuneration in case of Chairman and Managing Director is linked with Company performance. In case of other key managerial personnel(s) the same is linked with Company performance and Individual performance.
- (ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable: and
- (x) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

# REPORT ON CORPORATE GOVERNANCE for the year 2015-16

(Pursuant to Clause 49 of the Listing Agreement and Regulation 34 (3) and Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015).

## 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 appropriate systems, process and technology.

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 under Clause 49 of the Listing Agreement and as contained in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR Regulations)") as amended, 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 Executive 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 Section 152 of the Companies Act, 2013 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 and Remuneration Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee:

- i. assess the appointee against a range of criteria including qualification, age, experience, positive attributes, independence, relationships, diversity of gender, background, professional skills and personal qualities required to operate successfully in the position and has discretion to decide adequacy of such criteria for the concerned position;
- ii. assess the appointee on the basis of merit, related skills and competencies. No discrimination is made on the basis of religion, caste, creed or gender.

### 2.3 BOARD COMPOSITION, CATEGORY OF DIRECTORS, MEETINGS AND ATTENDANCE RECORD OF EACH DIRECTOR:

The Company has a balanced mix of executive and non-executive Independent Directors. As at 31.03.2016, the Board of Directors comprises of 12 Directors, of which 8 are non-executive, including 1 woman director. The Chairman is executive and a Promoter of the Company. The number of Independent Directors is 6 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.

All Independent Directors meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation (1)(b) of the SEBI (LODR Regulations).

No Director is related to any other Director on the Board in terms of the definition of "relative" as defined in Section 2(77) of the Companies Act, 2013. None of the Directors on the Board are Independent Directors of more than seven listed companies and none of the Whole-time Directors are Independent Directors of any listed company.

None of the Directors on the Board is a member of more than 10 committees and Chairperson of more than 5 committees (as specified in Regulation 26 (1) of SEBI (LODR Regulations)) across all the public Companies in which he/she is a Director. The necessary disclosures regarding committee positions in other public companies have been made by the Directors.

The information stipulated under Part A of Schedule II of SEBI (LODR Regulations) is being made available to the Board.

The details of composition of the Board as at 31.03.2016, the attendance record of the Directors at the Board Meetings held during the financial year 2015-16 and at the last Annual General Meeting (AGM), as also the number of Directorships, Committee Chairmanships and

Memberships held by them in other Public Companies and number of Board Meetings and dates on which held and number of shares and convertible instruments held by non-executive directors 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 of Committees in other Indian Public Limited Cos. **	No. of Membership(s) of Committees in other Indian Public Limited Cos. **	No. of Shares and convertible instruments held by Non-Executive Directors
<b>EXECUTIVE DIRECTORS</b>	Mr. Sajjan Jindal	Chairman & Managing Director	15.03.1994	6	4	Yes	4	-	-	NA
	Mr. Seshagiri Rao MVS	Jt. Managing Director & Group CFO	06.04.1999	6	6	Yes	1	-	-	NA
	Dr. Vinod Nowal	Dy. Managing Director	30.04.2007	6	4	Yes	1	-	-	NA
	Mr. Jayant Acharya	Director (Commercial & Marketing)	07.05.2009	6	6	Yes	4	-	1	NA
<b>INDEPENDENT NON-EXECUTIVE</b>	Mr. Uday M. Chitale	Director	20.10.2005	6	6	Yes	6	2	3	-
	Dr. Vijay Kelkar	Director	20.01.2010	6	5	Yes	6	1	3	-
	Mr. K. Vijayaraghavan	Director	16.06.2008	6	6	Yes	-	-	-	-
	Dr. (Mrs.) Punita Kumar Sinha	Director	28.10.2012	6	6	Yes	9	4	-	-
<b>NOMINEE DIRECTOR</b>	Mr. Kyoichi Kameyama	Nominee of JFE Steel Corporation, Japan (Equity Investor & Foreign Collaborator)	15.05.2015	6	5	Yes	-	-	-	-
	Mr. Naveen Raj Singh	Nominee of KSIIDC (Equity Investor)	29.12.2014	6	3	Yes	9	2	1	-
<b>PART OF THE YEAR</b>										
<b>INDEPENDENT NON-EXECUTIVE</b>	Dr. S.K. Gupta (Ceased to be Director w.e.f. 28.07.2015)	Director	25.04.1994	1*	1	Yes	-	-	-	-
	Mr. Sudipto Sarkar (Ceased to be Director w.e.f. 28.07.2015)	Director	09.05.2005	1*	1	No	-	-	-	-
	Mr. Malay Mukherjee	Director	29.07.2015	5*	4	No#	1	-	1	-
	Mr. Haigreve Khaitan	Director	30.09.2015	4*	2	No#	9	3	6	-

**Notes:**

- During the Financial Year 2015-16, Six Board Meetings were held and the gap between two meetings did not exceed four months. Board Meetings were held on 15.05.2015, 29.07.2015, 10.10.2015, 21.10.2015, 29.01.2016 and 29.03.2016.
- \* No. of Board Meetings indicated is with reference to date of join/cessation of the Director.
- \*\*Only two Committees, namely, Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- # 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 interest 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, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Project Review Committee, Finance Committee, Risk Management Committee, Business Responsibility/Sustainability Reporting Committee, Hedging Policy Review Committee, JSWSL 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 Registered Office at JSW Centre, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.
- 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, Global/Indian Economy, Company's Financials, Sales, Production, Business Strategy, Subsidiary's performance, Competitor's Performance and Risk Management practices before taking on record the Quarterly/ Half Yearly/ Nine Monthly/ Annual financial results of the Company.

The Board is also provided with Audit Committee observations on the Internal audit findings and matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.

### **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. A copy of the signed Minutes certified by the Company Secretary are circulated to all members within fifteen days after those are signed.

### **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, 2013, read with the Rules made thereunder.

## 2.5 STRATEGY MEET:

A strategy meet of the Board of Directors is generally held at appropriate intervals 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 TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS:

The terms and conditions of appointment of Independent Directors were set out in the appointment letter issued to the Director at the time of his/her appointment/re-appointment as an Independent Non-Executive Director of the Company. The terms and conditions as mentioned in the appointment letter is disclosed on the company's website, <http://www.jsw.in/investors/investor-relationships-steel>.

## 2.7 MEETINGS OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company meet every quarter before the Board Meeting 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.

During the year under review, the Independent Directors met on 29th March 2016, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

## 2.8 FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS:

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. The details of familiarization programmes imparted to Independent Directors is disclosed on the company's website, <http://www.jsw.in/investors/investor-relationships-steel>.

## 2.9 PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10), 19(4) and Part D of Schedule II of the SEBI (LODR Regulations), a Board Evaluation Policy has been framed and approved by the Nomination and Remuneration Committee (NRC) and by the Board.

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

The purpose of the Board evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony. The Board acknowledges its intention to establish and follow "best practices" in Board governance in order to fulfil its fiduciary obligation to the Company. The Board believes the evaluation will lead to a closer working relationship among Board members, greater efficiency in the use of the Board's time, and increased effectiveness of the Board as a governing body.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance

of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc.

The Directors expressed their satisfaction with the evaluation process.

### 3. AUDIT COMMITTEE:

The Audit Committee comprises of three 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 as per the Section 177 of the Companies Act, 2013 and Regulation 18(1) of the SEBI (LODR Regulations).

The Broad terms of reference of Audit Committee are:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Reviewing with the management the financial statements and auditor's report thereon before submission to the Board, focusing primarily on:
  - (1) Matters to be included in the Directors Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - (2) Changes to any accounting policies and practices.
  - (3) Major accounting entries based on the exercise of judgement by Management
  - (4) Significant adjustments if any, arising out of audit findings.
  - (5) Compliance with respect to accounting standards, listing agreements and legal requirements concerning financial statements.
  - (6) Disclosure of any related party transactions.
  - (7) Modified opinion (s) in the draft audit report.
- c) Re-commending to the Board, the appointment, re-appointment, remuneration and terms of

appointment of statutory auditors, cost auditors of the Company.

- d) To review reports of the Management Auditors and Internal Auditors and discussion on any significant findings and follow up there on.
- e) Reviewing with the management, external and internal auditors, the adequacy of internal control systems, and the Company's statement on the same prior to endorsement by the Board.
- f) Evaluation of the internal financial controls and risk management systems.
- g) To review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- h) To approve transactions of the Company with related parties and subsequent modifications of the transactions with related parties.
- i) In addition, the powers and role of the Audit Committee are as laid down under Regulation 18(3) and Part C of Schedule II of the SEBI (LODR Regulations) and Section 177 of the Companies Act, 2013.

8 meetings of the Audit Committee were held during the financial year 2015-16, as against the minimum requirement of four meetings. The Committee meetings were held on 14.05.2015, 25.06.2015, 28.07.2015, 06.10.2015, 20.10.2015, 7.12.2015, 28.01.2016 and 29.03.2016.

The composition of the Committee as at 31.03.2016, name of members and Chairperson 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.	Mr. Malay Mukherjee *	Non-Executive Independent Director	4/8
3.	Mr. K. Vijayaraghavan Member	Non-Executive Independent Director	8/8

\* Inducted on the Committee on 29.07.2015.

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), Financial Controller, 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 representatives of the Cost Auditor attend the Audit Committee meeting when the Cost Audit Report is tabled for discussion. 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 28.07.2015.

#### 4. NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee's constitution and terms of reference are in compliance with the provisions of the Companies Act, 2013 and Regulation 19 and Part D of the Schedule II of the SEBI (LODR Regulations).

The terms of reference of the Committee inter alia, include the following:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.
- Formulating criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulating criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Whether to extend or continue the term of appointment of independent director on the basis of the report of performance evaluation of independent directors.

Two meetings of Nomination and Remuneration Committee were held on 14.05.2015 and 29.07.2015.

The composition of the Nomination & Remuneration Committee as at March 31, 2016 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	Dr. Vijay Kelkar Chairman	Non-Executive Independent Director	2/2
2	Mr. Sajjan Jindal Member	Executive Director	1/2
3	Mr. Uday M. Chitale Member	Non-Executive Independent Director	2/2
5	Mr. K. Vijayaraghavan Member	Non-Executive Independent Director	2/2

Dr. Vijay Kelkar, Chairman of the Nomination & Remuneration Committee was present at the last Annual General Meeting held on 28.07.2015.

#### 4.1 PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

Board Evaluation Policy has been framed by the Nomination and Remuneration Committee (NRC) and approved by the Board in its meeting held on 30.01.2015 and subsequently amended by the Board in its meeting held on 29.01.2016. This policy has been framed in compliance with the provisions of Section 178 (2), 134(3)(p) and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 17(10), 19(4) and Part D of Schedule II of the SEBI (LODR Regulations), as amended from time to time,

The Company adopted the following criteria to carry out the evaluation of Independent Directors, which is in terms of the provisions of the Companies Act, 2013 and the SEBI (LODR Regulations):

- The Nomination and Remuneration Committee (NRC) shall carry out evaluation of every Director's Performance.
- In addition, performance evaluation of the Independent Directors shall be done by the entire Board, excluding the director being evaluated. This is to be done on an annual basis for determining whether to extend or continue the term of appointment of the independent director.

The Evaluation process of Independent Directors and the Board will consist of two parts:

- Board Member Self Evaluation; and
- Overall Board and Committee Evaluation.

In the Board Member Self Evaluation, each Board member is encouraged to be introspective about his/her personal contribution/ performance/ conduct as director with reference to a questionnaire provided to them. Copies of the evaluation forms as applicable will be distributed to each Board Member. Board members shall complete the forms and return them to the Company Secretary or Board nominee or the consultant, as may be informed.

The Company Secretary or Board nominee or the consultant will tabulate the Forms. The Tabulated Report would be sent to all Board Members for evaluation and if any director disagrees with the self-evaluated results, he/ she will suitably intimate the Chairman of the Board, else the same will be deemed to have been accepted.

The individually completed forms will be preserved by the Company Secretary and the Tabulated Report would be presented to the Board and NRC for evaluation.

Apart from the above, the NRC will carry out an evaluation of every director's performance. For this purpose, the NRC would review the Tabulated Report. The NRC would provide feedback to the Board on its evaluation of every director's performance and based on such feedback, the Board will recommend appointments, re-appointments and removal of the non-performing Directors of the Company.

#### **4.2 REMUNERATION POLICY AND DETAILS OF REMUNERATION PAID TO DIRECTORS:**

In determining the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees of the Company, a Remuneration Policy has been framed by the Nomination & Remuneration Committee and approved by the Board with the following broad objectives:

- i. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

- ii. Motivate KMP and Senior Management to achieve excellence in their performance.
- iii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iv. Ensuring that the remuneration to Directors, KMP and Senior Management involves a balance between fixed & incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The full text of the remuneration policy is available at <http://www.jsw.in/investors/investor-relations-steel>.

The Executive Directors (EDs) compensation is based on the appraisal system wherein their individual goals are linked to the organisational 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 contribution 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, 2015 to March 31, 2016 are as follows:

Sl. No.	Name	Sitting Fees @ ₹ 20,000 per meeting (₹ in Lakhs)	Commission Paid/ Payable (FY 2015-16) (₹ in Lakhs)	Total (₹ in Lakhs)
1	Mr. Uday M. Chitale	6.40	42.00	48.40
2	Dr. Vijay Kelkar	2.00	41.00	43.00
3	Mr. Malay Mukherjee	2.80	21.26	24.06
4	Mr. K. Vijayaraghavan	6.40	41.50	47.90
5	Dr. (Mrs.) Punita Kumar Sinha	4.40	41.00	45.40
6	Mr. Haigreve Khaitan	0.40	14.60	15.00
7	Mr. Kyoichi Kameyama (Nominee JFE Steel Corporation)	1.20#	41.00#	42.20#
8	Mr. Naveen Raj Singh (Nominee KSIIDC)	0.60	37.00#	37.60#
9	Dr. S. K. Gupta *	1.80	19.24	21.04
10	Mr. Sudipto Sarkar *	0.40	19.24	19.64
11	Mr. Anthony Paul Pedder**	-	2.49	2.49
<b>Total</b>		<b>26.40</b>	<b>320.33</b>	<b>346.73</b>

\* Ceased to be director.

\*\*Additional Commission for FY 14-15 paid during the year.

# Payable to the respective Institutions/Companies they represent.

The details of Remuneration paid / payable to the Whole-time Directors for the financial year 2015-16 are as given below:

Name of Director and Designation	Salary including Provident Fund (₹ in Crores)	Perks (₹ in crores)	Profit linked commission (₹ in crores)	Total	Period of contract	Notice Period
Mr. Sajjan Jindal Chairman & Managing Director	9.28	1.07	1.73	12.08	From 07.07.2012 to 06.07.2017	NA
Mr. Seshagiri Rao MVS Jt. Managing Director & Group CFO	4.55	0.21	-	4.76	From 06.04.2014 to 05.04.2017	3 months from either side or salary in lieu thereof.
Dr. Vinod Nowal Dy. Managing Director	3.29	0.15	-	3.44	From 30.04.2012 to 29.04.2017	3 months from either side or salary in lieu thereof.
Mr. Jayant Acharya Director (Commercial & Marketing)	2.90	0.14	-	3.04	From 07.05.2014 to 06.05.2019	3 months from either side or salary in lieu thereof.

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. There is no separate provision for payment of severance fees.

None of the Non-Executive Directors hold any shares in the Company.

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee comprises of 3 Non-Executive Directors, all of whom are Independent Directors.

The Stakeholders Relationship Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Regulation 20 and Part D of Schedule VI of the SEBI (LODR Regulations).

The terms of reference of the Committee are as follows:

- 1) To review the reports submitted by the Registrars and Share Transfer Agents of the Company at Half yearly intervals.
- 2) 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.
- 3) To follow-up on the implementation of suggestions for improvement, if any.
- 4) To periodically report to the Board about serious concerns if any.
- 5) To consider and resolve the grievances of the security holders of the company.



The Stakeholders Relationship Committee met twice during the financial year 2015-16 on 06.10.2015 and on 29.03.2016. The composition of the Committee and the details of the meetings attended by the Members are as given below:

Sl. No.	Name of the Members	Category	No. of Meetings attended
1	Mr. K. Vijayaraghavan Chairman	Non-Executive Independent Director	2/2
2	Mr. Uday Chitale Member	Non-Executive Independent Director	2/2
3	Dr. (Mrs.) Punita Kumar Sinha Member	Non-Executive Independent Director	2/2

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:

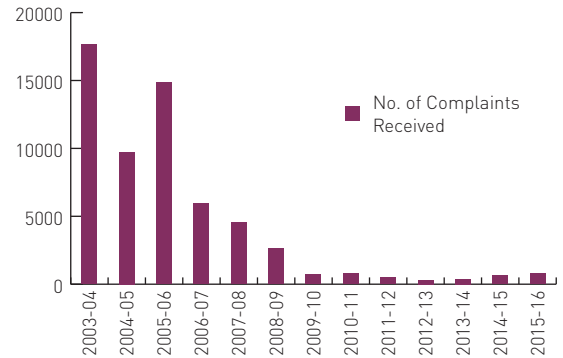
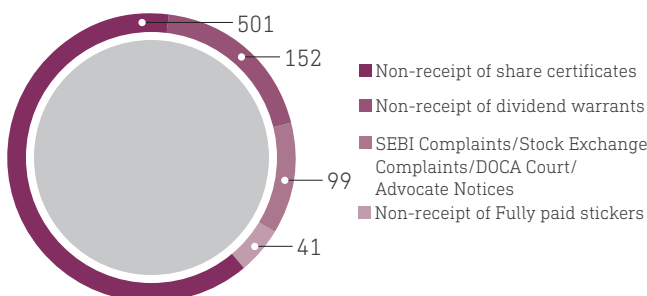
Address : JSW Centre, Bandra Kurla Complex,  
Bandra (East), Mumbai 400 051  
Phone : 022-42861000  
Fax : 022-42863000  
Email : jswsl.investor@jsw.in

#### 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 31.03.2016	: 793
Number of complaints not solved to the satisfaction of Shareholders	: Nil
No. of pending Complaints as on 31.03.2016	: Nil

None of the Complaints were pending for a period exceeding 30 days. All requests for transfer of shares



have been processed on time and there are no transfers pending for more than 15 days.

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. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Regulation 21 of the SEBI (LODR Regulations).

The terms of reference of the Committee are as follows:

- To periodically review risk assessment and minimisation procedures to ensure that Executive Management controls risk through means of a properly defined framework.

2. To review major risks and proposed action plan.

The Risk Management Committee met four times during the financial year 2015-16 on 25.06.2015, 06.10.2015, 07.12.2015 and 29.03.2016. The composition of the Committee and the details of the meetings attended by the Members are as given below:

Sl. No.	Name of the Members	Category	No. of Meetings attended
1	Mr. Uday Chitale Chairman	Non-Executive Independent Director	4/4
2	Mr. Seshagiri Rao MVS, Member	Executive Director	4/4
3	Dr. Vinod Nowal Member	Executive Director	3/4
4	Mr. Jayant Acharya Member	Executive Director	4/4
5	Mr. Malay Mukherjee Member *	Non-Executive Independent Director	3/4
6	Dr. (Mrs.) Punita Kumar Sinha Member	Non-Executive Independent Director	4/4
7	Mr. K. Vijayaraghavan Member	Non-Executive Independent Director	4/4

\* Inducted on the Committee on 29.07.2015

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

- "Capex Risk Evaluation Committee" to evaluate the risks associated with capex proposals including mergers and acquisitions.
- 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.

## 7. 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 the Board and delegated thereto powers and responsibilities with respect to specific purposes. Time schedule for holding the meetings of these 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. Malay Mukherjee, Chairman Non-Executive Independent Director. 2. Dr. Vinod Nowal, Member Executive Director 3. Mr. K.Vijayaraghavan, Member Non-Executive Independent Director	Four meetings were held on 14.05.2015, 28.07.2015, 20.10.2015 and 28.01.2016.
2. To review new strategic initiatives.	4. Mr. Kyoichi Kameyama, Member Nominee Director (JFE Steel Corporation)	

## 2. 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. Mr. K. Vijayaraghavan (Chairman) DIN No. 00544730 Non-Executive Independent Director Tel No. 040-30160232 vijay@sathguru.com	Three meetings were held on 14.05.2015, 06.10.2015 and 28.01.2016.
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	

<b>Terms of reference of the Committee</b>	<b>Composition</b>	<b>Frequency of Meetings</b>
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. Dr. (Mrs.) Punita Kumar Sinha Din No.5229262 Non-Executive Independent Director Tel. No. 091-9833363533 punitakumarsinha@gmail.com	

### **3. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

<b>Terms of reference of the Committee</b>	<b>Composition</b>	<b>Frequency of Meetings</b>
1. 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.	1. Dr. Vijay Kelkar (Chairman) Non-Executive Independent Director	Three meetings were held on 15.05.2015, 20.10.2015 and 07.12.2015.
2. 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.	2. Mr. Seshagiri Rao MVS (Member) Executive Director	
3. 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.	3. Dr. Vinod Nowal (Member) Executive Director	
4. To monitor the CSR policy of the Company from time to time; and	4. Mr. Jayant Acharya (Member) Executive Director	
5. To institute a transparent monitoring mechanism for implementation of the CSR Projects or programs or activities under taken by the Company.	5. Mr. Uday Chitale (Member) Non-Executive Independent Director	
	6. Dr. (Mrs.) Punita Kumar Sinha (Member) Non-Executive Independent Director	
	7. Mr. K. Vijayaraghavan (Member) Non-Executive Independent Director	
	8. Mr. Naveen Raj Singh (Member) Nominee Director (KSIIDC)	

**4. HEDGING POLICY REVIEW COMMITTEE**

Terms of reference of the Committee	Composition	Frequency of Meetings
1. To take protective measures to hedge forex losses.	1. Dr. (Mrs.) Punita Kumar Sinha (Chairperson) Non-Executive Independent Director	Four meetings were held on 25.06.2015, 20.10.2015, 28.01.2016 and 29.03.2016.
2. To decide on all matters related to commodities hedging and to take protective measures to hedge commodity price fluctuations.	2. Mr. Seshagiri Rao MVS, Member Executive Director	
	3. Dr. Vijay Kelkar, Member Non-Executive Independent Director	
	4. Mr. Uday Chitale, Member Non-Executive Independent Director	

**5. FINANCE COMMITTEE**

Terms of reference of the Committee	Composition	Frequency of Meetings
1. To approve availing of credit / financial facilities of any description from Banks/ financial Institutions/ Bodies Corporate within the limits approved by the Board.	1. Mr. Seshagiri Rao MVS (Chairman) Executive Director	Need based. Meeting were held on 13.04.2015, 19.05.2015, 25.06.2015, 14.07.2015, 03.08.2015, 13.08.2015, 18.09.2015, 28.09.2015, 21.10.2015, 05.11.2015, 08.12.2015, 21.01.2016, 01.02.2016, 18.03.2016 and 31.03.2016.
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.	2. Dr. Vinod Nowal, Member Executive Director	
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.	3. Mr. Jayant Acharya, Member Executive Director	
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.		

## 6. JSWSL ESOP COMMITTEE

Terms of reference of the Committee	Composition	Frequency of Meetings
1. Determine the terms and conditions of grant, issue, re-issue, cancellation and withdrawal of Employee Stock Options from time to time.	1. Mr. Uday Chitale (Chairman) Non-Executive Independent Director	Need based. No meeting was held during the FY 2015-16
2. Formulate, approve, evolve, decide upon and bring into effect, suspend, withdraw or revive any sub-scheme or plan for the purpose of grant of Options to the employees and to make any modifications, changes, variations, alterations or revisions in such sub-scheme or plan from time to time.	2. Mr. Seshagiri Rao M.V.S Executive Director	
3. To issue any direction to the trustees of the JSW Steel Employees Welfare Trust to sell, transfer or otherwise dispose off any Shares held by them.	3. Mr. K. Vijayaraghavan Non-Executive Independent Director	
4. To make necessary amendments to the JSW Steel Employees Welfare Trust Deed, if need be.	4. Mr. Malay Mukherjee Non-Executive Independent Director	
5. Lay down the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of change in the Capital Structure and/or Corporate Action.		
6. Lay down the method for satisfaction of any tax obligation arising in connection with the Options or such Shares.		
7. Lay down the procedure for cashless exercise of Options, if any; and		
8. Provide for the Grant, Vesting and Exercise of Options in case of Employees who are on long leave or whose services have been seconded to any other Company or who have joined Holding Company or a Subsidiary or an Associate Company at the instance of the Employer Company.		

## 8. 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
19th AGM	30.07.2013	11.00 am	Y.B. Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai - 400 021	1. 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. 2. To approve JSWSL Employees Stock Ownership Plan 2012 and grant stock option to permanent employees of the Company. 3. To approve JSWSL Employees Stock Ownership Plan 2012 and grant stock option to permanent employees of the Indian Subsidiaries / Associate entities.
20th AGM	31.07.2014	11.00 am	Y.B.Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman point, Mumbai - 400 021	1. To pay remuneration to Non-Executive Directors for a period of five years from the financial year commencing from April 01, 2014. 2. Increase in borrowing powers of the Board to upto ₹ 50,000 crores,

AGM	Date	Time	Venue	Special Resolutions Passed
				3. Consent to hypothecate/ mortgage and/or charge all or any part of the movable and/or immovable properties of the Company. 4. Private placement of redeemable non-convertible debentures of ₹ 10,000 crores. 5. Adoption of new set of Articles of Association. 6. Consent for Issue of Securities to Qualified Institutional Buyers for an aggregate amount not exceeding ₹ 4,000 crores. 7. Authority to the Board of Directors for Issue and Allotment of Foreign Currency Convertible Bonds / Global Depository Receipts / American Depository Receipts / Warrants / other instruments convertible into Equity Shares aggregating up to USD 350 Millions. 8. Authority to the Board of Directors for Issue and Allotment of Foreign Currency Denominated Bonds aggregating up to USD 2 Billion. 9. Consent to enter into a contract with JSW Investments Limited for license to use the 'JSW' brand for an annual fee. 10. Consent 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 the period of 36 months starting from April 1, 2014.
21st AGM	28.07.2015	11.00 am	Y.B. Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman point, Mumbai - 400 021	1. Private placement of redeemable non-convertible debentures of ₹ 10,000 crores. 2. Consent for Issue of Securities to Qualified Institutional Buyers for an aggregate amount not exceeding ₹ 4,000 crores.

#### 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 there at are as under:

EGM – Date & Time	Venue	Special Resolutions Passed
<b>COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS &amp; PREFERENCE SHAREHOLDERS</b>		
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 of the Hon'ble High Court of Judicature at Mumbai dated 20 December 2012 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 2015-16:

During the financial year 2015-16, the Company has passed the following special resolutions by Postal Ballot.

Sl. No.	Description	Votes in favour of the resolution		Votes against the resolution	
		No. of votes	% of total votes	No. of votes	% of total votes
1.	Approval of JSWSL Employee Stock Ownership Plan 2016 (ESOP Plan 2016).	159438882	91.47%	14875983	8.53%
2.	Grant of stock options to the employees of Indian Subsidiary Companies under ESOP Plan 2016.	159438575	91.47%	14876217	8.53%
3.	Authorization to ESOP Trust for secondary market acquisition of equity shares.	159365489	91.42%	14949384	8.58%

- (i) In compliance with Regulation 44 of the SEBI (LODR Regulations) and in compliance with the applicable provisions of the Companies Act, 2013 and the Companies (Management and Administration) Rules 2014, Members were provided with the facility to cast their vote electronically through the e-voting services provided by KARVY, on all resolutions set forth in the Notice. Members were also given an option to vote by physical Ballot.



- (ii) The voting rights were reckoned as on the paid-up value of the shares registered in the names of the members as on February 9, 2016. The physical Ballots were returnable by March 24, 2016. The E-Voting portal was open for voting from February 24, 2016 to March 24, 2016.
- (iii) The Company had appointed Mr. Nilesh Shah, Practicing Company Secretary (Membership No. FCS 4554) as the Scrutiniser to conduct the postal ballot/ e-voting process in a fair and transparent manner.
- (iv) The Results of the Postal Ballot were declared on March 29, 2016.
- (v) None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a special resolution through Postal Ballot.

## 9. 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.
- iv. Whistle Blower Policy/Vigil Mechanism: The Whistle Blower Policy/Vigil Mechanism has been formulated by the Company with a view to provide a mechanism for directors and employees of the Company to approach the Ethics Counsellor / Chairman of the Audit Committee of the Board to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the 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. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages

its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The Whistle Blower Policy/Vigil Mechanism 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.

The Whistle Blower Policy/Vigil Mechanism adopted by the Company in line with Section 177 of the Companies Act, 2013 and Regulation 22 of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, which is a mandatory requirement, has been posted on the Company's website <http://www.jsw.in/investors/investor-relations-steel>.

- v. 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) The financial statements alongwith the investments made by the unlisted subsidiaries are placed before the Audit Committee and the Company's Board, quarterly.
  - b) 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.
  - c) 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.
  - d) A statement containing all significant transactions and arrangements entered into by the subsidiary companies is placed before the Company's Board.

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or

has generated 20% of the consolidated income of the Company during the previous financial year. However, a policy for determination of Material Subsidiaries has been formulated and has been posted on the company's website <http://www.jsw.in/investors/investor-relations-steel>.

- vi. Related Party Transactions: All transactions entered into with Related Parties as defined under the Companies Act, 2013, erstwhile Clause 49 of the Listing Agreement and Regulation 23 of the SEBI (LODR Regulations) during the financial year were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS 18) has been made in the notes to the Financial Statements.

The Board approved policy for related party transactions is available on the Company's website <http://www.jsw.in/investors/investor-relations-steel>.

- vii. Internal Controls: The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/regulatory compliances. The Company's business processes are on SAP-ERP platforms and has a strong monitoring and reporting process resulting in financial discipline and accountability.
- viii. Compliance with Accounting Standards: In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

## 10. 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 2015-16 were published in The Financial Express and Navshakti Newspapers as detailed below:

Quarter (F. Y. 2015-16)	Date of Board Meeting	Date of publication
1	29.07.2015	30.07.2015
2	21.10.2015	22.10.2015
3	29.01.2016	30.01.2016

### 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](http://www.jsw.in) contains a separate dedicated section "Investors" where information for shareholders is available. The Quarterly/Annual Financial Results, annual reports, analysts presentations, investor forms, stock exchange information, shareholding pattern, corporate benefits, policies, investors' contact details, etc., are posted on the website in addition to the information stipulated under Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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. 2015-16 on 15.05.2015, 29.07.2015, 21.10.2015 and 29.01.2016. The same are available

on the Company's website. The Presentations broadly covered operational and financial performance of the Company and industry outlook.

**F) FILING WITH BSE "LISTING CENTRE":**

Pursuant to Regulation 10 (1) of the SEBI (LODR Regulations), BSE has mandated the Listing Centre as the "Electronic Platform" for filing all mandatory filings and any other information to be filed with the Stock Exchanges by Listed Entities. All the data relating to financial results, shareholding pattern, Corporate Governance Report, various submissions/disclosure documents etc., have been electronically filed with the Exchange on the "Listing Centre" (<http://listing.bseindia.com>).

**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, various submissions/disclosure documents etc. are also filed electronically on NEAPS.

**H) ANNUAL REPORT:**

Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report alongwith relevant annexures, 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.

**11. GENERAL SHAREHOLDERS INFORMATION:**

**I. ANNUAL GENERAL MEETING:**

<b>DATE AND TIME</b>	: July 26, 2016 at 11.00 a.m.
<b>VENUE</b>	: Y B Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021, Maharashtra.
<b>DATES OF BOOK CLOSURE</b>	: July 6, 2016 to July 8, 2016 (both days inclusive)
<b>DIVIDEND PAYMENT DATE</b>	: July 29, 2016

**II. FINANCIAL CALENDAR 2016-17:**

First quarterly results	: July, 2016
Second quarterly results	: October, 2016
Third quarterly results	: January, 2017
Annual results for the year ending on 31.03.2017	: April/May, 2017
Annual General Meeting for the Year 2017	: June/July, 2017

**III. 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 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, members have been provided the facility to exercise their right to vote at General Meetings by electronic means, through e-Voting Services provided by Karvy Computershare Private Limited.

**IV. CORPORATE IDENTITY NUMBER (CIN):**

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

**V. 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 (as on issue date)
1.	10.02% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
2.	10.02% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
3.	10.20% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
4.	10.20% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
5.	10.40% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each

Sl. No.	Description	Face Value (as on issue date)
6.	10.40% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
7.	10.55% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
8.	10.55% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
9.	10.50% Secured Redeemable Non-convertible Debentures.	₹ 10 Lakhs each
10.	10.50% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
11.	10.60% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
12.	9.62% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
13.	9.665% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
14.	9.72% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
15.	10.60% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
16.	10.10% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
17.	10.10% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
18.	11% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
19.	10.34% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each

Sl. No.	Description	Face Value (as on issue date)
20.	10.98% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
21.	10.60% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
22.	10.25% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
23.	10.50% 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 2015-16 and 2016-17.

The 4.75% Fixed Rate Senior Unsecured Foreign Currency Denominated Notes due 2019 (FCNs) aggregating to US \$ 500 million issued by the Company in the International Market have been listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"), 2 Shenton Way,#19-00 SGX Centre 1,Singapore 068804.

The Annual Listing fees as applicable for the calendar year 2016 has been paid by the Company to the SGX.

## VI. STOCK CODE:

BSE Limited (BSE) National Stock Exchange of India Limited (NSE)

BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
Equity	Preference	Debtentures	Equity	Preference	Debtentures
500228	700085	949242	JSW STEEL	JSWSTEEL P1	(N.A)
	(10% Cumulative Redeemable Preference Shares)	949396		(10% Cumulative Redeemable Preference	
		934657		Shares)	
	717502	951045			
	(0.01% Cumulative Redeemable Preference Shares)	950819			
		950815		JSWSTEEL P2	
		950816		(0.01% Cumulative	
		950056		Redeemable Preference	
		949891		Shares)	
		950057			
		950820			
		951445			
		951446			
		951447			
		946501			
		946540			
		946594			
		947905			
		948841			
		945893			
		946364			
		950861			

**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: INE019A07258 – 10.02% NCDs of ₹ 10 Lakhs each  
 INE019A07266 – 10.02% NCDs of ₹ 10 Lakhs each  
 INE019A07365 – 10.20% NCDs of ₹ 10 Lakhs each  
 INE019A07373 – 10.20% NCDs of ₹ 10 Lakhs each  
 INE019A07332 – 10.40% NCDs of ₹ 10 Lakhs each  
 INE019A07324 – 10.40% NCDs of ₹ 10 Lakhs each  
 INE019A07340 – 10.50% NCDs of ₹ 10 Lakhs each  
 INE019A07308 – 10.55% NCDs of ₹ 10 Lakhs each  
 INE019A07274 – 10.55% NCDs of ₹ 10 Lakhs each  
 INE019A07290 – 10.50% NCDs of ₹ 10 Lakhs each  
 INE019A07357 – 10.60% NCDs of ₹ 10 Lakhs each  
 INE019A07381 – 9.62% NCDs of ₹ 10 Lakhs each

INE019A07399 – 9.665% NCDs of ₹ 10 Lakhs each  
 INE019A07407 – 9.72% 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  
 INE548G07014 – 11.98% NCDs of ₹ 10 Lakhs each  
 INE019A07126 – 10.25% NCDs of ₹ 10 Lakhs each  
 INE019A07167 – 10.60% NCDs of ₹ 10 Lakhs each

FCNs : XS1133588233

**DEBENTURE TRUSTEES:**

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

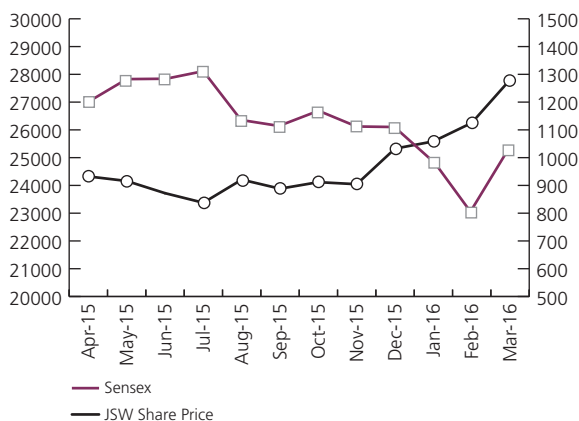
Axis Trustee Services Limited  
 2nd Floor, Axis House,  
 Bombay Dyeing Mills Compound  
 Pandurang Budhkar Marg, Worli,  
 Mumbai 400 025.

**VII. MARKET PRICE DATA:**

The monthly high/low market price of the shares and the quantities traded during the year 2015-16 on BSE Limited and National Stock Exchange of India Limited are as under:

Month	BSE Limited			National Stock Exchange of India Limited		
	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
Apr-15	993.00	893.50	17,95,625	993.30	892.30	1,38,04,728
May-15	986.00	851.55	18,95,690	986.85	863.10	1,46,33,884
Jun-15	919.30	831.60	15,02,785	919.00	831.50	1,33,34,435
Jul-15	903.35	801.00	19,28,255	903.10	800.00	1,34,60,704
Aug-15	1012.90	822.10	33,56,954	1013.00	819.00	2,02,53,743
Sep-15	1005.20	831.40	33,89,514	1005.80	830.10	1,67,31,662
Oct-15	940.45	871.00	26,01,028	941.00	872.00	1,76,17,532
Nov-15	920.15	855.55	14,27,450	934.60	856.10	1,04,34,511
Dec-15	1074.90	892.55	34,19,507	1072.00	891.15	2,05,01,869
Jan-16	1126.00	953.60	19,77,366	1127.00	953.00	1,87,17,582
Feb-16	1145.40	951.00	25,07,742	1144.40	950.00	2,41,21,806
Mar-16	1288.00	1126.00	18,05,513	1294.00	1126.00	1,55,67,717

### VIII. PERFORMANCE OF SHARE PRICE IN COMPARISON TO BSE SENSEX:



### X. PERCENTAGE CHANGE IN COMPARISON TO BROAD BASED INDICES -SENSEX AND NIFTY AS ON MARCH 31, 2016:

Financial Year	JSW Share Price - %	Sensex - %	JSW Share Price - %	Nifty - %
2015-16	41.08	-9.36	41.55	-3.5
2014-15	-12.35	24.88	-12.50	26.65%
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	111.00
2009-10	533	181	530	174.00
2008-09	-71.17	-38.44	-71.57	-36.13

### XI. REGISTRAR & SHARE TRANSFER AGENTS:

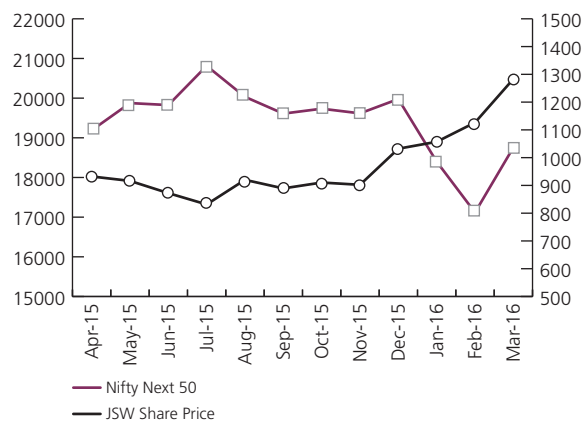
Karvy Computershare Private Limited  
 Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
 Financial District Nanakramguda,  
 Hyderabad – 500 032  
 Tel. No. 040 67161500  
 Fax. No. 040 23001153  
 E-mail: einward.ris@karvy.com  
 Website: www.karvycomputershare.com

### XII. 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.

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

### IX. PERFORMANCE OF SHARE PRICE IN COMPARISON TO NIFTY NEXT 50



- 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/Debt Transfer Committee. The decisions of Share/Debt 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 the erstwhile Clause 47(c) of the Listing Agreement and Regulation 40(9) of the SEBI (LODR Regulations) and files a copy of the certificate with the Stock Exchanges.



### XIII. DISTRIBUTION OF SHAREHOLDING:

The distribution of shareholding by size as on March 31, 2016 is given below:

Sl. No.	No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of shareholding
1	1 - 500	735,467	99.59	10,777,140	4.46
2	501 - 1000	1,473	0.20	1,046,039	0.43
3	1001 - 2000	633	0.09	903,104	0.37
4	2001 - 3000	195	0.03	479,409	0.20
5	3001 - 4000	74	0.01	262,849	0.11
6	4001 - 5000	63	0.01	289,203	0.12
7	5001 - 10000	168	0.02	1,202,014	0.50
8	10001 - 20000	97	0.01	1,384,368	0.57
9	20001 and above	326	0.04	225,377,918	93.24
	<b>Total</b>	<b>738,496</b>	<b>100.00</b>	<b>241,722,044</b>	<b>100.00</b>

### XIV. SHAREHOLDING PATTERN:

Category	As on 31.03.2016			As on 31.03.2015		
	No. of Holders	No. of Shares	% of holding	No. of Holders	No. of Shares	% of holding
Promoters	48	100,277,068	41.48	52	96,767,045	40.03
NRI	9,672	3,236,893	1.34	10,097	3,220,216	1.33
FII	353	45,926,746	19.00	334	45,896,595	18.99
OCB	4	2,158	0.00	5	32,158	0.01
FBC	5	36,304,873	15.02	7	41,794,666	17.29
IFI	10	1,912,737	0.79	12	3,031,782	1.25
IMF	78	3,661,113	1.51	80	4,612,402	1.91
Banks	36	949,029	0.39	41	1,277,351	0.53
Employees	1,464	48,512	0.02	1,508	54,842	0.02
Bodies Corporate	2,799	19,177,144	7.93	3,141	17,690,645	7.32
Public	717,449	26,281,806	10.87	763,241	23,224,420	9.61
Trust	13	9,943	0.00	12	2,571,668	1.06
HUF	6,543	2,038,366	0.84	7,098	1,548,183	0.64
Employees Welfare Trust	2	1,881,736	0.78	0	0	0.00
NBFC	19	13,849	0.01	0	0	0.00
Transit A/C	1	71	0.00	1	71	0.00
<b>Total</b>	<b>738,496</b>	<b>241,722,044</b>	<b>100.00</b>	<b>785,629</b>	<b>241,722,044</b>	<b>100.00</b>

### XV. TOP 10 SHAREHOLDERS AS ON MARCH 31, 2016:

Sl. No.	Name	Shares	%
1	JFE STEEL INTERNATIONAL EUROPE B.V.	36,258,307	15.00
2	JSW HOLDINGS LIMITED	17,368,923	7.19
3	VIVIDH FINVEST PRIVATE LIMITED	13,885,669	5.74
4	JSW INVESTMENTS PRIVATE LIMITED	13,516,309	5.59
5	SAHYOG HOLDINGS PRIVATE LIMITED	10,970,586	4.54
6	JSW POWER TRADING COMPANY LIMITED	7,003,835	2.90
7	DANTA ENTERPRISES PRIVATE LIMITED	6,036,825	2.50
8	VIRTUOUS TRADECORP PRIVATE LIMITED	6,036,825	2.50
9	JSW TECHNO PROJECTS MANAGEMENT LTD.	4,992,546	2.07
10	GAGANDEEP CREDIT CAPITAL PVT. LTD.	4,598,265	1.90

**XVI. GEOGRAPHICAL DISTRIBUTION OF SHAREHOLDERS AS ON MARCH 31, 2016:**

Sr. No.	City	Physical Holders			Electronic Holders			Total Shareholders		
		Cases	Shares	%	Cases	Shares	%	Cases	Shares	%
1	AGRA	1870	14,068	0.01	2261	29,449	0.01	4,131	43,517	0.02
2	AHMEDABAD	10,358	106,300	0.04	26,414	14,690,702	6.08	36,772	14,797,002	6.12
3	BANGALORE	7,134	536,695	0.22	12,984	2,092,020	0.87	20,118	2,628,715	1.09
4	CALCUTTA	10,244	114,664	0.05	16,993	711,952	0.29	27,237	826,616	0.34
5	CHANDIGARH	1,879	16,568	0.01	2,199	38,790	0.02	4,078	55,358	0.02
6	CHENNAI	6,040	82,076	0.03	9,881	1,941,816	0.80	15,921	2,023,892	0.84
7	COIMBATORE	4,315	129,089	0.05	3,439	553,331	0.23	7,754	682,420	0.28
8	GANDHI NAGAR	3,772	25,113	0.01	9,783	88,805	0.04	13,555	113,918	0.05
9	GHAZIABAD	1,457	13,011	0.01	2,521	36,992	0.02	3,978	50,003	0.02
10	HISSAR	2,524	37,781	0.02	1,329	4,632,433	1.92	3,853	4,670,214	1.93
11	HOWRAH	1,477	17,512	0.01	2,720	46,854	0.02	4,197	64,366	0.03
12	HYDERABAD	4,341	53,043	0.02	8,325	212,429	0.09	12,666	265,472	0.11
13	INDORE	2,139	17,868	0.01	4,012	130,186	0.05	6,151	148,054	0.06
14	JAIPUR	4,308	35,193	0.01	8,964	152,606	0.06	13,272	187,799	0.08
15	JAMNAGAR	1,882	13,881	0.01	3,387	36,961	0.02	5,269	50,842	0.02
16	KANPUR	3,087	28,046	0.01	4,269	81,310	0.03	7,356	109,356	0.05
17	LUCKNOW	2,172	18,159	0.01	3,320	43,568	0.02	5,492	61,727	0.03
18	MEHSANA	2,654	14,945	0.01	4,424	48,824	0.02	7,078	63,769	0.03
19	MUMBAI	29,415	565,477	0.23	65,762	198,706,821	82.19	95,177	199,272,298	82.43
20	NEW DELHI	24,524	289,008	0.12	28,929	2,714,858	1.12	53,453	3,003,866	1.24
21	OTHERS	130,685	181,865	0.75	187,421	9,251,031	3.83	318,106	11,069,690	4.57
22	PATNA	1,864	17,948	0.01	2,299	34,239	0.01	4,163	52,187	0.02
23	PUNE	3,846	43,568	0.02	9,770	725,219	0.30	13,616	768,787	0.32
24	RAJKOT	3,017	22,170	0.01	7,818	120,035	0.05	10,835	142,205	0.06
25	SURAT	4,207	32,242	0.01	11,988	151,458	0.06	16,195	183,700	0.08
26	THANE	2,549	36,055	0.01	8,714	138,432	0.06	11,263	174,487	0.07
27	VADODARA	5,158	39,888	0.02	11,652	171,896	0.07	16,810	211,784	0.09
	<b>Total</b>	<b>276,918</b>	<b>4,139,027</b>	<b>1.72</b>	<b>461,578</b>	<b>237,583,017</b>	<b>98.28</b>	<b>738,496</b>	<b>241,722,044</b>	<b>100.00</b>

**XVII. CORPORATE BENEFITS TO SHAREHOLDERS:****A) DIVIDEND DECLARED FOR THE LAST EIGHT YEARS:**

Financial Year	Dividend Declaration Date	Dividend Rate (%)
2014-15	28.07.2015	110
2013-14	31.07.2014	110
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

**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 has been transferred to the General Revenue Account of the Central Government. Members, who have not claimed their dividend for the said period till date, may claim the amount from the Registrar of Companies, Maharashtra Mumbai. Apart from the above, the Company has transferred the unpaid dividends for the FY 2007-08 to the IEPF. The Members of the Company who have not yet encashed their dividend warrant(s) for the FY 2008-09 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 31.03.2016	Due for transfer to IEPF
2008-2009	06.07.2009	10%	2,926,154.00	12.08.2016
2009-2010	29.06.2010	95%	21,257,324.00	05.08.2017
2010-2011	25.07.2011	122.50%	26,578,199.00	31.08.2018
2011-2012	25.07.2012	75%	14,413,884.00	31.08.2019
2012-2013	30.07.2013	100%	22,850,211.00	06.08.2020
2013-2014	31.07.2014	110%	23,930,693.00	07.08.2021
2014-2015	28.07.2015	110%	24,670,007.66	04.08.2022

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.

**C) UNCLAIMED SHARES:**

As per Clause 5A(II) of the erstwhile 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 of the Company and on 23.01.2014, 21.03.2014 and 02.05.2014 to the registered address of the shareholders of the erstwhile JSW Ispat Steel Limited who became shareholders of the Company consequent to the merger, requesting for correct particulars to dispatch the undelivered share certificates, for shares issued in physical form which remained unclaimed, transferred 707,359 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 Stock Holding Corporation of India Limited and dividend to the "Unclaimed Suspense Account" 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 Schedule V (F) of the SEBI (LODR Regulations), the Company reports the following details in respect of equity shares and Preference Shares lying in the suspense account:

**JSW STEEL LTD - EQUITY SHARES UNCLAIMED 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 1.4.2015.	51,333	675,860
Number of Shareholders who approached for transfer of shares from suspense account during the year ended 31.3.2016.	307	8,805
Number of shareholders to whom shares were transferred from suspense account during the year ended 31.3.2016.	307	8,805
Aggregate number of shareholders and the outstanding shares in the suspense account lying as at the year ended 31.3.2016.	51,026	667,055

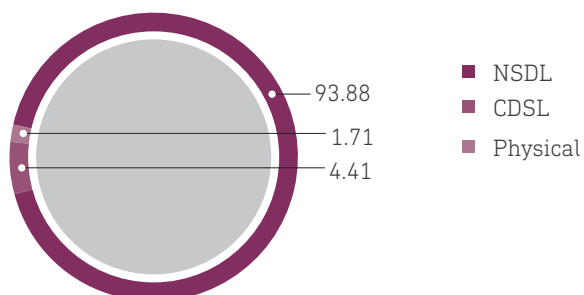
### JSW STEEL LTD. - PREFERENCE SHARES UNCLAIMED SUSPENSE ACCOUNT

Description	Number of Share Holders	Number of Preference Shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 1.4.2015	25,319	2,723,083
Number of Shareholders who approached issuer for transfer of shares from suspense account during the year ended 31.3.2016	126	10,223
Number of shareholders to whom shares were transferred from suspense account during the year ended 31.3.2016	126	10,223
Aggregate number of shareholders and the outstanding shares in the suspense account lying as at year ended 31.3.2016	25,193	2,712,860

The voting rights on the shares outstanding in the suspense accounts as on March 31, 2016 shall remain frozen till the rightful owner of such shares claims the shares.

#### D) 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. 237,583,017 Equity Shares aggregating to 98.29% of the total Equity Capital is held in dematerialised form as on 31.03.2016 of which 93.88% (226,926,100 Equity Shares) of total equity capital is held in NSDL & 4.41% (10,656,917 Equity Shares) of total equity capital is held in CDSL as on 31.3.2016.



#### E) 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.

#### F) NATIONAL ELECTRONIC CLEARING SERVICE (NECS):

As per the directive from Securities and Exchange Board of India dated 21 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.

#### G) 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., 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 "Investors", and register the same with the Company's Registrar.

**H) NOMINATION FACILITY:**

Pursuant to the provisions of the Companies Act, 2013, 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 'Investors'.

**I) 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 31.3.2016.

**J) COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:**

A comprehensive financial and commodity risk management program supports the achievement of an organisation's objectives by enabling the identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks and implementing policies and procedures to manage and monitor the risks.

The Company has in place a Board approved policy which establishes the financial and commodity risk management framework and defines the procedures and controls for the effective management of the Company's risks that arise due to imports of raw material, capex, debt servicing and exports of finished steel.

Currency Hedging and Commodity Hedging is as guided by Risk management policy approved by Board and the same is reviewed by Board committee of independent directors each quarter.

**K) REGISTERED OFFICE:**

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

**L) PLANT LOCATIONS:**

Vijayanagar : P.O. Vidyanagar, Toranagallu Village, Sandur Taluk, Dist. Bellary, Karnataka - 583 275

Dolvi : Dolvi Works, Geetapuram, Dolvi Village, Pen Taluk, Dist. Raigad, Maharashtra - 402 107

Salem: Pottaneri, M Kalipatti Village, Mecheri Post, Mettur Taluk, Salem Dist., Tamil Nadu - 636 453.

**M) ADDRESS FOR INVESTOR CORRESPONDENCE:**

**1. RETAIL INVESTORS**

a) For Securities held in Physical form  
Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad - 500 008  
Tel. No. 040 - 33211500  
Fax. No. 040 - 23001153  
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.

**11. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE:**

There are no instances of non-compliance of Corporate Governance Report as mentioned in sub-para (2) to (10) of Para (C) of Schedule V.

**12. ADOPTION OF DISCRETIONARY REQUIREMENTS:**

The status of adoption of discretionary requirements of Regulation 27(1) as specified under Part E of Schedule II of the SEBI (LODR Regulations) is provided below:

- i. Non-Executive Chairperson's entitlement to maintain Chairman's Office and reimbursement of expenses incurred: Not applicable as the Company does not have a Non-Executive Chairperson.
- ii. Shareholders' Rights: As the quarterly and half yearly financial performance including summary of significant events are published in the newspapers, communicated to the stock exchanges and also posted on the Company's website, the half yearly declaration of financial performance including summary of the significant events in the last six months, are not being sent separately to each household of Shareholders.
- iii. Modified Opinion in Auditors Report: The Company's financial statement for the financial year 2015-16 does not contain any modified audit opinion.

iv. Separate posts of Chairman and Managing Director or CEO: The Chairman's Office is not separate from that of the Managing Director.

v. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

**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 JSWSL Code of Conduct to Regulate, Monitor and Report Trading by Insiders (formerly known as Code of Conduct for Prevention of Insider Trading) as detailed below has been adopted pursuant to Clause 49 (E) of the erstwhile Listing Agreement & the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, respectively:

**A) CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT:**

The Board of Directors of the Company adopted a revised Code of Conduct for Board Members and Senior Management at their meeting held on 21.10.2014. The Code highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association. The above Code supersedes the earlier Code of Conduct for Board Members and Senior Management approved by the Board in its meetings held on 28.1.2014, 24.10.2008 and 20.10.2005.

The Code is applicable to all Board of 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 fulfil 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](http://www.jsw.in).

**DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT**

The Company has received confirmations from all the Board of 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 affirming compliance of Board Members and Senior Management Personnel to the Code is also annexed herewith.

**B) JSWSL CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS:**

The Company adopted a Code of Conduct for Prevention of Insider Trading for its Management, Staff and Directors on 29 October, 2002. 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 7.5.2009.

SEBI thereafter, to put in place a framework for prohibition of Insider Trading and to strengthen the legal framework, notified the "Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. In order to comply with the mandatory requirement of the Regulations, the Code of Conduct for prevention of Insider Trading was revised to bring it in line with the new 2015 Regulations. The new code "JSWSL Code of Conduct to Regulate, Monitor and Report Trading by Insiders" was adopted by the Board in its meeting held on 21.10.2015. This Code supersedes the earlier "JSWSL Code of Conduct for Prevention of Insider Trading".

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**

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 20.1.2010 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 28.1.2013 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 behaviour 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 redressal 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 under clause 49 of the Listing Agreement and Schedule V (E) of the SEBI (LODR Regulations) which is annexed herewith.

## **DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges and Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31.03.2016.

For **JSW Steel Limited**

**SESHAGIRI RAO MVS**

Jt. Managing Director & Group CFO

Place: Mumbai

Date: May 18, 2016

## **AUDITOR'S CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To The Members of  
**JSW STEEL LIMITED,**

1. We have examined the compliance of conditions of Corporate Governance by JSW STEEL LIMITED ("the Company"), for the year ended on March 31, 2016, as stipulated in:
  - Clause 49 (excluding Clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 1, 2015 to November 30, 2015.
  - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 1, 2015 to September 1, 2015.
  - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 2, 2015 to March 31, 2016 and
  - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 1, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and 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 Clause 49 of the Listing Agreement and regulation 17 to 27 and Clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. 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

Date: May 18, 2016

# FINANCIAL STATEMENTS

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# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JSW STEEL LIMITED

## REPORT ON THE STANDALONE FINANCIAL STATEMENTS

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

## MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

## AUDITOR'S RESPONSIBILITY

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## OPINION

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

## EMPHASIS OF MATTERS

We draw attention to the following matters in the Notes to the financial statements:

- a) Note 25(4)(a) regarding the factors considered in estimating values of businesses/ assets of certain subsidiaries, and recognition of provision of ₹ 982.37 crores (Previous year ₹ 333.75 crores) for 'other than temporary' diminution in value of investments, ₹ 3,915.30 crores for loans doubtful of recovery and ₹ 957.85 crores towards guarantees.
- b) Note 25(5) regarding the Company's assessment that there is no decline, other than temporary, in carrying amounts of investments of ₹ 612.82 crores (net of provisions) in certain subsidiaries and joint ventures and loans / advances of ₹ 270.60 crores to them are fully recoverable.

Our opinion is not modified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and

## INDEPENDENT AUDITOR'S REPORT

explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**A. SIDDHARTH**  
Partner

Mumbai, dated: 18 May 2016 (Membership No. 31467)



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

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

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

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

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

### **AUDITOR'S RESPONSIBILITY**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

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

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

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

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

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

### OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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

**A. SIDDHARTH**  
Partner

Mumbai, dated: 18 May 2016

(Membership No. 31467)

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/ transfer deed/ conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and acquired buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:
- | Particulars of freehold land   | Gross block and net block as at 31 <sup>st</sup> March, 2016 (₹ in crores) |
|--|--|
| Land located at Maharashtra Benaghat village of Raigad district admeasuring 25.22 acres    | 11.23  |
| Land located at Maharashtra Vave village of Raigad district admeasuring 2.12 acres         | 0.94   |
| Land located at Maharashtra Dolvi village of Raigad district admeasuring 4.03 acres        | 2.12   |
| Land located at Maharashtra Khar Kharavi village of Raigad district admeasuring 6.13 acres | 3.23   |
- In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement. There are no buildings that have been taken on lease and disclosed as fixed assets.
- (ii) 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 by the management, and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit and hence reporting under paragraph 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31<sup>st</sup> March, 2016 on account of disputes are given below:

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

Name of statute	Nature of dues	Forum where dispute is pending	Period(s) to which the amount relates *	Amount unpaid (₹ in crores)	Amount paid under protest (₹ in crores)
The Central Excise Act, 1944	Excise Duty	Supreme Court	2000-01 to 2012-13	15.60	48.16
		High Court	1997-98 to 2015-16	121.45	-
		CESTAT	1998-99 to 2015-16	272.54	10.88
		Commissioner	2002-03 to 2014-15	47.78	32.72
The Custom Act, 1962	Customs Duty	Supreme Court	2002-03 to 2004-05	43.87	5.49
		CESTAT	1995-96 to 2014-15	236.35	10.11
		Commissioner	2008-09 to 2015-16	85.04	8.45
The Karnataka Value Added Tax Act, 2003	VAT	Commissioner	2008-09 to 2009-10	17.85	9.00
		DDCT	2012-13	0.49	-
		CESTAT	2004-05 to 2010-11	21.60	0.41
Chapter V of the Finance Act, 1994	Service Tax	Commissioner	2002-03 to 2014-15	78.94	2.68
		CITA	1992-93 to 2011-12	0.49	0.98
The Income Tax Act, 1961	Income Tax	ITAT	2003-04 to 2006-07	83.07	-
		High Court	2002-03 to 2004-05	90.17	-

\*Period represents the earliest year to the latest year

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

(ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised or as per purposes revised with appropriate approvals, other than temporary deployment pending application of proceeds. The Company has neither raised any moneys by way of initial public offer / further public offer (including debt instruments) nor were such proceeds pending to be applied, during the current year.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, having regard to legal opinions obtained by the Company, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

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

**A. SIDDHARTH**

Partner

Mumbai, dated: 18 May 2016

(Membership No. 31467)

## BALANCE SHEET

(₹ in crores)

	Note No.	As at 31.03.2016	As at 31.03.2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
Share capital	2	1,067.19	1,067.19
Reserves and surplus	3	20,685.77	24,657.41
		<b>21,752.96</b>	<b>25,724.60</b>
<b>(2) NON-CURRENT LIABILITIES</b>			
Long-term borrowings	4	25,871.16	25,496.89
Deferred tax liabilities (net)	5	1,224.69	2,966.59
Other long-term liabilities	6	166.45	236.10
Long-term provisions	7	1,017.42	56.78
		<b>28,279.72</b>	<b>28,756.36</b>
<b>(3) CURRENT LIABILITIES</b>			
Short-term borrowings	8	2,069.90	264.34
Trade payables			
(i) Total outstanding, dues of micro and small enterprises	9 (a) & 25(18)	22.05	24.05
(ii) Total outstanding, dues of creditors other than micro and small enterprises	9 (b)	10,975.61	12,491.34
Other current liabilities	10	8,414.42	7,278.11
Short-term provisions	11	251.78	353.60
		<b>21,733.76</b>	<b>20,411.44</b>
<b>TOTAL</b>		<b>71,766.44</b>	<b>74,892.40</b>
<b>II ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
Fixed assets	12		
Tangible assets		41,974.92	38,497.56
Intangible assets		61.82	71.83
Capital work-in-progress		6,203.54	7,593.85
Intangible assets under development		235.78	196.01
		<b>48,476.06</b>	<b>46,359.25</b>
Non-current investments	13	4,473.63	4,197.28
Long-term loans and advances	14	4,858.16	5,012.37
Other non-current assets	15	259.79	299.54
		<b>58,067.64</b>	<b>55,868.44</b>
<b>(2) CURRENT ASSETS</b>			
Inventories	16	6,775.50	8,584.74
Trade receivables	17	2,510.71	2,026.83
Cash and bank balances	18	596.31	1,795.06
Short-term loans and advances	14	3,625.83	6,537.41
Other current assets	18A	190.45	79.92
		<b>13,698.80</b>	<b>19,023.96</b>
<b>TOTAL</b>		<b>71,766.44</b>	<b>74,892.40</b>
See accompanying Notes 1 to 25 forming part of the financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**SAJJAN JINDAL**  
Chairman & 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,  
Dated : 18 May 2016

## STATEMENT OF PROFIT AND LOSS

(₹ in crores)			
	Note No.	For the year ended 31.03.2016	For the year ended 31.03.2015
<b>I REVENUE FROM OPERATIONS</b>	19	40,858.96	50,393.31
Less: Excise duty		4,152.04	4,305.99
		<b>36,706.92</b>	<b>46,087.32</b>
<b>II OTHER INCOME</b>	20	310.19	466.77
<b>III TOTAL REVENUE (I + II)</b>		<b>37,017.11</b>	<b>46,554.09</b>
<b>IV EXPENSES:</b>			
Cost of materials consumed	25(17)(D)	19,067.94	27,345.60
Purchases of stock-in-trade		152.72	385.64
Changes in inventories of finished goods and work-in-progress	21	1,061.97	(1,666.93)
Employee benefits expense	22	956.46	946.83
Finance costs	23	2,687.34	2,908.69
Depreciation and amortisation expenses	12 & 25(6)	2,551.45	2,784.50
Other expenses	24	9,745.31	10,204.54
Total expenses		<b>36,223.19</b>	<b>42,908.87</b>
<b>V PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)</b>		793.92	3,645.22
<b>VI EXCEPTIONAL ITEMS</b>	25(4)	5,860.45	396.30
<b>VII PROFIT/ (LOSS) BEFORE TAX (V-VI)</b>		(5,066.53)	3,248.92
<b>VIII TAX EXPENSES:</b>			
Current tax		6.71	718.88
MAT credit entitlement		(6.71)	(718.88)
Reversal of MAT credit entitlement		115.44	-
Deferred tax		(1,683.69)	1,082.44
		<b>(1,568.25)</b>	<b>1,082.44</b>
<b>IX PROFIT / (LOSS) FOR THE YEAR (VII-VIII)</b>		<b>(3,498.28)</b>	<b>2,166.48</b>
<b>X EARNINGS PER EQUITY SHARE OF ₹ 10 EACH:</b>	25(15)		
Basic		(146.11)	88.24
Diluted		(146.11)	88.24
See accompanying Notes 1 to 25 forming part of the financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**SAJJAN JINDAL**  
Chairman & 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,  
Dated : 18 May 2016



## CASH FLOW STATEMENT

(₹ in crores)

	For the year ended 31.03.2016	For the year ended 31.03.2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX</b>	(5,066.53)	3,248.92
<b>ADJUSTMENTS FOR :</b>		
Depreciation and amortisation expenses	2,551.45	2,784.50
(Profit)/Loss on sale of fixed assets	0.33	(44.18)
Gain on sale of current investments	(2.66)	(2.64)
Gain on sale of long-term investment	-	(70.91)
Interest income	(246.46)	(223.20)
Dividend income	(18.29)	(57.16)
Interest expense	2,260.28	2,191.05
Unrealised exchange loss	316.00	120.63
Provision/ Write off for diminution in value of investments, Loans & Advances & guarantees	5,860.61	396.40
	<b>10,721.26</b>	<b>5,094.49</b>
Operating profit before working capital changes	<b>5,654.73</b>	<b>8,343.41</b>
<b>ADJUSTMENTS FOR :</b>		
(Increase) / Decrease in inventories	1,809.24	(2,388.17)
Decrease in trade receivables*	(483.88)	191.91
Decrease/ (Increase) in loans and advances*	79.69	453.82
(Decrease)/ Increase in trade payable and other liabilities*	(1,885.78)	2,559.88
(Decrease)/Increase in provisions*	2.79	16.11
	<b>(477.94)</b>	<b>833.55</b>
<b>Cash flow from operations</b>	<b>5,176.79</b>	<b>9,176.96</b>
Direct taxes paid	(153.86)	(710.79)
<b>Net cash generated from operating activities</b>	<b>5,022.93</b>	<b>8,466.17</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets, including capital advances	(3,904.41)	(4,451.59)
Proceeds from sale of fixed assets	1.60	138.47
Investment in subsidiaries and joint ventures including advances	(1,283.46)	(292.41)
Sale/ (Purchase) of other long-term investments (net)	0.29	88.75
Sale/ (Purchase) of current investments (net)	2.66	70.34
Bank deposits not considered as cash and cash equivalents (net)	851.99	(942.87)
Loans to subsidiaries	(790.92)	(1,242.94)
Loans repaid by subsidiaries	14.29	236.45
Interest received	59.25	64.00
Dividend received	18.29	57.16
<b>Net cash used in investing activities</b>	<b>(5,030.42)</b>	<b>(6,274.64)</b>

## CASH FLOW STATEMENT

(₹ in crores)

	For the year ended 31.03.2016	For the year ended 31.03.2015
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	5,863.06	11,072.71
Repayment of long-term borrowings	(5,343.28)	(6,708.80)
Proceeds from/ Repayment of short-term borrowings (net)	1,805.65	(3,660.21)
Interest paid	(2,311.14)	(2,165.35)
Dividend paid (including corporate dividend tax)	(353.60)	(343.72)
<b>Net cash used in financing activities</b>	<b>(339.31)</b>	<b>(1,805.37)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(346.80)</b>	<b>386.16</b>
<b>Cash and cash equivalents - opening balances</b>	<b>809.66</b>	<b>423.50</b>
<b>Cash and cash equivalents - closing balances (refer note 18)</b>	<b>462.86</b>	<b>809.66</b>
Add : Margin money / Fixed deposit balance*	110.06	961.97
Add : Balance in debenture interest/ installments/dividend payment accounts	23.39	23.43
<b>Cash and bank balances (refer note 18)</b>	<b>596.31</b>	<b>1,795.06</b>
* 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 and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**SAJJAN JINDAL**  
Chairman & 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,  
Dated : 18 May 2016

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

### **NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

#### **1.1 BASIS OF ACCOUNTING**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention except for the assets and liabilities acquired under the composite scheme of Amalgamation and Arrangement which are recorded at respective fair values. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### **1.2 USE OF ESTIMATES**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements and the reported amounts of revenues and expenses during the year. The Management believes that the estimates used in preparation of financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Future results could differ due to these estimates and the differences between the actual results and estimates are recognised in the periods in which the results are known/materialize.

#### **1.3 INVENTORIES**

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is determined by the weighted average cost method.

Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Excise duty related to finished goods stock is included under changes in inventories of finished goods, work-in-progress and stock-in-trade (Refer note 21).

#### **1.4 CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### **CASH AND CASH EQUIVALENTS**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **1.5 DEPRECIATION AND AMORTISATION**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. When significant parts of the main asset is having different useful lives as compared to the main asset, the Company depreciates them separately based on their specific useful lives.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc:

<b>Class of assets</b>	<b>Years</b>
Plant and machinery	8 to 40 years
Work-rolls	1 year

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

Intangible assets are amortized over their estimated useful lives on straight line method as follows:

<b>Class of assets</b>	<b>Years</b>
Computer software	3 to 5 years
Licenses	3 to 5 years

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

#### **1.6 REVENUE RECOGNITION**

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

Revenue from sale of goods is recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax. Export turnover includes related export benefits.

### 1.7 OTHER INCOME

Interest income is accounted on accrual basis when there is no significant uncertainty as to its realization or collection. Dividend income is accounted for, when the right to receive income is established.

### 1.8 FIXED ASSETS (TANGIBLE/ INTANGIBLE)

Tangible assets are stated at their cost of acquisition or construction except for assets acquired under the composite scheme of amalgamation and arrangement which are recorded at fair value, less accumulated depreciation and impairment losses, if any.

The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Company has adopted the provisions of para 46 / 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

#### CAPITAL WORK-IN-PROGRESS:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest. Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project is ready for its intended use.

#### 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 except for assets acquired under the composite scheme of amalgamation and arrangement which are recorded at fair value, less accumulated depreciation and impairment losses, if any.

Expenditure on Research and development (Refer Note 1.20) eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

### 1.9 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

#### INITIAL RECOGNITION

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or at rates that closely approximate the rate at the date of transaction.

#### MEASUREMENT AT BALANCE SHEET DATE

Foreign currency monetary items outstanding at the year-end (other than derivative contracts which are accounted as per note 1.22) are translated at the exchange rate prevailing as at the balance sheet date. Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of the transaction-also refer note 1(7).

Exchange differences arising on settlement or conversion of short-term foreign currency monetary items are recognised in the Statement of Profit and Loss or capital work-in-progress / fixed assets.

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to "Foreign currency translation reserve" until disposal / recovery of the net investment. The unamortised exchange difference is carried under Reserves and surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

#### ACCOUNTING FOR FORWARD CONTRACTS

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, is amortised over the period of the contracts if

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

such contracts relate to monetary items as at the balance sheet date.

### **1.10 GOVERNMENT GRANTS, SUBSIDY AND EXPORT INCENTIVE**

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidies will be received.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

### **1.11 INVESTMENTS**

Long-term investments are carried individually at cost except for investments acquired under the composite scheme of amalgamation and arrangement which are recorded at fair value, less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

### **1.12 EMPLOYEE BENEFITS**

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

Employee benefits such as salaries, performance incentives, allowances, non-monetary benefits, provident fund and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense in the Statement of Profit and Loss in the period in which the service is rendered.

The cost of compensated absences which is expected to occur within twelve months after the end of the period in which the employee renders the related service, is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Employee benefits under defined benefit plans such as gratuity fund and compensated absences which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party

actuaries at each balance sheet date. The Company's obligations recognised in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets, where applicable.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

### **1.13 EMPLOYEE SHARE BASED PAYMENTS**

The Company has issued an Employee Stock Option Plan – 2012 to the Employees. Employee Stock Options are accounted under the 'Intrinsic Value Method'. Accordingly, the Company amortises the excess of market price of Share over exercise price of the Option over the vesting period specified in Employee Stock Option Plan.

### **1.14 BORROWING COSTS**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### **1.15 SEGMENT REPORTING**

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

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1.16 LEASES:

#### (I) FINANCE LEASE

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

#### (II) OPERATING LEASES

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

### 1.17 EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

### 1.18 TAXES ON INCOME

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

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

### 1.19 RESEARCH AND DEVELOPMENT EXPENSES

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

### 1.20 IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.



## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

### **1.21 PROVISIONS AND CONTINGENCIES**

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

### **1.22 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING**

The Company enters into derivative financial instruments such as foreign exchange/Commodity forward and option contracts, interest rate swaps and currency options to manage its exposure to commercial risks associated with commodity price, foreign exchange and interest rate fluctuations. The Company does not enter into derivative contracts for trading or speculative purposes.

Foreign exchange forward contracts or instruments which are in substance forward exchange contracts closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions (refer note 1.9).

The Company applies the hedge accounting principles set out in "Accounting Standard 30 (AS 30) - Financial Instruments: Recognition and Measurement", and accordingly designates certain derivatives as hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges).

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in a "Hedging Reserve Account" under Reserves and surplus. The gain or loss relating to the ineffective portion is recognised 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 recognised in the Statement of Profit and Loss, in the same line as the hedged item.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. In case of cash flow hedges any cumulative gain or loss deferred in the Hedging Reserve Account at that time is retained and is recognised when the forecast transaction is ultimately recognised 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 recognised immediately in the Statement of Profit and Loss.

In respect of all other derivative contracts, which are not designated for hedge accounting (in terms of AS 30) and not covered under Accounting Standard (AS) 11: The Effects of Changes in Foreign Exchange Rates, the gains / losses arising from settlement and net marked to market (MTM) losses in respect of outstanding derivative contracts as at balance sheet date are recognised in the same line as the hedge item in the Statement of Profit and Loss. The net MTM gains in respect of outstanding derivatives contracts are not recognised adopting the principles of prudence.

### **1.23 SHARE ISSUE EXPENSES**

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

### **1.24 INSURANCE CLAIMS**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 2 SHARE CAPITAL

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
<b>A AUTHORISED :</b>		
6,01,50,00,000 Equity shares of the par value of ₹ 10 each	6,015.00	6,015.00
3,00,00,00,000 Preference shares of the par value of ₹ 10 each	3,000.00	3,000.00
	<b>9,015.00</b>	<b>9,015.00</b>
<b>B ISSUED AND SUBSCRIBED:</b>		
24,17,22,044 Equity shares of ₹ 10 each fully paid up	241.72	241.72
27,90,34,907 10% Cumulative redeemable preference shares of ₹ 10 each fully paid up	279.03	279.03
48,54,14,604 0.01% Cumulative redeemable preference shares of ₹ 10 each fully paid up	485.41	485.41
	<b>1,006.16</b>	<b>1,006.16</b>
<b>C EQUITY SHARES FORFEITED (AMOUNT ORIGINALLY PAID-UP)</b>	61.03	61.03
	<b>1,067.19</b>	<b>1,067.19</b>

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
	Number of Shares		Amount (₹ in crores)	
<b>D RECONCILIATION OF AMOUNT AND NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND END OF THE YEAR :</b>				
<b>EQUITY SHARES:</b>				
Outstanding at the beginning and at the end of the year	241,722,044	241,722,044	241.72	241.72
<b>PREFERENCE SHARES:</b>				
10% Cumulative redeemable preference shares				
Outstanding at the beginning and at the end of the year	279,034,907	279,034,907	279.03	279.03
0.01% Cumulative redeemable preference shares				
Outstanding at the beginning and at the end of the year	485,414,604	485,414,604	485.41	485.41

#### 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 each and 0.01% cumulative redeemable preference shares (CRPS2) of ₹ 10 each.

Each holder of CRPS1 is entitled to one vote per share, in proportion to the amount paid on CRPS1 held, only on resolutions placed before the Company which directly affect the rights attached to CRPS1. CRPS1 are

redeemable at par in four equal quarterly installments commencing from 15 December 2017. The shares carry a right to receive 10% dividend every year till redemption.

Each holder of CRPS2 is entitled to one vote per share, in proportion to the amount paid on CRPS2 held, only on resolutions placed before the Company which directly affect the rights attached to CRPS2. It carries dividend @ 0.01% p.a., when declared. CRPS2 is redeemable at par in eight quarterly installments commencing from 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 FORMING PART OF THE FINANCIAL STATEMENTS

		As at 31.03.2016	As at 31.03.2015
<b>G</b>	<b>SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY IS SET OUT BELOW:</b>		
	<b>EQUITY SHARES</b>		
	JFE Steel International Europe B.V	No. of Shares 36,258,307 %	36,258,307 15.00% 15.00%
	JSW Holdings Limited	No. of Shares 17,368,923 %	17,284,923 7.19% 7.15%
	Vividh Consultancy and Advisory Services Private Limited	No. of Shares 13,885,669 %	13,885,669 5.74% 5.74%
	JSW Investment Private Limited	No. of Shares 13,516,309 %	13,516,309 5.59% 5.59%
	<b>PREFERENCE SHARES</b>		
	<b>10% CUMULATIVE REDEEMABLE PREFERENCE SHARES</b>		
	ICICI Bank Limited	No. of Shares 125,707,730 %	125,707,730 45.05% 45.05%
	IDBI Bank Limited	No. of Shares 69,734,847 %	69,734,847 24.99% 24.99%
	Life Insurance Corporation of India	No. of Shares 36,348,783 %	36,348,783 13.03% 13.03%
	IFCI Limited	No. of Shares 21,262,362 %	21,262,362 7.62% 7.62%
	<b>0.01% CUMULATIVE REDEEMABLE PREFERENCE SHARES</b>		
	JSW Logistics Infrastructure Private Limited	No. of Shares 338,586,951 %	338,586,951 69.75% 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:

- (i) 18,604,844 Equity shares fully paid up to the shareholders of the erstwhile JSW Ispat Steel Limited pursuant to a Composite Scheme of Amalgamation and Arrangement.
- (ii) 485,414,604 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.

### NOTE 3 RESERVES AND SURPLUS

(₹ in crores)

		As at 31.03.2016	As at 31.03.2015
<b>A</b>	<b>CAPITAL RESERVE</b>		
	As per last Balance Sheet	3,584.50	3,584.50
		<b>3,584.50</b>	<b>3,584.50</b>
<b>B</b>	<b>CAPITAL REDEMPTION RESERVE</b>		
	As per last Balance Sheet	9.90	9.90
		<b>9.90</b>	<b>9.90</b>
<b>C</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	As per last Balance Sheet	5,416.63	5,416.63
		<b>5,416.63</b>	<b>5,416.63</b>
<b>D</b>	<b>DEBENTURE REDEMPTION RESERVE</b>		
	As per last Balance Sheet	130.34	66.02
	Add : Transfer from surplus in Statement of Profit and Loss	302.44	64.32
		<b>432.78</b>	<b>130.34</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in crores)	
	As at 31.03.2016	As at 31.03.2015
<b>E HEDGING RESERVE</b>		
As per last Balance Sheet	14.32	234.90
Add: Effect of foreign exchange rate variation on hedging instruments outstanding at the end of the year	61.09	14.32
Less: Amount transferred to Statement of Profit and Loss	(14.32)	(234.90)
	<b>61.09</b>	<b>14.32</b>
<b>F GENERAL RESERVE</b>		
As per last Balance Sheet	10,417.22	10,200.22
Add : Transfer from surplus in Statement of Profit and Loss	-	217.00
	<b>10,417.22</b>	<b>10,417.22</b>
<b>G FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT (FCMITDA)</b>		
As per last Balance Sheet	(144.70)	(40.11)
Add: Effect of foreign exchange rate variation during the year	(296.67)	(161.62)
Less: Amortisation for the year	138.30	57.03
	<b>(303.07)</b>	<b>(144.70)</b>
<b>H SURPLUS IN STATEMENT OF PROFIT AND LOSS</b>		
As per last Balance Sheet	5,229.20	3,744.93
Add : Profit / (Loss) for the year	(3,498.28)	2,166.48
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 (refer not 25(6))	109.98	47.29
Less :		
Dividend on preference shares (₹ 1 per share (previous year ₹ 1 per share))	27.90	27.90
Proposed dividend on equity shares (₹ 7.5 per share (previous year ₹ 11 per share))	181.29	265.89
Corporate dividend tax on proposed dividend	42.59	59.81
<b>TRANSFERRED TO:</b>		
General reserve	-	217.00
Debenture redemption reserve	302.44	64.32
	<b>1,066.72</b>	<b>5,229.20</b>
	<b>20,685.77</b>	<b>24,657.41</b>

### NOTE 4 LONG-TERM BORROWINGS

	(₹ in crores)			
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
	Non-current		Current (Refer note 10)	
<b>BONDS / DEBENTURES</b>				
<b>BONDS</b>				
4.75 % Foreign currency bonds (unsecured)	3,316.65	3,129.54	-	-
<b>DEBENTURES (SECURED)</b>				
10.34 % Non convertible debentures of ₹ 10 lacs each	1,000.00	1,000.00	-	-
10.02 % 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	-	-
10.60 % Non convertible debentures of ₹ 8.75 lacs each	240.63	328.13	87.50	21.88
9.72 % Non convertible debentures of ₹ 10 lacs each	400.00	400.00	-	-
10.40 % Non convertible debentures of ₹ 10 lacs each	250.00	250.00	-	-
10.60 % Non convertible debentures of ₹ 10 lacs each	425.00	425.00	-	-
9.66 % Non convertible debentures of ₹ 10 lacs each	300.00	300.00	-	-
10.50 % Non convertible debentures of ₹ 10 lacs each	175.00	175.00	-	-
10.10 % Non convertible debentures of ₹ 9.375 lacs each	218.75	468.75	250.00	250.00
10.25 % Non convertible debentures of ₹ 6.67 lacs each	166.67	333.33	166.67	166.67

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
	Non-current		Current (Refer note 10)	
9.62 % Non convertible debentures of ₹ 10 lacs each	300.00	300.00	-	-
10.20 % Non convertible debentures of ₹ 10 lacs each	200.00	200.00	-	-
10.20 % Non convertible debentures of ₹ 10 lacs each	500.00	500.00	-	-
10.40 % Non convertible debentures of ₹ 10 lacs each	175.00	175.00	-	-
10.55 % Non convertible debentures of ₹ 10 lacs each	-	150.00	150.00	-
10.55 % Non convertible debentures of ₹ 10 lacs each	-	1,000.00	1,000.00	-
10.50 % Non convertible debentures of ₹ 10 lacs each	-	75.00	75.00	75.00
10.98 % Non convertible debentures of ₹ 0.25 lacs each *	-	1.95	1.95	7.80
	<b>6,351.05</b>	<b>8,082.16</b>	<b>1,731.12</b>	<b>521.35</b>
<b>TERM LOANS</b>				
<b>(SECURED)</b>				
Rupee term loans from banks	8,251.05	7,221.36	333.50	550.95
Foreign currency term loans from banks	-	353.01	-	275.72
Rupee term loans from financial institutions	-	-	-	2.81
<b>(UNSECURED)</b>				
Foreign currency term loans from banks	7,867.46	6,617.96	1,185.02	1,013.21
	<b>16,118.51</b>	<b>14,192.33</b>	<b>1,518.52</b>	<b>1,842.69</b>
<b>DEFERRED PAYMENT LIABILITIES</b>				
Deferred sales tax loan (unsecured)	84.95	92.86	7.91	8.84
	<b>25,871.16</b>	<b>25,496.89</b>	<b>3,257.55</b>	<b>2,372.88</b>

\* Rate was 11.93% till Decemeber 2015

### DETAILS OF SECURITY

- (i) The 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) The 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.
- (iii) The 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.
- (iv) The 10.60% NCDs aggregating to ₹ 328.13 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) The 9.72% NCDs aggregating to ₹ 400 crores are secured by first pari passu charge on 3.2 mtpa fixed assets located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
- (vi) The 10.40% NCDs aggregating to ₹ 250 crores are secured by first pari passu charge on 3.2 mtpa fixed assets located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
- (vii) The 10.60% NCDs aggregating to ₹ 425 crores are secured by first pari passu charge on 3.2 mtpa fixed assets located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
- (viii) The 9.665% NCDs aggregating to ₹ 300 crores are secured by first pari passu charge on 3.2 mtpa fixed assets located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
- (ix) The 10.50% NCDs aggregating to ₹ 175 crores are secured first pari passu charge on 3.2 mtpa fixed assets located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
- (x) The 10.10 % NCDs aggregating to ₹ 468.75 crores are secured by:

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- pari passu first charge on all immovable properties and movable assets both present and future located at Salem Works in the State of Tamil Nadu.
- (xi) The 10.25% NCDs aggregating to ₹ 333.33 crores are secured by :
- pari passu first charge on all immovable properties and movable assets both present and future located at Salem Works in the State of Tamil Nadu.
- (xii) The 9.62% NCDs aggregating to ₹ 300 crores are secured by first pari passu charge on 3.2 mtpa fixed assets located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
- (xiii) The 10.20% NCDs aggregating to ₹ 200 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.
- (xiv) The 10.20% NCDs aggregating to ₹ 500 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.
- (xv) The 10.40% NCDs aggregating to ₹ 175 crores are secured by first pari passu charge on 3.2 mtpa fixed assets located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
- (xvi) The 10.55% NCDs aggregating to ₹ 150 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.
- (xvii) The 10.55% NCDs aggregating to ₹ 1,000 crores are secured by pari passu first charge on fixed assets of the new 5 mtpa Hot Strip Mill at Vijayanagar Works, Karnataka.
- (xviii) The 10.50% NCDs aggregating to ₹ 75 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.
- (xix) The 10.98 % NCDs aggregating to ₹ 1.95 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.
- (xx) Rupee Term Loans from banks are secured as under :
- Rupee term loan of ₹ 1,000 crores is secured by first charge on 3.2 mtpa expansion fixed assets situated at Vijayanagar Works Karnataka
  - Rupee term loan of ₹ 1,137.50 crores is secured by first pari passu charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka.
  - Rupee term loan of ₹ 900 crores is by first pari passu charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka.
  - Rupee term loan of ₹ 1,950 crores is secured by first charge on fixed assets situated at Dolvi works, Maharashtra.
  - Rupee term loans of ₹ 1,250 crores is secured by first charge on fixed assets situated at Dolvi works, Maharashtra.
  - Rupee term loans of ₹ 450 crores is secured by first charge on fixed assets situated at Dolvi works, Maharashtra.
  - Rupee term loans of ₹ 750 crores is secured by first charge on fixed assets situated at Dolvi works, Maharashtra.
  - Rupee term loans of ₹ 350 crores is secured by first charge on fixed assets situated at Dolvi works, Maharashtra.
  - Rupee term loans aggregating to ₹ 797.05 crores is secured by first charge on entire movable and immovable fixed assets situated at Dolvi works, Maharashtra (excluding those specifically charged and equipment/machinery procured out of proceeds of ECA/ECB/FCL) both present and future.

### TERMS OF REPAYMENT/ REDEMPTION

#### 1. TERMS OF REDEMPTION OF BOND

- (i) Foreign currency bond of ₹ 3,316.65 is repayable on 12.11.2019

#### 2. TERMS OF REDEMPTION OF NON-CONVERTIBLE DEBENTURES ( NCDs )

- (i) The 10.02% Secured NCDs of ₹ 10,00,000 each aggregating ₹ 500 crores are redeemable on 19.07.2023
- (ii) The 10.02% Secured NCDs of ₹ 10,00,000 each aggregating ₹ 500 crores are redeemable on 20.05.2023.
- (iii) The 10.34% Secured NCDs of ₹ 10,00,000 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



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (iv) The 11% Secured NCDs of ₹ 10,00,000 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
- (v) The 9.72% Secured NCDs of ₹ 10,00,000 each aggregating ₹ 400 crores are redeemable on 23.12.2019.
- (vi) The 10.40% Secured NCDs of ₹ 10,00,000 each aggregating ₹ 250 crores are redeemable (with Put option exercisable on 19.08.2017) on 19.08.2019.
- (vii) The 10.60% Secured NCDs of ₹ 10,00,000 each aggregating ₹ 425 crores are redeemable on 19.08.2019.
- (viii) The 9.665% Secured NCDs of ₹ 10,00,000 each aggregating ₹ 300 crores are redeemable on 23.12.2018.
- (ix) The 10.5% Secured NCDs of ₹ 10,00,000 each aggregating ₹ 175 crores are redeemable on 19.08.2018.
- (x) The 9.62% Secured NCDs of ₹ 10,00,000 each aggregating ₹ 300 crores are redeemable on 23.12.2017.
- (xi) The 10.20% Secured NCDs of ₹ 10,00,000 each aggregating ₹ 200 crores are redeemable on 11.09.2017.
- (xii) The 10.20% Secured NCDs of ₹ 10,00,000 each aggregating ₹ 500 crores are redeemable on 05.09.2017.
- (xiii) The 10.40% Secured NCDs of ₹ 10,00,000 each aggregating ₹ 175 crores are redeemable on 19.08.2017.
- (xiv) The 10.55% Secured NCDs of ₹ 10,00,000 each aggregating ₹ 150 crores are redeemable on 20.03.2017.
- (xv) The 10.25% Secured NCDs of ₹ 6,66,667 each aggregating ₹ 333.33 crores are redeemable in 2 equal annual instalments of ₹ 166.67 crores each from 17.02.2017 to 17.02.2018.
- (xvi) The 10.55% Secured NCDs of ₹ 10,00,000 each aggregating ₹ 1000 crores are redeemable on 10.02.2017.
- (xvii) The 10.60% Secured NCDs of ₹ 8,75,000 each aggregating ₹ 153.13 crores and of ₹ 10,00,000 each aggregating ₹ 175 crores are redeemable in two tranches as under :
- 7 half yearly instalments of ₹ 21.875 crores each from 02.07.2016 to 02.07.2019
  - 8 half yearly instalments of ₹ 21.875 crores each from 02.08.2016 to 02.02.2020.
- (xviii) The 10.50% Secured NCDs of ₹ 10,00,000 each aggregating ₹ 75 crores are redeemable on 18.05.2016.
- (xix) The 10.10% Secured NCDs of ₹ 4,37,500 each aggregating ₹ 218.75 crores and of ₹ 5,00,000 each aggregating ₹ 250 crores are redeemable in two tranches as under :
- 7 quarterly instalments of ₹ 31.25 crores each from 04.05.2016 to 04.11.2017
  - 8 quarterly instalments of ₹ 31.25 crores each from 15.6.2016 to 15.03.2018.
- (xx) The 10.98% Secured NCDs of ₹ 25,000 each aggregating ₹ 1.95 crores are redeemable on 13.04.2016.

### 3. TERMS OF REPAYMENT OF SECURED TERM LOANS

#### (A) Rupee term loan from banks of :

- (i) ₹ 750 crores is repayable as under :
- 08 Quarterly instalments of Rs 18.75 Crores each from 31.10.2018 - 31.07.2020
  - 16 Quarterly instalments of Rs 37.50 Crores each from 31.10.2020 - 31.07.2024
- (ii) ₹ 1,000 crores is repayable as under :
- 8 Quarterly instalment of Rs 25 Crore each from 31.03.2018 - 31.12.2019
  - 16 Quarterly instalment of Rs 50 Crore each from 31.03.2020 - 31.12.2023
- (iii) ₹ 450 crores is repayable as under :
- 04 Quarterly instalments of Rs 5.625 Crores each from 28.10.2017 - 28.07.2018
  - 04 Quarterly instalments of Rs 33.75 Crores each from 28.10.2018 - 28.07.2019
  - 04 Quarterly instalments of Rs 5.625 Crores each from 28.10.2019 - 28.07.2020
  - 12 Quarterly instalments of Rs 22.50 Crores each from 28.10.2020 - 28.07.2023

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (iv) ₹ 1,250 crores is repayable as under :
- 16 Quarterly instalments of Rs 15.625 Crores each from 31.10.2016 - 31.07.2020
  - 04 Quarterly instalments of Rs 62.50 Crores each from 31.10.2020 - 31.07.2021
  - 08 Quarterly instalments of Rs 93.75 Crores each from 31.10.2021 - 31.07.2023
- (v) ₹ 1,137.5 crores is repayable as under :
- 11 quarterly instalments of ₹ 12.5 crores each from 30.6.2016 - 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
- (vi) ₹ 1,950 crores is repayable as under :
- 10 Quarterly instalments of ₹ 25 Crore each from 30.6.2016 - 30.09.2018
  - 10 Quarterly instalments of ₹ 50 Crore each from 31.12.2018 - 31.03.2021
  - 4 Quarterly instalments of ₹ 125 Crore each from 30.06.2021 - 31.03.2022
  - 2 Quarterly instalments of ₹ 350 Crore each from 30.06.2022- 30.09.2022
- (vii) ₹ 900 crores is repayable as under :
- 8 quarterly instalments of ₹ 12.5 crores each from 30.6.2016 - 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) ₹ 797.05 crores is repayable as under :
- 16 quarterly instalments of ₹ 48 crores each from 31.12.2016 - 30.9.2020
  - 1 quarterly instalments of ₹ 29.05 crores 31.12.2020
- (ix) ₹ 350 crores is repayable as under :
- 28 Quarterly instalments of Rs 12.5 Crores each from 30.09.2016 - 30.06.2023
- 4 TERMS OF REPAYMENT OF UNSECURED TERM LOANS**
- (A) Foreign currency term loan from banks of :
- (i) ₹ 994.99 crores is repayable in 3 equal instalments of ₹ 331.66 crores each on 02.04.2020, 21.9.2020 and 21.3.2021
- (ii) ₹ 1,658.32 is repayable on 20.03.2020
- (iii) ₹ 265.33 crores is repayable in 3 equal annual installments of ₹ 88.44 from 13.8.2019 to 13.8.2021
- (iv) ₹ 572.59 crores is repayable as under:
- ₹ 100.20 crores on 27.4.2018
  - ₹ 229.04 crores on 27.4.2020
  - ₹ 243.35 crores on 27.4.2021
- (v) ₹ 1,492.49 crores is repayable on 26.6.2017.
- (vi) ₹ 82.98 crores is repayable in 20 semi annual installments of ₹ 4.15 crores each from 30.04.2017 to 31.10.2026
- (vii) ₹ 24.82 crores is repayable in 17 semi annual installments of ₹ 1.40 crores each from 25.12.2016 to 25.12.2024 and an installment of ₹ 1.02 c₹ on 25.6.2025
- (viii) ₹ 72.20 crores is repayable in 20 semi annual installments of ₹ 3.61 crores each from 30.11.2016 to 31.5.2026
- (ix) ₹ 38.85 crores is repayable in 20 semi annual installments of ₹ 1.94 crores each from 30.10.2016 to 30.4.2026
- (x) ₹ 91.92 crores is repayable in 16 half yearly instalments of ₹ 5.74 crores each from 30.9.2016 to 31.3.2024
- (xi) ₹ 35.58 crores is repayable in 18 semi annual installments of ₹ 1.89 crores each from 25.9.2016 to 25.3.2025 and an installment of ₹ 1.56 c₹ on 25.9.2025
- (xii) ₹ 37.75 crores is repayable in 18 semi annual installments of ₹ 2 crores each from 25.9.2016 to 25.3.2025 and an installment of ₹ 1.75 c₹ on 25.9.2025
- (xiii) ₹ 47.11 crores repayable in 15 equal semi annual instalments of ₹ 3.04 crores each from 25.09.2016 to 25.03.2024 and a semi annual instalment of ₹ 1.53 crores on 25.09.2024
- (xiv) ₹ 20.16 crores repayable in 13 equal semi annual instalments of ₹ 1.49 crores each from 25.09.2016 to 25.09.2022 and a semi annual instalment of ₹ 0.79 crores on 25.03.2023
- (xv) ₹ 85.19 crores is repayable in 16 half yearly instalments of ₹ 5.32 crores each from 18.9.2016 to 18.3.2024.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (xvi) ₹ 100.05 crores is repayable in 16 half yearly instalments of ₹ 6.25 crores each from 28.08.2016 to 28.02.2024
- (xvii) ₹ 1,114.39 crores is repayable in 3 half yearly instalments of ₹ 371.46 crores each from 28.8.2016 to 27.8.2017.
- (xviii) ₹ 45.56 crores is repayable in 16 half yearly instalments of ₹ 2.85 crores each from 31.7.2016 to 31.1.2024.
- (xix) ₹ 243.92 crores is repayable in 3 yearly instalments of ₹ 81.31 crores each from 26.7.2016 to 26.7.2018.
- (xx) ₹ 309.21 crores is repayable in 14 half yearly instalments of ₹ 21.13 crores each from 19.7.2016 to 19.1.2023 and a half yearly instalment of ₹ 13.39 crores on 19.7.2023.
- (xxi) ₹ 227.92 crores is repayable in 14 half yearly instalments of ₹ 15.27 crores each from 19.7.2016 to 19.1.2023 and a half yearly instalment of ₹ 14.14 crores on 19.7.2023.
- (xxii) ₹ 89.36 crores repayable in 16 equal semi annual instalments of ₹ 5.36 crores each from 09.07.2016 to 09.01.2024 and a semi annual instalment of ₹ 3.60 crores on 09.07.2024
- (xxiii) ₹ 189.87 crores repayable in 16 equal semi annual instalments of ₹ 11.44 crores each from 09.07.2016 to 09.01.2024 and a semi annual instalment of ₹ 6.83 crores on 09.07.2024
- (xxiv) ₹ 606.84 crores is repayable in 11 half yearly instalments of ₹ 55.17 crores each from 31.05.2016 to 31.3.2021.
- (xxv) ₹ 58.19 crores repayable in 16 equal semi annual instalments of ₹ 3.64 crores each from 15.06.2016 to 15.12.2023.
- (xxvi) ₹ 18.06 crores is repayable in 17 half yearly instalments of ₹ 1.06 crores each from 30.4.2016 to 30.4.2024
- (xxvii) ₹ 528.83 crores is repayable in 15 half yearly instalments of ₹ 35.26 crores each from 30.04.2016 to 30.4.2023
- 5 Deferred Sales tax of Rs.92.86 crores is repayable in 65 varying monthly instalments starting from 31.1.2016 to 31.8.2021.
- (Repayments stated above are rounded off to the nearest crore)

### NOTE 5 DEFERRED TAX LIABILITIES (NET)

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
<b>DEFERRED TAX LIABILITY COMPRISES OF TIMING DIFFERENCES ON ACCOUNT OF:</b>		
Difference between book balance and tax balance of fixed assets	5,770.96	5,218.12
Others	7.35	5.15
	<b>5,778.31</b>	<b>5,223.27</b>
<b>DEFERRED TAX ASSET COMPRISES OF TIMING DIFFERENCES ON ACCOUNT OF:</b>		
Expenses allowable on payment basis (under section 43B of Income Tax Act, 1961)	66.77	40.62
Provision for doubtful debts / advances / guarantees	1,683.05	122.09
Business loss / Unabsorbed depreciation	2,803.78	2,093.97
	<b>4,553.60</b>	<b>2,256.68</b>
	<b>1,224.69</b>	<b>2,966.59</b>

Note:- The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

### NOTE 6 OTHER LONG-TERM LIABILITIES

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
	Non-current		Current (Refer note 10)	
Rent and other deposits	151.86	187.65	60.64	75.19
Retention money for capital projects	7.99	38.51	391.06	326.24
Other payables	6.60	9.94	-	-
	<b>166.45</b>	<b>236.10</b>	<b>451.70</b>	<b>401.43</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 7 LONG-TERM PROVISIONS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Provision for employee benefits:				
-Provision for compensated absences	59.57	56.78	12.46	7.77
-Provision for gratuity (refer note 25 (11))	-	-	93.21	85.32
Provision for guarantees (refer note 25 (4) (a) (iii))	957.85	-	-	-
	<b>1,017.42</b>	<b>56.78</b>	<b>105.67</b>	<b>93.09</b>

### NOTE 8 SHORT-TERM BORROWINGS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
Working capital loans from banks (secured)		
Rupee loans	389.39	21.53
Foreign currency loan	-	215.81
Foreign currency loan from bank (unsecured)	318.51	-
Rupee loans from banks (unsecured)	1,362.00	27.00
	<b>2,069.90</b>	<b>264.34</b>

#### DETAILS OF SECURITY

##### WORKING CAPITAL LOANS OF ₹ 389.39 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.

-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.

### NOTE 9 TRADE PAYABLES

(₹ in crores)

#### NOTE 9 (a)

	As at 31.03.2016	As at 31.03.2015
Total outstanding dues of micro and small enterprises (refer Note 25(18))	22.05	24.05
	<b>22.05</b>	<b>24.05</b>

#### NOTE 9 (b)

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
Total outstanding dues of creditors other than micro and small enterprises		
Acceptances	7,746.65	9,257.63
Other than acceptances	3,228.96	3,233.71
	<b>10,975.61</b>	<b>12,491.34</b>

### NOTE 10 OTHER CURRENT LIABILITIES

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
Current maturities of long-term debt (refer note 4)	3,257.55	2,372.88
Current dues of other long-term liabilities (refer note 6)	451.70	401.43
Current dues of long-term employee benefits (refer note 7)	105.67	93.09
Payables for capital projects	3,168.91	3,120.00
Advances from customers	425.73	402.10

## **NOTES** FORMING PART OF THE FINANCIAL STATEMENTS

Interest accrued but not due on borrowings	336.76	301.50
Statutory Liabilities (includes Indirect taxes/PF etc)	490.07	528.86
Unclaimed matured debentures and accrued interest thereon	0.38	0.92
Unclaimed dividends	16.37	15.86
Unclaimed amounts of sale proceeds of fractional shares	6.64	6.65
Others (includes forward contract premium payable, dharmada payable ,etc)	154.64	34.82
	<b>8,414.42</b>	<b>7,278.11</b>

### **NOTE 11 SHORT-TERM PROVISIONS**

(₹ in crores)

	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
Proposed dividend on preference shares	27.90	27.90
Proposed dividend on equity shares	181.29	265.89
Corporate dividend tax	42.59	59.81
	<b>251.78</b>	<b>353.60</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crores)

	Gross block			Accumulated depreciation and amortisation			Net block				
	As at 01.04.2015	Additions	Deductions	Other adjustments (refer note (c) below)	As at 31.03.2016	As at 01.04.2015	For the year	Deductions	Transfer to reserve (refer note 25(6)) & Other Adjustment	As at 31.03.2016	As at 31.03.2016
<b>TANGIBLE ASSETS</b>											
Freehold land (refer note (a) below)	942.98	4.43	-	-	947.41	18.48	-	-	-	18.48	928.93
	846.41	96.59	0.02	-	942.98	18.48	-	-	-	18.48	924.50
Leasehold land	124.11	44.08	-	-	168.19	-	-	-	-	-	168.19
	124.11	-	-	-	124.11	-	-	-	-	-	124.11
Buildings (refer note (b) below)	6,073.15	899.47	-	-	6,972.62	1,212.50	254.70	-	3.67	1,470.87	5,501.75
	5,185.97	886.21	-	-	6,072.18	969.52	209.69	-	33.29	1,212.50	4,859.68
Plant and machinery@	46,120.57	4,461.42	21.23	744.89	51,305.65	13,731.92	2,236.16	21.24	167.90	16,114.74	35,190.91
	43,093.89	2,870.66	129.64	286.58	46,121.49	11,229.62	2,518.44	38.53	22.39	13,731.92	32,389.57
Furniture and fixtures	133.62	5.94	-	-	139.56	69.33	15.71	-	-	85.04	54.52
	99.71	29.83	0.09	-	129.45	51.56	14.95	0.06	2.88	69.33	60.12
Vehicles and aircrafts	188.46	11.82	3.66	-	196.62	77.36	14.94	1.72	-	90.58	106.04
	181.90	12.14	5.58	-	188.46	65.06	14.68	2.52	0.14	77.36	111.10
Office equipments	51.12	9.17	0.02	-	60.27	26.86	8.85	0.02	-	35.69	24.58
	36.14	20.11	0.91	-	55.34	8.77	5.97	0.84	12.96	26.86	28.48
Tangible assets total (A)	53,634.01	5,436.33	24.91	744.89	59,790.32	15,136.45	2,530.36	22.98	171.57	17,815.40	41,974.92
	49,568.13	3,915.54	136.24	286.58	53,634.01	12,363.01	2,763.73	41.95	71.66	15,136.45	38,497.56
<b>INTANGIBLE ASSETS</b>											
Computer software	123.29	11.08	-	-	134.37	73.52	16.88	-	-	90.40	43.97
	110.42	12.87	-	-	123.29	55.81	17.71	-	-	73.52	49.77
Licences	34.70	-	-	-	34.70	12.64	4.21	-	-	16.85	17.85
	24.73	9.97	-	-	34.70	9.38	3.26	-	-	12.64	22.06
Intangible assets total (B)	157.99	11.08	-	-	169.07	86.16	21.09	-	-	107.25	61.82
	135.15	22.84	-	-	157.99	65.19	20.97	-	-	86.16	71.83
<b>TOTAL (A+B)</b>	<b>53,792.00</b>	<b>5,447.41</b>	<b>24.91</b>	<b>744.89</b>	<b>59,959.39</b>	<b>15,222.61</b>	<b>2,551.45</b>	<b>22.98</b>	<b>171.57</b>	<b>17,922.65</b>	<b>42,036.74</b>
Previous year	49,703.28	3,938.38	136.24	286.58	53,792.00	12,408.20	2,784.70	41.95	71.66	15,222.61	38,569.39
@ Includes proportionate share (50%) of assets jointly owned											
Buildings	458.03	0.31	-	-	458.34	0.04	7.60	-	-	7.64	450.70

### NOTE 12 FIXED ASSETS



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Gross block		Accumulated depreciation and amortisation			Net block			
	As at 01.04.2015	Additions	Deductions	Other adjustments (refer note (c) below)	As at 31.03.2016	For the year 01.04.2015 to 31.03.2016	Deductions to reserve (refer note 25(6)) & Other Adjustment	As at 31.03.2016	As at 31.03.2016
Plant and machinery	-	458.03	-	-	458.03	0.04	-	0.04	457.99
	<b>32.71</b>	-	-	-	<b>32.71</b>	0.38	-	<b>25.84</b>	<b>6.87</b>
	32.71	-	-	-	32.71	1.15	-	25.46	7.25
<b>CAPITAL WORK-IN-PROGRESS (REFER NOTE (F) BELOW)</b>									<b>6,203.54</b>
									7,593.85
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>									<b>235.78</b>
									196.01

Figures in bold represents current year numbers

### NOTES:

- Freehold Land includes ₹ 17.52 crores (previous year ₹ 18.76 crores) being the cost of 39,732 acres (previous year 40,390 acres) land, which is yet to be registered in the Company's name.
- Buildings include 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).
- Other adjustments comprise :
  - Borrowing costs of ₹ 131.41 crores (including 1.5 crores incurred during current year) (previous year 83.28 crores)
  - Foreign Exchange Loss of ₹ 613.48 crores (including 372 crores incurred during current year) (previous year 203.30 crores)
- Freehold land and buildings of ₹ 269.53 crores (previous year ₹ 159.03 crores) has been/agreed to be hypothecated/mortgaged to lenders of group companies.
- For details of assets given on operating lease, refer note 25 (14).
- CWIP includes interest of ₹ 120.47 crores (previous year ₹ 95.98 crores) and foreign exchange loss of ₹ 436.45 crores (previous year ₹ 154.01 crores) capitalised during the year.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 13 NON-CURRENT INVESTMENTS (AT COST UNLESS OTHERWISE STATED)

	(₹ in crores)	
	As at 31.03.2016	As at 31.03.2015
<b>LONG-TERM</b>		
<b>A EQUITY INSTRUMENTS</b>		
<b>TRADE- QUOTED</b>		
<b>OTHERS</b>		
JSW Energy Limited #	220.61	220.61
91,474,090 Equity shares of ₹ 10 each, fully paid-up		
<b>TRADE- UNQUOTED</b>		
<b>ASSOCIATE</b>		
JSW Praxair Oxygen Private Limited (Formerly known as 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)		
(Refer Note e below)		
Dolvi Minerals & Metals Private Limited	40.00	40.00
40,000,000 Equity shares of ₹ 10 each, fully-paid up		
(40,000,000 shares are pledged to the associate's banker)		
<b>JOINT VENTURES</b>		
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	115.44	115.44
115,437,940 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		
JSW Vallabh Tinplate Limited	30.00	30.00
25,019,600 Equity shares of ₹ 10 each, fully paid up		
Vijayanagar Minerals Private Limited	0.00	0.00
4,000 Equity shares of ₹ 10 each, fully paid-up (₹ 40,000) (previous year ₹ 40,000)		
<b>SUBSIDIARIES</b>		
Amba River Coke Limited	916.87	842.22
916,867,977 (Previous Year 842,220,571), Equity shares of ₹10 each, fully paid up		
(304,373,882 shares are pledged to the subsidiary's banker)		
JSW Bengal Steel Limited	439.81	431.08
439,810,000 (Previous Year 431,080,000) Equity Shares of ₹ 10 each, fully paid-up		
JSW Jharkhand Steel Limited	76.71	76.71
76,710,313 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		
JSW Steel (Netherlands) B.V.	1,082.18	1,082.18
174,945,275 Equity shares of Euro 1 each, fully paid-up		
JSW Steel Holding (USA) Inc.	0.89	0.89
1 Equity share of USD 0.01 each fully, paid-up		

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crores)

	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
JSW Steel Coated Limited #	1,313.54	1,313.54
50,050,000 Equity shares of ₹ 10 each, fully paid-up		
Arima Holdings Limited	22.57	22.32
50,390 (previous year 50,000) Equity shares of USD 100 each, fully paid-up		
Erebus Limited	97.19	96.92
215,420 (previous year 215,000) equity shares of USD 100, each fully paid-up		
Nippon Ispat Singapore (Pte) Limited	1.57	1.57
784,502 Equity shares of Singapore Dollar 1, each fully paid-up		
Peddar Realty Private Limited #	82.62	82.62
10,000 Equity shares of ₹ 10 each, fully-paid up		
Lakeland Securities Limited	0.22	-
351 (previous year 1) Equity share of USD 100 each, fully paid-up (previous year ₹ 3,998)		
JSW Steel (Salav) Limited	174.77	-
1,083,951,211 (Previous year 909,176,458) Equity shares of ₹ 10 each, fully paid-up (₹ 7) (previous year Nil)		
Everbest Steel & Mining Holdings Limited	-	0.15
Nil (Previous year 150,000) Equity shares of ₹ 10 each, fully paid-up		
<b>OTHER THAN TRADE - UNQUOTED</b>		
<b>OTHERS</b>		
SICOM Limited	4.88	4.88
600,000 Equity shares of ₹ 10 each, fully paid-up		
Tarapur Environment Protection Society	-	0.29
Nil (previous year 29,116) Equity shares of ₹ 100 each, fully paid-up		
Ispat Profiles India Limited	-	-
1,500,000 Equity shares of ₹ 10 each, fully paid-up (₹ 1) (previous year ₹ 1)		
Kalyani Mukand Limited	-	-
480,000 Equity shares of ₹ 10 each, fully paid-up (₹ 1) (previous year ₹ 1)		
<b>B PREFERENCE SHARES</b>		
<b>TRADE- UNQUOTED</b>		
<b>JOINT VENTURES</b>		
Rohne Coal Company Private Limited		
23,642,580 (Previous Year 23,024,400) 1% Non-Cumulative Preference Shares of ₹ 10 each, fully paid up	23.64	23.02
Rohne Coal Company Private Limited	7.08	-
7,080,416 (Previous Year Nil) Series A-1% Non-Cumulative Preference Shares of ₹ 10 each, fully paid up		
<b>SUBSIDIARY</b>		
JSW Steel (Netherlands) B.V.		
133,594,584 (Previous Year Nil) 5% Redeemable Non-Cumulative Preference Shares of Euro 1 each, fully paid-up	997.50	-
JSW Steel (Salav) Limited	-	-
23,134,494 (Previous year 23,134,494) 0% Redeemable preference shares of ₹ 10 each, fully paid-up (₹ 2)		
<b>OTHERS</b>		
JSW Realty & Infrastructure Private Limited	199.15	199.15
19,915,000 10% Preference shares of ₹ 100 each, fully paid up		
<b>C GOVERNMENT SECURITIES (UNQUOTED)</b>		
<b>OTHERS</b>		
National Savings Certificates	0.07	0.07
(Pledged with commercial tax department)		
<b>D INVESTMENT IN LIMITED LIABILITY PARTNERSHIP FIRM</b>		

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
<b>TRADE - UNQUOTED</b>		
<b>SUBSIDIARY</b>		
Inversiones Eurosh Limitada	0.01	0.01
5% Equity interest in the capital of the firm		
	<b>6,042.12</b>	<b>4,778.47</b>
Less: Provision for diminution in the value of investments (refer note 25(4))	(1,568.49)	(581.19)
	<b>4,473.63</b>	<b>4,197.28</b>

**E** The Company has a 26% stake in JSW Praxair Oxygen 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

<b>QUOTED</b>		
Aggregate book value	220.61	220.61
Aggregate market value	636.20	1,090.37
<b>UNQUOTED</b>		
Aggregate book value	4,253.02	3,976.67

# Includes shares acquired under the composite scheme of amalgamation and arrangement and accounted at fair value.

### NOTE 14 LONG-TERM / SHORT-TERM LOANS AND ADVANCES

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>(UNSECURED)</b>	<b>Non-Current</b>		<b>Current</b>	
Capital advances	658.97	915.25	-	-
Less : Provision for doubtful advances	(3.22)	(90.09)	-	-
	<b>655.75</b>	<b>825.16</b>	<b>-</b>	<b>-</b>
Other loans and advances				
Loans and advances				
To related parties (refer note 25 (13))	161.14	189.09	5,080.60	3,883.90
To other body corporate	9.10	9.10	-	-
Advances to suppliers	258.39	371.62	990.54	998.31
Export benefits and entitlements	68.15	68.31	48.71	145.30
Amount recoverable from ESOP trusts	-	-	131.42	180.68
Security deposits	161.74	173.99	235.17	142.68
Indirect tax balances/recoverables/credits	749.45	716.54	847.31	993.32
Prepayments and others	24.67	27.28	207.38	193.22
Advance tax and tax deducted at source (net of provisions)	193.07	6.93	-	-
Minimum alternative tax credit entitlement	2,635.92	2,783.64	-	-
Advance towards equity / preference capital	27.73	8.37	-	-
Less : Provision for doubtful loans and advances (refer note 25 (4))	(86.95)	(167.66)	(3,915.30)	-
	<b>4,202.41</b>	<b>4,187.21</b>	<b>3,625.83</b>	<b>6,537.41</b>
	<b>4,858.16</b>	<b>5,012.37</b>	<b>3,625.83</b>	<b>6,537.41</b>

### A LOANS AND ADVANCES CONSTITUTE:

Capital advances				
Considered good	655.75	825.16	-	-
Considered doubtful, provided	3.22	90.09	-	-
Other loans and advances				
Considered good	4,202.41	4,187.21	7,541.13	6,537.41

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 14 LONG-TERM / SHORT-TERM LOANS AND ADVANCES (CONTD)

(₹ in crores)

	As at	As at	As at	As at
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>(UNSECURED)</b>	<b>Non-Current</b>		<b>Current</b>	
Considered doubtful, provided			-	-
Loans and advances to other body corporate	9.10	9.10	-	-
Loans and advances to related parties	2.96	-	3,915.30	-
Advances to suppliers	69.78	125.58	-	-
Other deposits	0.27	25.47	-	-
Prepayment and others	4.84	7.51	-	-

### B DETAILS OF LOANS AND ADVANCES IN THE NATURE OF LOANS TO SUBSIDIARIES (INCLUDING INTEREST RECEIVABLE):

(₹ in crores)

Name of Company	As at 31.03.2016		As at 31.03.2015	
	Maximum amount outstanding during the year	Amount outstanding	Maximum amount outstanding during the year	Amount outstanding
JSW Steel (Netherlands) B.V.	61.77	61.77	228.53	24.76
JSW Natural Resources Limited	112.42	112.42	100.25	100.25
Inversiones Eurosh Limitada	769.63	769.63	715.38	715.38
JSW Steel Holding (USA) Inc.	4,062.36	4,053.90	3,063.65	3,355.69

### NOTE 15 OTHER NON-CURRENT ASSETS

(₹ in crores)

	As at	As at
	31.03.2016	31.03.2015
Unamortized borrowing cost	216.36	256.11
Insurance claim receivable	43.43	43.43
	<b>259.79</b>	<b>299.54</b>

### NOTE 16 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in crores)

	As at	As at
	31.03.2016	31.03.2015
Raw materials	2,650.75	3,266.43
Work-in-progress (refer note 25(17) (c)(iii))	588.23	889.97
Semi finished/ finished goods (refer note 25(17)(c)(i))	2,360.27	3,177.86
Production consumables and stores and spares	1,176.25	1,250.48
	<b>6,775.50</b>	<b>8,584.74</b>
<b>DETAILS OF STOCK-IN-TRANSIT INCLUDED IN ABOVE</b>		
Raw materials	577.23	229.14
Production consumables and stores and spares	5.46	17.94

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 17 TRADE RECEIVABLES

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
<b>SECURED - CONSIDERED GOOD</b>		
OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY ARE DUE FOR PAYMENT (REFER NOTE 25 (7))	159.54	172.04
<b>UNSECURED</b>		
OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY ARE DUE FOR PAYMENT		
Considered good	69.26	48.37
Considered doubtful	6.03	311.94
Less: provision for doubtful receivables	(6.03)	(311.94)
	<b>69.26</b>	<b>48.37</b>
<b>OTHER RECEIVABLES</b>		
Considered good	2,281.91	1,806.42
	<b>2,510.71</b>	<b>2,026.83</b>

### NOTE 18 CASH AND BANK BALANCES

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
<b>CASH AND CASH EQUIVALENTS</b>		
<b>BALANCES WITH BANKS</b>		
In current accounts	217.68	264.11
In term deposit accounts with maturity less than 3 months at inception	244.31	544.69
<b>CHEQUES ON HAND</b>	0.02	0.01
<b>CASH ON HAND</b>	0.85	0.85
	<b>462.86</b>	<b>809.66</b>
<b>OTHER BANK BALANCES</b>		
In current accounts	23.39	23.43
In margin money with maturity more than 3 months but less than 12 months at inception	1.02	0.94
<b>IN TERM DEPOSIT ACCOUNTS</b>		
with maturity more than 3 months but less than 12 months at inception	109.04	961.03
	<b>133.45</b>	<b>985.40</b>
	<b>596.31</b>	<b>1,795.06</b>
* Refer cash flow statement		
<b>EARMARKED BALANCES</b>		
In current accounts	23.39	23.43
In margin money	1.02	0.94

### NOTE 18A OTHER CURRENT ASSETS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
Unamortized borrowing cost and premium on forward contracts	188.24	73.39
Interest accrued on fixed deposits / margin money	2.21	6.53
	<b>190.45</b>	<b>79.92</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 19 REVENUE FROM OPERATIONS

(₹ in crores)

	For the year ended 31.03.2016	For the year ended 31.03.2015
<b>(a) SALE OF PRODUCTS</b>		
Domestic turnover	37,590.13	41,247.23
Export turnover	2,764.35	8,410.28
	<b>40,354.48</b>	<b>49,657.51</b>
<b>(b) OTHER OPERATING REVENUES</b>		
Carbon credits	0.16	-
Gain on prepayment of deferred value added/sales tax / CST	359.70	441.09
Miscellaneous income	144.62	294.71
	<b>504.48</b>	<b>735.80</b>
<b>Gross Revenue from operations (a+b)</b>	<b>40,858.96</b>	<b>50,393.31</b>
Less: Excise duty	4,152.04	4,305.99
<b>Net Revenue from operations</b>	<b>36,706.92</b>	<b>46,087.32</b>

### NOTE 20 OTHER INCOME

(₹ in crores)

	For the year ended 31.03.2016	For the year ended 31.03.2015
Interest income from subsidiaries, fixed deposits etc.	246.46	223.20
Dividend income from long-term investments	18.29	57.16
Gain on sale of current investments	2.66	2.64
Gain on sale of non-current investments	-	70.91
Provision for doubtful debts/loans/advances written back (net)	-	13.85
Profit on sale of fixed assets (net)	-	44.18
Guarantees/Standby letter of credit commission	42.78	54.83
	<b>310.19</b>	<b>466.77</b>

### NOTE 21 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in crores)

	For the year ended 31.03.2016	For the year ended 31.03.2015
Opening stock :		
Semi finished /finished goods	3,177.86	1,694.96
Work-in-progress	889.97	563.87
	<b>4,067.83</b>	<b>2,258.83</b>
Closing stock :		
Semi finished /finished goods	2,360.27	3,177.86
Work-in-progress	588.23	889.97
	<b>2,948.50</b>	<b>4,067.83</b>
	1,119.33	(1,809.00)
Excise duty on stock of finished goods (net)	(57.36)	142.07
	<b>1,061.97</b>	<b>(1,666.93)</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 22 EMPLOYEE BENEFITS EXPENSE

(₹ in crores)

	For the year ended 31.03.2016	For the year ended 31.03.2015
Salaries and wages	842.60	823.22
Contribution to provident and other funds (refer note 25(11))	55.06	67.18
Staff welfare expenses	58.80	56.43
	<b>956.46</b>	<b>946.83</b>

### NOTE 23 FINANCE COSTS

(₹ in crores)

	For the year ended 31.03.2016	For the year ended 31.03.2015
Interest expense	2,563.96	2,745.26
Other borrowing costs	123.38	163.43
	<b>2,687.34</b>	<b>2,908.69</b>

### NOTE 24 OTHER EXPENSES

(₹ in crores)

	For the year ended 31.03.2016	For the year ended 31.03.2015
Stores and spares consumed (refer note 25(17) (e))	2,112.42	2,190.03
Power and fuel	3,093.12	3,475.67
Rent	34.67	33.79
Repairs and maintenance		
-Plant and machinery	1,013.18	1,019.85
-Buildings	18.77	18.37
-Others	17.39	17.82
Insurance	59.38	71.10
Rates and taxes	62.55	54.16
Carriage and freight	1,397.53	1,818.24
Jobwork and processing charges	854.93	617.80
Commission on sales	25.27	34.86
Net loss/ (gain) on foreign currency transactions and translation #	627.38	409.24
Donations and contributions *	25.33	0.18
Miscellaneous expenses	351.54	399.85
Bad debts/ advance written-off	454.10	146.72
Less :- Provisions made in earlier years	(454.10)	(146.72)
CSR Expenditure	51.36	43.48
Loss on sale of fixed assets (net)	0.33	-
Write-off of investment	0.16	0.10
	<b>9,745.31</b>	<b>10,204.54</b>

\*Donation include ₹ 25 crores (previous year ₹ Nil ) paid to Satya Electoral Trust

# Including hedging cost i.e. amortisation of forward / option cover premium / discount - ₹ 468.41 crores (previous year ₹ 541.33 crores)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 25

#### 1. CONTINGENT LIABILITIES:

- a) Bills discounted with re-course ₹ Nil (previous year ₹ 144.98 crores).
- b)
  - i) Guarantees provided on behalf of subsidiaries ₹ 2,124.11 crores (previous year ₹ 1,273.97 crores).
  - ii) Standby letter of credit facility availed from resident Indian Banks secured by specific fixed assets of the Company in relation to overseas long-term borrowing by JSW Steel Holding (USA) Inc and JSW Steel (Netherlands) B.V. (wholly owned subsidiaries of the Company) is ₹ 2,653.32 crores (previous year ₹ 2,503.63 crores) and ₹ 530.66 crores (previous year ₹ 1439.59 crores) respectively.
  - iii) Provision of ₹ 957.85 crores (previous year ₹ Nil) has been created against aforesaid guarantees and standby letter of credit facilities (refer note 25(4)(a)).
- c) Disputed claims/levies (excluding interest, if any), in respect of:
  - (i) Excise duty ₹ 305.39 crores (previous year ₹ 466.88 crores);
  - (ii) Custom duty ₹ 407.92 crores (previous year ₹ 437.03 crores);
  - (iii) Income tax ₹ 170.68 crores (previous year ₹ 170.68 crores);
  - (iv) Sales tax / Special entry tax ₹ 155.94 crores (previous year ₹ 155.94 crores);
  - (v) Service tax ₹ 142.06 crores (previous year ₹ 146.54 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 ₹ 109.98 crores (previous year ₹ 350.80 crores)
- d) Arrears of fixed cumulative dividend on preference shares (CPRS) ₹ 0.56 crores (previous year ₹ 0.51 crores).

- e) Claims related to Forest Development Tax ₹ 966.98 crores (previous year ₹ 909.38 crores). (including FDT amount paid under protest ₹ 665 crores (previous year ₹ 665 crores)). In 2008, the State Government of Karnataka levied Forest Development Tax (FDT) treating iron ore as forest produce. In response to writ petitions filed by various stakeholders, the Hon'ble High Court of Karnataka granted partial relief vide judgement dated December 3, 2015. In view thereof, the State Government of Karnataka has stopped levying FDT with effect from January 29, 2016. The State Government of Karnataka has filed an appeal before the Hon'ble Supreme Court of India against the judgement. The Hon'ble Supreme Court while hearing the petition on April 12, 2016 admitted the appeal, and granted an interim stay on refund of the FDT. The matter is posted for final arguments in the month of August 2016.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 5,064.37 crores (previous year ₹ 6,177.96 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 within the stipulated period. Such export obligations at year end aggregate to ₹ 1,316.22 crores (previous year ₹ 628.25 crores).

#### 4. EXCEPTIONAL ITEMS COMPRISE PROVISION TOWARDS :

- a)
  - (i) ₹ 982.37 crores (₹ 333.75 crores for the year ended 31 March, 2015) for 'other than temporary' diminution in value of investments relating to JSW Steel USA Inc., JSW Panama Holding Corporation, and Periana Holding LLC, subsidiaries of the Company;
  - (ii) ₹ 3,915.30 crores (₹ nil for the year ended 31 March, 2015) for loans to the said subsidiaries and interest thereon considered doubtful of recovery; and
  - (iii) ₹ 957.85 crores (₹ nil for the year ended 31 March, 2015)\*; towards certain guarantees for borrowings by the said subsidiaries, which provisions are recognised based on estimate of values of the businesses/ assets of the said subsidiaries by independent External Valuers and based on cash flow projections. In making the said projections, reliance has been placed on estimates

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

in respect of future prices of coal and iron ore, mineable resources, and assumptions relating to operational performance including improvement in capacity utilisation of the plants and margins, and availability of infrastructure for mines.

\* amount used/unused amount reversed during the period ₹ nil

- b) Pursuant to the order of the Honourable Supreme Court dated 24 September 2014 regarding cancellation of the allotment of coal blocks, the Company has made an assessment of investments in and loans and advances to the subsidiaries, joint ventures and associates affected by the said order and recognised provision of ₹ 4.19 crores (₹ 21.20 crores for the year ended 31 March 2015) against carrying amount of investments as Exceptional Item during the year considering the principle of conservatism.
- c) Based on careful evaluation of estimated projections, the management has recognised provision for diminution of other than temporary nature of ₹ 0.74 crores (Previous year ₹ 41.35 crores) in the carrying amount of investment in certain subsidiaries as Exceptional Item during the year.
5. In respect of certain investments/ loans and advances, following basis/assumptions/estimates have been considered in concluding that there is no further decline, other than temporary, in the value of the investments and that the loans / advances are fully recoverable:
- a) Equity shares of JSW Steel Bengal Limited, a subsidiary (carrying amount: ₹ 436.15 crores (net of provision) as at March 31, 2016).

Evaluation of the status of its integrated Steel Complex (including power plant) to be implemented in phases at Salboni of district Paschim Medinipur in West Bengal by the said subsidiary, and the projections relating to the said complex considering estimates in respect of future raw material prices, foreign exchange rates, operating margins, etc. and the plans for commencing construction of the said complex.

- b) Equity shares of Peddar Realty Private Limited (PRPL) (carrying amount of investments: ₹ 56.72 crores (net of provision) as at March 31, 2016), and recoverability of loans of ₹ 158.18 crores as at March 31, 2016.

Valuation by an independent valuer of the residential complex in which PRPL holds interest.

- c) Investment of ₹ 4.51 crores (net of provision) and loan of ₹ 112.42 crores as at March 31, 2016 relating to JSW Natural Resources Mozambique Limitada and JSW ADMS Carvo Limitada (step down subsidiaries).

Assessment of minable reserves by independent experts and cash flow projections based on the plans to commence operations after mining lease arrangements are in place for which application has been submitted to regulatory authorities and infrastructure is developed.

- d) Equity shares of JSW Severfield Structures Limited, a joint venture (JV) (carrying amount: ₹ 115.44 crores as at March 31, 2016).

Cash flow projections approved by the said JV which are based on estimates and assumptions relating to order book, capacity utilisation, operational performance, market prices of materials, inflation, terminal value, etc.

6. (a) Pursuant to the requirement under Schedule II to the Companies Act, 2013 the Company has, based on the external technical advice, effective 1 April, 2015, identified components (significant parts) of the main asset having different useful lives as compared to the main asset and consequently revised the estimated useful lives of Plant & Machinery and Buildings. Accordingly, the depreciation charge for the year ended 31 March 2016 is lower by ₹ 499.07 crores, and amount of ₹ 109.98 crores (net of deferred tax) being effect of componentization, where the remaining useful life of the asset was determined to be nil, has been adjusted against the retained earnings as per transitional provision in Note 7 (b) of Schedule II.
- (b) Effective from 1 April 2014, the Company had re-worked depreciation with reference to the estimated useful lives of fixed assets prescribed under Schedule II to the Act or useful life of fixed assets as per technical evaluation. As a result the charge for depreciation was lower by ₹ 207.30 crores for the year ended March 31, 2015. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company had fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and had adjusted an amount of ₹ 47.29 crores (net of deferred tax) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7. Trade receivables include ₹ 159.54 crores (previous year ₹172.04 crores) recoverable from a customer towards supply of steel. The Company recovered an amount of ₹ 12.50 crores from the customer during the year ended 31 March 2016. Pursuant to the Consent Term, filed by the Company and the customer with the Honorable Bombay High Court and adopted by the Court as its order, the receivables of the Company shall be secured by a first ranking pari-passu charge over the fixed assets of the customer and shall be

at par with other CDR lenders. The process of creating charge by the Company over the customer's certain fixed assets has been completed and the charge creation for the remaining fixed assets is under progress. Based on these developments, the Company is reasonably confident about the recoverability of the said amount.

### 8. EMPLOYEE SHARE BASED PAYMENT PLANS:

a) The details of an equity settled employee share based payments plan operated through a trust are as follows:

(₹ in crores)

Particulars	ESOP 2012	
	Initial grant (Junior manager and above)	1st subsequent grant (Junior manager and above)
Date of grant	26-Jul-12	26-Jul-12
Outstanding as on 01.04.2015	790,965	1,034,387
Forfeited during the year	11,674	18,942
Exercised during the year	223,843	325,504
Outstanding as on 31.03.2016	555,448	689,941
Vesting period	30-Sep-13 till 30-Sep-17	30-Sep-14 till 30-Sep-17
Exercise price	700	700

b) Expenses arising from employee's share based payment plans ₹ nil (previous year ₹ nil.)

### 9. DERIVATIVES:

a) The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the Company's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the Company's risk management policy.

The Forward exchange contracts entered into by the Company and outstanding are as under:

As at	No. of contracts	Type	US\$ equivalent (Million)	INR equivalent (Crores)
<b>31.03.2016</b>	263	Buy	1,479.21	9,812.02
	22	Sell	134.55	892.54
<b>31.03.2015</b>	147	Buy	1,147.51	7,182.33
	79	Sell	489.94	3,066.60

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.

## NOTES FORMING PART OF THE 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)
31.03.2016	6	65	(1.70)
31.03.2015	5	25	(4.21)

Currency options to hedge against fluctuations in changes in exchange rate:

As at	No. of contracts	US\$ equivalent (Million)	INR equivalent (INR Crores)	MTM of Option (INR crores)
31.03.2016	6	44.57	295.65	0.03
31.03.2015	14	153.40	960.14	2.76

Commodity Forward Contracts entered into by the Company and outstanding are as under:

As at	No. of Contracts	Qty ( MT)	US\$ Equivalent of notional value (Million)	INR equivalent (Crores)	MTM of Commodity contract (INR crores)
31.03.2016	79	1849995	71.98	477.48	91.06
31.03.2015	-	-	-	-	-

c) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

i) Amounts receivable in foreign currency on account of the following:

	Current year		Previous year	
	US\$ equivalent (Million)	INR equivalent (Crores)	US\$ equivalent (Million)	INR equivalent (Crores)
Trade Receivables	13.73	91.08	-	-
Balances with banks				
- in Current account	0.01	0.04	0.01	0.04
Loans and advances to subsidiaries	176.59	1,171.37	613.77	3,841.65

ii) 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)
Loans payable	1,872.72	12,422.31	1,854.15	11,605.25
Acceptances	-	-	195.89	1,226.11
Trade payables	9.33	61.91	48.26	302.07
Payable for capital projects	268.33	1,779.92	337.55	2,112.76
Interest accrued but not due on borrowings	19.95	132.32	17.57	109.98
Other provisions	127.37	844.77	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 10. 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 recognised facility as under:-

Particulars	(₹ in crores)			
	Buildings	Plant and machinery	Others	Total
Gross block at the beginning of the year	17.88	155.07	0.39	173.34
	14.91	145.04	0.41	160.36
Additions during the year	-	-	-	-
	3.83	13.26	0.06	17.15
Gross block at the end of the year	17.88	155.07	0.39	173.34
	18.74	158.30	0.47	177.51
Capital work-in-progress	-	2.05	-	2.05
	-	1.85	1.30	3.15
Capital expenditure incurred during the year (including CWIP)	-	0.20	(1.30)	(1.10)
	3.83	5.79	1.28	10.90

2) The manufacturing and other expenses and depreciation include ₹ 9.86 crores (previous year ₹ 12.02 crores) and ₹ 11.08 crores (previous year ₹ 12.84 crores), respectively, in respect of research and development activities undertaken during the year.

### 11. EMPLOYEE BENEFIT :

#### A) DEFINED CONTRIBUTION PLAN:

Company's contribution to provident fund ₹ 38.97 crores (previous year ₹ 33.65 crores) (included in note 22).

#### B) DEFINED BENEFIT PLANS:

(i) Gratuity (funded):

Particulars	(₹ in crores)	
	Current year	Previous year
<b>A) LIABILITY RECOGNISED IN THE BALANCE SHEET</b>		
<b>I) CHANGE IN DEFINED BENEFIT OBLIGATION (DBO) DURING THE YEAR</b>		
Present value of DBO at the beginning of the year	125.52	90.09
Current service cost	11.07	7.84
Interest cost	9.99	8.39
Actuarial losses	2.95	23.25
Benefits paid	(5.63)	(4.79)
Liability transfer out	(0.86)	0.78
Liability transfer in	-	(0.04)
Present value of DBO at the end of the year	<b>143.04</b>	<b>125.52</b>
Less:		
<b>II) CHANGE IN FAIR VALUE OF PLAN ASSETS DURING THE YEAR</b>		
Plan assets at the beginning of the year	40.20	39.61
Expected return on plan assets less loss on investments	3.20	3.45
Actuarial (losses)/gains	(0.22)	0.64
Employers' contribution	10.00	0.01
Asset transfer	0.05	-
Benefits paid	(3.40)	(3.51)
Plan assets at the end of the year	<b>49.83</b>	<b>40.20</b>
Amount recognised in Balance Sheet (Refer note 7)	<b>93.21</b>	<b>85.32</b>
<b>B) EXPENSES DURING THE YEAR</b>		
Current service cost	11.07	7.84
Interest cost	9.99	8.39

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crores)

Particulars	Current year	Previous year
Expected return on plan assets	(3.20)	(3.45)
Actuarial losses	3.17	22.61
Transferred to preoperative expenses	(1.26)	(1.86)
<b>Total (included in Note 22 under contribution to provident and other funds)</b>	<b>19.77</b>	<b>33.53</b>
<b>C) ACTUAL RETURN ON PLAN ASSETS</b>	<b>2.99</b>	<b>4.09</b>
<b>D) BREAK-UP OF PLAN ASSETS :</b>		
<b>(I) ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED</b>		
Balanced fund	3.65	3.52
Group debt fund	4.41	7.06
Group short-term debt fund	0.17	0.59
<b>(II) HDFC STANDARD LIFE INSURANCE COMPANY LIMITED</b>		
Defensive managed fund	0.03	1.23
Stable managed fund	5.07	13.54
<b>(III) SBI LIFE INSURANCE COMPANY LIMITED – CAP ASSURED FUND</b>	<b>28.28</b>	<b>21.46</b>
<b>(IV) LIC OF INDIA – INSURER MANAGED FUND</b>	<b>8.22</b>	<b>7.57</b>
<b>(V) ASSET FUND TRANSFER</b>	<b>-</b>	<b>(14.77)</b>
<b>Total</b>	<b>49.83</b>	<b>40.20</b>
<b>E) PRINCIPAL ACTUARIAL ASSUMPTIONS</b>		
Rate of discounting	8.38%	7.96%
Expected return on plan assets	8.38%	7.96%
Rate of increase in salaries	6% p.a.	6% p.a.
Attrition rate	2% p.a.	2% p.a.

### F) EXPERIENCE ADJUSTMENTS:

(₹ in crores)

Particulars	Current year	2014-15	2013-14	2012-13	2011-12
Defined benefit obligation	143.04	125.52	90.09	90.10	73.65
Plan assets	49.84	40.20	39.61	53.01	49.99
Surplus / (deficit)	(93.20)	(85.32)	(50.48)	(37.09)	(23.66)
Experience adjustments on plan liabilities – loss/(gain)	2.95	23.25	3.73	3.89	21.40
Experience adjustments on plan assets – gain/(loss)	(0.21)	0.64	(1.00)	1.37	(0.78)

- G)** The Company expects to contribute ₹ 93.21 crores (previous year ₹ 85.32 crores) to its gratuity plan for the next year.
- H)** In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-to-date mortality tables, the base being the Indian assured lives mortality (2006-08) ultimate.
- I)** Expected return on plan assets is based on expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.
- J)** The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- K)** The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.



## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

### **(II) PROVIDENT FUND:**

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

In keeping with the guidance on implementing Accounting Standard (AS) 15 (Revised) on "Employee Benefits" notified by the Companies (Accounting Standards) Rules, 2006, employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. Defined benefit obligation as per interest rate guaranteed on exempted provident fund in respect of employees of the Company as at 31st March, 2016 works out to ₹ 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:

<b>Particulars</b>	<b>Current year</b>	<b>Previous year</b>
Rate of discounting	8.38%	7.96%
Rate of return on assets	8.86%	9.02%
Guaranteed rate of return	8.80%	8.75%

### **(III) ASSUMPTIONS USED IN ACCOUNTING FOR COMPENSATED ABSENCES**

<b>Particulars</b>	<b>Current year</b>	<b>Previous year</b>
Present value of unfunded obligation (₹ in crores)	72.03	64.55
Expense recognised in the Statement of Profit and Loss (₹ in crores)	15.32	23.77
Discount rate (p.a)	8.38%	7.96%
Salary escalation rate(p.a.)	6%	6%

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 12. 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.

#### INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

Particulars	Year Ended 31.03.2016				Year Ended 31.03.2015					
	Steel	Power	Others	Eliminations	Total	Steel	Power	Others	Eliminations	Total
<b>INCOME</b>										
External Sales	36,621.71	85.21	-	-	36,706.92	45,736.07	167.68	183.57	-	46,087.32
Inter Segment Revenue	1,460.63	4,237.71	-	(5,698.34)	-	1,304.92	3,762.31	22.20	(5,089.43)	-
Total Income	<b>38,082.34</b>	<b>4,322.92</b>	<b>-</b>	<b>(5,698.34)</b>	<b>36,706.92</b>	<b>47,040.99</b>	<b>3,929.99</b>	<b>205.77</b>	<b>(5,089.43)</b>	<b>46,087.32</b>
<b>SEGMENT RESULTS</b>										
Segment/ Operating Results	1,127.10	2,043.97	-	-	3,171.07	4,441.97	1,672.06	31.14	-	6,145.17
Un-allocated Results										
Un-allocated Items: (Expenses) / Income					310.19					408.74
Finance Costs					(2,687.34)					(2,908.69)
Exceptional Item					(5,860.45)					(396.30)
Provision for Taxation					1,568.25					(1,082.44)
Net Profit					<b>(3,498.28)</b>					<b>2,166.48</b>
<b>OTHER INFORMATION</b>										
Segment Assets	60,375.32	2,061.41	-	-	62,436.73	59,786.92	2,129.85	88.62	-	62,005.39
Un-allocated Assets					9,329.71					12,887.01
Total Assets					<b>71,766.44</b>					<b>74,892.40</b>
Segment Liabilities	15,582.91	365.11	-	-	15,948.02	17,107.14	204.88	28.38	-	17,340.40
Un-allocated Liabilities & Provisions					34,065.46					31,827.40
Total Liabilities					<b>50,013.48</b>					<b>49,167.80</b>
Depreciation and amortisation expense	2,482.67	66.76	-	-	-	2,721.44	61.04	-	-	-
Non-Cash Expenditure other than Depreciation and amortisation .	0.33	-	-	-	-	-	-	-	-	-
Capital Expenditure	2,521.40	6.17	-	-	-	4,443.14	32.36	-	-	-

#### NOTES:

1. Inter segment transfer of power from the power segment is measured at the rate at which power is purchased from the respective electricity board.
2. Inter segment transfer of gas from the steel segment is measured on the basis of fuel cost.
3. There is only one geographical segment i.e. India.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 13. RELATED PARTIES RELATIONSHIPS, TRANSACTIONS AND BALANCES :

#### A) LIST OF RELATED PARTIES

##### 1 SUBSIDIARIES

JSW Steel (Netherlands) B.V.  
 JSW Steel (UK) Limited  
 Argent Independent Steel (Holdings) Limited (ceased w.e.f 17/11/2015)  
 JSW Steel Service Centre (UK) Limited  
 JSW Steel Holding (USA) Inc.  
 JSW Steel (USA) Inc.  
 Periama Holdings, LLC  
 Purest Energy, LLC  
 Meadow Creek Minerals, LLC  
 Hutchinson Minerals, LLC  
 R.C. Minerals, LLC  
 Keenan Minerals, LLC  
 Peace Leasing, LLC  
 Prime Coal, LLC  
 Planck Holdings, LLC  
 Rolling S Augering, LLC  
 Periama Handling, LLC  
 Lower Hutchinson Minerals, LLC  
 Caretta Minerals, LLC  
 JSW Panama Holdings Corporation  
 Inversiones Eroush Limitada  
 Santa Fe Mining  
 Santa Fe Puerto S.A.  
 JSW Natural Resources Limited  
 JSW Natural Resources Mozambique Limitada  
 JSW ADMS Carvo Lda  
 JSW Mali Resources SA (ceased w.e.f 18.06.2015)  
 JSW Steel Processing Centre Limited  
 JSW Bengal Steel Limited  
 JSW Natural Resources India Limited  
 Barbil Beneficiation Company Limited  
 Barbil Iron Ore Company Limited  
 JSW Jharkhand Steel Limited  
 JSW Steel East Africa Limited  
 Amba River Coke Limited  
 JSW Energy (Bengal) Limited  
 JSW Natural Resource Bengal Limited  
 JSW Steel Coated Products Limited  
 Peddar Realty Private Limited  
 Nippon Ispat Singapore (PTE) Limited  
 Erebus Limited  
 Arima Holding Limited  
 Lakeland Securities Limited  
 JSW Steel (Salav) Limited (w.e.f 31.10.2014)  
 Everbest Steel & Mining Holdings Limited (w.e.f. 13.02.2015) (ceased w.e.f 04.12.2015)

##### 2 ASSOCIATES

JSW Praxair Oxygen Private Limited  
 Dolvi Minerals & Metals Private Limited (w.e.f. 27.11.2014)  
 Dolvi Coke Projects Limited (w.e.f. 04.12.2014)

##### 3 JOINT VENTURES

Vijayanagar Minerals Private Limited  
 Rohne Coal Company Private Limited

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- JSW Severfield Structures Limited  
 Gourangdih Coal Limited  
 Toshiba JSW Power System Private Limited  
 MJSJ Coal Limited  
 GEO Steel LLC  
 JSW Structural Metal Decking Limited  
 JSW MI Steel Service Centre Private Limited  
 JSW Vallabh Tin Plate Private Limited (w.e.f. 07.04.2014)
- 4 KEY MANAGEMENT PERSONNEL (KMP)**  
 Mr. Sajjan Jindal  
 Mr. Seshagiri Rao M V S  
 Dr. Vinod Nowal  
 Mr. Jayant Acharya  
 Mr. Rajeev Pai  
 Mr. Lancy Varghese
- 5 RELATIVE OF KEY MANAGERIAL PERSONNEL**  
 Mr. Parth Jindal
- 6 ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL AND RELATIVES OF SUCH PERSONNEL EXERCISE SIGNIFICANT INFLUENCE**  
 JSW Energy Limited  
 Jindal Stainless Limited  
 JSW Realty & Infrastructure Private Limited  
 Jindal Saw Limited  
 Jindal Saw USA LLC  
 Jindal Steel & Power Limited  
 JSOFT Solutions Limited  
 Jindal Industries Private Limited  
 JSW Cement Limited  
 JSW Jaigarh Port Limited  
 Reynold Traders Private Limited  
 Raj West Power Limited  
 JSW Power Trading Company Limited  
 JSW Infrastructure Limited  
 South West Port Limited  
 JSW Techno Projects Management Limited  
 JSW Global Business Solutions Limited (Formerly known as Sapphire Technologies Limited)  
 South West Mining Limited  
 JSL Architecture Limited  
 JSW Projects Limited  
 JSW Foundation  
 O P Jindal Foundation  
 Jindal Technologies & Management Services Private Limited  
 JSW Dharamatar Port Private Limited  
 Jindal Tubular (India) Limited  
 M/s Shadeed Iron & Steel Co. LLC  
 JSW Investment Private Limited  
 JSW IP Holdings Private Limited (w.e.f. 01.04.2015)  
 Epsilon Carbon Private Limited (Formerly known as AVH Private Limited)  
 JSW International Trade Corp PTE Limited  
 Heal Institute Private Limited  
 JSL Lifestyle Limited  
 Jindal Power Limited  
 Jindal Fittings Limited  
 Jindal Education Trust

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crores)

Particulars	Subsidiaries	Associates	Joint ventures	Key managerial personnel	Relatives of key management personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
<b>B. TRANSACTIONS WITH RELATED PARTIES</b>							
<b>PARTY'S NAME</b>							
<b>PURCHASE OF GOODS / POWER AND FUEL / SERVICES</b>							
JSW Energy Limited	-	-	-	-	-	1,021.43	1,021.43
	-	-	-	-	-	1,290.91	1,290.91
Amba River Coke Limited	3,063.88	-	-	-	-	-	3,063.88
	2,740.88	-	-	-	-	-	2,740.88
JSW International Tradecorp PTE Limited	-	-	-	-	-	3,141.39	3,141.39
	-	-	-	-	-	3,491.44	3,491.44
Others	200.02	101.57	9.77	-	-	1,531.36	1,842.72
	281.76	216.75	0.43	-	-	1,508.79	2,007.73
<b>Total</b>	<b>3,263.90</b>	<b>101.57</b>	<b>9.77</b>	<b>-</b>	<b>-</b>	<b>5,694.18</b>	<b>9,069.42</b>
	3,022.64	216.75	0.43	-	-	6,291.14	9,530.96
<b>REIMBURSEMENT OF EXPENSES INCURRED ON BEHALF OF THE COMPANY</b>							
JSW Jharkhand Steel Limited	-	-	-	-	-	-	-
	11.31	-	-	-	-	-	11.31
JSW Energy Limited	-	-	-	-	-	2.16	2.16
	-	-	-	-	-	2.66	2.66
JSW Steel Coated Products Limited	2.37	-	-	-	-	-	2.37
	13.46	-	-	-	-	-	13.46
Others	0.27	-	-	-	-	0.24	0.51
	0.38	-	-	-	-	0.08	0.46
<b>Total</b>	<b>2.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.40</b>	<b>5.04</b>
	25.15	-	-	-	-	2.74	27.89
<b>SALES OF GOODS/POWER AND FUEL</b>							
JSW Steel Coated Products Limited	4,347.76	-	-	-	-	-	4,347.76
	5,907.83	-	-	-	-	-	5,907.83
Others	172.53	11.66	319.55	-	-	1,704.57	2,208.31
	170.79	61.88	353.34	-	-	1,885.68	2,471.69
<b>Total</b>	<b>4,520.29</b>	<b>11.66</b>	<b>319.55</b>	<b>-</b>	<b>-</b>	<b>1,704.57</b>	<b>6,556.07</b>
	6,078.62	61.88	353.34	-	-	1,885.68	8,379.52
<b>OTHER INCOME/ INTEREST INCOME/ DIVIDEND INCOME</b>							
JSW Praxair Oxygen Private Limited	-	14.61	-	-	-	-	14.61
	-	38.16	-	-	-	-	38.16
JSW Steel Holding (USA) Inc.	166.75	-	-	-	-	-	166.75
	153.92	-	-	-	-	-	153.92
JSW Steel (Salav) Limited	33.46	-	-	-	-	-	33.46
	17.09	-	-	-	-	-	17.09
Others	57.59	2.16	6.43	-	-	34.42	100.60
	86.58	3.45	3.91	-	-	45.07	139.01
<b>Total</b>	<b>257.80</b>	<b>16.77</b>	<b>6.43</b>	<b>-</b>	<b>-</b>	<b>34.42</b>	<b>315.42</b>
	257.59	41.61	3.91	-	-	45.07	348.18

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	(₹ in crores)							Total
	Subsidiaries	Associates	Joint ventures	Key managerial personnel	Relatives of key management personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences		
<b>PURCHASE OF ASSETS</b>								
Jindal Steel & Power Limited	-	-	-	-	-	109.86	109.86	109.86
	-	-	-	-	-	106.75	106.75	106.75
JSW Severfield Structures Limited	-	-	137.52	-	-	-	137.52	137.52
	-	-	198.38	-	-	-	198.38	198.38
Others	5.84	-	-	-	-	8.70	14.54	14.54
	13.78	-	-	-	-	25.46	39.24	39.24
<b>Total</b>	<b>5.84</b>	<b>-</b>	<b>137.52</b>	<b>-</b>	<b>-</b>	<b>118.56</b>	<b>261.92</b>	<b>261.92</b>
	13.78	-	198.38	-	-	132.21	344.37	344.37
<b>SALE OF FIXED ASSETS</b>								
JSW Cement Limited	-	-	-	-	-	-	-	-
	-	-	-	-	-	117.81	117.81	117.81
JSW Steel Coated Products Limited	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	-	-	-	-	-	117.81	117.81	117.81
<b>SECURITY /LEASE DEPOSITS RECEIVED</b>								
Amba River Coke Limited	-	-	-	-	-	-	-	-
	3.91	-	-	-	-	-	3.91	3.91
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	3.91	-	-	-	-	-	3.91	3.91
<b>ADVANCE GIVEN/(RECEIVED BACK)</b>								
JSW Steel (Salav) Limited	247.55	-	-	-	-	-	247.55	247.55
	215.14	-	-	-	-	-	215.14	215.14
Peddar Reality Private Limited	(27.65)	-	-	-	-	-	(27.65)	(27.65)
	(36.04)	-	-	-	-	-	(36.04)	(36.04)
Others	(0.29)	-	-	-	-	6.59	6.30	6.30
	-	-	-	-	-	0.44	0.44	0.44
<b>Total</b>	<b>219.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.59</b>	<b>226.20</b>	<b>226.20</b>
	179.10	-	-	-	-	0.44	179.54	179.54
<b>LEASE AND OTHER ADVANCES REFUNDED</b>								
JSW Infrastructure Limited	-	-	-	-	-	37.48	37.48	37.48
	-	-	-	-	-	36.59	36.59	36.59
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37.48</b>	<b>37.48</b>	<b>37.48</b>
	-	-	-	-	-	36.59	36.59	36.59
<b>LOAN GIVEN RECEIVED BACK</b>								
JSW Steel (Netherlands) B.V.	-	-	-	-	-	-	-	-
	229.00	-	-	-	-	-	229.00	229.00
JSW Steel Holding (USA) Inc.	14.21	-	-	-	-	-	14.21	14.21
	7.44	-	-	-	-	-	7.44	7.44
<b>Total</b>	<b>14.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.21</b>	<b>14.21</b>
	236.44	-	-	-	-	-	236.44	236.44
<b>LOAN GIVEN</b>								
JSW Steel Holding (USA) Inc.	656.58	-	-	-	-	-	656.58	656.58
	1,130.90	-	-	-	-	-	1,130.90	1,130.90

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crores)

Particulars	Subsidiaries	Associates	Joint ventures	Key managerial personnel	Relatives of key management personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
Others	<b>120.10</b>	-	-	-	-	-	<b>120.10</b>
	112.03	-	-	-	-	-	112.03
<b>Total</b>	<b>776.68</b>	-	-	-	-	-	<b>776.68</b>
	1,242.93	-	-	-	-	-	1,242.93
<b>PROVISION FOR LOANS AND ADVANCES MADE DURING THE YEAR</b>							
JSW Holding (USA) Inc.	<b>3,398.16</b>	-	-	-	-	-	<b>3,398.16</b>
	-	-	-	-	-	-	-
Inversiones Eurosh Limitada	<b>517.14</b>	-	-	-	-	-	<b>517.14</b>
	-	-	-	-	-	-	-
<b>Total</b>	<b>3,915.30</b>	-	-	-	-	-	<b>3,915.30</b>
	-	-	-	-	-	-	-
<b>DONATION/CSR EXPENSES</b>							
JSW Foundation	-	-	-	-	-	<b>3.60</b>	<b>3.60</b>
	-	-	-	-	-	1.83	1.83
O.P. Jindal Foundation	-	-	-	-	-	-	-
	-	-	-	-	-	0.17	0.17
<b>Total</b>	-	-	-	-	-	<b>3.60</b>	<b>3.60</b>
	-	-	-	-	-	2.00	2.00
<b>RECOVERY OF EXPENSES INCURRED BY THE COMPANY ON BEHALF OF OTHERS</b>							
Amba River Coke Limited	<b>118.02</b>	-	-	-	-	-	<b>118.02</b>
	78.68	-	-	-	-	-	78.68
JSW Steel Coated Products Limited	<b>52.01</b>	-	-	-	-	-	<b>52.01</b>
	47.74	-	-	-	-	-	47.74
Others	<b>3.42</b>	<b>0.46</b>	<b>2.43</b>	-	-	<b>16.40</b>	<b>22.71</b>
	-	0.04	1.50	-	-	3.19	4.73
<b>Total</b>	<b>173.45</b>	<b>0.46</b>	<b>2.43</b>	-	-	<b>16.40</b>	<b>192.74</b>
	126.42	0.04	1.50	-	-	3.19	131.15
<b>INVESTMENTS / SHARE APPLICATION MONEY GIVEN DURING THE YEAR</b>							
Amba River Coke Limited	<b>89.33</b>	-	-	-	-	-	<b>89.33</b>
	180.30	-	-	-	-	-	180.30
JSW Vallabh Tin Plate Private Limited	-	-	-	-	-	-	-
	-	-	30.00	-	-	-	30.00
Dolvi Minerals & Metals Private Limited	-	-	-	-	-	-	-
	-	40.00	-	-	-	-	40.00
JSW Steel (Netherlands) B.V.	<b>997.50</b>	-	-	-	-	-	<b>997.50</b>
	-	-	-	-	-	-	-
JSW Steel (Salav) Limited	<b>174.77</b>	-	-	-	-	-	<b>174.77</b>
	-	-	-	-	-	-	-
Others	<b>8.53</b>	-	<b>12.73</b>	-	-	-	<b>21.26</b>
	28.53	-	17.65	-	-	-	46.18
<b>Total</b>	<b>1,270.13</b>	-	<b>12.73</b>	-	-	-	<b>1,282.86</b>
	208.83	40.00	47.65	-	-	-	296.48



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	(₹ in crores)						
	Subsidiaries	Associates	Joint ventures	Key managerial personnel	Relatives of key management personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
<b>INVESTMENTS / SHARE APPLICATION MONEY REFUNDED DURING THE YEAR</b>							
Vijayanagar Minerals Private Limited	-	-	-	-	-	-	-
	-	-	4.05	-	-	-	4.05
Rohne Coal Company Limited	-	-	<b>0.37</b>	-	-	-	<b>0.37</b>
	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>0.37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.37</b>
	-	-	4.05	-	-	-	4.05
<b>REDEMPTION/SALE OF SHARES</b>							
JSW Steel Coated Products Limited	-	-	-	-	-	-	-
	41.57	-	-	-	-	-	41.57
Amba River Coke Limited	-	-	-	-	-	-	-
	47.19	-	-	-	-	-	47.19
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	88.76	-	-	-	-	-	88.76
<b>REMUNERATION TO KEY MANAGERIAL PERSONNEL</b>							
Mr. Sajjan Jindal	-	-	-	<b>12.08</b>	-	-	<b>12.08</b>
	-	-	-	26.17	-	-	26.17
Mr. Seshagiri Rao M V S	-	-	-	<b>4.76</b>	-	-	<b>4.76</b>
	-	-	-	4.14	-	-	4.14
Dr. Vinod Nowal	-	-	-	<b>3.44</b>	-	-	<b>3.44</b>
	-	-	-	3.04	-	-	3.04
Mr. Jayant Acharya	-	-	-	<b>3.04</b>	-	-	<b>3.04</b>
	-	-	-	2.63	-	-	2.63
Mr. Parth Jindal	-	-	-	-	-	-	-
	-	-	-	-	0.07	-	0.07
Mr. Rajeev Pai	-	-	-	<b>1.37</b>	-	-	<b>1.37</b>
	-	-	-	1.27	-	-	1.27
Mr. Lancy Varghese	-	-	-	<b>0.50</b>	-	-	<b>0.50</b>
	-	-	-	0.46	-	-	0.46
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.19</b>	<b>-</b>	<b>-</b>	<b>25.19</b>
	-	-	-	37.71	0.07	-	37.78
<b>INTEREST PAID</b>							
Amba River Coke Limited	<b>12.21</b>	-	-	-	-	-	<b>12.21</b>
	4.28	-	-	-	-	-	4.28
JSW Steel Coated Products Limited	<b>31.54</b>	-	-	-	-	-	<b>31.54</b>
	7.59	-	-	-	-	-	7.59
JSW Energy Limited	-	-	-	-	-	<b>0.92</b>	<b>0.92</b>
	-	-	-	-	-	2.97	2.97
JSW Praxair Oxygen Private Limited	-	<b>0.26</b>	-	-	-	-	<b>0.26</b>
	-	1.17	-	-	-	-	1.17
<b>Total</b>	<b>43.75</b>	<b>0.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.92</b>	<b>44.93</b>
	11.87	1.17	-	-	-	2.97	16.01

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crores)

Particulars	Subsidiaries	Associates	Joint ventures	Key managerial personnel	Relatives of key management personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
<b>GUARANTEES AND COLLATERALS PROVIDED BY THE COMPANY ON BEHALF OF:</b>							
JSW Steel Holding (USA) Inc.	<b>255.74</b>	-	-	-	-	-	<b>255.74</b>
	547.42	-	-	-	-	-	547.42
JSW Steel (Netherlands) B.V.	<b>227.88</b>	-	-	-	-	-	<b>227.88</b>
	184.28	-	-	-	-	-	184.28
JSW Steel (USA) Inc.	<b>352.21</b>	-	-	-	-	-	<b>352.21</b>
	-	-	-	-	-	-	-
Others	<b>1.95</b>	-	-	-	-	-	<b>1.95</b>
	37.36	-	-	-	-	-	37.36
<b>Total</b>	<b>837.78</b>	-	-	-	-	-	<b>837.78</b>
	769.06	-	-	-	-	-	769.06
<b>C. CLOSING BALANCE OF RELATED PARTIES</b>							
<b>TRADE PAYABLES</b>							
JSW Energy Limited	-	-	-	-	-	<b>141.63</b>	<b>141.63</b>
	-	-	-	-	-	67.70	67.70
Amba River Coke Limited	<b>348.39</b>	-	-	-	-	-	<b>348.39</b>
	575.87	-	-	-	-	-	575.87
JSW International Trade Corp PTE Limited	-	-	-	-	-	<b>370.11</b>	<b>370.11</b>
	-	-	-	-	-	26.52	26.52
Others	<b>78.48</b>	<b>6.48</b>	<b>5.00</b>	-	-	<b>124.13</b>	<b>214.09</b>
	67.72	17.39	0.48	-	-	151.03	236.62
<b>Total</b>	<b>426.87</b>	<b>6.48</b>	<b>5.00</b>	-	-	<b>635.87</b>	<b>1,074.22</b>
	643.59	17.39	0.48	-	-	245.25	906.71
<b>ADVANCE RECEIVED FROM CUSTOMERS</b>							
JSW Steel Coated Products Limited	<b>217.05</b>	-	-	-	-	-	<b>217.05</b>
	172.44	-	-	-	-	-	172.44
Others	-	-	-	-	-	<b>0.76</b>	<b>0.76</b>
	-	-	-	-	-	0.20	0.20
<b>Total</b>	<b>217.05</b>	-	-	-	-	<b>0.76</b>	<b>217.81</b>
	172.44	-	-	-	-	0.20	172.64
<b>LEASE &amp; OTHER DEPOSIT RECEIVED</b>							
JSW Severfield Structures Limited	-	-	<b>13.00</b>	-	-	-	<b>13.00</b>
	-	-	13.00	-	-	-	13.00
JSW Energy Limited	-	-	-	-	-	<b>10.19</b>	<b>10.19</b>
	-	-	-	-	-	10.19	10.19
Jindal Saw Limited	-	-	-	-	-	<b>5.00</b>	<b>5.00</b>
	-	-	-	-	-	5.00	5.00
Amba River Coke Limited	<b>5.72</b>	-	-	-	-	-	<b>5.72</b>
	5.72	-	-	-	-	-	5.72
Others	-	<b>3.83</b>	-	-	-	<b>5.50</b>	<b>9.33</b>
	-	3.83	-	-	-	5.50	9.33
<b>Total</b>	<b>5.72</b>	<b>3.83</b>	<b>13.00</b>	-	-	<b>20.69</b>	<b>43.24</b>
	5.72	3.83	13.00	-	-	20.69	43.24

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crores)

Particulars	Subsidiaries	Associates	Joint ventures	Key managerial personnel	Relatives of key management personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
<b>LEASE &amp; OTHER DEPOSIT GIVEN</b>							
JSW Energy Limited	-	-	-	-	-	0.29	0.29
Total	-	-	-	-	-	0.29	0.29
<b>TRADE RECEIVABLES</b>							
JSW Vallabh Tin Plate Private Limited	-	-	24.53	-	-	-	24.53
Dolvi Coke Projects Limited	-	2.29	-	-	-	-	2.29
Jindal Industries Private Limited	-	-	-	-	-	23.27	23.27
Jindal Saw Limited	-	-	-	-	-	-	-
JSW Cement Limited	-	-	-	-	-	2.21	2.21
JSW Power Trading Company Limited	-	-	-	-	-	48.91	48.91
Epsilon Carbon Private Limited	-	-	-	-	-	45.55	45.55
Others	3.21	-	2.25	-	-	15.47	20.93
Total	3.21	2.29	26.78	-	-	135.41	167.69
	-	22.20	15.10	-	-	134.05	171.35
<b>SHARE APPLICATION MONEY GIVEN</b>							
Amba River Coke Limited	15.03	-	-	-	-	-	15.03
Rohne Coal Company Private Limited	0.35	-	-	-	-	-	0.35
JSW MI Steel Service Centre Private Limited	-	-	0.03	-	-	-	0.03
Others	-	-	7.70	-	-	-	7.70
Total	15.03	-	12.30	-	-	-	27.33
	0.35	-	8.03	-	-	-	8.38
<b>CAPITAL / REVENUE ADVANCE</b>							
JSW Projects Limited	-	-	-	-	-	500.00	500.00
JSW Steel (Salav) Limited	328.22	-	-	-	-	-	328.22
Others	155.86	0.01	44.22	-	-	85.96	130.19
Total	328.22	0.01	44.22	-	-	585.96	958.41
	155.86	0.12	36.33	-	-	585.23	777.83

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in crores)

Particulars	Subsidiaries	Associates	Joint ventures	Key managerial personnel	Relatives of key management personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
<b>LOAN AND ADVANCES GIVEN</b>							
Inversiones Eurosh Limitada	<b>769.55</b>	-	-	-	-	-	<b>769.55</b>
	646.18	-	-	-	-	-	646.18
JSW Holding (USA) Inc.	<b>4,081.47</b>	-	-	-	-	-	<b>4,081.47</b>
	3,097.22	-	-	-	-	-	3,097.22
Others	<b>349.61</b>	-	<b>0.39</b>	-	-	<b>40.72</b>	<b>390.72</b>
	289.39	-	0.49	-	-	39.71	329.59
<b>Total</b>	<b>5,200.63</b>	-	<b>0.39</b>	-	-	<b>40.72</b>	<b>5,241.74</b>
	4,032.79	-	0.49	-	-	39.71	4,072.99
<b>PROVISION FOR LOANS AND ADVANCES GIVEN</b>							
JSW Holding (USA) Inc.	<b>3,398.16</b>	-	-	-	-	-	<b>3,398.16</b>
	-	-	-	-	-	-	-
Inversiones Eurosh Limitada	<b>517.14</b>	-	-	-	-	-	<b>517.14</b>
	-	-	-	-	-	-	-
<b>Total</b>	<b>3,915.30</b>	-	-	-	-	-	<b>3,915.30</b>
	-	-	-	-	-	-	-
<b>INVESTMENTS HELD BY THE COMPANY</b>							
JSW Steel (Netherlands) B.V.	<b>2,079.64</b>	-	-	-	-	-	<b>2,079.64</b>
	1,082.18	-	-	-	-	-	1,082.18
Amba River Coke Limited	<b>916.87</b>	-	-	-	-	-	<b>916.87</b>
	842.22	-	-	-	-	-	842.22
JSW Steel Coated Products Limited	<b>1,313.54</b>	-	-	-	-	-	<b>1,313.54</b>
	1,313.54	-	-	-	-	-	1,313.54
Others	<b>1,008.95</b>	<b>67.27</b>	<b>231.10</b>	-	-	<b>419.76</b>	<b>1,727.08</b>
	824.86	67.27	223.40	-	-	419.76	1,535.29
<b>Total</b>	<b>5,319.00</b>	<b>67.27</b>	<b>231.10</b>	-	-	<b>419.76</b>	<b>6,037.13</b>
	4,062.80	67.27	223.40	-	-	419.76	4,773.23
<b>LOANS AND ADVANCES TAKEN</b>							
JSW Infrastructure Limited	-	-	-	-	-	<b>148.23</b>	<b>148.23</b>
	-	-	-	-	-	185.71	185.71
<b>Total</b>	-	-	-	-	-	<b>148.23</b>	<b>148.23</b>
	-	-	-	-	-	185.71	185.71
<b>GUARANTEES AND COLLATERALS PROVIDED BY THE COMPANY ON BEHALF OF:</b>							
JSW Steel (Netherlands) B.V.	<b>961.83</b>	-	-	-	-	-	<b>961.83</b>
	1,627.36	-	-	-	-	-	1,627.36
JSW Steel Holding (USA) Inc.	<b>3,900.37</b>	-	-	-	-	-	<b>3,900.37</b>
	3,429.98	-	-	-	-	-	3,429.98
Others	<b>445.89</b>	-	-	-	-	-	<b>445.89</b>
	159.86	-	-	-	-	-	159.86
-	<b>5,308.09</b>	-	-	-	-	-	<b>5,308.09</b>
	5,217.20	-	-	-	-	-	5,217.20

Figures in bold represent current year numbers

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 14. 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.

- Office premises (admeasuring approximately 1795 square feet) at the rate of ₹ 146/- square feet for the period of 22 months.

The agreements are renewable at the option of the lessee after the end of the lease term.

- ii. Disclosure in respect of assets (building) given on operating lease:

Particulars	(₹ in crores)	
	Current year	Previous year
Gross carrying amount of assets	152.35	150.13
Accumulated depreciation	25.84	24.83
Depreciation for the year	2.45	2.57

#### B) AS LESSEE:

- (i) Lease rentals charged to revenue for right to use following assets are:

Particulars	(₹ in crores)	
	Current year	Previous year
Office premises, residential flats etc.	34.67	33.79
<b>Total</b>	<b>34.67</b>	<b>33.79</b>

The agreements are executed for a period of 11 to 180 months with a renewable clause and also provide for termination at will by either party giving a prior notice period of 1 to 3 months.

- (ii) The agreements for certain plant and equipment is on non-cancellable basis for a period of 10-15 years, which are renewable on expiry of the lease period at mutually acceptable terms.

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	(₹ in crores)	
	Current year	Previous year
Not later than one year	17.38	6.17
Later than one year but not later than five years	23.12	22.50
Later than five years	-	5.37
<b>Total</b>	<b>40.50</b>	<b>34.04</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 15. EARNINGS PER SHARE (EPS):

		Current year	Previous year
(Loss)/Profit for the year	₹ in crores	(3,498.28)	2,166.48
Less: dividend on preference shares (including corporate dividend tax)	₹ in crores	33.58	33.58
(Loss)/Profit for the year for equity share holders (numerator)- basic / diluted (A)	₹ in crores	(3,531.88)	2,132.90
Weighted average number of equity shares for basic EPS (denominator) (B)	Nos.	241,722,044	241,722,044
Weighted average number of equity shares for diluted EPS (denominator) (C)	Nos.	241,722,044	241,722,044
Earnings per share – basic (A/B)	₹	(146.11)	88.24
Earnings per share – diluted (A/C)	₹	(146.11)	88.24
Nominal value per share	₹	10	10

### 16. THE COMPANY HAS THE FOLLOWING JOINT VENTURE INTEREST IN INDIA AS AT 31ST MARCH 2016: INTEREST AS VENTURER IN JOINTLY CONTROLLED ENTITIES

Vijayanagar Minerals Private Limited: Percentage of holding-40% (previous year 40%)

Rohne Coal Company Private Limited: Percentage of holding-49% (previous year 49%)

JSW Severfield Structures Limited: Percentage of holding-50% (previous year 50%)

Gourangdih Coal Limited: Percentage of holding-50% (previous year 50%)

JSW MI Steel Service Center Private Limited: Percentage of holding-50% (previous year 50%)

JSW Vallabh Tinplate Private Limited: Percentage of holding-50% (previous year 50%)

#### INTEREST AS INVESTOR

MJSJ Coal Limited: Percentage of holding-11% (previous year 11%)

Toshiba JSW Power Systems Private Limited: Percentage of holding-2.48% (previous year 2.48%)

The Company's proportionate share in assets, liabilities, income and expenditure, of joint venturer in jointly controlled entities, is as under:

	(₹ 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)
<b>ASSETS</b>		
<b>NON-CURRENT</b>		
Fixed assets (including CWIP and intangible assets under development)	259.02	259.14
Non-current investments	4.48	4.48
Long-term loans and advances	33.34	31.83
Other non-current assets	0.51	0.09
<b>CURRENT ASSETS</b>		
Inventories	24.81	23.43
Trade receivables	72.78	54.42
Cash and cash equivalents	61.75	37.28
Short-term loans and advances	31.34	25.40
Unbilled revenue	48.98	57.04
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	148.67	156.55
Deferred tax liabilities (net)	3.62	2.33
Other long-term liabilities	1.50	1.59
Long-term provisions	0.90	0.51
<b>CURRENT LIABILITIES</b>		

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in crores)	
	<b>Current year (audited/ based on financial information/ estimates made by the management)</b>	<b>Previous year (audited/ based on financial information/ estimates made by the management)</b>
Short-term borrowings	33.63	56.05
Trade payables	113.84	86.88
Other current liabilities	101.42	59.42
Short-term provisions	3.61	2.74
<b>INCOME</b>		
Revenue from operations	402.32	376.65
Other income	6.60	3.00
<b>EXPENSES</b>		
Cost of materials consumed	168.06	131.68
Purchase of Stock in trade	2.91	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3.20)	(2.73)
Cost of construction	144.24	149.56
Employee benefit expense	32.64	26.33
Finance costs	32.31	29.62
Depreciation and amortisation expense	17.25	13.55
Other expenses	21.67	34.53
Tax expenses		
- Current/deferred tax	2.51	2.02
<b>OTHER MATTERS</b>		
Contingent liabilities	6.77	10.54
Capital commitment	4.95	6.33

### 17. ADDITIONAL INFORMATION:

#### A) AUDITOR'S REMUNERATION (EXCLUDING SERVICE TAX) INCLUDED IN MISCELLANEOUS EXPENSES IN NOTE 24 COMPRISE OF:

	(₹ in crores)	
	<b>Current year</b>	<b>Previous year</b>
As audit fees (including limited review)	4.47	3.45
For tax audit fees	0.48	0.40
For certification and other services	1.20	2.12
Out-of-pocket expenses	0.11	0.10
<b>Total</b>	<b>6.26</b>	<b>6.07</b>

#### B) INSTALLED CAPACITIES AND PRODUCTION:

<b>Class of goods</b>	<b>Installed capacity (see note below) Tonnes</b>	<b>Production Tonnes</b>
1 MS Slabs	11,600,000 (11,600,000)	9,572,348 (10,387,412)
2 Hot Rolled Coils/Steel Plates/Sheets	11,500,000 (11,500,000)	9,313,448 (10,068,165)
3 Cold Rolled Coils/Sheets	3,125,000 (3,125,000)	2,173,685 (1,758,799)
4 Steel Billets & Bloom	4,000,000 (2,500,000)	2,988,420 (2,247,085)
5 Long Rolled Products	3,750,000 (2,450,000)	2,725,890 (2,059,710)
6 Galvanised/Galvalum Coils/Sheets	400,000 (400,000)	463,270 (354,221)



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note: As certified by the management and accepted by auditors, being a technical matter.

### C) OPENING STOCK, SALES AND CLOSING STOCK:

#### i) Manufactured goods:

Class of goods	Opening stock		Sales		Closing stock	
	Tonnes	₹ in crores	Tonnes	₹ in crores	Tonnes	₹ in crores
1 MS slabs	56,737	180.30	1,195	2.91	72,781	164.73
	(35,619)	(110.46)	(62,635)	(230.91)	(56,737)	(180.30)
2 Hot rolled coils/steel plates/sheets*	330,378	1,144.96	7,130,054	21,870.17	223,920	613.44
	(178,445)	(627.29)	(8,069,774)	(30,653.41)	(330,378)	(1,144.96)
3 Galvanized coils/sheets	26,760	111.45	429,700	1,536.97	32,110	118.50
	(1,036)	(9.02)	(313,249)	(1,402.36)	(26,760)	(111.45)
4 Cold rolled coils/sheets	145,955	585.57	1,644,745	5,748.95	136,178	425.26
	(102,039)	(390.33)	(1,280,084)	(5,506.65)	(145,955)	(585.57)
5 Steel billets & blooms	94,971	291.58	210,147	639.91	85,485	216.71
	(23,355)	(80.14)	(330,705)	(1,168.05)	(94,971)	(291.58)
6 Long rolled products	141,021	530.48	2,711,220	9,357.49	113,939	350.81
	(57,507)	(229.53)	(1,977,681)	(8,472.33)	(141,021)	(530.48)
7 Others		333.52		1,198.08		470.81
		(248.19)		(1,937.19)		(333.52)
<b>Total</b>		<b>3,177.86</b>		<b>40,354.48</b>		<b>2,360.27</b>
		(1,694.96)		(49,370.90)		(3,177.86)

\*Includes HR converted into SAW Pipes on Jobwork basis – Sales - 29,152 tonnes (previous year: Nil) Value – ₹ 98.81 crores (previous year: Nil) and closing stock – 5,606 tonnes (previous year: Nil) Value – ₹ 17.65 crores (previous year: Nil)

#### ii) Traded goods:

(₹ in crores)

Description	Current year	Previous year
Opening stock		
Others	-	-
<b>Total</b>	-	-
Purchases		
Others	152.72	385.64
<b>Total</b>	152.72	385.64
Sales		
Others	154.88	286.61
<b>Total</b>	154.88	286.61
Closing stock		
Others	-	-
<b>Total</b>	-	-

#### iii) Work-in-progress:

(₹ in crores)

Description	Current year	Previous year
Coke/Coal	247.91	344.46
Others	340.32	545.51
<b>Total</b>	588.23	889.97

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### D) CONSUMPTION OF MATERIALS:

Description	Current year		Previous year	
	Quantity Tonnes	₹ in crores	Quantity Tonnes	₹ in crores
Iron ore lumps/fines	20,580,394	5,624.74	22,552,395	10,791.68
Coal/Coke	10,834,696	9,147.93	11,794,634	11,435.30
Others		4,295.27		5,118.62
<b>Total</b>		<b>19,067.94</b>		<b>27,345.60</b>

### 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
<b>RAW MATERIALS</b>				
Imported	10,609.68	55.64	16,011.31	58.55
Indigenous	8,458.26	44.36	11,334.29	41.45
<b>Total</b>	<b>19,067.94</b>	<b>100.00</b>	<b>27,345.60</b>	<b>100.00</b>
<b>STORES AND SPARES</b>				
Imported	389.25	18.43	428.75	19.58
Indigenous	1,723.17	81.57	1,761.29	80.42
<b>Total</b>	<b>2,112.42</b>	<b>100.00</b>	<b>2,190.03</b>	<b>100.00</b>

### F) C.I.F. VALUE OF IMPORTS:

Description	(₹ in crores)	
	Current year	Previous year
-Capital goods	1,531.72	2,133.89
-Raw materials (including power and fuel)	8,609.76	14,517.74
-Stores and spare parts	583.43	643.33

### G) EXPENDITURE IN FOREIGN CURRENCY:

Description	(₹ in crores)	
	Current year	Previous year
Interest and finance charges	644.48	421.77
Ocean freight	167.52	462.82
Technical know-how	14.86	88.23
Commission on sales	17.53	16.29
Legal and professional fees	5.42	9.32
Others	22.59	11.13

### H) EARNINGS IN FOREIGN CURRENCY:

Description	(₹ in crores)	
	Current year	Previous year
F.O.B. value of exports	2,485.17	7,881.73
Sale of Carbon Credits	0.16	-
Commission and fees	39.24	51.55
Interest income	173.56	160.31

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1) REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND:

Dividend to equity shareholders:

Description	Current year	Previous year
Year to which the dividend relates	2014-15	2013-14
Number of non-resident shareholders	3,277	3,349
Number of equity shares held by them	7,849,776	13,201,308
Amount remitted (₹ in crores)	8.64	14.52

18. 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	22.05	24.05
Interest due on (1) above and unpaid as at end of year	0.84	0.14
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	0.56	0.70

19. FIGURES OF THE PREVIOUS YEAR ARE REGROUPED AND RECLASSIFIED WHEREVER NECESSARY TO CORRESPOND TO FIGURES OF THE CURRENT YEAR.

For and on behalf of the Board of Directors

**SAJJAN JINDAL**

Chairman & Managing Director

**LANCY VARGHESE**

Company Secretary

**RAJEEV PAI**

Chief Financial Officer

**SESHAGIRI RAO M.V.S.**

Jt. Managing Director & Group CFO

Place: Mumbai,

Dated : 18 May 2016

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JSW STEEL LIMITED

## REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of JSW STEEL LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 judgment, 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## OPINION

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

## EMPHASIS OF MATTER

We draw attention to the following matters in the Notes to the financial statements:

- a) Attention is invited to note 27(4) to the consolidated financial statements regarding the factors considered in estimating values of certain overseas businesses / assets, and recognition of provision of ₹ 1,829.69 crores towards impairment relating to carrying amounts of Goodwill, Fixed Assets and Mining Development and Projects and related fixed assets in terms of Accounting Standard (AS) 28, Impairment of assets.

## INDEPENDENT AUDITOR'S REPORT

- b) Attention is invited to note 27(5) to the consolidated financial statements regarding the Company's assessment that carrying amounts aggregating to ₹ 442.39 crores, ₹ 86.84 crores, ₹ 151.81 crores, ₹ 94.92 crores and ₹ 162.23 crores relating to fixed assets (including capital work in progress), Mining Development and Projects, advances, goodwill and inventories respectively relating to certain businesses of the Group are fully recoverable.

Our opinion is not modified in respect of these matters.

### OTHER MATTERS

- a) We did not audit the financial statements of 37 subsidiaries and a jointly controlled entity whose financial statements reflect total assets of ₹ 10,153.31 crores as at 31st March, 2016, total revenues of ₹ 8,612.40 crores and net cash outflows amounting to ₹ 35.77 crores for the year then ended, and financial statements of an associate in which the share of loss of the Group is ₹ 0.84 crores, which are considered in preparation of 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 on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, a jointly controlled entity and an associate, is based solely on the reports of the other auditors.
- b) The consolidated financial statements includes the unaudited financial statements/ financial information of 4 subsidiaries and 3 jointly controlled entities, whose financial statements / financial information reflect total assets of ₹ 243.63 crores as at 31st March, 2016, total revenues of ₹ 173.26 crores and net cash inflows amounting to ₹ 23.61 crores for the year then ended, which are considered in preparation of the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 21.71 crores for the year ended 31st March, 2016, in respect of an associate, based on its unaudited financial information. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and an associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial

information certified by the Management.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
  - On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled entities incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled entities incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled entities incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's/ subsidiary company's/ associate company's / jointly controlled entity's incorporated in India internal financial controls over financial reporting.

## INDEPENDENT AUDITOR'S REPORT

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities;
  - ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled entities incorporated in India.

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

**A. SIDDHARTH**  
Partner  
Mumbai, dated: 18 May 2016 (Membership No. 31467)

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

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

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of JSW STEEL LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled entities, which are companies incorporated in India, as of that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

### **AUDITOR'S RESPONSIBILITY**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of

internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of subsidiary companies, associate companies and jointly controlled entities, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

### OPINION

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, its associate companies and jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

### OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates

to 8 subsidiary companies, an associate company and a jointly controlled entity, incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

**A. SIDDHARTH**  
Partner

Mumbai, dated: 18 May 2016

(Membership No. 31467)

## CONSOLIDATED BALANCE SHEET

(₹ in crores)

	Note No.	As at 31.03.2016	As at 31.03.2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
Share capital	2	1,067.19	1,067.19
Reserves and surplus	3	20,576.71	21,986.89
		<b>21,643.90</b>	<b>23,054.08</b>
<b>MINORITY INTEREST</b>		6.78	97.64
<b>(2) NON-CURRENT LIABILITIES</b>			
Long-term borrowings	4	32,793.22	33,676.63
Deferred tax liabilities (net)	5	1,420.17	3,154.71
Other long-term liabilities	6	692.67	590.90
Long-term provisions	7	94.93	90.34
		<b>35,000.99</b>	<b>37,512.58</b>
<b>(3) CURRENT LIABILITIES</b>			
Short-term borrowings	8	2,378.04	1,207.99
Trade payables			
(i) Total outstanding dues of micro and small enterprises	9(a)	27.00	27.06
(ii) Total outstanding dues of creditors other than micro and small enterprises	9(b)	12,785.34	14,225.61
Other current liabilities	10	10,174.59	9,437.94
Short-term provisions	11	277.95	356.26
		<b>25,642.92</b>	<b>25,254.86</b>
<b>TOTAL</b>		<b>82,294.59</b>	<b>85,919.16</b>
<b>II ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
Fixed assets	12		
Tangible assets		52,811.53	50,495.98
Intangible assets		86.59	94.94
Capital work-in-progress		6,665.16	8,066.18
Intangible assets under development		238.86	199.09
		<b>59,802.14</b>	<b>58,856.19</b>
Goodwill on consolidation	27(4)(a)	956.50	1,585.36
Non-current investments	13	618.43	598.95
Deferred tax assets (net)	5	274.86	265.28
Long-term loans and advances	14	5,056.86	5,164.10
Other non-current assets	15	544.04	631.97
		<b>67,252.83</b>	<b>67,101.85</b>
<b>(2) CURRENT ASSETS</b>			
Current investments	16	-	0.30
Inventories	17	8,403.35	11,009.04
Trade receivables	18	2,801.60	2,499.75
Cash and bank balances	19	733.98	1,913.25
Short-term loans and advances	14	2,847.85	3,269.12
Other current assets	20	254.98	125.85
		<b>15,041.76</b>	<b>18,817.31</b>
<b>TOTAL</b>		<b>82,294.59</b>	<b>85,919.16</b>
See accompanying Notes 1 to 27 forming part of the consolidated financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**SAJJAN JINDAL**  
Chairman & 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,  
Dated : 18 May 2016

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in crores)			
	Note No.	For the year ended 31.03.2016	For the year ended 31.03.2015
<b>I. REVENUE FROM OPERATIONS</b>	21	46,304.06	57,492.80
Less: Excise duty		4,425.18	4,521.29
		<b>41,878.88</b>	<b>52,971.51</b>
<b>II. OTHER INCOME</b>	22	168.21	111.44
<b>III. TOTAL REVENUE (I + II)</b>		<b>42,047.09</b>	<b>53,082.95</b>
<b>IV. EXPENSES:</b>			
Cost of materials consumed		21,256.86	30,851.98
Purchases of stock-in-trade		16.20	288.44
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	1,374.76	(1,488.21)
Cost of construction		102.78	33.74
Employee benefits expense	24	1,568.02	1,532.84
Finance costs	25	3,302.68	3,493.03
Depreciation and amortisation expense	12 & 27 (6)	3,187.92	3,434.49
Other expenses	26	11,487.27	12,350.43
<b>Total expenses</b>		<b>42,296.49</b>	<b>50,496.74</b>
<b>V. PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)</b>		(249.40)	2,586.21
<b>VI. EXCEPTIONAL ITEMS</b>	27(4)	2,125.41	47.10
<b>VII. PROFIT/(LOSS) BEFORE TAX (V-VI)</b>		(2,374.81)	2,539.11
<b>VIII. TAX EXPENSES:</b>			
Current tax		89.00	744.03
MAT credit entitlement		(45.88)	(719.15)
Reversal of MAT credit entitlement		115.44	-
Deferred tax		(1,682.61)	794.53
		<b>(1,524.05)</b>	<b>819.41</b>
<b>IX. PROFIT/(LOSS) AFTER TAXATION BUT BEFORE MINORITY INTERESTS AND SHARE OF PROFITS/(LOSS) OF ASSOCIATES (VII-VIII)</b>		<b>(850.76)</b>	<b>1,719.70</b>
<b>X. SHARE OF (LOSSES) / PROFIT FROM ASSOCIATES (NET)</b>		13.78	2.10
<b>XI. SHARE OF (LOSSES) / PROFIT ATTRIBUTABLE TO MINORITY INTEREST, (NET)</b>		(95.03)	(74.77)
<b>XII. PROFIT/(LOSS) FOR THE YEAR (IX+X-XI)</b>		<b>(741.95)</b>	<b>1,796.57</b>
<b>XIII. EARNINGS PER EQUITY SHARE OF RS 10 EACH:</b>	27(15)		
(1) Basic		(32.08)	72.93
(2) Diluted		(32.08)	72.93
See accompanying Notes 1 to 27 forming part of the consolidated financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**SAJJAN JINDAL**  
Chairman & 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,  
Dated : 18 May 2016

## CONSOLIDATED CASH FLOW STATEMENT

(₹ in crores)

	For the year ended 31.03.2016	For the year ended 31.03.2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX</b>	(2,374.81)	2,539.11
<b>ADJUSTMENTS FOR :</b>		
Depreciation and amortisation expense	3,187.92	3,434.49
(Profit)/loss on sale of fixed assets	21.31	(35.78)
Gain on sale of current investments	(2.66)	(2.65)
Interest income	(38.35)	(28.41)
Dividend income	(20.35)	(20.54)
Interest expenses	2,769.53	2,631.24
Unrealised exchange loss/(gain)	878.26	330.96
Provision for diminution in value of investments, assets and goodwill	1,869.30	1.65
	<b>8,664.96</b>	<b>6,310.96</b>
Operating profit before working capital changes	<b>6,290.15</b>	<b>8,850.07</b>
<b>ADJUSTMENTS FOR :</b>		
Decrease / (Increase) in inventories	2,605.69	(2,853.92)
(Increase) in trade receivables*	(301.85)	(207.31)
Decrease in loans and advances*	351.29	285.98
(Decrease) / Increase in trade payable and other liabilities*	(2,051.58)	2,542.83
Increase in provisions*	15.34	30.78
	<b>618.89</b>	<b>(201.64)</b>
<b>Cash flow from operations</b>	<b>6,909.04</b>	<b>8,648.43</b>
Direct taxes paid	(205.51)	(772.78)
<b>Net cash generated from operating activities</b>	<b>6,703.53</b>	<b>7,875.65</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets including capital advances	(5,178.68)	(6,720.60)
Proceeds from sale of fixed assets	3.90	207.18
Investment in joint ventures and associates	-	(40.00)
Refund of share application money/share of profit from associates	-	39.76
Purchase of other long-term investments (net)	(3.10)	(0.20)
Sale/(purchase) of current investments (net)	2.96	70.36
Bank deposits not considered in cash and cash equivalents	831.69	(973.13)
Interest received	42.75	26.06
Dividend received	20.35	20.54
<b>Net cash used in investing activities</b>	<b>(4,280.13)</b>	<b>(7,370.03)</b>

## CONSOLIDATED CASH FLOW STATEMENT

(₹ in crores)

	For the year ended 31.03.2016	For the year ended 31.03.2016
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	6,177.85	13,912.07
Repayment of long-term borrowings	(6,967.98)	(7,479.00)
Proceeds from/ repayment of short term borrowings (net)	1,168.20	(3,695.79)
Interest paid	(2,799.68)	(2,562.64)
Dividend paid (including corporate dividend tax)	(353.60)	(343.72)
<b>Net cash used in financing activities</b>	<b>(2,775.21)</b>	<b>(169.08)</b>
<b>Net (decrease) / increase in cash and cash equivalents(A+B+C)</b>	<b>(351.81)</b>	<b>336.54</b>
<b>Cash and cash equivalents - opening balances</b>	<b>912.91</b>	<b>578.59</b>
Add : Translation adjustment in cash and cash equivalents	5.83	(2.22)
<b>Cash and cash equivalents - closing balances (refer note 19)</b>	<b>566.93</b>	<b>912.91</b>
Add : Margin money / Fixed deposit balance	143.66	976.91
Add : Balance in debenture interest/ installments/dividend payment accounts	23.39	23.43
<b>Cash and bank balances ( refer note 19)</b>	<b>733.98</b>	<b>1,913.25</b>
<b>* INCLUDES CURRENT AND NON CURRENT</b>		

### 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 and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**SAJJAN JINDAL**  
Chairman & 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,

Dated : 18 May 2016

## **NOTES** FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### **NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

#### **A. GENERAL INFORMATION**

JSW Steel Limited, the Company was incorporated on 15 March 1994. The Company is predominantly engaged in the business of production and distribution of iron and steel products.

The consolidated financial statements of the group – (the parent company and all its subsidiaries) include financial information of other components, namely, joint ventures and associate companies.

The following components are included in the consolidation:

#### **1. SUBSIDIARY COMPANIES:**

<b>Name of the company</b>	<b>Country of incorporation</b>	<b>Shareholding at year end either directly or through subsidiaries</b>	<b>Nature of operations (commenced / planned)</b>
JSW Steel (Netherlands) B.V.	Netherlands	100% (100%)	Acquisition and investment in steel related & 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 (ceased w.e.f 17.11.2015)	United Kingdom	- (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
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 Erroush Limitada	Chile	100% (100%)	Holding company (LLP) of Santa Fe Mining

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Name of the company	Country of incorporation	Shareholding at year end either directly or through subsidiaries	Nature of operations (commenced / planned)
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 (liquidated in Jun 15)	Mali	- (100%)	Mining company
JSW ADMS Carvao Limitada	Mozambique	100% (100%)	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	98.65% (98.63%)	Steel plant
JSW Natural Resources India Limited	India	98.65% (98.63%)	Mining related company
JSW Energy (Bengal) Limited	India	98.65% (98.63%)	Power plant
JSW Natural Resource Bengal Limited	India	98.65% (98.63%)	Mining related company
Barbil Beneficiation Company Limited	India	98.65% (98.63%)	Beneficiation plant
Barbil Iron Ore Company Limited	India	98.65% (98.57%)	Mining company
JSW Jharkhand Steel Limited	India	100% (100%)	Steel plant and mining
JSW Steel Coated Products Limited	India	100% (100%)	Steel plant
Amba River Coke Limited	India	100% (100%)	Coke oven and Pellet plant
Nippon Ispat Singapore (PTE) Limited	Singapore	100% (100%)	Mining company
Erebus Limited	Mauritius	100% (100%)	Mining company
Arima Holdings Limited	Mauritius	100% (100%)	Mining company
Lakeland Securities Limited	Mauritius	100% (100%)	Mining company
Peddar Realty Private Limited	India	100% (100%)	Real estate
Everbest Steel & Mining Holdings Limited (ceased w.e.f 4 December 2015) (w.e.f. 13 February 2015)	India	- (60%)	Mining company
JSW Steel (Salav) Limited (Formerly known as Welspun Maxsteel Limited) (w.e.f. 31 October 2014)	India	99.87% (99.85%)	Steel plant



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2. JOINTLY CONTROLLED ENTITIES:

Name of the company	Country of incorporation	Proportion of ownership interest at year end	Nature of operations (commenced / planned)
Vijayanagar Minerals Private Limited	India	40% (40%)	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	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
JSW Vallabh Tinplate Private Limited (w.e.f. 07 April 2014)	India	50% (50%)	Steel plant

### 3. ASSOCIATE COMPANIES:

Name of the company	Country of incorporation	Proportion of ownership interest at year end	Nature of operations (commenced / planned)
JSW Praxair Oxygen Company Private Limited	India	26% (26%)	Production of gaseous and liquid form of oxygen, nitrogen, argon and other products recoverable from separation of air.
Dolvi Minerals & Metals Private Limited (w.e.f. 27 November 2014)	India	40% (40%)	Trading in steel and allied products
Dolvi Coke Projects Limited (w.e.f. 4 December 2014)	India	40% (40%)	Coke oven plant

The Company has 26% stake in JSW Praxair Oxygen Company Private Limited (JPOCL). Though the Company is entitled to exercise joint control in respect of certain operating and financial matters as per the terms of the shareholders' agreement, on account of certain constraints, it is unable to exercise such joint control. The Company has a representation on 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

### 1.1 BASIS OF ACCOUNTING AND PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the 2013 Act").

The consolidated financial statements have been prepared on accrual basis under the historical cost convention except for the assets and liabilities acquired under the composite scheme of Amalgamation and Arrangement which are recorded at their respective fair values. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

The financial statements of the Company and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses in accordance with Accounting Standard 21 "Consolidated Financial Statements" after eliminating intra group balances, intra group transactions and resulting unrealized profits or losses, unless cost cannot be recovered. Interest of the minority shareholders in the subsidiaries' profits or losses and net worth is displayed separately in the consolidated financial statements.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures". The intra-group balances, intra-group transactions and unrealized profits or losses have been eliminated to the extent of the Group's share in the entity.

The consolidated financial statements include the share of profit / loss of the associate companies which have been accounted for using equity method as per Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements". Accordingly, the share of profit/ loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments. Unrealized profits and losses resulting from transactions between the company and the associates are eliminated to the extent of the company's interest in the associate.

For the purpose of consolidation, the financial statements of the subsidiaries, joint venture companies and associates are drawn up to 31 March, 2016 which is the reporting period of the Company.

The excess of cost to the Group of its investment in the subsidiary companies, jointly controlled entities and associate companies over its share of equity or net assets is recognised as Goodwill. On the other hand, where share in equity or net assets as on the date of investment in subsidiary companies, jointly controlled entities and associate companies as on the date of investment is in excess of cost of investment of the Group, it is recognised as Capital reserve in the Consolidated financial statements under Reserves and surplus.

### 1.2 UNIFORM ACCOUNTING POLICIES

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

### 1.3 USE OF ESTIMATES

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements and the reported amounts of revenues and expenses during the year. The Management believes

that the estimates used in preparation of consolidated financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Future results could differ due to these estimates and the differences between the actual results and estimates are recognised in the periods in which the results are known/materialize.

### 1.4 INVENTORIES

Inventories are valued at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is determined by the weighted average cost method.

Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Excise duty related to finished goods stock is included under changes in inventories of finished goods, work-in-progress and stock-in-trade (refer note 23).

### 1.5 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

### 1.6 DEPRECIATION AND AMORTISATION

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets of the Company and its India subsidiaries, Jointly controlled entities and associates has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

<b>Class of assets</b>	<b>Years</b>
Plant and machinery	8 to 40 years
Work-rolls	1 year

Freehold land is not depreciated. Leasehold land is amortized over the period of the lease, except where the lease is convertible to freehold land under lease agreements at future dates at no additional cost.

Depreciation on the tangible fixed assets of the Company's foreign subsidiaries and jointly controlled entities has been provided on straight-line method as per the estimated useful life of such assets as follows:

<b>Class of assets</b>	<b>Years</b>
Buildings	15 to 50 years
Plant and machinery	3 to 30 years
Furniture and fixtures	3 to 10 years
Vehicles and aircrafts	4 to 5 years
Office equipment	3 to 10 years

Mining assets are amortized by the unit of production method once the mine commences commercial production. All expenditure related to unsuccessful efforts are charged to the Consolidated Statement of Profit and Loss when so established. Goodwill arising on consolidation to the extent attributable to mining concessions is also amortized on the basis described above.

Intangible assets are amortised over their estimated useful lives on straight line method as follows:

<b>Class of assets</b>	<b>Years</b>
Computer software	3 to 5 years
Licenses	Over the period of license

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

In respect of few Jointly controlled entities, depreciation is calculated on written down value basis, however the same is not material in context of the consolidated financial statements.

### 1.7 REVENUE RECOGNITION

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

#### Sale of goods

Revenue from sale of goods is recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax. Export turnover includes related export benefits.

#### Contract revenue

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Consolidated Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Consolidated Statement of Profit and Loss in the period in which such probability occurs.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1.8 OTHER INCOME

Interest income is accounted on accrual basis when there is no significant uncertainty as to its realization or collection. Dividend income is accounted for, when the right to receive the income is established.

### 1.9 FIXED ASSETS (TANGIBLE/INTANGIBLE)

Tangible assets are stated at their cost of acquisition or construction except for assets acquired under the composite scheme of amalgamation and arrangement which are recorded at fair value, less accumulated depreciation and impairment losses, if any.

The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Group has adopted the provisions of para 46 / 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

In respect of mining projects, the Group capitalizes cost of acquisition of mining concessions and all costs incurred till mining reserves are proved, such as license fees, direct exploration costs and indirect incidental costs. Once the determination of mining reserves is made, the following conditions must be met in order for these costs to remain capitalized:

- i. The economic and operating viability of the project is assessed determining whether sufficient reserves exist to justify further capitalized expenditure for commercial exploration of the reserves, and
- ii. Further exploration and development activity is under way or firmly planned for the near future.

In respect of mining projects which are at different stages of prospecting and exploration, ranging from precursor activities to establishment of mining reserves, and where mining proper and other related activities to develop the property after assessment of economic and technical viability of the project have not yet commenced, related assets are carried at their original value, since impairment if any cannot be ascertained at this stage.

#### Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest. Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project is ready for its intended use.

#### Intangible assets:

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably. Intangible assets are stated at cost except for assets acquired under the composite scheme of amalgamation and arrangement which are recorded at fair value, less accumulated amortisation and impairment loss, if any.

Expenditure on Research and development (refer note 1.20) eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

### 1.10 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

#### Initial recognition

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or at rates that closely approximate the rate at the date of transaction.

#### Measurement at balance sheet date

Foreign currency monetary items outstanding at the year end (other than derivative contracts which are accounted as per note 1.23) are translated at the exchange rate prevailing as at the balance sheet date. Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of the transaction-also refer note 1.12.

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated

## **NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Consolidated Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to "Foreign currency translation reserve" until disposal / recovery of the net investment. The unamortised exchange difference is carried under Reserves and surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

### **Accounting for forward contracts**

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date.

### **1.11 GOVERNMENT GRANTS, SUBSIDY AND EXPORT INCENTIVES**

Government grants and subsidies are recognised only when there is reasonable assurance that the conditions attached to them will be complied with and grants / subsidies will be received.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

### **1.12 INVESTMENTS**

Long-term investments are carried individually at cost except for investments acquired under the composite scheme of amalgamation and arrangement which are recorded at fair value, less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

### **1.13 EMPLOYEE BENEFITS**

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

Employee benefits such as salaries, performance incentives, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident fund and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense in the Consolidated

Statement of Profit and Loss in the period in which the service is rendered.

The cost of compensated absences which is expected to occur within twelve months after the end of the period in which the employee renders the related service, is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Employee benefits under defined benefit plans such as gratuity fund and compensated absences which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The Company's obligations recognised in the Consolidated Balance Sheet represents the present value of obligations as reduced by the fair value of plan assets, where applicable.

Actuarial gains and losses are recognised immediately in the Consolidated Statement of Profit and Loss.

### **1.14 EMPLOYEE SHARE BASED PAYMENTS**

The Company has issued an Employee Stock Option Plan – 2012 to the Employees. Employee Stock Options are accounted under the 'Intrinsic Value Method'. Accordingly, the Company amortises the excess of market price of Share over exercise price of the Option over the vesting period specified in Employee stock option plan.

### **1.15 BORROWING COSTS**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Consolidated Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1.16 SEGMENT REPORTING

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

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

### 1.17 LEASES

#### (i) Finance lease

Assets leased by the Group in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Where the Group as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

#### (ii) Operating leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

### 1.18 EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. The

weighted average number of equity shares outstanding during the year is adjusted for events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

### 1.19 TAXES ON INCOME

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of the applicable tax laws of respective jurisdictions where the entities are located.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the entity.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.



## **NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Consolidated Statement of Profit and Loss.

### **1.20 RESEARCH AND DEVELOPMENT EXPENSES**

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for fixed assets.

### **1.21 IMPAIRMENT**

The carrying values of assets /cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Consolidated Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is an indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss.

### **1.22 PROVISIONS AND CONTINGENCIES**

A provision is recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation

at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes to the consolidated financial statements. Contingent assets are not recognised in the consolidated financial statements.

### **1.23 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING**

Group enters into derivative financial instruments such as foreign exchange/ commodity forward and option contracts, interest rate swaps and currency options to manage its exposure to commercial risks associated with commodity price, foreign exchange and interest rate fluctuations. The Company does not enter into derivative contracts for trading or speculative purposes.

Foreign exchange forward contracts or instruments which are in substance forward exchange contracts closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations (refer note 1.10).

Group applies the hedge accounting principles set out in "Accounting Standard 30 (AS 30) - Financial Instruments: Recognition and Measurement", and accordingly designates certain derivatives as hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges). Group does not enter into derivative contracts for trading or speculative purposes.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in a "Hedging Reserve Account" under Reserves and surplus. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Statement of Profit and Loss. Amounts deferred in the Hedging Reserve Account are recycled in the Consolidated Statement of Profit and Loss in the periods when the hedged item is recognised in the Consolidated Statement of Profit and Loss, in the same line as the hedged item.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Consolidated Statement of Profit and Loss.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. In case of cash flow hedges any cumulative gain or loss deferred in the Hedging Reserve Account at that time is retained and is recognised when the forecast transaction is ultimately



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

recognised in the Consolidated Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred is recognised immediately in the Consolidated Statement of Profit and Loss.

In respect of all other derivative contracts, which are not designated for hedge accounting (in terms of AS 30) and not covered under Accounting Standard (AS) 11: The Effects of Changes in Foreign Exchange Rates, the gains / losses arising from settlement and net marked to market (MTM) losses in respect of outstanding derivative contracts as at balance sheet date are recognised in the same line as the hedge item in the Consolidated Statement of Profit and Loss. The net MTM gains in respect of outstanding derivatives contracts are not recognised adopting the principles of prudence.

### 1.24 SHARE ISSUE EXPENSES

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Consolidated Statement of Profit and Loss.

### 1.25 INSURANCE CLAIMS

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

## NOTE 2 SHARE CAPITAL

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
<b>A AUTHORISED :</b>		
6,01,50,00,000 Equity shares of the par value of ₹ 10 each	6,015.00	6,015.00
3,00,00,00,000 Preference shares of the par value of ₹ 10 each	3,000.00	3,000.00
	<b>9,015.00</b>	<b>9,015.00</b>
<b>B ISSUED AND SUBSCRIBED:</b>		
24,17,22,044 Equity shares of ₹ 10 each fully paid up	241.72	241.72
27,90,34,907 10% Cumulative redeemable preference shares of ₹ 10 each fully paid up	279.03	279.03
48,54,14,604 0.01% Cumulative redeemable preference shares of ₹ 10 each fully paid up	485.41	485.41
	<b>1,006.16</b>	<b>1,006.16</b>
<b>C EQUITY SHARES FORFEITED (AMOUNT ORIGINALLY PAID-UP)</b>	61.03	61.03
	<b>1,067.19</b>	<b>1,067.19</b>

	Number of Shares		Amount (₹ in crores)	
<b>D RECONCILIATION OF NUMBER OF SHARES AND AMOUNT OUTSTANDING AT THE BEGINNING AND END OF THE YEAR :</b>				
<b>EQUITY SHARES:</b>				
Outstanding at the beginning and at the end of the year	241,722,044	241,722,044	241.72	241.72
<b>PREFERENCE SHARES:</b>				
10% Cumulative redeemable preference shares				
Outstanding at the beginning and at the end of the year	279,034,907	279,034,907	279.03	279.03
0.01% Cumulative redeemable preference shares				
Outstanding at the beginning and at the end of the year	485,414,604	485,414,604	485.41	485.41

## 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### F RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO PREFERENCE SHARES

The Company has two classes of preference shares i.e. 10% cumulative redeemable preference shares (CRPS1) of Rs 10 each and 0.01% cumulative redeemable preference shares (CRPS2) of Rs 10 each. Each holder of CRPS1 is entitled to one vote per share, in proportion to the amount paid on CRPS1 held, only on resolutions placed before the Company which directly affect the rights attached to CRPS1. CRPS1 are redeemable at par in four equal 'quarterly installments commencing from 15 December 2017. The shares carry a right to receive 10% dividend every year till redemption. Each holder of CRPS2 is entitled to one vote per share, in proportion to the amount paid on CRPS2 held, only on resolutions placed before the Company which directly affect the rights attached to CRPS2. It carries dividend @ 0.01% p.a., when declared. CRPS2 is redeemable at par in eight quarterly installments commencing from 15th June 2018. In the event of liquidation, the preference shareholders are eligible to receive the outstanding amount including dividend after distribution of all other preferential amounts, in proportion to their shareholding. In the event of winding-up of the Company before redemption of preference shares, the holders of CRPS1 and CRPS2 will have priority over equity shares in the payment of dividend and repayment of capital.

		<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<b>G SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY IS SET OUT BELOW:</b>			
<b>EQUITY SHARES</b>			
JFE Steel International Europe B.V	No of Shares	36,258,307	36,258,307
	%	15.00%	15.00%
JSW Holdings Limited	No of Shares	17,368,923	17,284,923
	%	7.19%	7.15%
Vividh Consultancy and advisory Services Private Limited	No of Shares	13,885,669	13,885,669
	%	5.74%	5.74%
JSW Investment Private Limited	No of Shares	13,516,309	13,516,309
	%	5.59%	5.59%

(₹ in crores)

		<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<b>PREFERENCE SHARES</b>			
<b>10% Cumulative redeemable preference shares</b>			
ICICI Bank Limited	No of Shares	125,707,730	125,707,730
	%	45.05%	45.05%
IDBI Bank Limited	No of Shares	69,734,847	69,734,847
	%	24.99%	24.99%
Life Insurance Corporation of India	No of Shares	36,348,783	36,348,783
	%	13.03%	13.03%
IFCI Limited	No of Shares	21,262,362	21,262,362
	%	7.62%	7.62%
<b>0.01% Cumulative redeemable preference shares</b>			
JSW Logistics Infrastructure Private Limited	No of Shares	338,586,951	338,586,951
	%	69.75%	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:

- (i) 1,86,04,844 Equity shares fully paid up to the shareholders of the erstwhile JSW Ispat Steel Limited pursuant to a composite scheme of amalgamation and arrangement.
- (ii) 48,54,14,604 0.01% Cumulative redeemable preference shares fully paid up to the shareholders of the erstwhile JSW Ispat Steel Limited pursuant to a composite scheme of amalgamation and arrangement.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3 RESERVES AND SURPLUS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
<b>A CAPITAL RESERVE</b>		
As per last Balance Sheet	3,584.50	3,584.50
	<b>3,584.50</b>	<b>3,584.50</b>
<b>B CAPITAL REDEMPTION RESERVE</b>		
As per last Balance Sheet	9.90	9.90
	<b>9.90</b>	<b>9.90</b>
<b>C SECURITIES PREMIUM ACCOUNT</b>		
As per last Balance Sheet	5,416.63	5,416.63
	<b>5,416.63</b>	<b>5,416.63</b>
<b>D DEBENTURE REDEMPTION RESERVE</b>		
As per last Balance Sheet	130.34	66.02
Add : Transfer from surplus in Consolidated Statement of Profit and Loss	302.44	64.32
	<b>432.78</b>	<b>130.34</b>
<b>E HEDGING RESERVE</b>		
As per last Balance Sheet	24.94	353.97
Add: Effect of foreign exchange rate variation on hedging instruments outstanding at the end of the year	70.18	24.94
Less: Amount transferred to Consolidated Statement of Profit and Loss	24.94	353.97
	<b>70.18</b>	<b>24.94</b>
<b>F GENERAL RESERVE</b>		
As per last Balance Sheet	10,421.19	10,204.19
Add : Transfer from surplus in Consolidated Statement of Profit and Loss	-	217.00
	<b>10,421.19</b>	<b>10,421.19</b>
<b>G FOREIGN CURRENCY TRANSLATION RESERVE ACCOUNT</b>		
As per last Balance Sheet	(268.45)	(158.34)
Movement during the year	(204.16)	(110.11)
	<b>(472.61)</b>	<b>(268.45)</b>
<b>H CAPITAL RESERVE ON CONSOLIDATION</b>		
As per last Balance Sheet	593.59	329.70
Movement during the year	19.55	263.89
	<b>613.14</b>	<b>593.59</b>
<b>I FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT (FCMITDA)</b>		
As per last Balance Sheet	(144.70)	(40.11)
Add: Effect of foreign exchange rate variations during the year	(296.67)	(161.62)
Less: Amortisation for the year	138.30	57.03
	<b>(303.07)</b>	<b>(144.70)</b>
<b>K SURPLUS IN CONSOLIDATED STATEMENT OF PROFIT AND LOSS</b>		
As per last Balance Sheet	2,218.95	1,104.69
Add : Profit/(loss) for the year	(741.95)	1,796.57
Less : Depreciation on transition to schedule II of the Companies Act, 2013 (refer note 27(6))	118.71	47.39
Less:		
Dividend on preference shares (Re 1 per share (previous year Re 1 per share))	27.90	27.90
Proposed final dividend on equity shares (₹ 7.50 per share (previous year Rs 11 per share))	181.29	265.89
Corporate dividend tax on proposed dividend	42.59	59.81
<b>TRANSFERRED TO:</b>		
General reserve	-	217.00
Debenture redemption reserve	302.44	64.32
	<b>804.07</b>	<b>2,218.95</b>
	<b>20,576.71</b>	<b>21,986.89</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 4 LONG-TERM BORROWINGS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
	Non-current		Current (Refer note 10)	
<b>BONDS / DEBENTURES</b>				
<b>BONDS</b>				
4.75% Foreign currency bonds (unsecured)	3,316.65	3,129.54	-	-
<b>DEBENTURES (SECURED)</b>				
10.34% Non convertible debentures of ₹ 10 lacs each	1,000.00	1,000.00	-	-
10.02% 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	-	-
10.60% Non convertible debentures of ₹ 8.75 lacs each	240.63	328.13	87.50	21.88
9.72% Non convertible debentures of ₹ 10 lacs each	400.00	400.00	-	-
10.40% Non convertible debentures of ₹ 10 lacs each	250.00	250.00	-	-
10.60% Non convertible debentures of ₹ 10 lacs each	425.00	425.00	-	-
9.66% Non convertible debentures of ₹ 10 lacs each	300.00	300.00	-	-
10.50% Non convertible debentures of ₹ 10 lacs each	175.00	175.00	-	-
10.10% Non convertible debentures of ₹ 9.375 lacs each	218.75	468.75	250.00	250.00
10.25% Non convertible debentures of ₹ 6.67 lacs each	166.67	333.33	166.67	166.67
9.62% Non convertible debentures of ₹ 10 lacs each	300.00	300.00	-	-
10.20% Non convertible debentures of ₹ 10 lacs each	200.00	200.00	-	-
10.20% Non convertible debentures of ₹ 10 lacs each	500.00	500.00	-	-
10.40% Non convertible debentures of ₹ 10 lacs each	175.00	175.00	-	-
10.55% Non convertible debentures of ₹ 10 lacs each	-	150.00	150.00	-
10.55% Non convertible debentures of ₹ 10 lacs each	-	1,000.00	1,000.00	-
10.50% Non convertible debentures of ₹ 10 lacs each	-	75.00	75.00	75.00
10.98% Non convertible debentures of ₹ 0.25 lacs each *	-	1.95	1.95	7.80
	<b>6,351.05</b>	<b>8,082.16</b>	<b>1,731.12</b>	<b>521.35</b>
<b>TERM LOANS</b>				
<b>(SECURED)</b>				
Rupee term loans from banks	10,487.18	9,732.31	761.32	713.04
Foreign currency term loans from banks	4,413.59	4,832.89	333.92	575.88
Rupee term loans from financial institutions	-	-	-	2.81
<b>(UNSECURED)</b>				
Foreign currency term loans from banks	8,121.83	7,780.69	1,453.54	1,263.57
	<b>23,022.60</b>	<b>22,345.89</b>	<b>2,548.78</b>	<b>2,555.30</b>
Other loans (unsecured)	-	4.27	-	0.02
<b>DEFERRED PAYMENT LIABILITIES</b>				
Deferred sales tax loan (unsecured)	102.92	114.77	11.74	11.21
Finance lease obligation (secured) (refer note 27(13)(a)(ii))	-	-	-	17.32
	<b>32,793.22</b>	<b>33,676.63</b>	<b>4,291.64</b>	<b>3,105.20</b>

\* Rate was 11.93% till Decemeber 2015

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 5 DEFERRED TAX LIABILITIES (NET)

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
<b>A DEFERRED TAX LIABILITY AND ASSETS (NET) CLASSIFIED ON A COMPANY WISE BASIS:</b>		
Deferred tax liability	1,420.17	3,154.71
Deferred tax assets	(274.86)	(265.28)
	<b>1,145.31</b>	<b>2,889.43</b>
<b>B DEFERRED TAX LIABILITY COMPRISES OF TIMING DIFFERENCES ON ACCOUNT OF</b>		
Difference between book balance and tax balance of fixed assets	6,442.12	5,840.83
Others	9.98	6.53
	<b>6,452.10</b>	<b>5,847.36</b>
Deferred tax assets comprises of timing differences on account of		
Expenses allowable on payment basis (under section 43B of Income Tax Act, 1961)	89.84	64.76
Provision for doubtful debts / advances	1,684.30	126.30
Business loss / Unabsorbed depreciation	3,527.60	2,762.12
Others	5.04	4.75
	<b>5,306.79</b>	<b>2,957.93</b>
<b>Net deferred tax liabilities</b>	<b>1,145.31</b>	<b>2,889.43</b>

Note: Deferred tax asset on unabsorbed depreciation and brought forward business losses has been recognised to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax, and based on long-term committed contracts with customers in respect of certain subsidiaries.

### NOTE 6 OTHER LONG-TERM LIABILITIES

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
	Non-current		Current (Refer note 10)	
Rent and other deposits	139.64	175.43	68.14	82.47
Retention money for capital projects	7.99	38.51	475.42	423.19
Acceptances on capital projects	353.99	-	-	-
Other payables	191.05	376.96	199.00	84.50
	<b>692.67</b>	<b>590.90</b>	<b>742.56</b>	<b>590.16</b>

### NOTE 7 LONG-TERM PROVISIONS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
	Non current		Current (Refer note 10)	
Provision for employee benefits:				
- Provision for compensated absences (refer note 27(10)(b) (iii))	64.70	61.32	30.26	24.34
- Provision for gratuity (refer note 27(10) (b)(i))	3.43	2.71	129.79	115.54
Provision for contingency (refer note 27 (8))	14.94	14.94	-	-
Mine closure obligation *	9.55	9.01	-	-
Other provisions	2.31	2.36	0.36	0.43
	<b>94.93</b>	<b>90.34</b>	<b>160.41</b>	<b>140.31</b>

\* Addition during the year is on account of exchange difference.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 8 SHORT-TERM BORROWINGS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
<b>SHORT-TERM BORROWINGS</b>		
Working capital loans from banks (secured)		
- Rupee loans	427.53	148.01
- Foreign currency loans	-	215.81
Foreign currency loans from banks (unsecured)	318.51	33.34
Rupee loans from banks (unsecured)	1,632.00	527.00
Commercial papers (unsecured)	-	275.00
Foreign currency loans from others (unsecured)	-	8.83
	<b>2,378.04</b>	<b>1,207.99</b>

### NOTE 9 (A) TOTAL OUTSTANDING DUES OF MICRO AND SMALL ENTERPRISES

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
Total outstanding dues of micro and small enterprises	27.00	27.06
	<b>27.00</b>	<b>27.06</b>

### NOTE 9 (B) TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO AND SMALL ENTERPRISES

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
Acceptances	9,099.89	10,887.62
Other than acceptances	3,685.45	3,337.99
	<b>12,785.34</b>	<b>14,225.61</b>

### NOTE 10 OTHER CURRENT LIABILITIES

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
Current maturities of long-term debt ( refer note 4)	4,291.64	3,105.20
Current dues of other long-term liabilities ( refer note 6)	742.56	590.16
Current dues of long-term employee benefits (refer note 7)	160.41	140.31
Payables for capital projects	3,248.67	3,813.87
Advances from customers	368.25	512.98
Interest accrued but not due on borrowings	496.63	474.17
Statutory liabilities (includes indirect taxes, provident fund etc.)	605.56	634.21
Unclaimed matured debentures and interest accrued thereon	0.38	0.92
Unclaimed dividends	16.37	15.86
Unclaimed amounts of sale proceeds of fractional shares	6.64	6.65
Others (includes forward contract payable, dharmada payable etc.)	237.47	143.61
	<b>10,174.59</b>	<b>9,437.94</b>

### NOTE 11 SHORT-TERM PROVISIONS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
Proposed dividend on preference shares	27.90	27.90
Proposed dividend on equity shares	181.29	265.89
Corporate dividend tax	42.59	59.81
Provision for tax (net of advance tax)	15.42	2.66
Other provisions	10.75	-
	<b>277.95</b>	<b>356.26</b>

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

## NOTE 12 FIXED ASSETS

	Gross block			Accumulated depreciation / amortisation / impairment				Net block		
	As at 01.04.2015	Acquired under composite scheme of amalgamation and arrangement / subsidiaries/ joint ventures	Additions	Deductions	Other adjustments (refer note (f) below)	Translation reserve	As at 31.03.2016	As at 01.04.2015	As at 31.03.2016	
Freehold land (refer note (a) & (b) below)	1,402.18	-	5.48	-	-	1.77	1,409.43	18.48	22.26	1,387.17
	1,226.59	67.52	107.40	0.02	-	0.69	1,402.18	18.48	-	1,383.70
Leasehold land (refer note (c) below)	759.50	-	63.26	-	-	-	822.76	24.46	(0.01)	789.61
	462.83	296.67	-	-	-	-	759.50	10.79	(0.07)	735.04
Buildings (refer note (d) below)	8,145.66	-	917.31	6.52	0.80	69.29	9,126.54	1,570.08	6.52	7,115.18
	6,811.46	95.70	1,287.41	72.16	-	22.28	8,144.69	1,242.00	0.04	6,574.61
Plant and machinery@ (refer note (e) below)	56,800.02	-	4,644.31	28.11	812.39	328.90	62,557.51	16,069.20	27.61	42,910.07
	49,885.30	1,223.09	5,330.55	133.14	299.77	195.37	56,800.94	12,737.65	41.65	40,731.74
Furniture and fixtures	155.06	-	12.09	0.13	-	0.50	168.52	82.54	0.10	68.50
	121.08	0.41	30.79	0.19	-	(0.20)	151.89	63.51	0.09	69.35
Vehicles and aircrafts	201.37	-	13.28	4.26	-	0.48	210.87	84.87	1.87	111.03
	192.62	0.76	14.38	6.57	-	0.18	201.37	71.45	2.97	116.50
Office equipments	62.09	-	10.22	0.09	-	0.09	72.31	33.75	0.06	27.77
	43.42	3.18	20.83	0.96	-	(0.16)	66.31	11.33	0.87	32.56
Mining development and projects	887.30	-	11.62	-	-	50.52	949.44	34.82	-	402.20
	825.64	-	29.42	1.34	-	33.58	887.30	27.24	-	852.48
Tangible assets total (A)	68,414.18	-	5,677.57	39.11	813.19	451.55	75,317.38	17,918.20	36.16	52,811.53
	59,568.94	1,687.33	6,820.78	214.38	299.77	251.74	68,414.18	14,182.45	45.62	50,495.98
<b>INTANGIBLE ASSETS - OTHERS</b>										
Software	134.41	-	16.11	0.47	-	0.04	150.09	79.34	0.41	51.17
	121.12	-	13.40	-	-	(0.11)	134.41	59.65	-	55.07
Licence fees	47.38	-	-	-	-	(0.71)	46.67	13.38	-	29.21
	37.74	-	9.97	-	-	(0.33)	47.38	9.85	(0.07)	34.00



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in crores)															
	Gross block					Accumulated depreciation / amortisation / impairment					Net block					
As at 01.04.2015	As at 01.04.2015	Acquired under composite scheme of amalgamation and arrangement / subsidiaries/ joint ventures	Additions	Deductions	Other adjustments (refer note (f) below)	Translation reserve	As at 31.03.2016	As at 01.04.2015	Acquired under composite scheme of amalgamation and arrangement / subsidiaries/ joint ventures	Impairment refer note 27 (4)(a)	For the year	Deductions to reserve (refer note 27 (6))	Translation reserve	As at 31.03.2016	As at 31.03.2016	
Mining concession	4.64	-	-	-	-	0.27	4.91	-	-	-	-	-	-	-	-	4.91
	4.45	-	-	-	-	0.19	4.64	-	-	-	-	-	-	-	-	4.64
Port concession	1.23	-	-	-	-	0.07	1.30	-	-	-	-	-	-	-	-	1.30
	3.78	-	2.64	-	-	0.09	1.23	-	-	-	-	-	-	-	-	1.23
Goodwill	1.67	-	-	-	-	-	1.67	1.67	-	-	-	-	-	-	-	1.67
	-	1.67	-	-	-	-	1.67	-	1.67	-	-	-	-	-	-	1.67
<b>Intangible assets total (B)</b>	<b>189.33</b>	<b>-</b>	<b>16.11</b>	<b>0.47</b>	<b>-</b>	<b>(0.33)</b>	<b>204.64</b>	<b>94.39</b>	<b>-</b>	<b>-</b>	<b>24.17</b>	<b>0.41</b>	<b>(0.10)</b>	<b>118.05</b>	<b>86.59</b>	
	167.09	1.67	23.37	2.64	-	(0.16)	189.33	69.50	1.67	-	23.33	-	(0.11)	94.39	94.94	
<b>TOTAL (A+B)</b>	<b>68,603.51</b>	<b>-</b>	<b>5,693.68</b>	<b>39.58</b>	<b>813.19</b>	<b>451.22</b>	<b>75,522.02</b>	<b>18,012.59</b>	<b>-</b>	<b>1,099.71</b>	<b>3,190.76</b>	<b>36.57</b>	<b>172.58</b>	<b>22,623.90</b>	<b>52,898.12</b>	
Previous year	59,736.03	1,689.00	6,844.15	217.02	299.77	251.58	68,603.51	14,251.95	247.54	-	3,429.62	45.62	57.34	18,012.59	50,590.92	
@ Includes proportionate share																
(50% of assets jointly owned)																
Buildings	458.03	0.31	-	-	-	-	458.34	0.04	-	-	7.60	-	-	7.64	450.70	
	-	-	458.03	-	-	-	458.03	-	-	0.04	-	-	-	0.04	457.99	
Plant and machinery	32.71	-	-	-	-	-	32.71	25.46	-	-	0.37	-	-	25.83	6.88	
	32.71	-	-	-	-	-	32.71	24.31	-	-	1.15	-	-	25.46	7.25	
<b>CAPITAL WORK-IN-PROGRESS (REFER NOTE (i) BELOW)</b>																<b>6,665.16</b>
																8,066.18
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>																<b>238.86</b>
																199.09

Figures in bold represents current year numbers

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Notes:

- (a) Freehold land includes ₹ 103.35 crores (previous year ₹ 18.76 crores) being the cost of 195.975 acres (previous year 40.390 acres) land, which is yet to be registered in the Company's name.
- (b) Freehold land and buildings of ₹ 269.53 crores (previous year ₹ 159.03 crores) has been/agreed to be hypothecated/mortgaged to lenders of related parties
- (c) Leasehold land includes gross block ₹ 306.51 crores (previous year ₹ 306.51 crores), net block ₹ 292.63 crores (previous year ₹ 296.92 crores) being the cost of 470.707 acres (previous year 470.707 acres) land, which is yet to be registered in the Company's name.
- (d) Buildings' include roads not owned by the Company amortised over a period of five years. Gross block ₹ 6.08 crores (previous year ₹ 6.08 crores) net block ₹ 1.32 crores (previous year ₹ 1.48 crores).
- (e) Plant and machinery includes assets held for sale. Gross block ₹ 89.87 crores (previous year ₹ 89.87 crores), Net block ₹ 11.52 crores (previous year ₹ 11.52 crores)
- (f) Other adjustments comprise:
- (i) Borrowing cost of ₹ 131.41 crore (including ₹ 1.50 crore incurred during the current year) (previous year ₹ 83.28 crore)
- (ii) Foreign exchange loss of ₹ 681.78 crore (including ₹ 439.50 crore incurred during the current year) (previous year ₹ 216.49 crore)
- (g) For details of assets given on operating lease, refer note 27 (14)
- (h) For details of assets taken on finance lease, refer note 27 (13)
- (i) CWIP includes interest of ₹ 120.47 crores (previous year ₹ 129.02 crores) and foreign exchange loss of ₹ 436.45 crores (previous year ₹ 171.65 crores) capitalised during the year.

### NOTE 13 NON-CURRENT INVESTMENTS

	(₹ in crores)	
	As at 31.03.2016	As at 31.03.2015
<b>(AT COST UNLESS STATED OTHERWISE)</b>		
<b>I) EQUITY INSTRUMENTS</b>		
<b>TRADE - QUOTED</b>		
JSW Energy Limited #		
101,605,500 Equity shares of Rs 10 each, fully paid-up	251.56	251.56
<b>TRADE - UNQUOTED</b>		
<b>In associates (refer note a)</b>		
JSW Praxair Oxygen Private Limited		
23,942,125 Equity shares of Rs 10 each, fully paid-up	27.27	27.27
Add: share of profit/(loss) (net)	77.71	104.98
		56.00
		83.27
Dolvi Minerals & Metals Private Limited		
40,000,000 Equity shares of Rs 10 each, fully-paid up	40.00	40.00
(40,000,000 shares are pledged to the associate's banker)		
Add: share of profit/(loss) (net)	(14.85)	25.15
		(6.92)
		33.08
<b>IN JOINT VENTURES</b>		
<b>(interest as investor)</b>		
MJSJ Coal Limited		
10,461,000 Equity shares of ₹ 10 each, fully paid up	10.46	10.46
Toshiba JSW Power Systems Private Limited		
11,000,000 Equity shares of ₹ 10 each, fully paid up	11.00	11.00
Other than trade - unquoted		
SICOM Limited		
600,000 Equity shares of Rs 10 each, fully paid-up	4.88	4.88
Tarapur Environment Protection Society		

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
244,885 (previous year 29,116) Equity shares of ₹ 100 each, fully paid up	3.39	0.29
Investment in co-operative society	0.13	0.13
<b>II) PREFERENCE SHARES</b>		
<b>TRADE- UNQUOTED</b>		
In joint ventures		
Rohne Coal Company Private Limited		
6,855,359 (Previous Year 6,675,623) 1% Non-Cumulative Preference Shares of ₹ 10 each, fully paid up	6.85	6.67
Rohne Coal Company Private Limited		
24,15,890 (Previous Year Nil) Series A - 1% Non-Cumulative Preference Shares of ₹ 10 each, fully paid up	2.42	-
<b>OTHERS</b>		
JSW Realty & Infrastructure Private Limited		
19,915,000 10% Preference shares of ₹ 100 each, fully paid up	199.15	199.15
<b>III) GOVERNMENT SECURITIES (UNQUOTED)</b>		
<b>OTHERS</b>		
National savings certificates	0.11	0.11
(Pledged with commercial tax department)		
	<b>620.08</b>	<b>600.60</b>
Less: Provision for diminution in the value of investment	(1.65)	(1.65)
	<b>618.43</b>	<b>598.95</b>
<b>Note:</b>		
a) Goodwill arising at acquisition ₹ 2.16 crores (previous year ₹ 2.16 crores).		
b) SUMMARY		
Quoted		
Aggregate book value	251.56	251.56
Aggregate market value	706.66	1,203.51
Unquoted		
Aggregate book value (including share of profit/(loss) of associates (net))	366.87	347.39

### NOTE 14 LONG-TERM / SHORT-TERM LOANS AND ADVANCES

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>(UNSECURED)</b>				
Capital advances	720.34	996.65	-	-
Less : Provision for doubtful advances	(8.38)	(95.58)	-	-
	<b>711.96</b>	<b>901.07</b>	-	-
Other loans and advances				
Loans and advances				
- To related parties (refer note 27(12))	-	-	41.04	53.69
- To other body corporate	9.10	9.10	-	-
Advances to suppliers	259.40	371.94	732.13	864.69
Export benefits and entitlements	79.66	82.91	121.30	265.62
Amount recoverable from ESOP trust	-	-	131.42	180.68
Deposits				
- Security deposits	172.46	183.16	240.76	148.17
- Others	10.92	10.54	1.12	1.19

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Indirect tax balances/recoverables/credits	800.18	737.64	1,254.38	1,426.32
Prepayments and others	202.14	194.09	354.11	344.64
Advance tax and tax deducted at source (net of provision for tax)	223.38	37.76	2.54	1.63
Minimum alternative tax credit entitlement	2,676.24	2,797.57	-	0.88
Advance towards equity / preference capital (refer note 27(12))	0.02	3.93	-	-
Unbilled revenue	-	-	48.98	57.04
Less : Provision for doubtful loans and advances	(88.60)	(165.61)	(79.93)	(75.43)
	<b>4,344.90</b>	<b>4,263.03</b>	<b>2,847.85</b>	<b>3,269.12</b>
	<b>5,056.86</b>	<b>5,164.10</b>	<b>2,847.85</b>	<b>3,269.12</b>

### LOANS AND ADVANCES CONSTITUTE:

Capital advances				
Considered good	711.96	901.07	-	-
Considered doubtful, provided	8.38	95.58	-	-
Other loans and advances				
Considered good	4,344.90	4,263.03	2,847.85	3,269.12
Considered doubtful, provided				
Loans and advances to other body corporate	9.10	9.10	-	-
Advances to suppliers	69.78	125.58	-	-
Other deposits	0.27	25.47	-	-
Prepayment and others	9.45	5.46	79.93	75.43

### NOTE 15 OTHER NON-CURRENT ASSETS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
(Unsecured, considered good)		
Cash and bank balances (refer note 19)	268.02	268.15
Unamortised borrowing costs	232.59	320.39
Insurance claim receivable	43.43	43.43
	<b>544.04</b>	<b>631.97</b>

### NOTE 16 CURRENT INVESTMENTS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
(at lower of cost and fair value) (unquoted)		
Investment in Mutual funds	-	0.30
	<b>-</b>	<b>0.30</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 17 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in crores)

	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
Raw materials	3,330.15	4,433.25
Work-in-progress	635.55	917.85
Semi finished/ finished goods	2,884.68	4,047.10
Traded goods	171.16	159.29
Production consumables and stores and spares	1,376.24	1,441.08
Construction materials	5.57	10.47
	<b>8,403.35</b>	<b>11,009.04</b>
<b>DETAILS OF STOCK-IN-TRANSIT INCLUDED IN ABOVE</b>		
Raw materials	818.66	521.90
Semi finished/ finished goods	0.04	-
Production consumables and stores and spares	5.98	18.06

### NOTE 18 TRADE RECEIVABLES

(₹ in crores)

	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
Secured - considered good		
<b>OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY WERE DUE FOR PAYMENT</b>	159.54	172.04
(refer note 27(7))		
Unsecured		
<b>OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY WERE DUE FOR PAYMENT</b>		
Considered good	71.41	52.17
Considered doubtful	<b>36.97</b>	<b>336.50</b>
Less: provision for doubtful trade receivables	(36.97)	(336.51)
	<b>71.41</b>	<b>52.16</b>
<b>OTHER RECEIVABLES</b>		
Considered good	2,570.65	2,275.55
	<b>2,801.60</b>	<b>2,499.75</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 19 CASH AND BANK BALANCES

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
	Non current (Refer note 15)		Current	
<b>CASH AND CASH EQUIVALENTS</b>				
<b>BALANCES WITH BANKS</b>				
- In current accounts	-	-	300.70	339.78
- In term deposit accounts with maturity of less than 3 months at inception	-	-	265.12	572.08
Cheques on hand	-	-	0.02	0.01
Cash on hand	-	-	1.09	1.04
	-	-	<b>566.93</b>	<b>912.91</b>
			*	*
<b>OTHER BANK BALANCES</b>				
- In current accounts	-	-	23.39	23.43
- In margin money with maturity of more than 3 months but less than 12 months at inception	-	-	2.22	3.78
<b>IN TERM DEPOSIT ACCOUNTS</b>				
- with maturity of more than 3 months but less than 12 months at inception	-	-	141.44	973.13
- with maturity of more than 12 months at inception	268.02	268.15	-	-
	<b>268.02</b>	<b>268.15</b>	<b>167.05</b>	<b>1,000.34</b>
	<b>268.02</b>	<b>268.15</b>	<b>733.98</b>	<b>1,913.25</b>
* Refer cash flow statement				
<b>EARMARKED BALANCES</b>				
In current accounts	-	-	23.39	23.43
In term deposit accounts	268.02	268.13	12.92	10.40
In margin money	-	-	2.22	3.78

### NOTE 20 OTHER CURRENT ASSETS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
Unamortised borrowing costs and premium on forward contracts	251.57	118.04
Interest accrued on fixed deposits	3.41	7.81
	<b>254.98</b>	<b>125.85</b>

### NOTE 21 REVENUE FROM OPERATIONS

(₹ in crores)

	For the year ended 31.03.2016	For the year ended 31.03.2015
<b>(A) SALE OF PRODUCTS</b>		
Domestic turnover	39,953.21	42,690.17
Export turnover	5,533.03	13,802.28
Contract revenue	156.24	79.41
	<b>45,642.48</b>	<b>56,571.86</b>
<b>(B) OTHER OPERATING REVENUES</b>		
Carbon credits	0.16	-
Gain on prepayment of deferred value added/sales tax	494.60	602.09
Miscellaneous income	166.82	318.85
	<b>661.58</b>	<b>920.94</b>
<b>Gross revenue from operations (a+b)</b>	<b>46,304.06</b>	<b>57,492.80</b>
Less: Excise duty	4,425.18	4,521.29
<b>Net revenue from operations</b>	<b>41,878.88</b>	<b>52,971.51</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 22 OTHER INCOME

(₹ in crores)

	<b>For the year ended 31.03.2016</b>	<b>For the year ended 31.03.2015</b>
Interest income from fixed deposits etc.	38.35	28.41
Dividend income		
- from long-term investments	20.32	20.53
- from current investments	0.03	0.01
Gain on sale of current investments	2.66	2.65
Provision for doubtful debts/loans/advances written back (net)	-	16.84
Profit on sale of fixed assets (net)	-	35.78
Gain on settlement of obligation	86.89	-
Miscellaneous income (insurance claim received, rent income etc.)	19.96	7.22
	<b>168.21</b>	<b>111.44</b>

### NOTE 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

(₹ in crores)

	<b>For the year ended 31.03.2016</b>	<b>For the year ended 31.03.2015</b>
Opening stock :		
Semi finished /finished goods	4,047.04	2,716.79
Work-in-progress	917.85	589.89
Traded goods	159.29	189.83
Increase on account of composite scheme of amalgamation and arrangement / acquisition of subsidiaries		
Semi finished /finished goods	-	4.02
Work-in-progress	-	1.70
	<b>5,124.18</b>	<b>3,502.23</b>
Closing stock :		
Semi finished /finished goods	2,884.68	4,047.04
Work-in-progress	635.55	917.85
Traded goods	171.16	159.29
	<b>3,691.39</b>	<b>5,124.18</b>
	1,432.79	(1,621.95)
Excise duty on stock of finished goods (net)	(58.03)	133.74
	<b>1,374.76</b>	<b>(1,488.21)</b>

### NOTE 24 EMPLOYEE BENEFITS EXPENSE

(₹ in crores)

	<b>For the year ended 31.03.2016</b>	<b>For the year ended 31.03.2015</b>
Salaries and wages	1,366.72	1,353.30
Contribution to provident and other funds (refer note 27(10))	74.81	77.97
Gratuity (refer note 27(10)(b))	0.67	0.71
Staff welfare expenses	125.82	100.86
	<b>1,568.02</b>	<b>1,532.84</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 25 FINANCE COSTS

(₹ in crores)

	For the year ended 31.03.2016	For the year ended 31.03.2015
Interest expense	3,081.46	3,194.01
Other borrowing costs	221.22	299.02
	<b>3,302.68</b>	<b>3,493.03</b>

### NOTE 26 OTHER EXPENSES

(₹ in crores)

	For the year ended 31.03.2016	For the year ended 31.03.2015
Stores and spares consumed	2,499.21	2,613.38
Power and fuel	3,665.93	4,123.10
Rent (refer note 27(14))	55.15	58.98
Repairs and maintenance		
- Plant and machinery	1,130.38	1,123.17
- Buildings	28.68	29.80
- Others	23.36	23.55
Insurance	94.48	130.43
Rates and taxes	89.27	79.67
Carriage and freight	1,634.24	2,369.14
Jobwork and processing charges	805.49	571.99
Commission on sales	41.82	58.59
Net loss / (gain) on foreign currency transaction and translation #	722.23	513.20
Donations and contributions *	25.36	0.19
Miscellaneous expenses	587.80	610.16
Bad debts/ advance written-off	454.10	146.72
Less: Provisions made in earlier years	(454.10)	(146.72)
CSR expenses	52.86	44.98
Provision for doubtful debts/loans/advances (net)	9.70	-
Loss on sale of fixed assets (net)	21.31	-
Write-off of non-current investment	-	0.10
	<b>11,487.27</b>	<b>12,350.43</b>

# Including hedging cost i.e. amortisation of forward cover premium/discount ₹ 526.20 crores (previous year ₹ 589.64 crores )

\* Donation include ₹ 25 crores (previous year ₹ Nil) paid to Satya Electoral Trust

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 27

#### 1. CONTINGENT LIABILITIES:

- a) Bills discounted with re-course ₹ Nil (previous year ₹ 194.52 crores).
- b) Guarantees provided ₹ 129.66 crores (previous year ₹ 162.82 crores).
- c) Disputed claims/levies (excluding interest, if any), in respect of (refer note 27(8)):
  - (i) Excise duty ₹ 388.36 crores (previous year ₹ 551.43 crores);
  - (ii) Custom duty ₹ 431.10 crores (previous year ₹ 472.88 crores);
  - (iii) Income tax ₹ 180.78 crores (previous year ₹ 174.64 crores);
  - (iv) Sales tax / Special entry tax ₹ 242.30 crores (previous year ₹ 235.02 crores);
  - (v) Service tax ₹ 197.30 crores (previous year ₹ 198.36 crores);
  - (vi) Miscellaneous ₹ 0.05 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 ₹ 150.22 crores (previous year Rs 620.00 crores).
- d) Arrears of fixed cumulative dividend on preference shares (CPRS) is ₹ 0.56 crores (previous year ₹ 0.51 crores).
- e) Claims related to Forest Development Tax ₹ 966.98 crores (previous year ₹ 909.38 crores) (including FDT amount paid under protest ₹ 665.00 crores (previous year ₹ 665.00 crores)).

In 2008, the State Government of Karnataka levied Forest Development Tax (FDT) treating iron ore as forest produce. In response to writ petitions filed by various stakeholders, the Hon'ble High Court of Karnataka granted partial relief vide judgement dated December 3, 2015. In view thereof, the State Government of Karnataka has stopped levying FDT with effect from January 29, 2016. The State Government of Karnataka has filed an appeal

before the Hon'ble Supreme Court of India against the judgement. The Hon'ble Supreme Court while hearing the petition on April 12, 2016 admitted the appeal, and granted an interim stay on refund of the FDT. The matter is posted for final arguments in the month of August 2016.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 5,832.24 crores (previous year ₹ 6,307.20 crores).

#### 3. OTHER COMMITMENTS :

- a) The Group has imported capital goods under the export promotion capital goods scheme to utilise the benefit of a zero or concessional customs duty rate. These benefits are subject to future exports within the stipulated period. Such export obligations at year end aggregate to ₹ 1,390.71 crores (previous year 656.90 crores).
- b) The Group has imported 73,707 MT of Hot Rolled Coils during the year under Advance License Scheme to utilize the benefit of a zero customs duty rate. This benefit is subject to future exports to be fulfilled over a period of 18 months. Balance export obligation to be fulfilled as on March 31, 2016 is 19,330 MT having duty liability of ₹ 6.33 crores (previous year ₹ Nil).

#### 4. EXCEPTIONAL ITEMS COMPRISE PROVISION OF:

- a) (i) ₹ 613.31 crores (previous year ₹ nil) pertaining to the carrying amount of fixed assets relating to steel operations at USA; (ii) ₹ 637.02 crores (previous year ₹ nil), ₹ 407.49 crores (previous year ₹ nil) pertaining to the carrying amounts of Goodwill and Mining Development and Projects respectively relating to iron ore mines at Chile; and (iii) Rs 62.84 crores (previous year ₹ nil), Rs 78.91 crores (previous year ₹ nil), Rs 30.12 crores (previous year ₹ nil) pertaining to the carrying amount of Goodwill, Mining Development and Projects, and other related assets respectively relating to coal mines at West Virginia, USA., which provisions are recognised based on estimate of 'recoverable amounts' of the operations / assets by independent external valuers based on the cash flow projections. In making the said projections, reliance has been placed on estimates in respect of future prices of coal and iron ore, mineable resources, and assumptions relating to operational performance including improvement in capacity utilisation of the plants and margins, and availability of infrastructure for mines.
- b) JSW Steel (USA) Inc (a subsidiary of the Company) has recognised a provision of ₹ 291.53 crores, in relation

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

to a legal dispute, during the year. A Houston, Texas jury returned a verdict on 25 March 2014 against the subsidiary, along with other co-defendants, in an antitrust lawsuit filed in the United States District Court for the Southern District of Texas. It disagreed with the judgment alongwith award for damages. The subsidiary filed an appeal with the U.S. Court of Appeals, Fifth Circuit. The Court of Appeals affirmed the judgment against the Company and reversed the judgment against the remaining defendant. The Company is in the process of filing a writ of certiorari with the U.S. Supreme Court seeking reversal of the decision of the Court of Appeals.

- c) Pursuant to the order of the Honourable Supreme Court dated 24 September 2014 regarding cancellation of the allotment of coal blocks, the Group has made an assessment of recoverable amounts of capital work in progress and fixed assets which are impacted by the said order and recognised provision of ₹ 4.19 crores (previous year ₹ 21.20 crores) considering the principle of conservatism.
- d) The Group had made an assessment of the carrying amount of goodwill on consolidation in respect of a subsidiary, Peddar Realty Private Limited, and recognised an impairment of ₹ 25.90 crores during the previous year.
5. In respect of certain operations of the Group, following basis/assumptions/estimates are considered by the management in concluding that no further provision is presently necessary, in respect of carrying amounts of the related assets:
- a) Integrated Steel Complex at Salboni, Bengal [Capital work in progress ₹ 135.38 crores, Fixed assets ₹ 205.03 crores, and Advances ₹ 151.81 crores] - Evaluation of current status of the integrated Steel Complex (including power plant) to be implemented in phases at Salboni of district Paschim Medinipur in West Bengal, and the projections relating to the said complex considering estimates for the future prices of raw materials, foreign exchange rates, operating margins, etc. and the plans for commencing construction of the said complex.
- b) Goodwill ₹ 87.82 crores and Inventories ₹ 162.23 crores relating to interest in a real estate property - Valuation of the property by an independent expert.
- c) Mining development and projects, license fees, fixed assets and goodwill aggregating to ₹ 93.96 crores relating to coal mines at Mozambique - Assessment of minable reserves by independent experts and cash flow projections based on plans to commence operations after mining lease arrangements are in place for which application has been submitted to regulatory authorities and infrastructure is developed.
- d) Joint control in structural steel works [Fixed Assets (including capital work in progress) Rs 101.96 crores] - Value in use based on estimates and assumptions relating to order book, capacity utilisation, operational performance, market prices of materials, inflation, terminal value, etc.
6. (a) Pursuant to the requirement prescribed under Schedule II to the Companies Act, 2013 the Group has, based on the external technical advice, effective 1 April 2015, identified components (significant parts) of the main asset having different useful lives as compared to the main asset and consequently revised the estimated useful lives of Plant and Machinery and Buildings. Accordingly, the depreciation charge for the year ended 31 March 2016 is lower by ₹ 548.51 crores, and an amount of ₹ 118.71 crores (net of deferred tax) being effect of componentization where the remaining useful life of the component was determined as Nil, has been adjusted against the retained earnings as per transitional provision in Note 7 (b) of Schedule II.
- (b) Effective from 1 April 2014, the Group had re-worked depreciation with reference to the estimated useful lives of fixed assets prescribed under Schedule II to the Act or useful life of fixed assets as per technical evaluation. As a result the charge for depreciation was lower by ₹ 213.72 crores for the year ended March 31, 2015. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Group had fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and had adjusted an amount of ₹ 47.39 crores (net of deferred tax) against the opening Surplus balance in the Consolidated Statement of Profit and Loss under Reserves and Surplus.
7. Trade receivables include ₹ 159.54 crores (previous year ₹ 172.04 crores) recoverable from a customer towards supply of steel. The Company recovered an amount of ₹ 12.50 crores from the customer during the year ended 31 March 2016. Pursuant to the Consent Term, filed by the Company and the customer with the Honorable Bombay High Court and adopted by the Court as its order, the receivables of the Company shall be secured by a

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

first ranking pari-passu charge over the fixed assets of the customer and shall be at par with other CDR lenders. The process of creating charge by the Company over the customer's certain fixed assets has been completed and the charge creation for the remaining fixed assets is under progress. Based on these developments, the Company is reasonably confident about the recoverability of the said amount.

8. A share purchase agreement has been entered into on 18 August, 2014 amongst JSW Steel Limited, Welspun Enterprises Limited ("the Seller") and a subsidiary of the Company, namely JSW Steel (Salav) Limited, for selling of entire shareholding in the subsidiary by the Seller to the Company ("the SPA"). Pursuant to the SPA:
- (a) if any amount realized prior to 31 March, 2017 in respect of certain assets existed as on 31 August, 2014 as identified in the SPA, the subsidiary will have to pay such amount to the Seller, and
- (b) in respect of disputed claims/levies as on 31 August, 2014, the subsidiary is entitled to be reimbursed from

the Seller for the disputed claims / levies settled prior to 31 March, 2017. In case of disputed claims/levies relating to indirect taxes such reimbursement shall be restricted to ₹ 70 crores.

Accordingly a provision of ₹ 14.94 crores was recognised during the previous year and there is no movement in / utilization of provision during the year.

### 9. DERIVATIVES:

- a) The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the Group's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the group's risk management policy.

The forward exchange contracts entered into by the

group and outstanding are as under:

As at	No. of contracts	Type	US\$ equivalent (Million)	INR equivalent (crores)
<b>31.03.2016</b>	323	Buy	1,686.68	11,181.87
	40	Sell	217.20	1,431.97
<b>31.03.2015</b>	200	Buy	1,279.44	8,092.76
	147	Sell	797.78	4,993.40

- b) The Group also uses derivative contracts other than forward contracts to hedge the interest rate and currency risk on capital account. Such transactions are governed by the strategy approved by the board of directors, which provide principles on the use of these instruments, consistent with the Group's risk management policy. The Group does not use these contracts for speculative purposes.

Notional value of interest rate swaps (IRS) to hedge against fluctuations in interest rate are as under:

As at	No. of contracts	US\$ equivalent of notional value (million)	MTM of IRS (INR crores)
<b>31.03.2016</b>	6	65.00	(1.70)
<b>31.03.2015</b>	5	25.00	(4.21)

Currency options to hedge against fluctuations in exchange rate:

As at	No. of contracts	US\$ equivalent (million)	INR equivalent (INR crores)	MTM of option (INR crores)
<b>31.03.2016</b>	6	44.57	295.65	0.03
<b>31.03.2015</b>	14	153.40	960.14	2.76

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Commodity forward contracts entered into by the Group are as under:

As at	No. of contracts	Quantity (MT)	US\$ equivalent (million)	INR equivalent (INR crores)	MTM of option (INR crores)
31.03.2016	79	1,849,995	71.98	477.48	91.06
31.03.2015	-	-	-	-	-

c) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(i) Amounts receivable in foreign currency on account of the following:

	Current year		Previous year	
	US\$ equivalent (million)	INR equivalent (crores)	US\$ equivalent (million)	INR equivalent (crores)
Trade receivables	22.29	147.87	2.71	16.94
Balances with banks				
- in current account	0.01	0.04	0.01	0.04
Other receivables	0.43	2.83	-	-

(ii) 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	1,920.38	12,738.45	1,905.77	11,928.34
Advances from customer	-	-	0.04	0.23
Acceptances	20.40	135.32	203.01	1,270.68
Trade payables	280.92	1,863.40	69.85	437.17
Payables for capital projects	31.18	206.81	442.35	2,768.72
Interest accrued but not due on borrowings	127.45	845.39	17.71	110.87

### 10. EMPLOYEE BENEFITS:

#### A) DEFINED CONTRIBUTION PLAN:

The Group's contribution to provident fund is ₹ 50.97 crores (previous year ₹ 43.43 crores) and superannuation fund is ₹ 0.51 crores (previous year ₹ nil) .

#### B) DEFINED BENEFIT PLANS-

(i) Gratuity:

	(₹ in crores)			
	Current year		Previous year	
	Funded	Unfunded	Funded	Unfunded
<b>A) LIABILITY RECOGNISED IN THE BALANCE SHEET</b>				
i) Change in defined benefit obligation (DBO) during the year				
Present value of DBO at the beginning of the year	179.33	2.83	126.97	1.97
Current service cost	13.43	0.41	10.96	0.29
Interest cost	14.37	0.23	11.38	0.18
Actuarial losses	7.00	0.26	28.24	0.48
Benefits paid	(8.65)	(0.06)	(7.30)	(0.17)
Liabilities transfer in/(out)	(0.86)	0.11	9.13	0.08
Present value of DBO at the end of the year	204.62	3.78	179.33	2.83
Less:				
ii) Change in fair value of plan assets during the year				

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	Current year		Previous year	
	Funded	Unfunded	Funded	Unfunded
Plan assets at the beginning of the year	66.05		54.44	
Expected return on plan assets less loss on investments	5.35		4.27	
Actuarial gains	1.05		0.95	
Employers' contribution	10.55		0.01	
Benefits paid	(6.08)		(4.09)	
Assets transfer in/(out)	0.05		10.47	
Plan assets at the end of the year	76.97		66.05	
Amount recognised in Balance Sheet (refer note 7) *	127.65	3.78	113.28	2.83
<b>B) EXPENSES DURING THE YEAR</b>				
Current service cost	13.43	0.41	10.96	0.29
Interest cost	14.37	0.23	11.38	0.18
Expected return on plan assets	(5.35)	-	(4.27)	-
Actuarial losses	5.95	0.26	27.29	0.48
Transferred to preoperative expenses	(1.26)	-	(1.86)	-
<b>Total (included in note 24)</b>	<b>27.14</b>	<b>0.90</b>	<b>43.50</b>	<b>0.95</b>
<b>C) ACTUAL RETURN ON PLAN ASSETS</b>	4.22		5.59	
<b>D) BREAK UP OF PLAN ASSETS :</b>				
(i) ICICI Prudential Life Insurance Company Limited				
Balanced fund	3.65		3.51	
Group debt fund	4.41		7.06	
Group short term debt fund	0.17		0.59	
(ii) HDFC Standard Life Insurance Company Limited				
Defensive managed fund	1.61		1.27	
Stable managed fund	5.07		13.54	
Liquid fund II	0.07		0.04	
Secured managed fund	14.03		-	
(iii) SBI Life Insurance Company Limited – Cap assured fund	28.29		21.46	
(iv) LIC of India – Insurer managed fund	19.16		18.58	
(v) Bajaj Allianz Fund	0.51		-	
<b>E) PRINCIPAL ACTUARIAL ASSUMPTIONS</b>				
Rate of discounting	7.99% to 8.38% p.a.	7.81% to 8.30% p.a.	7.90% to 7.96% p.a.	7.94% to 9.39% p.a.
Expected return on plan assets	7.99% to 8.38% p.a.		7.90% to 7.96% p.a.	
Rate of increase in salaries	6%p.a.	6% to 9% p.a.	6% p.a.	6% to 9% p.a.
Attrition rate	2%	2%	2%	2%

\* includes ₹ 1.79 crores (previous year ₹ 2.14 crores) being excess of fair value of plan assets over present value of obligation disclosed under prepayment and others (Note 14- Short Term Loans and advances)

### F) EXPERIENCE ADJUSTMENTS:

#### (I) FUNDED

(₹ in crores)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of DBO at the end of the year	204.63	180.63	170.82	100.54	82.30
Plan assets at the end of the year	76.97	66.05	54.44	53.07	50.04
Deficit	(130.32)	(116.78)	(109.55)	(37.51)	(24.72)
Experience adjustments on plan liabilities – loss/(gain)	6.14	31.75	4.39	4.26	21.68
Experience adjustments on plan assets – gain/(loss)	(0.18)	0.67	(1.00)	(1.00)	(0.78)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### (II) UNFUNDED

Particulars	(₹ in crores)				
	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of DBO at the end of the year	3.77	1.53	(41.88)	(8.60)	(7.16)
Plan assets at the end of the year	-	-	-	-	-
Deficit	(1.11)	0.67	35.05	(1.36)	(0.38)
Experience adjustments on plan liabilities – loss/ (gain)	(0.10)	1.32	1.47	(0.19)	(0.84)
Experience adjustments on plan assets – gain/ (loss)	-	-	-	-	-

- G)** The Group expects to contribute ₹ 129.04 crores (previous year ₹ 85.37 crores) to its gratuity plan for the next year.
- H)** In assessing the Group's post retirement liabilities the Group monitors mortality assumptions and uses up-to-date mortality tables, the base being the Indian assured lives mortality (2006-08) ultimate.
- I)** Expected return on plan assets is based on expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.
- J)** The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- K)** The discount rate is based on the prevailing market yield of Government of India securities as at the balance sheet date for the estimated term of obligations.

#### (II) PROVIDENT FUND:

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

In keeping with the guidance on implementing Accounting Standard (AS) 15 (Revised) on "Employee Benefits" notified by the Companies (Accounting Standards) Rules, 2006, employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. Defined benefit obligation as per interest rate guaranteed on exempted provident fund in respect

of employees of the Company as at 31st March, 2016 works out to ₹ 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	8.38%	7.96%
Rate of return on assets	8.86%	9.02%
Guaranteed rate of return	8.80%	8.75%

#### (III) ASSUMPTIONS USED IN ACCOUNTING FOR COMPENSATED ABSENCES

Particulars	Current year	Previous year
Present value of unfunded obligation (₹ in crores) (refer note 7)	94.96	85.66
Discount rate (p.a.)	7.99% to 8.38%	7.90% to 8.09%
Salary escalation rate (p.a.)	6%	6%



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 11. SEGMENT REPORTING:

The Group is primarily engaged in the business of manufacture and sale of iron and steel products. The group has identified primary business segments, namely steel, power (used mainly for captive consumption) and others, which in the context of Accounting Standard 17 on "Segment Reporting" constitute reportable segments.

### I. INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

(Rs. in Crores)

Particulars	Year Ended 31.03.2016			Year Ended 31.03.2015						
	Steel	Power	Others	Eliminations	Total	Steel	Power	Others	Eliminations	Total
<b>INCOME :</b>										
External sales	41,511.69	90.03	277.16	-	41,878.88	51,900.98	191.30	879.23	-	52,971.51
Inter segment sales	1,460.63	4,562.23	-	(5,822.86)	-	1,304.92	3,874.70	22.20	(5,201.82)	-
<b>Total income</b>	<b>42,972.32</b>	<b>4,452.26</b>	<b>277.16</b>	<b>(5,822.86)</b>	<b>41,878.88</b>	<b>53,205.90</b>	<b>4,066.00</b>	<b>901.43</b>	<b>(5,201.82)</b>	<b>52,971.51</b>
<b>SEGMENT RESULTS</b>										
Segment / Operating results	1,005.29	2,074.04	21.40	-	3,100.73	4,526.39	1,685.19	(107.07)	-	6,104.51
Un-allocated Items:										
Income					61.36					51.60
Finance costs					(3,302.68)					(3,493.03)
Exceptional item					(2,125.41)					(47.10)
Provision for taxation					1,524.05					(819.41)
<b>Net profit</b>					<b>(741.95)</b>					<b>1,796.57</b>
<b>OTHER INFORMATION</b>										
Segment assets	72,907.16	2,220.53	1,340.23		76,467.92	74,064.96	2,287.63	1,988.66		78,341.25
Un-allocated assets					5,826.67					7,577.91
<b>Total assets</b>					<b>82,294.59</b>					<b>85,919.16</b>
Segment liabilities	17,963.11	475.97	383.11		18,822.19	19,820.44	299.39	544.56		20,664.39
Un-allocated liabilities & provisions					41,821.72					42,103.05
<b>Total liabilities</b>					<b>60,643.91</b>					<b>62,767.44</b>
Depreciation and amortisation	3,087.57	71.16	29.19		3,322.45	3,322.45	65.61	46.43		
Non -cash expenditure other than depreciation and amortisation	-	-	22.21		-	-	-	-		
Capital expenditure	4,746.74	2.67	119.96		5,442.83	5,442.83	28.39	143.29		

1. Inter segment transfer of power from power segment is measured at the rate at which power is purchased from respective electricity board.
2. Inter segment transfer of gas from the steel segment is measured on the basis of fuel cost.
3. Other business segment represents cement, mining and construction activities.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### II. INFORMATION ABOUT SECONDARY SEGMENTS – GEOGRAPHICAL SEGMENT

Particulars	Rs. in Crores					
	Current year 31.03.2016			Previous year 31.03.2015		
	Indian entities	Foreign entities	Total	Indian entities	Foreign entities	Total
Segment revenue	40,459.42	1,419.46	41,878.88	50,125.71	2,845.80	52,971.51
Segment assets	75,282.29	7,012.30	82,294.59	76,754.72	9,164.44	85,919.16
Capital expenditure incurred	4,658.13	211.24	4,869.37	5,163.47	451.04	5,614.51

### 12. RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES:

#### (A) LIST OF RELATED PARTIES

##### 1 ASSOCIATES

JSW Praxair Oxygen Private Limited  
Dolvi Minerals & Metals Private Limited (w.e.f. 27.11.2014)  
Dolvi Coke Projects Limited (w.e.f. 04.12.2014)

##### 2 JOINT VENTURES

Vijayanagar Minerals Private Limited  
Rohne Coal Company Private Limited  
JSW Severfield Structures Limited  
Gourangdih Coal Limited  
Toshiba JSW Power System Private Limited  
MJSJ Coal Limited  
Geo Steel LLC  
JSW Structural Metal Decking Limited  
JSW MI Steel Service Center Private Limited  
JSW Vallabh Tin Plate Private Limited (w.e.f. 07.04.2014)

##### 3 KEY MANAGEMENT PERSONNEL (KMP)

Mr. Sajjan Jindal  
Mr. Seshagiri Rao M V S  
Dr. Vinod Nowal  
Mr. Jayant Acharya  
Mr. Rajeev Pai  
Mr. Lancy Varghese

##### 4 RELATIVE OF KEY MANAGEMENT PERSONNEL

Mr. Parth Jindal

##### 5 ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL AND RELATIVES OF SUCH PERSONNEL EXERCISE SIGNIFICANT INFLUENCE

JSW Energy Limited  
Jindal Stainless Limited  
JSW Realty & Infrastructure Private Limited  
Jindal Saw Limited  
Jindal Saw USA LLC  
Jindal Steel & Power Limited  
JSOFT Solutions Limited  
Jindal Industries Private Limited  
JSW Cement Limited  
JSW Jaigarh Port Limited  
Reynold Traders Private Limited  
Raj West Power Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

JSW Power Trading Company Limited  
 JSW Infrastructure Limited  
 South West Port Limited  
 JSW Techno Projects Management Limited  
 JSW Global Business Solutions Limited (Formerly known as Sapphire Technologies Limited)  
 South West Mining Limited  
 JSL Architecture Limited  
 JSW Projects Limited  
 JSW Foundation  
 O P Jindal Foundation  
 Jindal Technologies & Management Services Private Limited  
 JSW Dharamatar Port Private Limited  
 Jindal Tubular (India) Limited  
 M/S Shadeed Iron & Steel Co. LLC  
 JSW Investment Private Limited  
 JSW IP Holdings Private Limited (w.e.f. 01.04.2015)  
 Epsilon Carbon Private Limited (Formerly known as AVH Private Limited)  
 JSW International Trade Corp PTE Limited  
 Heal Institute Private Limited  
 JSL Lifestyle Limited  
 Jindal Power Limited  
 Jindal Fittings Limited  
 Jindal Education Trust  
 Jindal Stainless Steelway Limited  
 Windsor Residency Private Limited  
 Ganga Ferro Alloys Private Limited  
 St. James Investment Limited

(₹ in crores)

Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key management personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
<b>B. TRANSACTIONS WITH RELATED PARTIES</b>						
<b>PARTY'S NAME</b>						
<b>PURCHASE OF GOODS / POWER AND FUEL / SERVICES</b>						
JSW Energy Limited	-	-	-	-	1,203.06	1,203.06
	-	-	-	-	1,490.76	1,490.76
JSW Projects Limited	-	-	-	-	730.40	730.40
	-	-	-	-	613.90	613.90
JSW International Tradecorp Pte Limited	-	-	-	-	3,480.42	3,480.42
	-	-	-	-	3,629.41	3,629.41
Others	142.44	4.89	-	-	857.15	1,004.48
	257.84	0.22	-	-	955.28	1,213.34
<b>Total</b>	<b>142.44</b>	<b>4.89</b>	<b>-</b>	<b>-</b>	<b>6,271.03</b>	<b>6,418.36</b>
	257.84	0.22	-	-	6,689.35	6,947.41
<b>REIMBURSEMENT OF EXPENSES INCURRED ON BEHALF OF THE GROUP</b>						
JSW Energy Limited	-	-	-	-	2.16	2.16
	-	-	-	-	2.66	2.66

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key management personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
Others	-	-	-	-	0.29	0.29
	0.19	-	-	-	0.08	0.27
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.45</b>	<b>2.45</b>
	0.19	-	-	-	2.74	2.93
<b>SALES OF GOODS/POWER AND FUEL</b>						
Jindal Saw Limited	-	-	-	-	484.84	484.84
	-	-	-	-	658.33	658.33
JSW Energy Limited	-	-	-	-	153.03	153.03
	-	-	-	-	346.79	346.79
Jindal Industries Private Limited	-	-	-	-	609.03	609.03
	-	-	-	-	356.30	356.30
Epsilon Carbon Private Limited	-	-	-	-	275.89	275.89
	-	-	-	-	344.60	344.60
Others	12.33	165.04	-	-	267.24	444.62
	61.88	179.26	-	-	289.35	530.49
<b>Total</b>	<b>12.33</b>	<b>165.04</b>	<b>-</b>	<b>-</b>	<b>1,790.03</b>	<b>1,967.41</b>
	61.88	179.26	-	-	1,995.37	2,236.51
<b>OTHER INCOME/ INTEREST INCOME/ DIVIDEND INCOME</b>						
JSW Praxair Oxygen Private Limited	14.61	-	-	-	-	14.61
	38.16	-	-	-	-	38.16
JSW Energy Limited	-	-	-	-	25.11	25.11
	-	-	-	-	27.96	27.96
JSW Projects Limited	-	-	-	-	5.43	5.43
	-	-	-	-	15.06	15.06
Others	2.16	2.88	-	-	6.04	11.08
	-	0.11	-	-	7.75	7.85
<b>Total</b>	<b>16.77</b>	<b>2.88</b>	<b>-</b>	<b>-</b>	<b>36.57</b>	<b>56.22</b>
	38.16	0.11	-	-	50.77	89.03
<b>PURCHASE OF ASSETS</b>						
JSW Severfield Structures Limited	-	68.76	-	-	-	68.76
	-	99.19	-	-	-	99.19
Jindal Steel & Power Limited	-	-	-	-	109.86	109.86
	-	-	-	-	106.75	106.75
Others	-	-	-	-	8.70	8.70
	-	-	-	-	25.46	25.46
<b>Total</b>	<b>-</b>	<b>68.76</b>	<b>-</b>	<b>-</b>	<b>118.56</b>	<b>187.32</b>
	-	99.19	-	-	132.21	231.40
<b>SALE OF FIXED ASSETS</b>						
JSW Cement Limited	-	-	-	-	-	-
	-	-	-	-	117.81	117.81
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	-	-	-	-	117.81	117.81
<b>DONATION/ CSR EXPENSES</b>						
O.P. Jindal Foundation	-	-	-	-	-	-
	-	-	-	-	0.17	0.17

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key management personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
JSW Foundation	-	-	-	-	3.60	3.60
	-	-	-	-	1.83	1.83
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.60</b>	<b>3.60</b>
	-	-	-	-	2.00	2.00
<b>RECOVERY OF EXPENSES INCURRED BY THE GROUP ON BEHALF OF OTHERS</b>						
JSW Energy Limited	-	-	-	-	2.22	2.22
	-	-	-	-	1.18	1.18
JSW Cement Limited	-	-	-	-	7.03	7.03
	-	-	-	-	0.53	0.53
JSW Global Business Solutions Limited	-	-	-	-	0.70	0.70
	-	-	-	-	0.64	0.64
JSW Power Trading Company Limited	-	-	-	-	1.08	1.08
	-	-	-	-	0.61	0.61
JSW Infrastructure Limited	-	-	-	-	1.73	1.73
	-	-	-	-	0.10	0.10
Others	0.57	1.50	-	-	3.88	5.95
	0.04	0.29	-	-	1.74	2.07
<b>Total</b>	<b>0.57</b>	<b>1.50</b>	<b>-</b>	<b>-</b>	<b>16.64</b>	<b>18.71</b>
	0.04	0.29	-	-	4.80	5.13
<b>INVESTMENTS / SHARE APPLICATION MONEY GIVEN DURING THE YEAR</b>						
Dolvi Minerals & Metals Private Limited	-	-	-	-	-	-
	40.00	-	-	-	-	40.00
Others	-	-	-	-	-	-
	-	0.27	-	-	-	0.27
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	40.00	0.27	-	-	-	40.27
<b>INTEREST EXPENSES</b>						
JSW Praxair Company Private Limited	0.26	-	-	-	-	0.26
	1.17	-	-	-	-	1.17
JSW Energy Limited	-	-	-	-	0.92	0.92
	-	-	-	-	2.98	2.98
St. James Investment Limited	-	-	-	-	11.62	11.62
	-	-	-	-	8.79	8.79
<b>Total</b>	<b>0.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.54</b>	<b>12.80</b>
	1.17	-	-	-	11.77	12.94
<b>ADVANCE TAKEN REFUNDED</b>						
JSW Infrastructure Limited	-	-	-	-	37.48	37.48
	-	-	-	-	36.59	36.59
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37.48</b>	<b>37.48</b>
	-	-	-	-	36.59	36.59
<b>REMUNERATION TO KEY MANAGERIAL PERSONNEL</b>						
Mr. Sajjan Jindal	-	-	12.08	-	-	12.08
	-	-	26.17	-	-	26.17
Mr. Seshagiri Rao M V S	-	-	4.76	-	-	4.76
	-	-	4.14	-	-	4.14

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key management personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
Dr. Vinod Nowal	-	-	3.44	-	-	3.44
Mr. Jayant Acharya	-	-	3.04	-	-	3.04
Mr. Parth Jindal	-	-	2.63	-	-	2.63
Mr. Rajeev Pai	-	-	-	0.07	-	0.07
Mr. Lancy Varghese	-	-	1.27	-	-	1.27
	-	-	0.46	-	-	0.46
<b>Total</b>	-	-	<b>25.19</b>	-	-	<b>25.19</b>
	-	-	37.71	0.07	-	37.78
<b>ADVANCE GIVEN</b>						
JSW Global Business Solutions Limited	-	-	-	-	10.18	10.18
JSL Architecture Limited	-	-	-	-	-	-
JSW Techno Projects Management Limited	-	-	-	-	0.02	0.02
	-	-	-	-	0.03	0.03
<b>Total</b>	-	-	-	-	<b>10.18</b>	<b>10.18</b>
	-	-	-	-	0.05	0.05
<b>C. CLOSING BALANCE OF RELATED PARTIES</b>						
<b>TRADE PAYABLES</b>						
Dolvi Minerals & Metals Private Limited	-	-	-	-	-	-
	41.09	-	-	-	-	41.09
JSW Energy Limited	-	-	-	-	157.76	157.76
	-	-	-	-	79.59	79.59
JSW Projects Limited	-	-	-	-	35.84	35.84
	-	-	-	-	75.25	75.25
JSW International Trade Corp PTE Limited	-	-	-	-	370.11	370.11
	-	-	-	-	26.52	26.52
St. James Investment limited	-	-	-	-	79.00	79.00
	-	-	-	-	63.43	63.43
Others	6.48	2.55	-	-	92.56	101.59
	58.70	0.31	-	-	41.07	100.08
<b>Total</b>	<b>6.48</b>	<b>2.55</b>	-	-	<b>735.26</b>	<b>744.30</b>
	99.79	0.31	-	-	285.86	385.96
<b>NOTES PAYABLE</b>						
St. James Investment Limited	-	-	-	-	285.23	285.23
	-	-	-	-	269.14	269.14
<b>Total</b>	-	-	-	-	<b>285.23</b>	<b>285.23</b>
	-	-	-	-	269.14	269.14

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key management personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
<b>ADVANCE RECEIVED FROM CUSTOMERS</b>						
Jindal Steel & Power Limited	-	-	-	-	0.48	0.48
	-	-	-	-	0.91	0.91
JSW Cement Limited	-	-	-	-	0.25	0.25
	-	-	-	-	0.10	0.10
Jindal Saw USA LLC	-	-	-	-	-	-
	-	-	-	-	0.17	0.17
Others	-	-	-	-	0.17	0.17
	-	-	-	-	0.20	0.20
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.90</b>	<b>0.90</b>
	-	-	-	-	1.38	1.38
<b>LEASE AND OTHER DEPOSIT RECEIVED</b>						
JSW Severfield structures limited	-	6.50	-	-	-	6.50
	-	6.50	-	-	-	6.50
JSW Praxair Oxygen Private Limited	3.83	-	-	-	-	3.83
	3.83	-	-	-	-	3.83
JSW Energy Limited	-	-	-	-	10.19	10.19
	-	-	-	-	10.19	10.19
JSW Jaigarh Port Limited	-	-	-	-	3.50	3.50
	-	-	-	-	3.50	3.50
Jindal Saw Limited	-	-	-	-	5.00	5.00
	-	-	-	-	5.00	5.00
Others	-	-	-	-	2.00	2.00
	-	-	-	-	2.00	2.00
<b>Total</b>	<b>3.83</b>	<b>6.50</b>	<b>-</b>	<b>-</b>	<b>20.69</b>	<b>31.02</b>
	3.83	6.50	-	-	20.69	31.02
<b>TRADE RECEIVABLES</b>						
Dolvi Coke Projects Limited	2.96	-	-	-	-	2.96
	22.20	-	-	-	-	22.20
Jindal Industries Private Limited	-	-	-	-	23.27	23.27
	-	-	-	-	31.33	31.33
JSW Cement Limited	-	-	-	-	6.64	6.64
	-	-	-	-	27.19	27.19
JSW Power Trading Company Limited	-	-	-	-	48.91	48.91
	-	-	-	-	1.64	1.64
Epsilon Carbon Private Limited	-	-	-	-	55.11	55.11
	-	-	-	-	44.45	44.45
Others	-	13.39	-	-	16.18	29.57
	-	1.27	-	-	43.65	44.92
<b>Total</b>	<b>2.96</b>	<b>13.39</b>	<b>-</b>	<b>-</b>	<b>150.11</b>	<b>166.47</b>
	22.20	1.27	-	-	148.26	171.73
<b>CAPITAL / REVENUE ADVANCES GIVEN</b>						
JSW Projects Limited	-	-	-	-	500.00	500.00
	-	-	-	-	500.00	500.00



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key management personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
JSW Cement Limited	-	-	-	-	<b>71.52</b>	<b>71.52</b>
	-	-	-	-	69.57	69.57
Others	<b>0.02</b>	<b>22.51</b>	-	-	<b>19.08</b>	<b>41.61</b>
	0.12	18.70	-	-	16.56	35.38
<b>Total</b>	<b>0.02</b>	<b>22.51</b>	-	-	<b>590.60</b>	<b>613.13</b>
	0.12	18.70	-	-	586.13	604.95
<b>SHARE APPLICATION MONEY</b>						
Rohne Coal Company Private Limited	-	<b>0.02</b>	-	-	-	<b>0.02</b>
	-	3.93	-	-	-	3.93
<b>Total</b>	-	<b>0.02</b>	-	-	-	<b>0.02</b>
	-	3.93	-	-	-	3.93
<b>OTHER ADVANCES GIVEN</b>						
JSW Realty & Infrastructure Private Limited	-	-	-	-	<b>41.04</b>	<b>41.04</b>
	-	-	-	-	39.71	39.71
Geo Steel LLC	-	-	-	-	-	-
	-	13.94	-	-	-	13.94
Others	-	-	-	-	-	-
	-	0.04	-	-	-	0.04
<b>Total</b>	-	-	-	-	<b>41.04</b>	<b>41.04</b>
	-	13.98	-	-	39.71	53.69
<b>INVESTMENTS HELD BY THE GROUP</b>						
JSW Energy Limited	-	-	-	-	<b>251.56</b>	<b>251.56</b>
	-	-	-	-	251.56	251.56
JSW Realty & Infrastructure Private Limited	-	-	-	-	<b>199.15</b>	<b>199.15</b>
	-	-	-	-	199.15	199.15
Others	<b>67.27</b>	<b>30.73</b>	-	-	-	<b>98.00</b>
	67.27	28.13	-	-	-	95.40
<b>Total</b>	<b>67.27</b>	<b>30.73</b>	-	-	<b>450.71</b>	<b>548.71</b>
	67.27	28.13	-	-	450.71	546.11
<b>LOANS AND ADVANCES TAKEN</b>						
JSW Infrastructure Limited	-	-	-	-	<b>148.23</b>	<b>148.23</b>
	-	-	-	-	185.71	185.71
<b>Total</b>	-	-	-	-	<b>148.23</b>	<b>148.23</b>
	-	-	-	-	185.71	185.71

Figures in bold represents current year numbers

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 13. FINANCE LEASE

#### A) AS LESSEE:

- The Group has acquired equipments for ₹ 129.38 crores through finance lease. The finance leases are for various durations with last lease maturing in 2016. The amount of depreciation charged in the Consolidated Statement of Profit and Loss till 31 March 2016 was ₹ 129.16 crores and the book value is ₹ 0.22 crores.
- The minimum lease payments and the present value as at 31 March 2016 of minimum lease payments in respect of assets acquired under the finance leases are as follows:

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31.03.16	As at 31.03.15	As at 31.03.16	As at 31.03.15
Payable not later than 1 year	-	17.93	-	17.32
Payable later than 1 year and not later than 5 years	-	-	-	-
Payable later than 5 years	-	-	-	-
<b>Total</b>	<b>-</b>	<b>17.93</b>	<b>-</b>	<b>17.32</b>
Less: future finance charges	-	0.61	-	-
<b>PRESENT VALUE OF MINIMUM LEASE PAYMENTS</b>	<b>-</b>	<b>17.32</b>	<b>-</b>	<b>17.32</b>

### 14. OPERATING LEASE

#### A) AS LESSOR:

- 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 120 months.
  - 642 houses (admeasuring approximately 345,003 square feet) at the rate of ₹ 2/- per square feet per annum, for a period of 60 months.
  - 9 houses (admeasuring approximately 9,027 square feet) at the rate of Rs 43/- per square feet per month per house, for a period of 60 months.
  - Office premises (admeasuring approximately 1795 square feet) at the rate of Rs 146/- square feet for the period of 22 months.

The agreements are renewable at the option of the lessee after the end of the lease term.

- Disclosure in respect of assets (building) given on operating lease :

Particulars	₹ in crores	
	Current year	Previous year
Gross carrying amount of assets	175.29	173.07
Accumulated depreciation	28.16	26.48
Depreciation for the year	3.12	3.19

#### B) AS LESSEE:

- Lease rentals charged to revenue for right to use following assets are:

Particulars	₹ in crores	
	Current year	Previous year
Office premises, residential flats, plant and equipment etc.	55.15	58.98

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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- ii The agreement for certain plant and equipment is on non-cancellable basis for a period of 10-15 years, which are renewable on expiry of the lease period at mutually acceptable terms.

Operating lease payments represent rentals payable by the group for lease of coal loading property. The agreement is executed for a period of 5 years with a renewable clause.

Minimum lease payments under non-cancellable operating lease fall due as follows:

Particulars	(₹ in crores)	
	Current year	Previous year
Due not later than one year	26.38	11.09
Due later than one year but not later than five years	37.96	31.37
Later than five years	-	5.37
<b>Total</b>	<b>64.34</b>	<b>47.83</b>

### 15. EARNINGS PER SHARE (EPS):

Particulars		(₹ in crores)	
		Current year	Previous year
Profit/(loss) for the year	₹ in crores	(741.95)	1,796.57
Less: Dividend on preference shares (including corporate dividend tax)	₹ in crores	33.58	33.58
Profit/(loss) after tax for equity share holders (numerator)- basic / diluted (A)	₹ in crores	(775.53)	1,762.99
Weighted average number of equity shares for basic EPS (denominator) (B)	Nos.	241,722,044	241,722,044
Weighted average number of equity shares for diluted EPS (denominator) (C)	Nos.	241,722,044	241,722,044
Earnings per share – basic (A/B)	₹	(32.08)	72.93
Earnings per share – diluted (A/C)	₹	(32.08)	72.93
Nominal value per share	₹	10	10

### 16. ADDITIONAL INFORMATION AS REQUIRED SCHEDULE III OF THE COMPANIES ACT, 2013

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
	2	3	4	5
<b>1</b>				
<b>PARENT</b>				
JSW Steel Limited	81.11	17,561.82	(294.40)	2,184.30
<b>SUBSIDIARIES</b>				
<b>INDIAN</b>				
Peddar Realty Private Limited	0.61	132.73	(0.30)	2.20
JSW Steel Processing Centres Limited	0.43	94.03	(2.33)	17.30
JSW Jharkhand Steel Limited	0.34	73.82	0.00	(0.03)
JSW Steel (Salav) Limited	2.53	548.62	25.46	(188.90)
Amba River Coke Limited	3.59	777.74	0.80	(5.96)
JSW Steel Coated Products Limited	4.97	1,075.50	(2.26)	16.80
JSW Bengal Steel Limited - Group	1.84	398.83	0.23	(1.70)
Everbest Steel & Mining Holdings Limited	-	-	-	-
<b>FOREIGN</b>				
JSW Steel (Netherlands) B.V	(1.55)	(336.24)	96.06	(712.71)
JSW Steel Holding (USA) Inc.- Group	2.04	441.09	223.99	(1,661.93)
JSW Panama Holdings Corporation - Group	1.07	232.43	64.64	(479.60)
JSW Natural Resources Limited - Group	0.42	91.52	2.57	(19.06)
JSW Steel (UK) Limited - Group	0.79	170.44	0.80	(5.96)
JSW Steel East Africa Limited	0.00	0.02	-	-
Nippon Ispat Singapore (PTE) Limited	(0.00)	(0.11)	0.00	(0.02)
Arima Limited	(0.00)	(0.02)	0.01	(0.05)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Erebus Limited	(0.00)	(0.03)	0.01	(0.05)
Lakeland Securities Limited	(0.00)	(0.04)	0.01	(0.04)
<b>MINORITY INTERESTS IN ALL SUBSIDIARIES</b>	0.03	6.78	(12.81)	95.03
<b>ASSOCIATES (INVESTMENT AS PER EQUITY METHOD)</b>				
<b>INDIAN</b>				
JSW Praxair Oxygen Company Private Limited	0.48	104.98	(2.93)	21.71
Dolvi Minerals & Metals Private Limited - Group	0.12	25.15	1.07	(7.93)
<b>JOINT VENTURES (AS PER PROPORTIONATE CONSOLIDATION/INVESTMENT AS PER THE EQUITY METHOD)</b>				
<b>INDIAN</b>				
Vijayanagar Minerals Private Limited	0.01	1.87	0.22	(1.66)
Gourangdih Coal Limited	0.01	2.31	0.01	(0.05)
Rohne Coal Company Private Limited	0.08	17.62	0.03	(0.19)
JSW MI Steel Service Center Private Limited	0.21	45.98	0.32	(2.39)
JSW Vallabh Tinplate Private Limited	0.21	46.29	(0.51)	3.79
JSW Severfield Structures Limited - Group	0.11	23.68	0.12	(0.92)
<b>FOREIGN</b>				
Geo Steel LLC	0.53	113.87	(0.82)	6.07
<b>TOTAL</b>	<b>100.00</b>	<b>21,650.68</b>	<b>100.00</b>	<b>(741.95)</b>

17. The manufacturing and other expenses, depreciation and capital expenditure include ₹ 12.44 crores (previous year ₹ 13.20 crores), ₹ 11.08 crores (previous year ₹ 12.84 crores) and ₹ 0.75 crores (previous year ₹ 11.01 crores), respectively, in respect of research and development activities undertaken during the year.

18. Figures of the previous year have been regrouped and reclassified wherever necessary to correspond to figures of the current year.

For and on behalf of the Board of Directors

**SAJJAN JINDAL**

Chairman & Managing Director

**LANCY VARGHESE**

Company Secretary

**RAJEEV PAI**

Chief Financial Officer

**SESHAGIRI RAO M.V.S.**

Jt. Managing Director & Group CFO

Place: Mumbai,

Dated : 18 May 2016

# FORM AOC - 1

(Information of Subsidiaries, JVs and Associates as required under first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

## PART A : SUBSIDIARIES

Name of the Subsidiary	in crores																
	USD	GBP	GBP	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
A Reporting Currency	66.33	95.09	95.09	66.33	66.33	66.33	66.33	66.33	66.33	66.33	66.33	66.33	66.33	66.33	66.33	66.33	66.33
B Exchange rate	2,641.40	139.66	-	1,260.71	5,326.53	95.19	0.70	493.20	29.27	2,654	537.60	10.75	26.95	3.57	33.88	-	51.25
C Share Capital	(2,761.34)	(56.25)	-	(4,946.97)	4,354.12	(165.03)	(75.63)	(70.51)	(68.82)	(67.25)	(20.11)	(20.05)	(72.67)	(7.64)	(48.62)	(0.18)	(61.53)
D Reserves & Surplus	921.65	172.17	-	4,234.37	4,962.85	1,097.76	1.29	557.55	0.01	0.67	845.00	0.04	0.02	-	0.07	-	-
E Total Assets	1,041.59	88.76	-	7,920.43	3,990.44	979.60	76.22	134.86	39.56	4.38	327.51	9.34	45.74	4.07	14.81	10.28	62.21
F Total Liabilities	2,788.47	1.05	-	5,109.95	-	575.82	-	604.17	-	-	-	-	-	-	-	-	115.64
G Investment	-	-	-	1,228.17	-	-	-	26.44	-	-	-	-	-	-	-	-	-
H Turnover	(2,157.61)	(8.55)	-	(4,334.98)	(3,030.77)	(112.10)	(36.35)	(88.10)	(56.51)	(37.70)	(9.44)	(17.20)	(33.93)	(7.09)	(48.00)	(0.13)	(61.53)
I Profits / (Losses) before Taxes	(2,157.61)	(8.55)	-	(4,295.25)	(2,590.19)	(85.08)	(36.35)	(88.10)	(56.51)	(37.70)	(9.44)	(17.20)	(33.93)	(7.09)	(48.00)	(0.13)	(61.53)
J Provision for Taxation	-	-	-	(39.73)	(440.58)	(27.02)	-	-	-	-	-	-	-	-	-	-	-
K Profits / (Losses) after Taxes	-	-	-	(4,295.25)	(2,590.19)	(85.08)	(36.35)	(88.10)	(56.51)	(37.70)	(9.44)	(17.20)	(33.93)	(7.09)	(48.00)	(0.13)	(61.53)
L Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
M % of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Name of the Subsidiary	JSW Steel (Netherlands) B.V.	JSW Steel (UK) Limited	Argent Independent Steel (Holdings) Limited	JSW Steel Service Centre (UK) Limited	JSW Steel Holdings (USA) Inc.	JSW Steel Holdings (USA) Inc.	Periana Steel LLC	Periana Holdings LLC	Prime Coal LLC	Planck Holdings LLC	Rolling S Augering LLC	Periana Handing LLC	Caretia Minerals LLC	Lower Hutchinson Minerals LLC	Meadow Creek Minerals LLC	Keenan Minerals LLC	Hitchinson Minerals LLC
Name of the Subsidiary	JSW Natural Resources Limited	JSW Natural Resources Mozambique Ltd	ADMS Carro Ltd	JSW Mati Resources SA	Nippon Ispat Singapore (PTE) Limited	Arma Holdings Limited	Erebus Limited	Lakeland Securities Limited	East Africa Limited	JSW Steel Processing Centres Limited	Bengal Steel Limited	Barbil Iron Ore Company Limited	Barbil Beneficiation Company Limited	Barbil Iron Ore Company Limited	JSW Natural Resources India Limited	JSW Energy (Bengal) Limited	JSW Natural Resources Bengal Limited
Name of the Subsidiary	JSW Natural Resources Limited	JSW Natural Resources Mozambique Ltd	ADMS Carro Ltd	JSW Mati Resources SA	Nippon Ispat Singapore (PTE) Limited	Arma Holdings Limited	Erebus Limited	Lakeland Securities Limited	East Africa Limited	JSW Steel Processing Centres Limited	Bengal Steel Limited	Barbil Iron Ore Company Limited	Barbil Beneficiation Company Limited	Barbil Iron Ore Company Limited	JSW Natural Resources India Limited	JSW Energy (Bengal) Limited	JSW Natural Resources Bengal Limited
A Reporting Currency	66.33	38.80	-	66.33	49.02	66.33	66.33	66.33	0.64	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
B Exchange rate	90.68	93.99	0.26	-	3.85	33.43	142.89	0.23	2.67	50.00	459.79	0.13	0.07	106.60	28.75	63.43	916.87
C Share Capital	(25.42)	(177.61)	84.06	57.65	-	(8.61)	(33.46)	(142.93)	(0.27)	(2.64)	(110.94)	(0.06)	(0.01)	(3.60)	(57.80)	(2.42)	226.43
D Reserves & Surplus	112.45	139.25	57.39	-	4.76	0.05	0.06	0.06	-	19.67	24.57	-	0.02	0.02	80.41	0.02	2,321.24
E Total Assets	8.02	7.10	-	-	-	-	-	-	-	135.48	0.07	-	-	-	63.43	-	55.78
F Total Liabilities	(5.63)	(20.49)	0.22	1.14	(0.02)	(0.05)	(0.05)	(0.05)	-	23.46	(1.10)	(0.01)	-	(0.38)	(0.26)	(0.59)	172.79
G Investment	-	-	-	-	-	-	-	-	-	8.52	-	-	-	-	-	-	55.26
H Turnover	(5.63)	(20.49)	0.22	1.14	(0.02)	(0.05)	(0.05)	(0.05)	-	14.94	(1.10)	(0.01)	-	(0.38)	(0.26)	(0.59)	114.52
I Profits / (Losses) before Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
J Provision for Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
K Profits / (Losses) after Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
L Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
M % of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note : The financial statements of subsidiaries are converted into Indian Rupees on the basis of exchange rate as on closing day of the financial year.

<b>Additional disclosure</b>	<b>Name of subsidiaries</b>
Subsidiaries yet to commence operation	JSW Bengal Steel Limited
	Barbil Beneficiation Limited
	Barbil Iron Ore Company Limited
	JSW Natural Resources India Limited
	JSW Energy (Bengal) Limited
	JSW Natural Resources Bengal Limited
	JSW Jharkhand Steel Limited
	Inversiones Eurosh Limitada
	Santa Fe Puerto S.A.
	JSW Natural Resources Mozambique Lda
	JSW ADMS Carvo Lda
	JSW Steel East Africa Limited
	Subsidiaries liquidated or sold during the year
Argent Independent Steel (Holdings) Limited	
Everbest Steel & Mining Holdings Limited	

## PART B: ASSOCIATES AND JOINT VENTURES

Name of Associates/Joint Ventures	Joint ventures												Associates
	Vijaynagar Minerals Private Limited	Rohne Coal Company Private Limited	JSW Severfield Structures Limited	JSW Structural Metal Decking Limited	Gourangdih Coal Limited	JSW MI Service centre Private Limited	JSW Vallabh Tinplate Private Limited	Geo Steel LLC	Toshiba JSW Power Systems Private Limited	MJSJ Coal Limited	JSW Praxair Oxygen company Private Limited	Dolvi Minerals & Metals Private Limited	
Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
1. Latest audited Balance Sheet Date	31 March 2015	31 March 2016	31 March 2016	31 March 2016	31 March 2015	31 March 2016	31 March 2016	31 December 2015	31 March 2015	31 March 2015	31 March 2015	31 March 2016	31 March 2016
2. Shares of Associate/Joint Ventures held by the company on the year end	4,000	490,000	115,437,940	4,482,925	2,450,000	30,539,800	25,019,600	-	11,000,000	10,461,000	23,942,125	40,000,000	189,685,724
Amount of Investment	0.00	0.49	115.44	4.48	2.45	3054	25.02	-	11.00	10.46	23.94	40.00	189.69
Extend of Holding %	40.00%	49.00%	50.00%	33.33%	50.00%	50.00%	50.00%	49.00%	2.48%	11.00%	26.00%	40.00%	40.00%
3. Description of how there is significant influence	Joint Venture Agreement												There is significant influence due to percentage(%) of Share Capital
4. Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA	Interest as Investor	Interest as Investor	NA	NA	NA
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	3.72	(6.64)	30.99	2.12	2.40	33.01	33.55	112.09	3.44	10.35	76.18	8.13	187.60
6. Profit / Loss for the year	(1.66)	(2.88)	(5.70)	1.24	(0.05)	(2.40)	3.29	3.62	-	-	21.71	(24.19)	(0.84)
i. Considered in Consolidation	(2.48)	(2.98)	(5.70)	1.24	(0.05)	(2.40)	3.29	3.77	(106.43)	-	-	-	-
i. Not Considered in Consolidation	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Additional disclosure</b>	<b>Name of Associates and JVs</b>												
Joint Ventures yet to commence operation	Rohne Coal Company Private Limited												
	Gourangdih Coal Limited												
	MJSJ Coal Limited												
Associates yet to commence operation	Dolvi Coke Projects Limited												
Associates and JVs liquidated or sold during the year	None												
	For and on behalf of the Board of Directors												
	<b>Sajjan Jindal</b>												
	Chairman & Managing Director												
	Lancy Varghese												
	Rajeev Pai												
	Seshagiri Rao M.V.S												
	Company Secretary												
	Chief Financial Officer												
	Jt. Managing Director and Group CFO												
Place : Mumbai													
Date : 18 May 2016													



## FINANCIAL HIGHLIGHTS (STANDALONE)

	2011-12	2012-13	2013-14	2014-15	2015-16
<b>REVENUE ACCOUNTS ( ` IN CRORES)</b>					
Gross Turnover	34,658.48	38,763.41	48,527.18	49,657.51	40,354.48
Net Turnover	32,060.47	35,387.63	44,529.47	45,351.52	36,202.44
Operating EBIDTA	5,630.80	6,308.82	8,782.59	8,871.64	5,722.52
Depreciation and Amortization	1,708.17	1,973.89	2,725.88	2,784.50	2,551.45
Finance Costs	1,186.41	1,724.48	2,740.13	2,908.69	2,687.34
Exceptional Items	820.96	367.21	1,692.30	396.30	5,860.45
Profit Before Taxes	2,094.56	2,504.12	1,955.33	3,248.92	(5,066.53)
Provision for Taxation	468.70	702.90	620.82	1,082.44	(1,568.25)
Profit after Taxes	1,625.86	1,801.22	1,334.51	2,166.48	(3,498.28)
<b>CAPITAL ACCOUNTS ( ` IN CRORES)</b>					
Gross Fixed Asset	35,091.01	37,606.70	49,703.28	53,792.00	59,959.39
Net Fixed Asset	27,090.58	27,638.79	37,295.08	38,569.39	42,036.74
Debt*	15,930.02	17,908.36	27,184.43	28,134.11	31,198.61
Net Debt	12,771.20	16,366.12	26,651.01	26,339.05	30,602.30
Equity Capital	223.12	223.12	241.72	241.72	241.72
Reserves & Surplus	17,934.31	19,374.19	23,216.99	24,657.41	20,685.77
Shareholders' Funds	18,497.49	19,937.37	24,284.18	25,724.61	21,752.96
<b>RATIOS</b>					
Book Value Per Share ( `)	816.54	881.08	973.01	1,032.60	868.29
Market price Per Share ( `)	721.45	672.35	1,036.05	906.55	1,283.25
Earning per Share (Diluted) ( `)	71.42	79.28	53.86	88.24	(146.11)
Market Capitalisation ( ` in crores)	16,096.79	15,001.28	25,043.61	21,913.31	31,018.98
Equity Dividend per Share ( `)	7.50	10.00	11.00	11.00	7.50
Fixed Assets Turnover Ratio	1.18	1.28	1.19	1.18	0.86
Operating EBIDTA Margin	17.5%	17.8%	19.4%	19.2%	15.6%
Interest Service Coverage Ratio	3.46	2.93	2.47	3.40	2.37
Net Debt Equity Ratio	0.69	0.82	1.10	1.02	1.41
Net Debt to EBIDTA	2.27	2.59	3.03	2.97	5.35

## FINANCIAL HIGHLIGHTS (CONSOLIDATED)

\* Excluding Acceptance

	2011-12	2012-13	2013-14	2014-15	2015-16
<b>REVENUE ACCOUNTS (` IN CRORES)</b>					
Gross Turnover	36,719.83	41,463.15	54,620.76	56,571.86	45,642.48
Net Turnover	34,123.65	38,094.96	50,408.87	52,050.57	41,217.30
Operating EBIDTA	6,101.89	6,503.92	9,165.46	9,402.29	6,072.99
Depreciation and Amortization	1,933.15	2,237.48	3,182.61	3,434.49	3,187.92
Finance Costs	1,427.30	1,967.46	3,047.86	3,493.03	3,302.68
Exceptional Items	824.94	369.37	1,712.75	47.10	2,125.41
Profit Before Taxes	1,993.35	1,999.34	1,308.05	2,539.11	(2,374.81)
Provision for Taxation	500.15	845.25	920.08	819.41	(1,524.05)
Profit after Taxes	537.68	963.11	451.95	1,796.57	(741.95)
<b>CAPITAL ACCOUNTS (` IN CRORES)</b>					
Gross Fixed Asset	41,445.53	44,553.30	59,736.03	68,603.51	75,522.02
Net Fixed Asset	32,568.08	33,402.48	45,484.08	50,590.92	52,898.12
Debt*	19,909.11	21,345.98	34,762.10	37,989.81	39,462.90
Net Debt	16,643.78	19,533.07	34,013.62	35,808.11	38,460.90
Equity Capital	223.12	223.12	241.72	241.72	241.72
Reserves & Surplus	16,186.39	16,780.55	20,871.15	21,986.89	20,576.71
Shareholders' Funds	16,749.57	17,343.73	21,938.34	23,054.08	21,643.90
<b>RATIOS</b>					
Book Value Per Share (`)	738.20	764.83	875.96	922.12	863.78
Market price Per Share (`)	721.45	672.35	1,036.05	906.55	1,283.25
Earning per Share (Diluted) (`)	22.65	41.71	17.35	72.93	(32.08)
Market Capitalisation (` in crores)	16,096.79	15,001.28	25,043.61	21,913.31	31,018.98
Equity Dividend per Share (`)	7.50	10.00	11.00	11.00	7.50
Fixed Assets Turnover Ratio	1.05	1.14	1.11	1.03	0.78
Operating EBIDTA Margin	17.8%	17.0%	17.9%	17.8%	14.5%
Interest Service Coverage Ratio	3.04	2.24	2.01	1.75	0.92
Net Debt Equity Ratio	0.98	1.11	1.54	1.55	1.78
Net Debt to EBIDTA	2.73	3.00	3.71	3.81	6.33
* Excluding Acceptance					

## NOTICE

Notice is hereby given that the TWENTY-SECOND ANNUAL GENERAL MEETING of the Members of JSW STEEL LIMITED (CIN:L27102MH1994PLC152925) will be held on Tuesday the 26th July, 2016 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 (including Audited Consolidated Financial Statements) for the financial year ended March 31, 2016 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 2015-16.
3. To declare dividend on the Equity Shares of the Company for the financial year 2015-16.
4. To appoint a Director in place of Mr. Sajjan Jindal (DIN 00017762), who retires by rotation and being eligible, offers himself for re-appointment.
5. To ratify the appointment of the Auditors of the Company and their remuneration fixed at the twentieth Annual General Meeting of the Company held on July 31, 2014, 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**, pursuant to the first proviso to Section 139(1) of the Companies Act, 2013, read with the first proviso to Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No. 117366W/W-100018), as the auditors of the Company to hold office from the conclusion of the 20th 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, made at the twentieth Annual General Meeting of the Company held on July 31, 2014, be and is hereby ratified."

### 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 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 ₹ 12 lakhs (Rupees twelve 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. (ICWAI Registration No. 000218), Cost Auditors of the Company, for the financial year 2016-17, as approved by the Board of Directors of the Company, be and is hereby ratified."

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, 152 and other applicable provisions of the Companies Act, 2013 ("the Act") 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), read with Schedule IV of the Act and Regulation 16 (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015, Mr. Malay Mukherjee (DIN 02861065), who was appointed as an Additional Director of the Company in the category of Independent Director, by the Board of Directors with effect from July 29, 2015 and who holds office until the date of this Annual General Meeting in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member signifying his intention to propose Mr. Malay Mukherjee as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company in the category of Independent Director for a term upto July 28, 2020 or upto the conclusion of the 26th Annual General Meeting of the Company in the calendar year 2020, whichever is earlier."

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, 152 and other applicable provisions of the Companies Act, 2013 ("the Act") 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), read with Schedule IV of the Act and Regulation 16 (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015, Mr. Haigreave Khaitan (DIN 00005290), who was appointed as an Additional Director of the

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Company in the category of Independent Director, by the Board of Directors with effect from September 30, 2015 and who holds office until the date of this Annual General Meeting in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member signifying his intention to propose Mr. Haigreve Khaitan as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company in the category of Independent Director for a term upto September 29, 2020 or upto the conclusion of the 26th Annual General Meeting of the Company in the calendar year 2020, whichever is earlier."

9. 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 21st Annual General Meeting of the Company held on July 28, 2015 and 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 2016-17, 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, utilisation of the issue proceeds and all matters connected with or incidental thereto.

**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."

10. 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 21st Annual General Meeting of the Company held on July 28, 2015 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 statutory 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 Securities and Exchange Board of India (issue and Listing of Debt Securities) Regulations, 2008 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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, Equity Shares and/or 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 of face value of ₹ 10 each (the "Equity Shares") at a later date (hereinafter collectively referred to as the "Specified Securities"), to Qualified Institutional Buyers (as defined

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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 Equity Shares, the date of the meeting in which the Board or a Committee of the Board decides to open the proposed issue.
- 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 through the Qualified Institutions Placement or 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.

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**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."

11. 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 20th Annual General Meeting of the Company held on July 31, 2014 and 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

12. 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 186 and all other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder (including any amendment thereto or re-enactment thereof), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute to exercise its powers including the power



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conferred by this resolution) to (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, whether Indian or overseas, upto a maximum aggregate amount of ₹ 15,000 Crores (Rupees Fifteen Thousand Crores only) outstanding at any point of time, over and above the permissible limit under Section 186(2) of the Companies Act, 2013 (presently being 60% of the Company's paid-up share capital, free reserves and securities premium account or 100% of Company's free reserves and securities premium account, whichever is more).

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take from time to time all decisions and steps in respect of the above loans, guarantees, securities and investment including the timing, amount and other terms and conditions of such loans, guarantees, securities and investment and varying the same either in part or in full as it may deem appropriate, and to do and perform all such acts, deeds, matters and things as may be necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard including power to sub-delegate in order to give effect to the aforesaid resolution."

13. 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 20th Annual General Meeting of the Company held on 31st July 2014 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 ₹ 60,000 crores (Rupees Sixty 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."

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 Ordinary Resolution adopted at the 20th Annual General Meeting of the Company held on 31st July 2014 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



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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."

By Order of the Board

For **JSW STEEL LIMITED**

**LANCY VARGHESE**

Company Secretary

(Membership No. 9524)

Place : Mumbai

Date : May 18, 2016

### 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 14 set out above and the details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 06.07.2016 to 08.07.2016 (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](http://www.jsw.in), duly filled in, to the Registrars and Share Transfer

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Agent of the Company - Karvy Computershare Private Limited ("Karvy"). 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, final dividend for FY 2005-06, 2006-07 and 2007-08 has also been transferred to the IEPF. Members who have not encashed their final dividend warrants for the FY 2008-09 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 Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032, 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. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested

to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

8. 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.
9. Section 20 of the Companies Act, 2013 permits service of documents on members by a company through electronic mode. Accordingly, as a part of the Green Initiative, electronic copy of the Annual Report for FY 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. Further, in terms of SEBI Circular No. CIR/CFD/DIL/7/2011 dated 05.10.2011 and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the physical copies of Abridged Annual Report is being sent through permitted mode to all other members who have not registered their email address(es). Members may also note that the Annual Report for FY 2015-16 will also be available on the Company's website [www.jsw.in](http://www.jsw.in) for download.
10. The Company is providing facility for voting by electronic means. The business set out in the Notice can be transacted through such voting. The facility for voting through polling paper would also be made available at the Meeting and the members attending the Meeting who have not cast their vote by e-voting shall be able to vote at the Meeting.
11. The members who have cast their vote by e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
12. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to KARVY a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
13. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

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14. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS2) issued by the Institute of Companies Secretaries of India, 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 22nd Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent to all the members whose e-mail 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 22nd 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:-

- For NSDL :- 8 Character DP ID followed by 8 Digits Client ID
- 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, e-mail 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 authorised signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [nilesh@ngshah.com](mailto:nilesh@ngshah.com).

## NOTICE

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 Thursday, July 21, 2016 (9.00 a.m. IST) to Monday, July 25, 2016 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on July 19, 2016, 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 the cut-off date i.e., July 19, 2016.
14. A person, whose name is recorded in the register of members as on the cut-off date, i.e. July 19, 2016 only shall be entitled to avail the facility of e-voting/Poll.
15. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. July 19, 2016, may obtain the User ID and password in the manner as mentioned below:

If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may:

  - a) Send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399  
Example for NSDL:  
MYEPWD <SPACE> IN12345612345678  
Example for CDSL :  
MYEPWD <SPACE> 1402345612345678  
Example for Physical:  
MYEPWD <SPACE> XXXX1234567890
  - b) On the home page of <https://evoting.karvy.com>, click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
16. 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 67161500 or at 1800 345 4001 (toll free).
17. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
18. The results of e-voting will be placed by the Company on its website: [www.jsw.in](http://www.jsw.in) within two days of the AGM and also communicated to the stock exchanges, where the shares of the Company are listed.
19. 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.
20. Mr. Nilesh Shah, Practicing Company Secretary, (Membership No. FCS 4554) has been appointed as the Scrutiniser to scrutinise the e-voting process.
21. 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.
22. Members/Proxies are requested to bring their attendance slip duly filled in along with their copy of Annual Report to the Meeting.
23. Route map giving directions to the venue is annexed to this Notice.

### 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 14 of the accompanying notice is as under:

#### ITEM NO. 6.

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on 18.05.2016, has considered and approved the appointment of M/s. S.R. Bhargave & Co. as the Cost Auditor of the Company for the financial year 2016-17 at a remuneration of ₹ 12 lakhs (Rupees twelve lakhs 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

## NOTICE

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. 6 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. 6 for your approval.

### ITEM NO. 7.

Mr. Malay Mukherjee (DIN 02861065), was appointed as an Additional Director by the Board with effect from July 29, 2015, pursuant to Section 161 of the Companies Act, 2013, read with Article 123 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Malay Mukherjee will hold office upto the date of the ensuing Annual General Meeting. The Company has received a Notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a Member alongwith a Deposit of ₹ 1,00,000 proposing the candidature of Mr. Malay Mukherjee for the Office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

Mr. Malay Mukherjee has over 40 years of experience in a range of technical, commercial and managerial roles in the mining and steel industry. Between October 2009 to 2011, Mr. Mukherjee served as the CEO of Essar Steel Global, a large integrated steel company in India. Prior to joining Essar Steel, Mr. Mukherjee was a member of the Board of Directors at Arcelor Mittal between 2008 and 2009.

Between 2006 and 2008, Mr. Malay Mukherjee served as the Senior Executive Vice President at Arcelor Mittal and as a Member of the Group Management Board. He was in charge of mines and operations in Africa, Asia, Southern Europe (Bosnia, Macedonia), CIS, Ukraine, Kazakhstan, and also responsible for Stainless Steel, Pipes and Tubes and Technology.

He also served as the COO for Mittal Steel Company between 2004 and 2006. Prior to that, he served as President and Chief Operating Officer of Ispat International between 2002 and 2004. He joined Ispat International (now part of Arcelor Mittal) in 1993 serving as the Executive Director for Mexico until 1995, the Managing Director (Mexico) between 1995 and 1996 and the Managing Director Ispat Kazakhstan between 1996

and 1999. He later went on to serve as the CEO of Ispat Europe (Luxembourg) between 1999 and 2000 followed by serving as the COO of Ispat International (London).

Prior to that, he served as Executive Director of Works at the Bhilai Steel Plant at Steel Authority of India Limited between 1991 and 1992. Mr. Mukherjee is a recipient of the MECON Award from the Indian Institute of Metals. Mr. Mukherjee holds a Master's degree in mining from the USSR State Commission in Moscow and a Bachelor of Science degree from the Indian Institute of Technology in Kharagpur, India.

Mr. Malay Mukherjee is a Member of Academy of Natural Sciences Kazakhstan and Life Member in the Indian Institute of Metals. He was awarded a letter of appreciation from the President of Kazakhstan for work rendered in Kazakhstan from 1995 to 1999.

Considering the rich experience that Mr. Malay Mukherjee brings to bear, his appointment as a Director of the Company will be in its best interest.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, except Mr. Malay Mukherjee, is concerned or interested financially or otherwise in the resolution.

Your Directors recommend the resolution as at Item No. 7 for your approval.

### ITEM NO. 8.

Mr. Haigreve Khaitan (DIN 00005290) was appointed as an Additional Director by the Board with effect from September 30, 2015, pursuant to Section 161 of the Companies Act, 2013, read with Article 123 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Haigreve Khaitan will hold office upto the date of the ensuing Annual General Meeting. The Company has received a Notice in Writing under the provisions of Section 160 of the Companies Act, 2013 from a Member along with a Deposit of ₹ 1,00,000 proposing the candidature of Mr. Haigreve Khaitan for the Office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

Mr. Haigreve Khaitan is a Senior Partner of Khaitan & Co's Mumbai Office and also heads the Firm's M&A practice. Mr. Haigreve started his career in litigation and moved on to specialise in M&A and private equity transactions, project finance transactions, financing transactions.

## NOTICE

Mr. Haigreve has rich experience in all aspects of Mergers & Acquisitions- due diligence, structuring, documentation involving listed companies, cross-border transactions, medium and small businesses etc., in Restructuring – such as advice and documentation involving creditors, restructuring, sick companies, de-mergers, spin-offs, sale of assets etc., and in Foreign Investment, Joint Ventures and Foreign Collaborations. He advises a range of large Indian Conglomerates and multinational clients in various business sectors including infrastructure, power, telecom, automobiles, steel, software and information technology, retail etc.,

Mr. Haigreve has been recommended by Chambers & Partners, Legal 500 and PLC Which Lawyer. IFLR 1000 has recommended him as one of the leading lawyers in India. Chambers & Partners Asia Pacific 2013 has ranked him the “Brand 1 Lawyer” for Corporate / M & A Transactions. Asia Leading Lawyers 2013, India, M & A Atlas Awards 2013 regards him as one of the “Leading Lawyers for M & A Transactions”.

Considering the rich experience that Mr. Haigreve Khaitan brings to bear, his appointment as a Director of the Company will be in its best interest.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, except Mr. Haigreve Khaitan, is concerned or interested financially or otherwise in the resolution.

Your Directors recommend the resolution as at Item No. 8 for your approval.

### ITEM NO. 9.

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.

At the Twenty First Annual General Meeting of the Company held on July 28, 2015, the members had passed an enabling resolution 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). No amount was raised pursuant to this resolution. The resolution is valid for a period of only one year from the date of the Annual General Meeting.

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 more secured/unsecured redeemable non-convertible debentures, in one or more tranches on private placement basis.

An enabling resolution as set out at Item No. 9 of the Notice is therefore being sought once again, 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. 9 of the Notice.

Your Directors recommend the resolution as at Item No. 9 for your approval.

### ITEM NOS. 10 & 11.

The Indian Economy is poised for robust growth, backed by strong macroeconomic factors & government's pro- growth policies.

The Company has just completed its present brownfield expansion to reach 18 MTPA capacity. It has a strategic vision to reach 40 MTPA capacity by 2025 with significant investment in mineral resources i.e. Iron Ore & Coal.

It is in the interest of the Company to raise long term resources with convertible option so as to optimise capital structure for future growth. The proceeds of the issue will be used for 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.

The enabling resolutions passed by the members at the Twenty First Annual General meeting of the Company held on July 28, 2015 and at the Twentieth Annual General Meeting of the Company held on July 31, 2014, are valid only for a period of one year from the date of the Annual General Meeting.



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It is therefore proposed that the Board of Directors be authorised by way of fresh enabling resolutions as at Item Nos. 10 & 11 of this Notice, to raise additional long term resources depending upon market dynamics by way of:

- i. Issue of Equity Shares and /or 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 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 equity shares or other 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, however the basis of pricing of Specified Securities issued under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 shall be the pricing formula as prescribed under Regulation 85 of said Regulations, 2009, as amended from time to time.

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 No. 10 & 11 of this Notice.

Your Directors recommend the resolution as at Item Nos.10 & 11 for your approval.

### ITEM NO. 12

In terms of the provisions of section 186 read with the Rules framed thereunder and other applicable provisions, if any, of the Companies Act, 2013, no Company shall directly or indirectly, without prior approval by means of special resolution passed at a general meeting, give any loan to any person or other body corporate, give any guarantee or provide any security in connection with a loan to any other body corporate or person and acquire by way of subscription, purchase or otherwise the securities of any other body corporate exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

As a part of its growth strategy, the Company plans to expand its steel capacity to 40 MTPA by 2025 by means of Brownfield and Greenfield expansions and also through acquisitions and continues to scan forward and backward integration opportunities including overseas for its steel making operations in India. In order to support its business activities, the Company may be required to give loans to any person or other body corporate and/or give guarantee and/or provide security in connection with a loan to any other body corporate or person and to make investment or acquire by way of subscription, purchase or otherwise the securities of any other body corporate, including subsidiaries, in excess of the limits prescribed under the Companies Act, 2013 and the rules made thereunder.

Moreover, prior to April 1, 2014, the Company has passed several resolutions at the meetings of the Board of Directors held from time to time to invest/to give loan/guarantees or provide security to the wholly owned subsidiary Companies, subsidiary Companies, Joint Ventures and other associate or group entities and persons, other body corporates subject to approval of members wherever required and fulfilment of the applicable provisions of the Companies Act, 1956 (the "Old Act").

In this regard, it may be noted that (a) investments/ loans/ guarantees/securities made or given or provided by the company (as the case may be) to its wholly owned subsidiaries were exempt from the provisions of Section 372A of the Old Act and were not required to be considered while computing the total investments made, loans given and guarantees and securities provided by a company for the purposes of calculating the limits specified under Section 372A of the Old Act. However, the above mentioned exemption is no longer available under Section 186 of the Companies Act, 2013 and therefore, for the purposes of calculating the limits specified under Section 186(2) of the Companies Act, 2013, the investments/ loans/guarantees/securities made or given or provided to the wholly owned subsidiaries (as the case may be) and to other persons (not being bodies corporate) are also required to be taken into consideration.

Notwithstanding the above, it may be noted that as per Rule 11(1) of the Companies (Meetings of Board and its Powers) Rules, 2014 (the "Rules") (as amended) no approval of the Shareholders is required if a company gives loans/guarantees or provides securities to its wholly owned subsidiary company or a joint venture company or makes investments in the securities of its wholly owned subsidiary company, in excess of the limits specified under Section 186(2) of the Act.

It is therefore proposed to obtain an enabling approval of the shareholders by means of a Special Resolution, authorizing



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the Board to exercise the aforesaid powers, upto a maximum aggregate amount of ₹ 15,000 Crores (Rupees Fifteen thousand crores only) outstanding at any point of time, over and above the permissible limit under Section 186(2) of the Companies Act, 2013 (presently being 60% of the Company's paid-up share capital, free reserves and securities premium account or 100% of Company's free reserves and securities premium account, whichever is more).

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 except to the extent of their shareholding, if any in the bodies corporate in which investments may be made or loans/ guarantees may be given or security may be provided pursuant to this Special Resolution.

Your Directors recommend the resolution as at Item No. 12 for your approval.

### ITEM NO. 13

At the Twentieth Annual General Meeting of the Company held on July 31, 2014, the members had pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, 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 ₹ 50,000 crores (Rupees fifty 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 ₹ 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, is utilised to a considerable extent. It is therefore proposed to increase this limit from the existing ₹ 50,000 crores (Rupees fifty thousand crores only) to ₹ 60,000 crores (Rupees sixty 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. 13 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. 13 for your approval.

### ITEM NO. 14

Vide the resolution passed by the Members of the Company at the Twentieth Annual General Meeting of the Company held on July 31, 2014, the Members had pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, 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 180(1)(c) of the Companies Act, 2013.

As the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 is sought to be enhanced vide Item No. 13 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.14 for your approval.

By Order of the Board

For **JSW STEEL LIMITED**

**LANCY VARGHESE**

Company Secretary  
(Membership No. 9524)

Place : Mumbai  
Date : May 18, 2016

## NOTICE

### DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

[Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard-2]

Name of the Directors	Mr. Sajjan Jindal	Mr. Malay Mukherjee	Mr. Haigreve Khaitan
Date of Birth	05.12.1959	26.01.1948	13.07.1971
Date of first Appointment on the Board	15.03.1994	29.07.2015	30.09.2015
Qualification	Bachelor of Engineering (Mech.)	Master's Degree in mining from the USSR State Commission in Moscow and a Bachelor of Science degree from the Indian Institute of Technology in Kharagpur, India.	LLB
Experience/ Expertise in specific functional areas/ Brief resume of the Director	<p>An accomplished Business Leader and a Second Generation Entrepreneur, Mr. Sajjan Jindal had the foresight to lead the Steel industry and JSW in particular on a transformational journey, contributing significantly to India's growth philosophy.</p> <p>A Mechanical Engineer, Mr. Jindal led the JSW Group through some of its most exciting phases, including JSW Steel and JSW Energy going public in 1995 and 2009-10, respectively. Today, the Group takes pride in expanding the business landscape across Infrastructure, Sports and Cement, with the Group's revenues at US \$ 11 billion.</p> <p>A firm believer of the "Make in India" philosophy, Mr. Jindal has been awarded at global platforms for his contribution and commendable work. He was even awarded the "2014 National Metallurgist Award: Industry" instituted by the Ministry of Steel, Government of India.</p>	<p>Mr. Malay Mukherjee has over 40 years of experience in a range of technical, commercial and managerial roles in the mining and steel industry. Between October 2009 to 2011, Mr. Mukherjee served as the CEO of the Essar Steel Global, a large integrated steel company in India. Prior to joining Essar Steel, Mr. Mukherjee was a member of the Board of Directors at Arcelor Mittal between 2008 and 2009.</p> <p>Between 2006 and 2008, Mr. Malay Mukherjee served as the Senior Executive Vice President at Arcelor Mittal and a Member of the Group Management Board. He was in charge of mines and operations in Africa, Asia, southern Europe (Bosnia, Macedonia), CIS, Ukraine, Kazakhstan, and also responsible for Stainless Steel, Pipes and Tubes and Technology.</p> <p>He also served as the COO for Mittal Steel Company between 2004 and 2006. Prior to that, he served as President and Chief Operating Officer of Ispat International between 2002 and 2004. He joined Ispat International (now part of Arcelor Mittal) in 1993 serving as the Executive Director for Mexico until 1995, the Managing Director (Mexico) between 1995 and 1996 and the Managing Director Ispat Kazakhstan between 1996 and 1999. He later went on to serve as the CEO of Ispat Europe (Luxembourg) between 1999 and 2000 followed by serving as the COO of Ispat International (London).</p> <p>A renowned and respected practitioner of sustainable business practices, Mr. Jindal is a noted member of the Executive Committee and the Chairman of the Sustainability Committee of the World Steel Association, as well as the former President of the Institute of Steel Development &amp; Growth (INSDAG). He is also a Council member of the Indian Institute of Metals.</p>	<p>Mr. Haigreve Khaitan has rich experience in all aspects of Mergers &amp; Acquisitions- due diligence, structuring, documentation involving listed companies, cross border transactions, medium and small businesses etc., In restructuring – such as advice and documentation involving creditors restructuring, sick companies, de-mergers spin-offs, sale of assets etc and in Foreign Investment, Joint Ventures and Foreign Collaborations. He advises a range of large Indian Conglomerates and multinational clients in various business sectors including infrastructure, power, telecom, automobiles, steel, software and information technology, retail etc.</p> <p>Prior to that, he served as Executive Director of Works at the Bhilai Steel Plant at Steel Authority of India Limited between 1991 and 1992. Mr. Mukherjee is a recipient of the MECON Award from the Indian Institute of Metals. Mr. Mukherjee holds a Master's degree in mining from the USSR State Commission in Moscow and a Bachelor of Science degree from the Indian Institute of Technology in Kharagpur, India.</p>

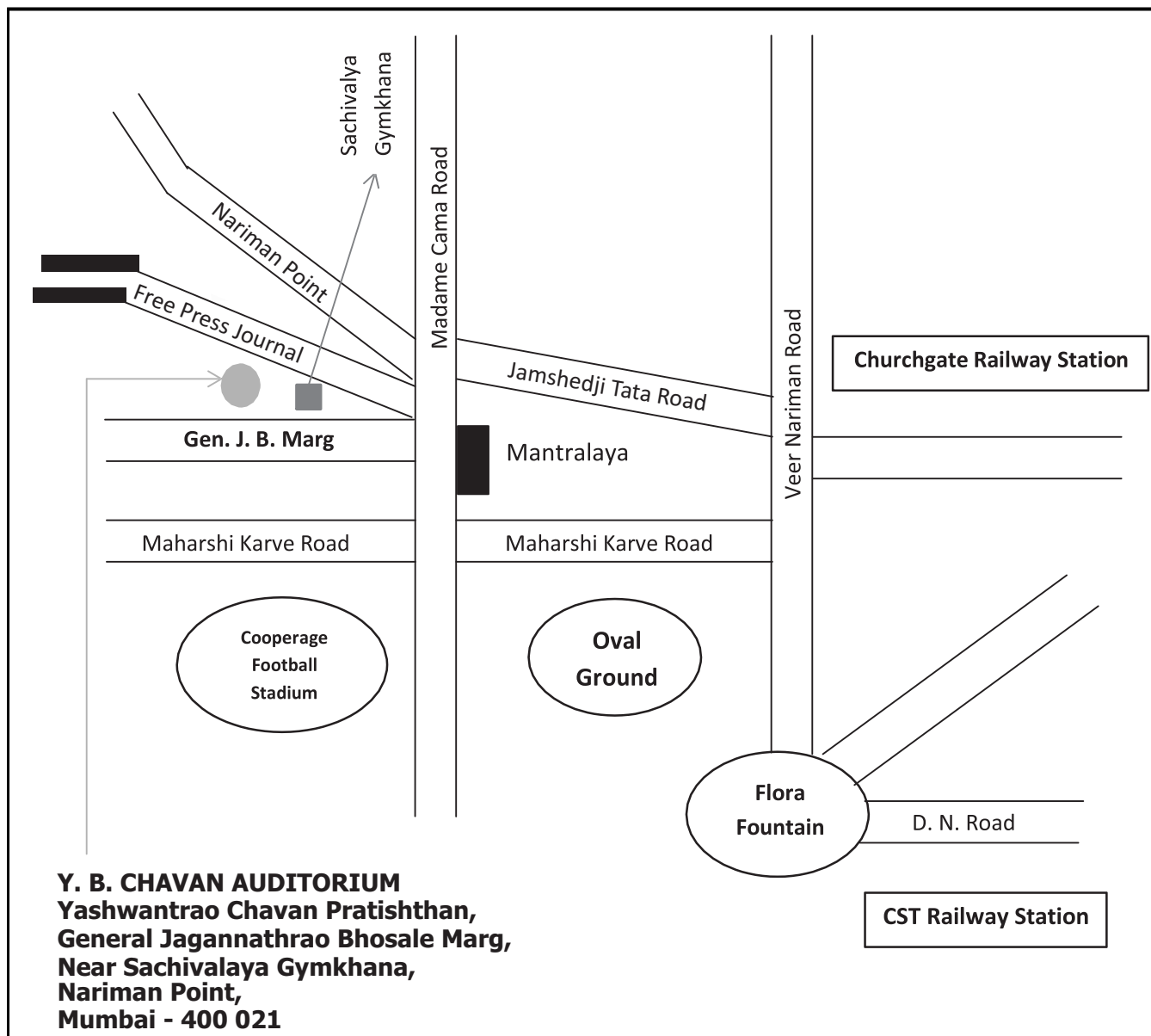
## NOTICE

<b>Name of the Directors</b>	<b>Mr. Sajjan Jindal</b>	<b>Mr. Malay Mukherjee</b>	<b>Mr. Haigreve Khaitan</b>
		Mr. Malay Mukherjee is a Member of Academy of Natural Sciences Kazakhstan and Life Member in the Indian Institute of Metals. He was awarded a letter of appreciation from the President of Kazakhstan for work rendered in Kazakhstan from 1995 to 1999.	
Terms & conditions of appointment / re-appointment	Tenure as a Director is subject to retirement of Directors by rotation in terms of Section 152 of the Companies Act, 2013.	As per the letter of appointment of Independent Directors uploaded on the website of the Company ( <a href="http://www.jsw.in/investors/investor-relations-steel">http://www.jsw.in/investors/investor-relations-steel</a> ) pursuant to clause IV(6) of Schedule IV of the Companies Act 2013.	As per the letter of appointment of Independent Directors uploaded on the website of the Company ( <a href="http://www.jsw.in/investors/investor-relations-steel">http://www.jsw.in/investors/investor-relations-steel</a> ) pursuant to clause IV(6) of Schedule IV of the Companies Act 2013.
Details of remuneration sought to be paid and remuneration last drawn.	Nil	Sitting Fees and Commission not exceeding 1% of the net profits in the aggregate for all of the non-executive Directors.	Sitting Fees and Commission not exceeding 1% of the net profits in the aggregate for all of the non-executive Directors.
Disclosure of Relationship with other Directors, Manager and Key Managerial Personnel of the Company.	Not inter-se related to any other Director or Key Managerial Personnel. The Company does not have a Manager.	Not inter-se related to any other Director or Key Managerial Personnel. The Company does not have a Manager.	Not inter-se related to any other Director or Key Managerial Personnel. The Company does not have a Manager.
Number of meetings of the Board of Directors attended during the F.Y. 2015-16	4/6	4/5 * (* No. of Board meetings indicated is with reference to date of joining)	2/4* (* No. of Board meetings indicated is with reference to date of joining)
Other Directorships held	<ol style="list-style-type: none"> <li>1. JSW Energy Limited</li> <li>2. JSW Holdings Limited</li> <li>3. JSW Bengal Steel Limited</li> <li>4. Jsoft Solutions Limited</li> <li>5. JSW Ventures Fund Managers LLP (Designated Partner)</li> </ol>	<ol style="list-style-type: none"> <li>1. VA Tech Wabag Limited</li> <li>2. Metal &amp; Mining Consel FZE (owner)</li> </ol>	<ol style="list-style-type: none"> <li>1. Ambuja Cements Limited</li> <li>2. CEAT Limited</li> <li>3. Harrisons Malayalam Ltd</li> <li>4. Inox Leisure Limited</li> <li>5. Jindal Steel &amp; Power Ltd</li> <li>6. Torrent Pharmaceuticals Ltd.</li> <li>7. AVTEC Limited</li> <li>8. Birla Sun Life Insurance Company Limited</li> <li>9. Mahindra Holdings Ltd.,</li> <li>10. Egyptian Indian Polyester Company S.A.E, Egypt</li> <li>11. Vinar Systems Pvt Limited</li> </ol>

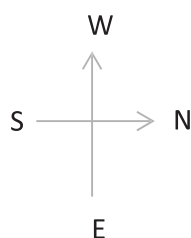
## NOTICE

<b>Name of the Directors</b>	<b>Mr. Sajjan Jindal</b>	<b>Mr. Malay Mukherjee</b>	<b>Mr. Haigreve Khaitan</b>
Membership/ Chairmanship of Committees of other Boards	JSW Energy Limited • Finance Committee (C)	VA Tech Wabag Limited • Audit Committee (M)	Ambuja Cements Limited • Stakeholder's Relationship Committee (M) • Compliance Committee (C)  Harrisons Malayalam Limited • Audit Committee (C) • Nomination & Remuneration Committee (C ) • Risk Management Committee (M)  Inox Leisure Limited • Audit Committee (C) • Compensation & Remuneration Committee (C)  Jindal Steel & Power Limited • Audit Committee (M)  Torrent Pharmaceuticals Limited • Audit Committee (M) • Securities Transfer and Stakeholders Relationship Committee (M)  AVTEC Limited • Audit Committee (M) • Nomination and Remuneration Committee (M)  Birla Sun Life Insurance Co. Ltd., • Audit Committee (C) • Risk Management Committee (M)  Mahindra Holdings Limited • Audit Committee (M) • Nomination and Remuneration Committee (M)
Shareholding in the Company	2329856 Nos	Nil	Nil

**ROUTE MAP TO THE VENUE OF THE TWENTY SECOND ANNUAL GENERAL MEETING  
OF JSW STEEL LIMITED TO BE HELD ON TUESDAY, 26<sup>TH</sup> JULY 2016**



Not to scale









# JSW Steel Limited

**Corporate Identification No. (CIN) - L27102MH1994 PLC152925**  
**Regd. Office: JSW Centre, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051**

## Form No. MGT-11

### 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./ D.P. ID. and Client ID No.** _____

I/We being a member(s) of \_\_\_\_\_ shares 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: \_\_\_\_\_ or failing him

as my/our Proxy to attend and vote (on a poll) for me/us and on my / our behalf at the **Twenty-Second Annual General Meeting** of the Company to be held on Tuesday the 26th July, 2016 at 11.00 a.m. at Y. B. Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021, Maharashtra and at any adjournment thereof in respect of such resolutions and in such manner as is indicated below:

Reso. No.	Description	For*	Against*
1	Adoption of the Audited Financial Statements of the Company (including Audited Consolidated Financial Statements) for the financial year ended 31st March, 2016 and the Reports of the Board of Directors and Auditors thereon	<input type="checkbox"/>	<input type="checkbox"/>
2	.Declaration of dividend on the 10% Cumulative Redeemable Preference Shares for the Financial Year 2015-16	<input type="checkbox"/>	<input type="checkbox"/>
3	.Declaration of Dividend on the equity shares of the Company for the Financial Year 2015-16	<input type="checkbox"/>	<input type="checkbox"/>
4	.Re-appointment of Mr. Sajjan Jindal (DIN 00017762) as a Director	<input type="checkbox"/>	<input type="checkbox"/>
5	Ratification of the 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 their remuneration fixed at the .twentieth Annual General Meeting of the Company held on July 31, 2014	<input type="checkbox"/>	<input type="checkbox"/>
6	Ratification of Remuneration payable to M/s. S.R. Bhargave & Co., Cost Auditors of the Company, for the Financial .Year 2016-17	<input type="checkbox"/>	<input type="checkbox"/>
7	.Approval for appointment of Mr. Malay Mukerjee (DIN:02861065) as an Independent Director	<input type="checkbox"/>	<input type="checkbox"/>
8	.Approval for appointment of Mr. Haigreve Khaitan (DIN:00005290) as an Independent Director	<input type="checkbox"/>	<input type="checkbox"/>
9	.Consent for Private placement of redeemable non-convertible debentures aggregating up to ₹10,000 crores	<input type="checkbox"/>	<input type="checkbox"/>
10	.Consent for Issue of Securities to Qualified Institutional Buyers for an amount not exceeding ₹4,000 crores	<input type="checkbox"/>	<input type="checkbox"/>
11	.Issue of non-convertible foreign currency denominated bonds for an aggregate sum of upto USD 2 Billion	<input type="checkbox"/>	<input type="checkbox"/>
12	Consent to give loan to any person or body corporate or to give any guarantee or provide security in connection with a loan to any person or other body corporate or to acquire by way of subscription, purchase or otherwise, securities of any other body corporate upto an aggregate amount of ₹15,000 crores over and above the permissible .limit under section 186(2) of the Companies Act, 2013	<input type="checkbox"/>	<input type="checkbox"/>
13	Consent for increase in borrowing powers of the Board from ₹50,000 crores to ₹60,000 crores in excess of paid up .capital and free reserves	<input type="checkbox"/>	<input type="checkbox"/>
14	Consent to hypothecate/ mortgage and/or charge all or any part of the movable and/or immovable properties of .the Company to secure borrowings	<input type="checkbox"/>	<input type="checkbox"/>

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

**Notes:** 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.

\* Please tick anyone

Affix  
Revenue  
Stamp

\_\_\_\_\_  
Signature of Shareholder





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**  
,Karvy Selenium Tower B, Plot 31-32  
,Gachibowli, Financial District  
,Nanakramguda  
Hyderabad - 500 032

**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, 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

..... :Signature ..... :Date

:Notes

- .On registration, all communications will be sent to the e-mail ID registered..... (1
- .The form is also available on the website of the Company [www.jsw.in](http://www.jsw.in) under the section 'Shareholder's information (2
- Shareholders are requested to keep the Company's Registrar-Karvy Computershare Private Limited informed as and (3
- .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 Karvy Selenium Tower B, Plot 31-32, Gachibowli, ,Financial District, Nanakramguda Hyderabad - 500 032 (In case of physical holding)	,To The Depository Participant concerned (In case of electronic holding)
--	--

.Please fill in the information in CAPITAL LETTERS IN ENGLISH only

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\*.Folio No./Client ID No

\*DP ID 

I	N						
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For Office only	
ECS .Ref. No	<input style="width: 95%; height: 15px;" type="text"/>

.Applicable only in case of Electronic holding \*

Name of Sole/First holder	<input style="width: 98%; height: 20px;" type="text"/>										
Bank Name	<input style="width: 98%; height: 20px;" type="text"/>										
Branch Name	<input style="width: 98%; height: 20px;" type="text"/>										
Branch code	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table> <p style="font-size: small; margin-top: 5px;">.(Digits Code number appearing on the MICR Band of the cheque supplied by the Bank 9) 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</p>										

Account type  
(wherever applicable (✓) Please Tick)

Savings

Current

Cash Credit

.A/c. No  
(as appearing in the cheque book)

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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 :

1. Whenever the Shares in the given folio are entirely dematerialised, then this NECS mandate form if given to the Company will stand rescinded.
2. For shares held in dematerialised mode, NECS Mandate is required to be filed with the concerned Depository Participant.







Pickling Line cum Tandem Cold Mill (PLTCM) at CRM #2 Complex.





If undelivered please return to

JSW Steel Limited  
JSW Centre,  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai - 400 051

Tel: 022 4286 1000  
Fax: 022 4286 3000  
Website: [www.jsw.in](http://www.jsw.in)  
CIN: L27102MH1994PLC152925

# **JSW STEEL LIMITED**

**ANNUAL REPORT 2015-16**