


Limited Review Report

Review Report to
The Board of Directors
JSW Steel Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of JSW Steel Limited (the 'Company') for the quarter and nine months ended 31 December 2017 (the 'Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016.
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) specified under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016 is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The comparative financial information of the Company for the corresponding quarter and nine months ended 31 December 2016 were reviewed and for the year ended 31 March 2017 were audited by the predecessor auditor who expressed an unmodified conclusion / opinion on those financial results on 31 January 2017 and 17 May 2017 respectively.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003


per Vikram Mehta
Partner
Membership No.: 105938



Mumbai
31 January 2018

JSW Steel Limited

Registered Office : JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai- 400051
CIN: L27102MH1994PLC152925

Statement of Unaudited Standalone Financial Results for the quarter and nine months ended 31st December 2017

(Rs. in Crores)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
		Unaudited			Unaudited		Audited
I	Revenue from operations						
	a) Gross Sales	16,299	14,820	14,455	46,088	39,539	56,244
	b) Other operating Income	154	166	128	447	423	669
	Total Revenue from operations	16,453	14,986	14,583	46,535	39,962	56,913
II	Other Income	43	49	78	140	174	255
III	Total Income (I + II)	16,496	15,035	14,661	46,675	40,136	57,168
IV	Expenses						
	a) Cost of materials consumed	9,090	8,273	7,495	25,828	19,370	28,400
	b) Purchases of stock-in-trade	325	47	320	735	621	945
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	100	488	(500)	205	(1,299)	(1,390)
	d) Employee benefits expense	314	300	295	939	893	1,168
	e) Finance costs	892	919	901	2,718	2,680	3,643
	f) Depreciation and amortisation expense	769	772	747	2,273	2,240	3,025
	g) Power and fuel	1,215	1,189	1,084	3,501	2,971	4,097
	h) Excise duty expenses	-	-	1,229	1,259	3,451	4,623
	i) Other Expenses	1,836	1,762	1,898	5,370	5,416	7,526
	Total Expenses (IV)	14,541	13,750	13,469	42,828	36,343	52,037
V	Profit before exceptional Items and Tax (III - IV)	1,955	1,285	1,192	3,847	3,793	5,131
VI	Exceptional Items (refer note 1)	234	-	-	234	-	-
VII	Profit before Tax (V - VI)	1,721	1,285	1,192	3,613	3,793	5,131
VIII	Tax Expense						
	a) Current tax	344	271	5	724	54	(53)
	b) Deferred tax	251	169	368	499	1,166	1,607
IX	Net Profit after Tax for the period / year (VII-VIII)	1,126	845	819	2,390	2,573	3,577
X	Other Comprehensive Income (OCI)						
	A. i) Items that will not be reclassified to profit or loss	173	87	(117)	268	(94)	(79)
	ii) Income tax relating to items that will not be reclassified to profit or loss	(1)	-	2	1	5	6
	B. i) Items that will be reclassified to profit or loss	171	(75)	21	(128)	249	597
	ii) Income tax relating to items that will be reclassified to profit or loss	(59)	26	(7)	44	(86)	(207)
	Total Other Comprehensive Income/(Loss)	284	38	(101)	185	74	317
XI	Total Comprehensive Income for the period/year (Comprising Profit and Other Comprehensive Income for the period/year) (IX+X)	1,410	883	718	2,575	2,647	3,894
XII	Paid up Equity Share Capital (face value of Rs. 1 per share)(refer note 5(i))	241	241	240	241	240	240
XIII	Other Equity excluding Revaluation Reserves						23,797
XIV	Earnings per share (not annualised)(refer note 5(iii))						
	Basic (Rs.)	4.68	3.51	3.41	9.94	10.71	14.89
	Diluted (Rs.)	4.66	3.50	3.39	9.89	10.65	14.80

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 BY
SRBC & CO LLP
MUMBAI

Notes

1. During the quarter, a subsidiary of the Company has surrendered one of its iron ore mines in Chile considering its economic viability and accordingly the Company has reassessed the recoverability of the loans given to and investments made in subsidiaries and recognised an impairment provision of Rs 234 crores which has been disclosed as an exceptional item in the above results.

2. (i) In response to a petition filed by the iron ore mine owners and purchasers (including JSW Steel Limited [the Company]) contesting the levy of Forest Development Tax (FDT), the Honourable High Court of Karnataka vide its judgement dated 3 December 2015 directed refund of the entire amount of FDT collected by Karnataka State Government on sale of iron ore by private lease operators and National Mineral Development Corporation Limited (NMDC). The Karnataka State Government has filed an appeal before the Supreme Court of India ("SCI"). SCI has not granted stay on the judgement but stayed refund of FDT amounting to Rs.1,517 crores. The matter is yet to be heard by SCI. Based on merits of the case and supported by a legal opinion, the Company has not recognised provision for FDT of Rs. 1,043 crores and treated it as a contingent liability.

(ii) The State of Karnataka on 27 July 2016, has amended Section 98-A of the Forest Act retrospectively substituting the levy as Forest Development Fee (FDF) instead of FDT. In response to the writ petition filed by the Company and others, the Honourable High Court of Karnataka has vide its order dated 4 October 2017, held that the amendment is ultra-vires the Constitution of India and directed the State Government to refund the FDF collected. The State Government has filed an appeal before the SCI, and based on merits of the case duly supported by a legal opinion and a favorable order from the High Court, the Company has not recognised provision for FDF amount of Rs. 470 crores till 4 October 2017 (including paid under protest - Rs.255 crores) pertaining to the private lease operators & NMDC and treated it as contingent liability.

3. (i) Revenue from operations for periods up to 30 June 2017 includes excise duty, which is discontinued effectively 1 July 2017 upon implementation of Goods and Service Tax (GST). In accordance with 'Ind AS 18 - Revenue', GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the quarter and nine months ended 31 December 2017 is not comparable to the quarter and nine months ended 31 December 2016.

(ii) The Company's unit at Dolvi in the State of Maharashtra is eligible for a deferral of VAT/CST collected on sale of finished goods under Package Scheme of Incentive (PSI) – 1993, which is accounted as a Government grant. Consequent to introduction of GST with effect from 1 July 2017, VAT/CST has been subsumed into GST. The Maharashtra Government is in the process of revising the incentive scheme under the GST regime. Based on the precedents available, the Company believes that the incentive would continue to be extended in the GST regime and, accordingly, has recognised the government grant of Rs. 87 crores and Rs. 186 crores as per the existing incentive scheme for the quarter and nine months ended 31 December 2017 respectively.

4. The Company is in the business of manufacturing steel products and hence has only one reportable operating segment as per Ind AS 108 - Operating Segments.

5. (i) Pursuant to the approval of the members accorded on 17 December 2016 by way of a Postal ballot, the Equity Shares of the Company having a face value of Rs. 10/- (Rupees Ten only) each were sub-divided into 10 (Ten) Equity Shares having a face value of Re. 1/- (Rupee One only) each. Accordingly, 241,722,044 equity shares of face value of Rs. 10 each were sub-divided into 2,417,220,440 equity shares of face value of Re. 1 each.

(ii) The earnings per share in respect of all the reported periods has been restated considering the aforesaid sub-division of shares.



6. The above results have been reviewed by the Audit committee and approved by the Board of Directors at their meetings held on 30 January 2018 and 31 January 2018 respectively. The Statutory Auditors have carried out a Limited Review of the results for the quarter and nine months ended 31 December 2017.

For JSW Steel Limited



Seshagiri Rao M.V.S

Jt. Managing Director & Group CFO

31 January 2018



Limited Review Report

Review Report to
The Board of Directors
JSW Steel Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of JSW Steel Limited (the 'Company') comprising its subsidiaries (together referred to as 'the Group') and its joint ventures, for the quarter and nine months ended 31 December 2017 (the 'Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016.
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016 is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above and based on the consideration of the reports of other auditors on the unaudited separate financial results and on the other unaudited financial information of subsidiaries and joint ventures, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the financial results and other financial information considered in the preparation of the Statement, in respect of 20 subsidiaries, whose financial results reflect total revenues of Rs. 2,180 crores and Rs. 6,445 crores for the quarter and nine months ended 31 December 2017, respectively. These financial results and other financial information have been reviewed by other auditors and whose reports have been furnished to us by the management.

The Statement also includes the Group's share of net profit after tax of Rs. 1 crores and Rs. 2 crore for the quarter and nine months ended 31 December 2017 respectively, in respect of 3 joint ventures, whose financial results and other financial information have been reviewed by other auditors and whose reports have been furnished to us by the management.

Our conclusion, in so far as it relates to the affairs of such subsidiaries and joint ventures, is based solely on the report of other auditors. Our conclusion is not modified in respect of this matter.



SRBC & CO LLP

Chartered Accountants

JSW Steel Limited

Limited Review Report for the quarter and nine months ended 31 December 2017

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6. We did not review the financial results and other financial information considered in the preparation of the Statement, in respect of 21 subsidiaries, which reflect total revenues of Rs. 7 crores and Rs. 22 crores for the quarter and nine months ended 31 December 2017, respectively. These financial results and other financial information have been certified by the management and have not been reviewed by other auditors.

The Statement also includes the Group's share of net profit after tax of Rs. 13 crores and Rs. 33 crores for the quarter and nine months ended 31 December 2017 respectively, in respect of 6 joint ventures, whose financial results and other financial information have not been reviewed by other auditors and are considered in the preparation of the Statement based on their interim financial results / information which are certified by the Management.


Our conclusion, in so far as it relates to the affairs of such subsidiaries and joint ventures, is based solely on the management accounts of these entities. Our conclusion is not modified in respect of this matter.

7. The comparative financial information of the Company for the corresponding quarter and nine months ended 31 December 2016 were reviewed and for the year ended 31 March 2017 were audited by predecessor auditor who expressed an unmodified conclusion / opinion on those consolidated financial information on 31 January 2017 and 17 May 2017 respectively.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003



per Vikram Mehta

Partner

Membership No.: 105938



Mumbai

31 January 2018

JSW Steel Limited

Registered Office : JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai- 400051
CIN: L27102MH1994PLC152925

Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended 31st December 2017

		Quarter ended			Nine months ended		Year ended
Sr. No.	Particulars	31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
		Unaudited			Unaudited		Audited
(Rs. in Crores)							
I	Revenue from operations						
	a) Gross sales	17,669	16,638	15,096	50,064	42,011	59,560
	b) Other operating income	192	210	216	622	608	976
	Total Revenue from operations	17,861	16,848	15,312	50,686	42,619	60,536
II	Other Income	42	39	33	122	96	152
III	Total Income (I+II)	17,903	16,887	15,345	50,808	42,715	60,688
IV	Expenses						
	a) Cost of materials consumed	9,695	9,303	7,880	28,018	20,328	29,749
	b) Purchases of stock-in-trade	-	2	-	2	-	-
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	369	594	(514)	186	(1,367)	(1,486)
	d) Employee benefits expense	460	443	425	1,372	1,293	1,700
	e) Finance costs	923	950	921	2,818	2,821	3,768
	f) Depreciation and amortisation expense	852	851	868	2,522	2,552	3,430
	g) Excise duty expense	-	-	1,300	1,278	3,671	4,932
	h) Power and fuel	1,437	1,396	1,258	4,182	3,494	4,883
	i) Other expenses	2,049	2,074	2,142	6,144	6,190	8,584
	Total expenses (IV)	15,785	15,613	14,280	46,522	38,982	55,560
V	Profit before exceptional items and tax (III-IV)	2,118	1,274	1,065	4,286	3,733	5,128
VI	Exceptional Items (refer note 1)	264	-	-	264	-	-
VII	Profit before tax (V-VI)	1,854	1,274	1,065	4,022	3,733	5,128
VIII	Tax expenses						
	a) Current tax	376	324	43	889	203	152
	b) Deferred tax (refer note 2)	(282)	121	308	(66)	1,072	1,522
IX	Net Profit after tax for the period / year (VII-VIII)	1,760	829	714	3,199	2,458	3,454
X	Share of profit / (loss) from an associate	-	-	-	-	(9)	(9)
XI	Share of profit from joint ventures (net)	14	7	2	35	10	22
XII	Net Profit for the period / year (IX+X+XI)	1,774	836	716	3,234	2,459	3,467
XIII	Other comprehensive income (OCI)						
	(A) (i) Items that will not be reclassified to profit or loss	190	94	(129)	293	(104)	(88)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	1	1	1	4	5	7
	(B) (i) Items that will be reclassified to profit or loss	257	(129)	(74)	(134)	143	674
	(ii) Income tax relating to items that will be reclassified to profit or loss	(76)	32	(1)	53	(84)	(223)
	Total other comprehensive income/(loss)	372	(2)	(203)	216	(40)	370
XIV	Total comprehensive income for the period / year (Comprising Profit and Other Comprehensive income for the period/year) (XII+XIII)	2,146	834	513	3,450	2,419	3,837
XV	Net Profit / (loss) for the period/year attributable to:						
	-Owners of the Company	1,753	839	730	3,218	2,509	3,523
	-Non-controlling interests	21	(3)	(14)	16	(50)	(56)
		1,774	836	716	3,234	2,459	3,467
XVI	Other comprehensive income / (loss)						
	-Owners of the Company	362	2	(194)	210	(33)	365
	-Non-controlling interests	10	(4)	(9)	6	(7)	5
		372	(2)	(203)	216	(40)	370
XVII	Total comprehensive income / (loss) for the period/year attributable to:						
	-Owners of the Company	2,115	841	536	3,428	2,476	3,888
	-Non-controlling interests	31	(7)	(23)	22	(57)	(51)
		2,146	834	513	3,450	2,419	3,837
XVIII	Paid up Equity Share Capital (face value of Re. 1 per share) (refer note 6 (i))	241	241	240	241	240	240
	Other Equity Reserves including Revaluation Reserves						22,346
XX	Earnings per share (not annualised) (refer note 6 (ii))						
	Basic (Rs.)	7.28	3.49	3.04	13.38	10.68	14.66
	Diluted (Rs.)	7.25	3.47	3.02	13.31	10.61	14.58

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Notes

1. During the quarter, the Group has surrendered one of its iron ore mines in Chile considering its economic viability and accordingly has reassessed the recoverability of the carrying amounts of Property, Plant and Equipment, Goodwill and advances pertaining to the said iron ore mine and recognised an impairment provision of Rs 264 crores which has been disclosed as an exceptional item in the above results.
2. Pursuant to the enactment of Tax Cuts and Jobs Act by the United States of America on 22 December 2017, the corporate income tax rate has been reduced to 21% resulting into a reversal of deferred tax liabilities amounting to Rs.572 crores for a component of the Group which has been recognised in the deferred tax expenses item in the above results.
3. (a) In response to a petition filed by the iron ore mine owners and purchasers (including JSW Steel Limited [the Company]) contesting the levy of Forest Development Tax (FDT), the Honourable High Court of Karnataka vide its judgement dated 3 December 2015 directed refund of the entire amount of FDT collected by Karnataka State Government on sale of iron ore by private lease operators and National Mineral Development Corporation Limited (NMDC). The Karnataka State Government has filed an appeal before the Supreme Court of India ("SCI"). SCI has not granted stay on the judgement but stayed refund of FDT amounting to Rs. 1,517 crores. The matter is yet to be heard by SCI. Based on merits of the case and supported by a legal opinion, the Company has not recognised provision for FDT of Rs. 1,043 crores and treated it as a contingent liability.

(b) The State of Karnataka on 27 July 2016, has amended Section 98-A of the Forest Act retrospectively substituting the levy as Forest Development Fee (FDF) instead of FDT. In response to the writ petition filed by the Company and others, the Honourable High Court of Karnataka has vide its order dated 4 October 2017, held that the amendment is ultra-vires the Constitution of India and directed the State Government to refund the FDF collected. The State Government has filed an appeal before the SCI, and based on merits of the case duly supported by a legal opinion and a favorable order from the High Court, the Company has not recognised provision for FDF amount of Rs. 470 crores till 4 October 2017 (including paid under protest - Rs. 255 crores) pertaining to the private lease operators & NMDC and treated it as contingent liability.
4. (a) Revenue from operations for periods up to 30 June 2017 includes excise duty, which is discontinued effectively 1 July 2017 upon implementation of Goods and Service Tax (GST). In accordance with 'Ind AS 18, Revenue', GST is not included in revenue from operation. In view of the aforesaid change in indirect taxes, revenue from operation for the quarter and nine months ended on 31 December 2017 is not comparable to the quarter and nine months ended 31 December 2016.

(b) The Group units in the State of Maharashtra is eligible for a deferral of VAT/CST collected on sale of finished goods under Package Scheme of Incentive (PSI) – 1993 and refund of VAT/CST on sales under PSI 2007, which is accounted as a government grant. Consequent to introduction of GST, with effect from 1 July 2017, VAT/CST has been subsumed into GST. The Maharashtra Government is in the process of revising the incentive scheme under the GST regime. Based on the precedents available, the Group believes that the incentive would continue to be extended in the GST regime and accordingly has recognised the government grant of Rs. 114 crores and Rs 231 crores as per the existing incentive scheme for the quarter and nine months ended 31 December 2017 respectively.
5. The Group is majorly in the business of manufacturing steel products and hence has only one reportable operating segment as per IND AS 108 - Operating Segments.

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6. (i) Pursuant to the approval of the members accorded on 17 December 2016 by way of a Postal ballot, the Equity Shares of the Company having a face value of Rs. 10/- (Rupees Ten only) each were sub-divided into 10 (Ten) Equity Shares having a face value of Re. 1/- (Rupee One only) each. Accordingly, 241,722,044 equity shares of face value of Rs. 10 each were sub-divided into 2,417,220,440 equity shares of face value of Re. 1 each.

(ii) The earnings per share in respect of all the reported periods has been restated considering the aforesaid sub-division of shares.

7. The above results have been reviewed by the Audit committee and approved by the Board of Directors at their meetings held on 30 January 2018 and 31 January 2018 respectively. The Statutory Auditors have carried out a Limited Review of the results for the quarter and nine months ended 31 December 2017.

For JSW Steel Limited



Seshagiri Rao M.V.S

Jt. Managing Director & Group CFO

31 January 2018

