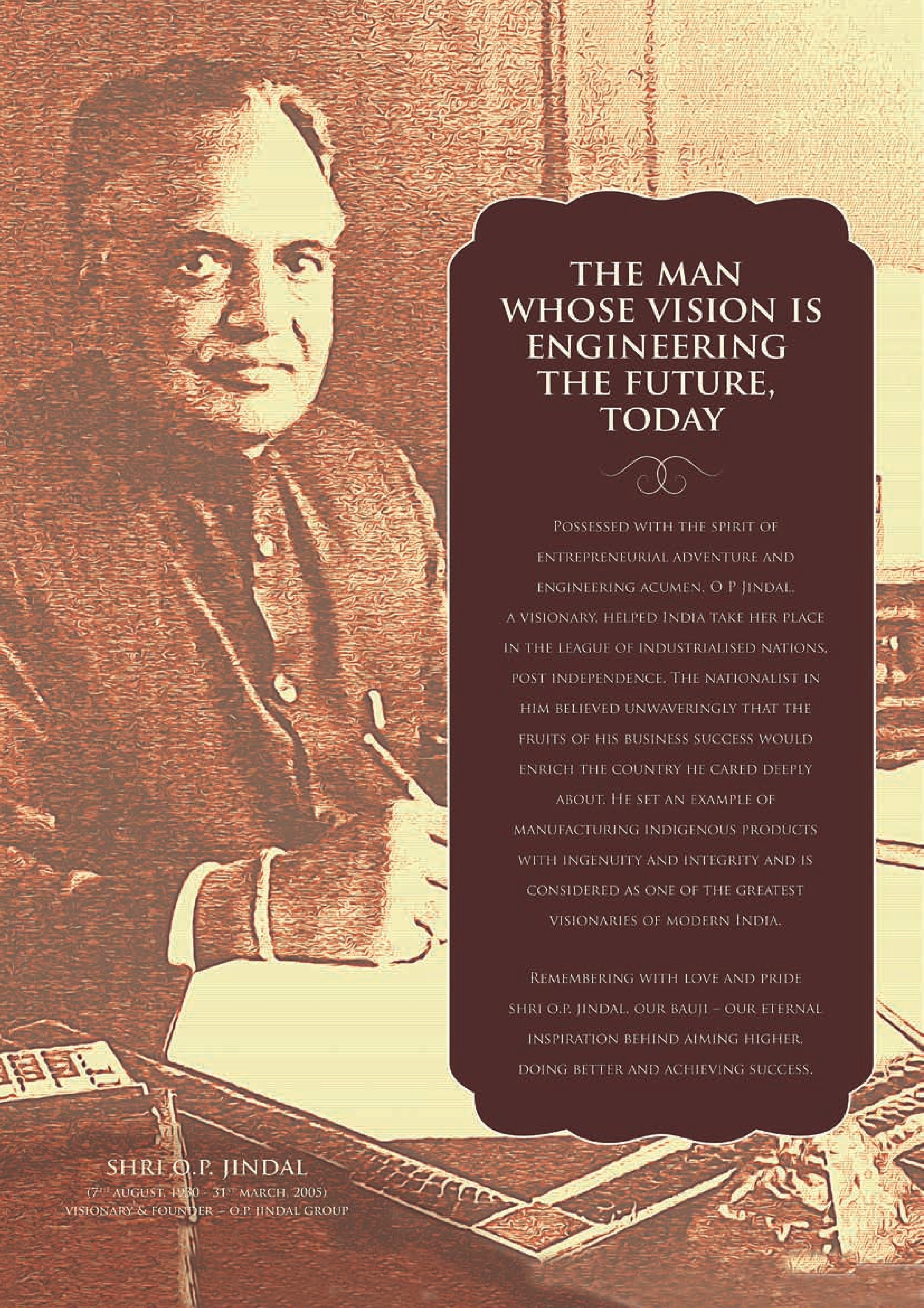
Better Everyday

Integrated Report 2017-18

JSW Steel



THE MAN WHOSE VISION IS ENGINEERING THE FUTURE, TODAY

Possessed with the spirit of entrepreneurial adventure and engineering acumen, O P Jindal, a visionary, helped India take her place in the league of industrialised nations, post independence. The nationalist in him believed unwaveringly that the fruits of his business success would enrich the country he cared deeply about. He set an example of manufacturing indigenous products with ingenuity and integrity and is considered as one of the greatest visionaries of modern India.

Remembering with love and pride Shri O.P. Jindal, our Bauji – our eternal inspiration behind aiming higher, doing better and achieving success.

SHRI O.P. JINDAL
(7TH AUGUST, 1930 - 31ST MARCH, 2005)
VISIONARY & FOUNDER – O.P. JINDAL GROUP

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About this Report

JSW Steel Ltd. (JSW Steel) has been disclosing its financial and non-financial performance in accordance with leading national and global frameworks, both statutory and voluntary. These include reporting requirements under the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Indian Accounting Standard (IndAS), the Global Reporting Initiative (GRI) Standards, the National Voluntary Guidelines (NVGs) for Business Responsibility Reporting (BRR), UN Sustainable Development Goals (UN SDGs), Carbon Disclosure Project (CDP) and Worldsteel Association, among others. The financial year 2017-18 marks an important milestone in the Company's corporate reporting journey as it has adopted Integrated Reporting to inform stakeholders about its value creation by focussing on the six 'capitals'. With the aim to provide an insight into this value creation process, JSW Steel is pleased to present its maiden Integrated Report, which captures the Company's performance in accordance with the Integrated Reporting framework for the period April 1, 2017, to March 31, 2018.

The content of the report has been reviewed by the Company's Senior Management, under the guidance of the Board. This has ensured accuracy and completeness of the information disclosed in this report.

Reporting Framework

The non-financial section of the report is based on the Integrated Reporting ‹IR› framework of the International Integrated Reporting Council (IIRC) as well as the GRI Standards. The statutory and financial section of the report is in line with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Secretarial Standards.

Reporting Boundary

The information contained in this integrated report pertains to JSW Steel, including its national and international subsidiaries, joint ventures and associate companies. However, non-financial information is limited to the Company's major manufacturing operations in India.

Independent Assurance

The financial statements presented in the report have been audited by S R B C & Co. LLP and the non-financial information disclosed under IR has been independently assured by Deloitte Haskins and Sells LLP.

For more information, please write to suman.majumdar@jsw.in

Please find the online version at: www.jsw.in

JSW Steel

Better Everyday.
In Pursuit of Excellence.

Excellence is not a state, but a journey. It is the combination of relentless efforts to become better and do better, every day.

At JSW steel Limited (JSW Steel), exploring newer and improved ways of maintaining leadership across everything we do is intrinsic to us. Be it steel production, community empowerment, environmental initiatives or continuous innovation, we achieve the best and strive to make it better.

Over the years, JSW Steel has grown to be the market leader in the Indian steel industry, with strategic international presence. We have overcome dynamic market conditions and challenging demand-supply equations to lead from the front. This has been accomplished through the over-arching guiding philosophy of the Group – that of becoming 'Better Everyday'.

Looking ahead, we have planned a capex of ~₹40,000 crore over FY19 and FY21 to increase capacity to 24.7 MTPA, modernise and expand our downstream facilities and to facilitate strategic backward integration projects to achieve cost reduction. Additionally, we will pursue strategic growth across high-margin areas; further diversify our product suite and customer base; achieve full integration across our business; drive optimum resource utilisation; adopt prudent financial management; and ensure sustainability across all functions of our business.

At JSW Steel, with a successful run at present and a positive outlook ahead, 'Better Everyday' is our motivation to race against ourselves in striving for excellence. It is our way of life.

FY18: Best Ever Annual Performance

16.27
MnT
Crude steel production – highest ever in a year
3%↑

15.55
MnT
Saleable steel sales
6%↑

14,794
₹ CRORE
Operating EBITDA
22%↑

71,503
₹ CRORE
Revenue from operations
18%↑

6,113
₹ CRORE
Net profit after tax
76%↑

25.71
₹
Diluted earnings per share
76%↑

↑ y-o-y growth

The Six Capitals Driving JSW Steel

Given below is a brief introduction of the six capitals as applicable to JSW Steel

Financial Capital

Refers to the funds available to the Company to create value utilisation in asset creation and production processes, or funds generated by its operations. These include debt, equity, revenue, internal accruals and investments, among others.

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Manufactured Capital

Pertains to the facilities for steel production and processing, including the structures and equipment at the plants, along with supporting infrastructure for logistics, warehousing and sales.

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Human Capital

Includes the skills, capabilities, experience, diversity and level of motivation of the on-roll and contractual employees along with their safety, wellbeing and the ability to align with the organisation's vision.

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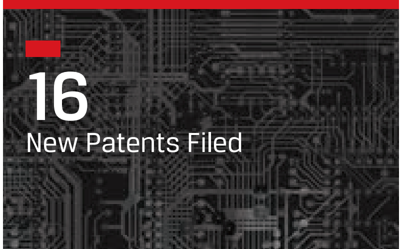
Intellectual Capital



Covers the knowledge base of the organisation, and includes the systems, processes, patents, trademarks, copyrights and new value-added products developed through R&D, improvement initiatives and collaboration with institutions.

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Social and Relationship Capital

Refers to the trust-based, mutually beneficial relationships of the Company with key stakeholders such as investors, customers, vendors, society and government, among others.

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Natural Capital

Includes resources such as iron ore, coal and other minerals along with air, water, energy land and biodiversity, which are either utilised by the Company or impacted by its operations.

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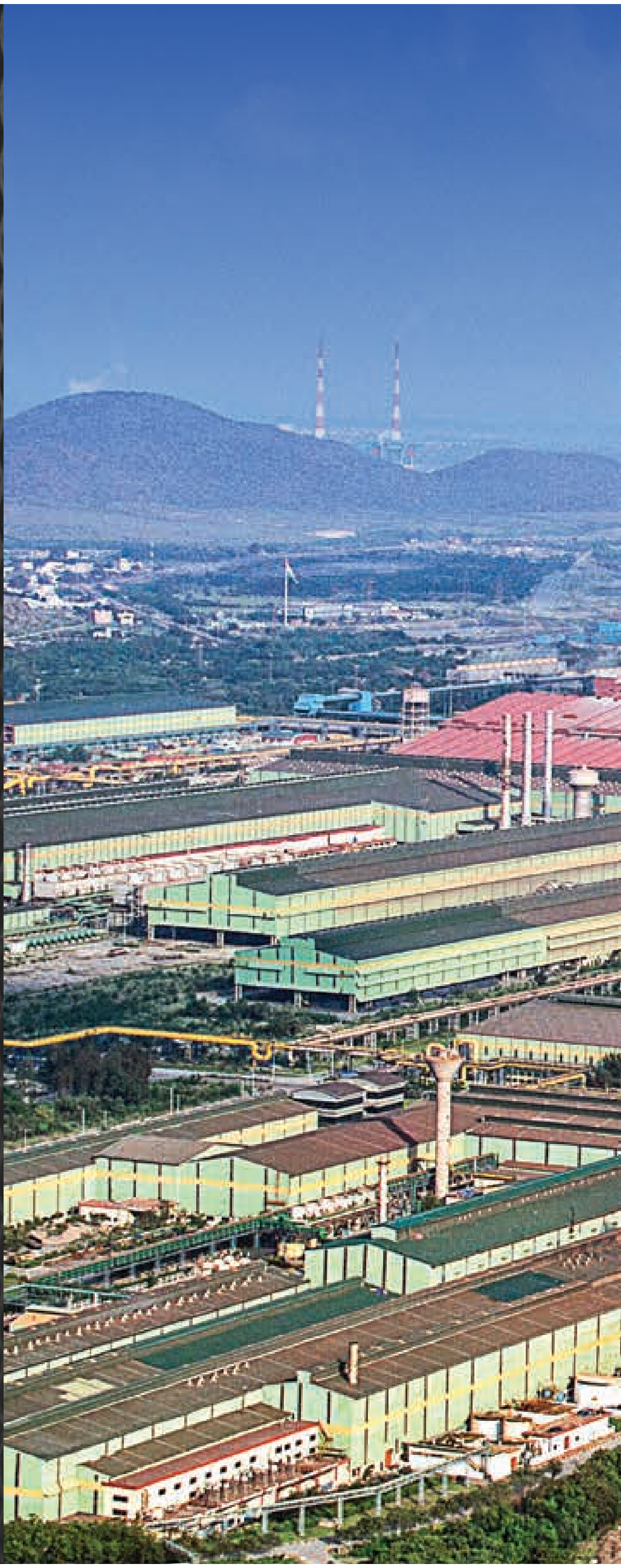
JSW Steel at a Glance



Value Chain | Geographic Presence | Product Portfolio | Project Portfolio

Corporate Overview

JSW STEEL IS INDIA'S LEADING INTEGRATED STEEL MANUFACTURER WITH A CAPACITY OF 18 MTPA

JSW Steel is the flagship company of the JSW Group, a $13 billion-worth leading Indian conglomerate. It is the most efficient steel producer in India and has the ability to expand capacities at lower costs. The Company has one of the lowest conversion costs in the steel industry and is constantly striving to further improve this metric. JSW Steel is also among the fastest-growing companies in India and has a strong track record on project execution.

The Company has maintained its leadership position in the country by constantly enhancing its technological capabilities. It has a diversified workforce of 11,619 permanent employees across all its plants.

8,600+
Retail outlets till date

5
Iron ore mines owned ensuring seamless availability of raw material

7
Manufacturing facilities in India

650,000
Beneficiaries of CSR activities

VISION

BRING POSITIVE TRANSFORMATION TO EVERY LIFE WE TOUCH

PURPOSE

- BUILDING WORLD-CLASS INFRASTRUCTURE, PRODUCTS AND SOLUTIONS
- DEPLOYING WORLD-CLASS CAPABILITIES
- NURTURING OUR COMMUNITIES
- CONFIDENCE

VALUES

CONFIDENCE
COURAGE
COMMITMENT
COMPASSION
COLLABORATION

Transformational Journey to Market Leadership

	FY02	FY18	CAGR
World Steel Demand (MnT)	771 (CY 2001)	1,588 (CY 2017)	5%
India Steel Demand (MnT)	27	91	8%
Capacity (MTPA)	1.6	18	16%
Production (MnT)	1.3	16.3	17%
Revenue (₹ crore)	1,736	70,225	26%
EBITDA (₹ crore)	281	14,794	28%
Net Debt (₹ crore)	5,584	38,019	–
Net Debt to EBITDA	19.87	2.57	–
Net Worth (₹ crore)	268	27,534	34%
Market Capitalisation (₹ crore)	528	69,652	132x increase in market value [1]

[1] From March 31, 2002 to March 31, 2018

Value Chain

1st Phase

Raw Materials

- Optimise mix and sourcing of key inputs like iron ore and coal to weather a volatile pricing environment
- Explore various contract options like long-term/spot/indexing
- Backward integration through acquisition of iron ore mines

Enabling production of steel at competitive rates, safeguarding and increasing market share, thereby generating value for shareholders

2nd Phase

Inbound Logistics

- Modal shift: 80% of raw material transported via rail/sea
- Centralised logistics cell to ensure end-to-end integration
- Optimisation of infrastructure spend

Improving reliability and cost of logistics network, helping conserve financial capital and mitigating climate change

3rd Phase

● Capitals involved

Manufacturing

- State-of-the-art manufacturing facilities set up
- Installation of latest technology to reduce consumption of water in operations
- Energy management through waste heat and gas recovery

Reducing costs, improving profitability and conserving natural resources

4th Phase

Processing

- Hot rolled steel: Construction and infrastructure, industrial and engineering, pipes and tubes, automotive and energy sectors
- Cold rolled steel: Automotive and, industrial and engineering sectors
- Electrical steel: Electric motors, generators, nuclear power stations and power plants, among others
- Galvanised steel: Construction and infrastructure and consumer durables sectors
- Colour coated steel: Construction and infrastructure, and consumer durables sectors

Forming the backbone of the Indian economy and enabling growth of core sectors

5th Phase

Outbound Logistics

- Modal shift: 80% of finished products transported via rail/sea
- Centrally integrated
- Last-mile connectivity tracking using digital technologies

Higher reliability in dispatching, better monitoring of logistics, cost optimisation and improved supply chain efficiencies

6th Phase

Use

- Highly diversified portfolio
- Focus on innovation and new value-added product development
- Joint venture agreement with Marubeni-Itochu Steel Inc., Tokyo, to set up contemporary steel processing centres

Developing 73 new grades with a 13% increase in sales of value-added and special products

7th Phase

Recycling

- Recycling of steel scrap
- Increase in recycling of water
- Supply of recycled water for irrigation in water-starved regions around the operations

Reducing environmental footprint and demand for virgin resources

Geographic Presence

With a comprehensive product offering and highly visible trade channels, JSW Steel has established presence in diverse markets across the globe. The global footprint of the Company includes over 100 countries, spread across five continents.

Manufacturing Facilities

JSW Steel has seven state-of-the-art manufacturing facilities in western and southern parts of India, including three integrated iron and steel sites. The strategic location of the Company's facilities has provided significant logistics advantage and production capacity. The Company has also announced a $500-million expansion plan for its Plate and Pipe making steel mill in Texas, USA, to strengthen its global network. The Company have recently acquired an integrated flat steelmaking facility in the US, Acero Junction Holdings, with a potential capacity of 3 MTPA for an enterprise value of US$182 million. JSW Steel propose to invest up to US$500 million cumulatively at this location, in phases, to make it a fully integrated 3 MTPA steelmaking capacity.

JSW Shoppe and JSW Explore

The Company was among the first in India to initiate the retail revolution in steel by establishing JSW Shoppe and JSW Explore. The innovative retail models, offering an expansive brand portfolio and related services, are helping the Company gain increasing market dominance in rural, semi-urban and urban markets.

As on March, 31 2018, the Company had about 8,600 exclusive and non-exclusive retail outlets across India.

Plant Locations (Domestic)

Tarapur
GI/GL 0.76 MTPA

- India's largest exporter of Coated Products to Europe, Africa, North and South Americas, and Middle East regions

Dolvi
Crude Steel 5 MTPA

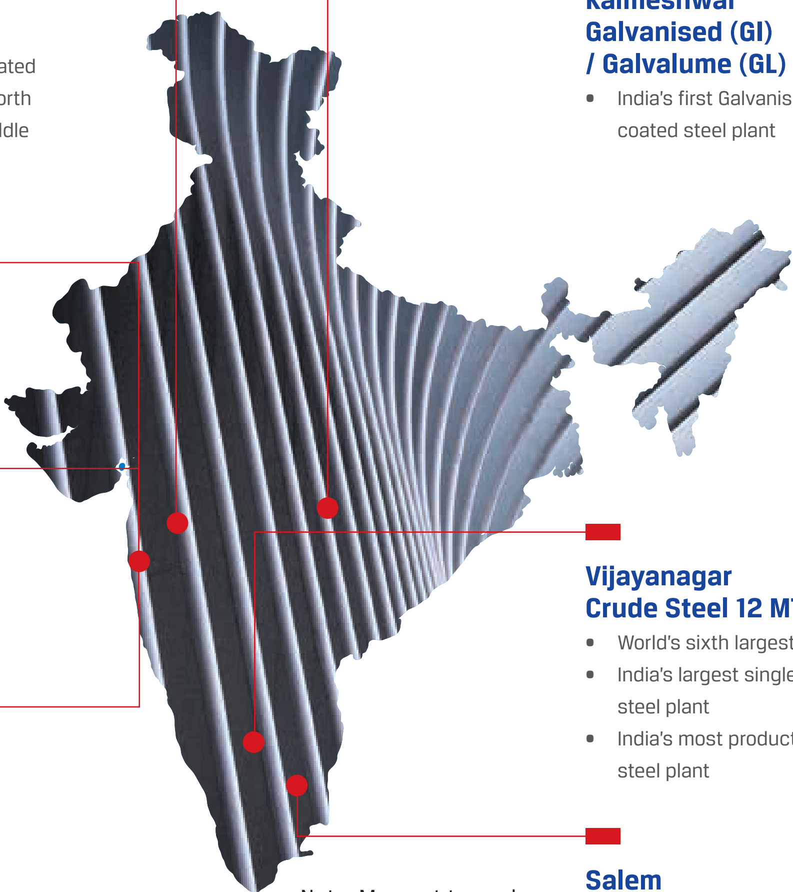
- Strategically connected to a 15 MTPA capacity jetty

Salav
DRI/HBI 0.90 MTPA

- Specialised in Direct Reduced Iron and Hot Briquetted Iron

Vasind
GI/GL 0.45 MTPA

- India's largest exporter of colour-coated products for the appliance industry



Note: Map not to scale

Kalmeshwar
Galvanised (GI) / Galvalume (GL) 0.58 MTPA

- India's first Galvanised and colour coated steel plant

Vijayanagar
Crude Steel 12 MTPA

- World's sixth largest steel plant
- India's largest single location steel plant
- India's most productive steel plant

Salem
Crude Steel 1 MTPA

- India's largest special alloy steel plant

JSW Steel also owns and operates steel manufacturing facilities in the US and Europe, among others. The subsidiaries include JSW SCPL, JSW SPCL, JSW ARCL, JSW Industrial Gases and JSW Salav.

Product Portfolio

JSW Steel is globally recognised as a manufacturer of high-end, value-added steel. The Company has a large bouquet of flat and long products to meet diverse global needs. The Company is also strengthening its value-added product portfolio to address the rising demand for such types of steel.

Flat Products

Hot Rolled

APPLICATIONS

- Cold rolling and galvanising
- Drawing and press forming
- Electrical stampings and forming
- Welded tubes and pipes
- Line pipes, structural and general engineering
- High tensile structural applications
- Chequered sheets and plates for structural use
- HSLA grade for automobile and other engineering applications
- LPG cylinders, boiler tubes and pressure vessels
- Medium carbon steel
- Corrosion resistant steel

Cold Rolled

- Automobile
- White goods
- Cold formed sections
- Drums and barrels
- Furniture

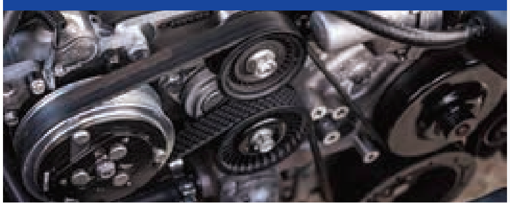
Galvanised

- Roofing and cladding
- Ducting
- Boxes
- Coolers
- Furniture
- Heat plates
- Solar heating panels
- Electrical and light fittings
- Agricultural equipment
- Sandwich panels
- Automotive

Colour Coated Products

- White Goods
- Roofing and Cladding
- Sandwich Panels
- Pre-engineered Buildings

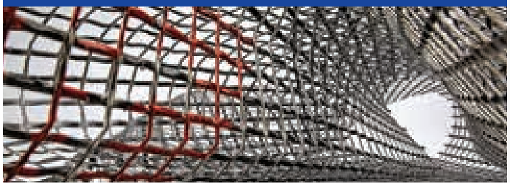
Electrical Steel



- Electric motors
- Power generation
- Nuclear power stations
- Domestic appliances
- Transformers and automotive electricals

Long Products

TMT Bars



APPLICATIONS

- Construction
- Infrastructure

Wire Rods

- Automobile
- General engineering
- Cold drawing
- Cold forming
- Spring applications
- Welding
- Wire ropes
- Tools
- Heat treatment
- Bearings
- Office and household equipment

Special Alloy Steel

- Gears
- Crank shafts
- Bearings
- Other forging applications

New in FY18

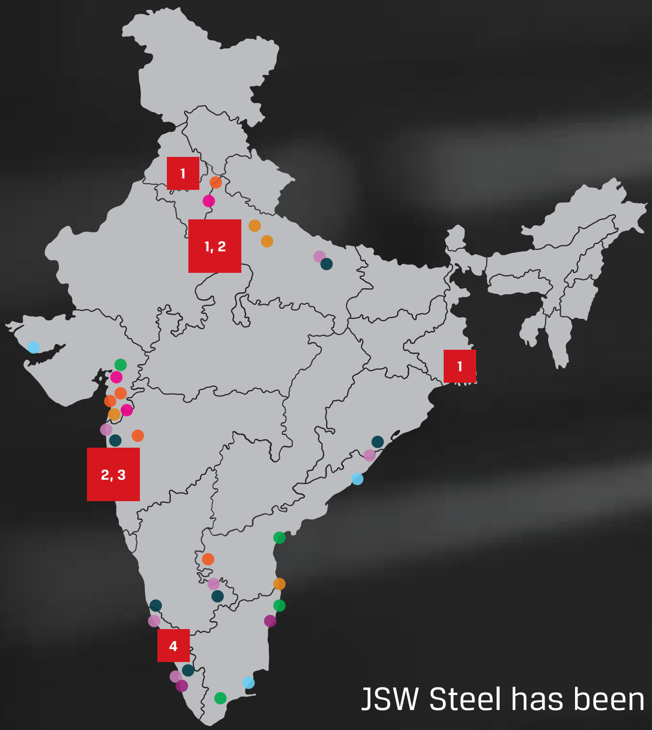
JSW Everglow

JSW Steel has played a pioneering role in the Indian steel industry by launching path-breaking and innovative products. Over the last two decades, the Company has been at the forefront of the roofing and wall categories by introducing galvalume and colour-coated products. Continuing this tradition, the Company launched another innovative product in this segment, JSW Everglow.

JSW Everglow is a colour-coated steel product that provides beautiful and innovative roofing and wall solutions. Super premium and technologically superior, it scores high on aesthetics and is the first product in the roofing solutions category that offers colour coating on both the sides. It also comes with a 10-year warranty – another first in India. JSW Everglow offers high value proposition to customers focused on aesthetics.

The launch of this product is in line with JSW Steel's strategy to boost its value-added products portfolio. With a firm eye on the changing preferences of Indian consumers and the emerging trends, JSW Steel will continue to lead the way on innovation.

JSW Steel: Building India



Note: Map not to scale

Key Projects that the Company is Currently Partnering With

1 EASTERN DEDICATED FREIGHT CORRIDOR (LUDHIANA-DELHI-KOLKATA)

- Supported by World Bank
- Will cover total distance of 1,839 kms
- The DFC will reduce greenhouse gas emissions by 2.25 times over next 30 years

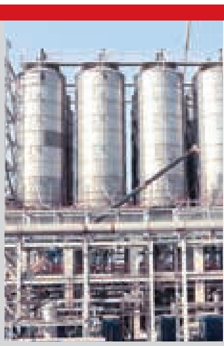
ESTIMATED COMPLETION DATE – AUGUST 2018 (1ST PHASE)

JSW Steel has been an integral part of India's multifaceted infrastructural development and continues to deliver its best in nation building.

Other Marquee Projects

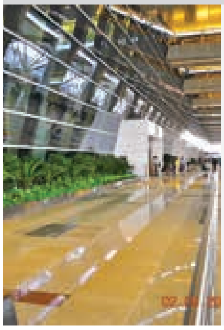
STRATEGIC PROJECTS

- Indira Gandhi Centre for Atomic Research, Kalpakkam
- ISRO Propulsion Complex (IPRC), Mahendragiri
- Kakrapar Atomic Power Station
- Satish Dhawan Space Centre (SHAR), Nellore



INDUSTRIAL PROJECTS

- Bharat Petroleum's Kochi Refinery
- Renault-Nissan Automotive India Pvt. Ltd., Chennai



AIRPORT PROJECTS

- Chhatrapati Shivaji International Airport, Mumbai – Terminal 2
- Air Traffic Control Tower, Mumbai
- Indira Gandhi International Airport, Delhi

ROADS AND HIGHWAYS

- Chennai Outer Ring Road
- Eastern Freeway, Mumbai
- Lucknow-Agra Expressway
- Yamuna Expressway

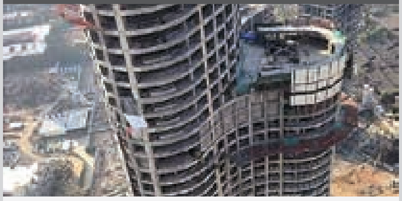
2 WESTERN DEDICATED FREIGHT CORRIDOR (DELHI-MUMBAI)

Expected to*:
a) Double employment potential
b) Triple industrial output
c) Qudraple exports from the region

*In five years:
- Include 4,000 MW power plant, 3 seaports and 6 airports
- Good connectivity with existing ports
- 24 industrial regions, 8 smart cities, 5 power projects, 2 mass rapid transit systems and 2 logistic hubs

ESTIMATED COMPLETION DATE – POST MARCH 2020

3 WORLD ONE (LODHA GROUP), MUMBAI

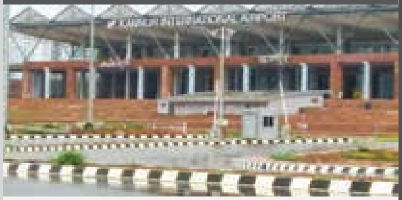


- Once completed, would be the world's largest residential towers
- Interiors are designed by Giorgio Armani

JSW TO SUPPLY 8,000 MT STEEL FOR THE PROJECT

ESTIMATED COMPLETION DATE - 2019

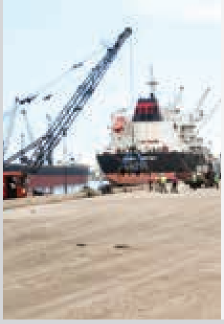
4 KANNUR INTERNATIONAL AIRPORT (UNDER CONSTRUCTION)



- Largest International Airport in Kerala
- The airport to act as a cargo hub for the Northern Malabar region
- JSW to supply 15,000 MT steel for the project
- Steel Construction by - L&T

JSW TO SUPPLY 15,000 MT STEEL FOR THE PROJECT

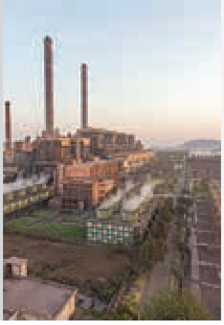
ESTIMATED COMPLETION DATE – SEPTEMBER 2018



PORT PROJECTS
- Adani Ports and SEZ Mundra
- Tuticorin Port Trust
- Visakhapatnam Port

COMMERCIAL AND SPORTS
- JSW Centre, Mumbai
- DLF Cyber City, Gurugram
- Infosys Office, Bengaluru
- Reliance TC 22, Navi Mumbai
- Wankhede Stadium, Mumbai

URBAN TRANSIT PROJECTS
- Bengaluru Metro
- Chennai Metro
- Delhi Metro
- Hyderabad Metro
- Kochi Metro
- Lucknow Metro
- Mumbai Monorail



POWER PROJECTS
- NTPC Vallur Thermal Power Station

Chairman and Managing Director's Message

Dear Stakeholders,

It is with great pride and pleasure that I report to you at the end of a very successful financial year that saw us report market-leading numbers, together with the triggering off of multiple strategic initiatives aimed at realising our long-term vision.

During the year, we launched our revamped Group brand identity. Elucidated through the tagline, 'Better Everyday', our new brand positioning is all about being 'a bold and unwavering transformer'. It demonstrates our drive to make 'better' every life we touch; be it our employees, our business associates, our customers, the communities around our plants and facilities, or the industry fraternity at large. And we do so by following the principle of bettering ourselves, time and again, continuously, with dynamic enthusiasm. Further, to establish this culture and create a consistent brand experience, both for our internal and external stakeholders, we are adopting a personality that is optimistic, empathetic, nationalistic and bold.

Thus, our credo borrows from the actions and outcomes we have demonstrated. In JSW Steel too, we find resonance of 'Better Everyday', in the manner that we have performed, and in the strategic focus we have outlined. We can only get better if we pursue excellence across all facets of our business on a daily basis, and therefore, this annual report highlights some of the ways in which we are aiming for excellence.

This is our first Integrated Report. Creating value for all stakeholders and providers of diverse capitals is inbuilt into our strategy, and the way we measure our performance. Our report now reflects the outcomes of our actions, as relevant to different stakeholders, and the impact of our strategy and integrated thinking. It is also in-line with our commitment to the highest standards of governance and transparency.

THIS IS OUR FIRST INTEGRATED REPORT. CREATING VALUE FOR ALL STAKEHOLDERS AND PROVIDERS OF DIVERSE CAPITALS IS INBUILT INTO OUR STRATEGY, AND THE WAY WE MEASURE OUR PERFORMANCE.

An Encouraging Environment

FY18 was characterised by broad-based improvement in global growth, rising industrial production, kick-starting of the supply side reforms in China and uptick in global steel pricing environment.

In 2017, global economy grew at 3.8% which is the fastest since 2011. This growth was an outcome of a combination of factors namely higher investments, favourable monetary policies and buoyant global trade. The International Monetary Fund (IMF) expects this momentum to continue and has forecasted that global economy could grow by 3.9% in 2018 as well as 2019.

The Indian economy too saw a strong rebound in demand, especially in the second half, demonstrating a healthy resilience to disruptions and structural changes. India's macro fundamentals, such as fiscal deficit and credit rating are improving, and broad-based financial reforms are being undertaken through initiatives such as relaxation of FDI rules, enactment of the IBC and growth stemming from government spending. Although the GDP growth at 6.7 per cent was a tad lower than the 7.1 per cent achieved in the previous fiscal, it is a remarkable achievement given the context of reform. Growth is expected to rebound to 7.4% in fiscal 19, driven by multiple internal and external factors.

For the first time in many years, elasticity of steel demand to GDP growth exceeded 1x. Infrastructure received a big boost in the form of budgetary allocation, and consumer sentiment, too, is on the rise. We also crossed the GDP threshold of $2.5 trillion, there is likely to be a huge thrust on infrastructure development, which is very positive for steel demand growth.

In addition, the introduction of GST, is a seminal reform, which will help formalise the economy, introduce transparency and go a long way in creating a level-playing field, besides weeding out a lot of tertiary inefficiencies. We view this very positively.

Of particular importance are the initiatives around stressed assets resolution, under the new Insolvency and Bankruptcy code. JSW Steel is participating in strategic opportunities under this process, and is hopeful that quality, efficiency and governance will converge to make better utilisation of some of the capacities that are financially encumbered.

Setting New Milestones

JSW Steel achieved a record performance in the year. With an all-time high crude steel production of 16.27 million tonnes, our shipments remained buoyant. Revival in domestic demand in the second half of the year was a key catalyst of our performance and was driven by improving prospects of the auto, construction and capital goods sectors. Rising share of value added products in the overall business was another highlight of the year. These products contributed 58% to our revenues as compared to 34% in FY17 and were instrumental in boosting our realisations as well as profitability.

During the year, our Consolidated revenues grew 18.1% - substantially outpacing the domestic industry steel consumption growth of 8.1% and global consumption growth of 4.7%. Thus, we continued to further consolidate our leadership position in the market.

Our consolidated EBITDA stood at ₹14,794 crore - an increase of 21.5% over the previous year. Shift in product mix towards high-margin value added products was a key enabler for this growth.

We reported our highest ever profit after tax at ₹6,113 crore - a growth of 76.3% over the previous year. Our relentless efforts to enhance operational efficiencies are yielding rich dividends as reflected in our robust return on capital employed (ROCE) ratio of 16% - placing us among the top 5 ROCE steel companies globally. De-leveraging was a key theme that played out during the year. Consequently, our Net Debt to EBITDA fell to 2.59 times as against 3.20 times in the previous year. The cash flows freed up from the de-leveraging initiatives will be deployed for capacity expansion and other capital intensive projects, going forward.

An Exciting Future

We are very positive about the long-term growth potential for steel consumption in the domestic market. Even if one assumes a nominal rate of growth for the overall steel demand, India will need to create at least 150 million tonnes of new steel capacity in the next ten years. As one of the most competitive and efficient players, naturally, JSW Steel, will be looking to capitalise on this opportunity and invest in capacity expansion and market share.

Our Board has approved additional capital expenditure programmes to expand capacities at our plants in Vijayanagar and Dolvi and also to modernise and expand capacities of our downstream business. These expansions will further enhance our efficiencies and generate superior returns at lower costs.

Inorganic growth has always been an integral part of our growth journey and we will continue to explore strategic opportunities – both in domestic and international markets. In the domestic market, your Company has emerged as the successful resolution applicant for acquiring Monnet Ispat and Industries Limited, a 1.5 MTPA steelmaking facility in Raigarh, Chhattisgarh. Located in close proximity to the mineral rich belts of Chhattisgarh and Odisha, this acquisition will be crucial in furthering our footprint in the central and eastern markets of India.

DURING THE YEAR, OUR CONSOLIDATED REVENUES GREW 18.1% – SUBSTANTIALLY OUTPACING THE DOMESTIC INDUSTRY STEEL CONSUMPTION GROWTH OF 8.1% AND GLOBAL CONSUMPTION GROWTH OF 4.7%.

Capacity Expansions by March 2020

PARTICULARS	EXISTING CAPACITY (MTPA)	TARGETED CAPACITY (MTPA)
Total	18	24.7
Vijayanagar	12	13
Dolvi	5	10.7

WE HAVE ACQUIRED AN 100% STAKE IN US-BASED STEEL PLANT ACERO JUNCTION HOLDINGS FOR $80.85 MILLION (~₹550 CRORE) RECENTLY. THIS ACQUISITION WILL FURTHER BOLSTER OUR MANUFACTURING PRESENCE IN THE US MARKET.

Limiting the Impact of Rising Protectionism

Global economies are increasingly stepping up protectionist trade measures to safeguard the interest of their domestic industries. While this trend could continue in the future, it will not hinder our growth in the international markets. This is because we have selectively pursued some value-accretive acquisitions in the overseas markets during the year with the objective of replicating our low capital cost model in a relatively higher operating cost environment.

Accordingly, we have acquired an 100% stake in US-based steel plant Acero Junction Holdings for $80.85 million (~₹550 crore) recently. This acquisition will further bolster our manufacturing presence in the US market. Similarly, we are in the process of acquiring the facilities of Italian steel maker Aferpi (erstwhile Lucchini) for ₹440 crore. Through this acquisition, your Company will get a stronger foothold in the European market and can swiftly tap into the emerging opportunities in the continent.

Favourable Policy Environment

The Government of India has put in place multiple policies to support the domestic steel industry. Be it long term measures such as the National steel Policy which aims to make India a self-sufficient steel producing country by 2030; or shorter term measures intended to provide a level playing field for importers and domestic companies; the government has been rather pro-active. We believe these measures could lead to healthy growth of 5% in the domestic steel industry over the medium term.

Against this backdrop, your Company will continue to make the requisite investments needed to grow responsibly.

JSW – Enriching Lives

The JSW Foundation has pioneered various programmes to enrich the lives of over a million people with improved education, healthcare and sustainable means of livelihood. Continuing on this journey, in October 2017 your Company partnered with the Government of Uttarakhand for reconstruction and restoration of Kedarnath which was impacted severely during the flash floods of 2013. JSW group is playing a proactive role in reconstruction and restoration of the Adi Shankaracharya Kutir along with a museum, Ghats on River Saraswati and part reconstruction of the Teerth Purohit (Priests) houses and other infrastructural facilities related to the houses in Kedarpuri.

Through our flagship 'Sports Excellence Program (SEP)', we have been very proactive in making India a 'sporting nation'. This Program supports 39 athletes from of Boxing, Track & Field, Wrestling and Tennis. We own Bengaluru FC – one of the most successful football clubs in India in recent times.

In Conclusion

I am confident of achieving higher peaks in the future. I would like to extend a heart-felt gratitude to each and every member of our team for their sustained, untiring efforts in making JSW Steel a leading steel company in the world. I would also like to thank all our stakeholders, Board, Bankers and the Government for the support and assistance provided throughout our journey.

I solicit your continued cooperation.

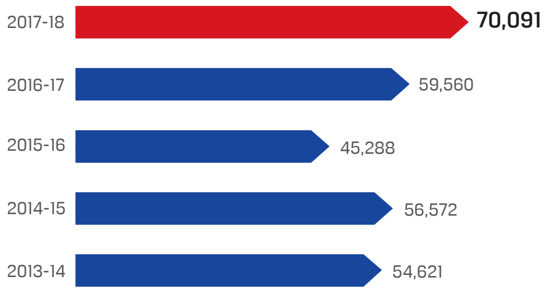
Sincerely,
Sajjan Jindal

Key Performance Indicators

Profit & Loss Statements

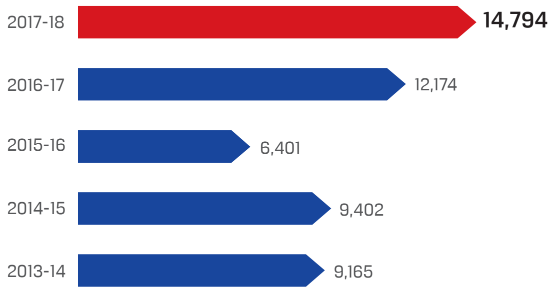
Gross Turnover (₹ crore)

6%↑

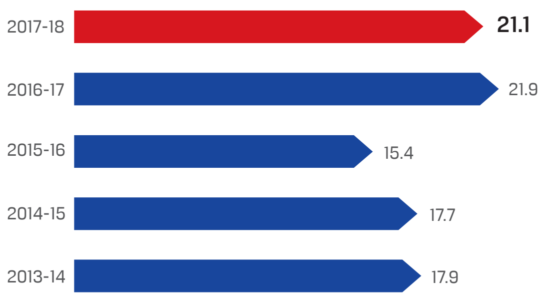


Operating EBITDA (₹ crore)

13%↑

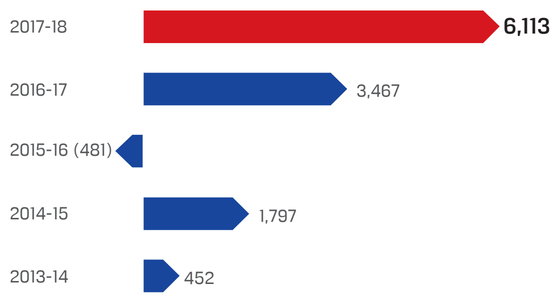


Operating EBITDA Margin (%)

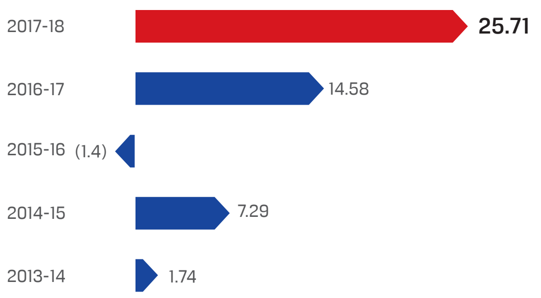


Profit After Tax (₹ crore)

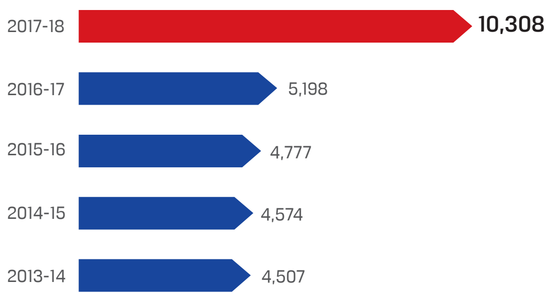
92%↑



Earnings Per Share (₹)



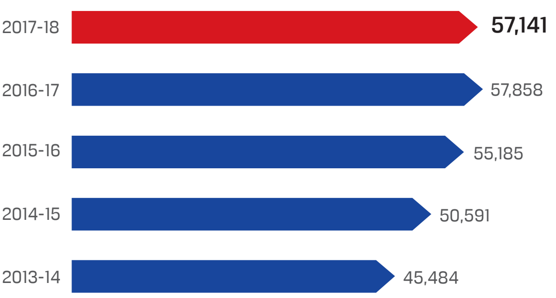
Contribution to Government and Society (₹ crore)



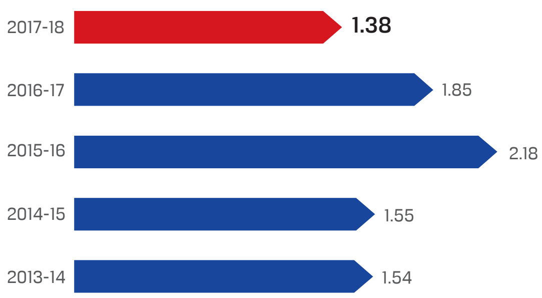
↑ CAGR growth

Balance Sheet

Net Fixed Assets (₹ crore)



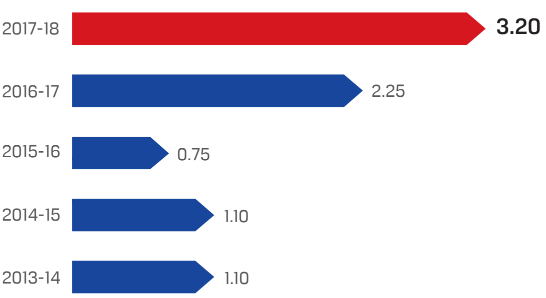
Net Debt Equity Ratio



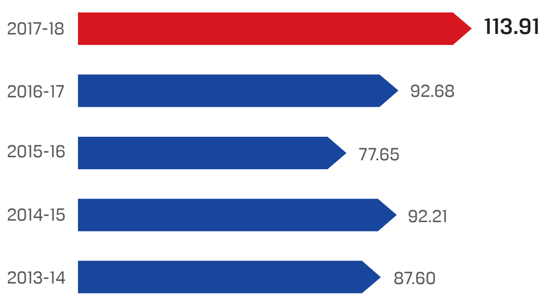
Shareholder Metrics

Dividend Per Share (₹)

31%↑

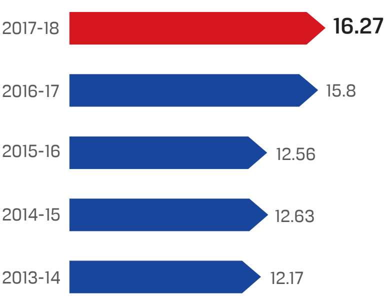


Book Value Per Share (₹)

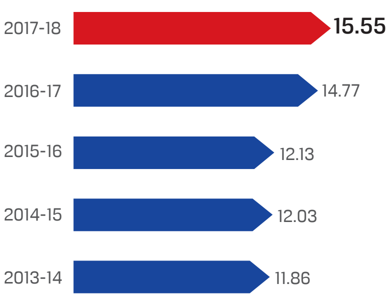


Operational Metrics

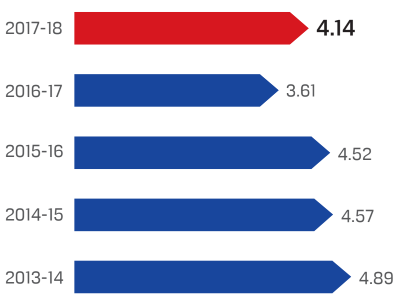
Crude Steel Production (MTPA)



Saleable Steel Sales (MT)



Specific Water Consumption (m^3/TCS)



Value-creation Model

INPUTS

Total equity **₹240.62 crore**
Interest bearing liabilities **₹39,620 crore**
Capital expenditure **₹4,690 crore**

Plants in **seven locations** in India
Combined capacity of **18 MTPA**
Added **47 new steel grades**
Six key new projects in the pipeline

Number of employees **11,619**
Employee benefit expenditure **₹1,843 crore**
37 training man-days for employees

Expenditure on R&D **₹41 crore**
155 number of persons in R&D
Technological collaborations with JFE Steel and Marubeni-Itochu

CSR spend **₹61 crore**
Number of vendors and customers ~**12,700**
Stateholder mapping and engagement

448.6 MnGJ of energy consumed
67.3 Mn m^3 of freshwater intake
31 MnT iron bearing materials
17.2 MnT of coal used

EXTERNAL FACTORS

- INDUSTRY CONSOLIDATION
- SKILLS SHORTAGE
- CLIMATE CHANGE
- GROWING GLOBAL ECONOMY
- RISING STEEL DEMAND AND PRICES
- TRANSFORMATIONAL REFORMS OF GOVT.
- HIGHER GOVT. SPENDING ON INFRASTRUCTURE

STRATEGIC FOCUS AREAS

(Read more on Pg 26-27)

- STRATEGIC GROWTH
- DIVERSIFICATION
- BACKWARD AND FORWARD INTEGRATION
- RESOURCE OPTIMISATION
- PRUDENT FINANCIAL PRINCIPLES
- MAINSTREAMING SUSTAINABILITY

BUSINESS ACTIVITIES

(Read more on Pg 8)

1. RAW MATERIALS
2. INBOUND LOGISTICS
3. MANUFACTURING
4. PROCESSING
5. OUTBOUND LOGISTICS
6. USE
7. RECYCLING

VALUES

PURPOSE

VISION

KEY CAPITALS

Financial Capital

Manufactured Capital

OUTPUTS

Revenue from operations **₹71,503 crore**
Profit after tax **₹6,113 crore**
EBITDA **₹14,794 crore**

Capacity utilisation of **91%**
Crude Steel production **16.27 MnT**
Saleable Steel sales **15.62 MT**

Female employees in organisation **4.13%**
4.1% of women in management
Attrition rate **4.65%**

~**₹46 crore** saved due to digitalisation
73 new products developed
16 patents filed

6 women-only BPOs (JSW Shakti)
4 certified to ISO 27001
650,000 beneficiaries of CSR
Customer Satisfaction Index **3.76/5.0**

3.3 MnT material recycled
17.7 Mn m^3 water recycled and reused
3.1 MnGJ energy conserved
96% waste off-gases utilised

OUTCOMES

Strong balance sheet
Net worth **₹27,534** crore
Market cap **₹69,652** crore

Largest producer and exporter of steel in India
6th rank in global steel companies
(by World Steel Dynamics)
Among the lowest conversion costs in the world

Diverse and professional work environment
Top management-led safety culture transformation
Coaching and mentoring employees for leadership roles

Paradigm shift to digitalisation and automation
Development of value added and special products

Enabling mass awareness on climate change through the JSW-TOI Earth Care Awards
Improving quality of life in the neighbouring communities
Supplier of choice in 100+ countries across sectors

Applying circular economy principle across value chain
Operational excellence for resource conservation
Restoring ecosystem

Human Capital | Intellectual Capital | Social And Relationship Capital | Natural Capital

Stakeholder Engagement and Materiality

Stakeholder Engagement

JSW Steel's overall business strategy and daily business decisions ensure that the interests of all its stakeholders are safeguarded. The Company has formal mechanisms to continually engage with its key stakeholders to understand their expectations and concerns. Formal engagement also helps the Company in sharing information on its approach and actions in areas of stakeholder interest. The Company is creating a 'Better Everyday' by generating sustained value for stakeholders.

CUSTOMERS

- Large bouquet of high-quality products
- Meeting increasing demand for value-added and special products
- Enhanced experience through JSW Shoppe and JSW Explore

EMPLOYEES

- Trained and motivated workforce
- Diversity promotion

COMMUNITY

- Social-economic development through CSR activities
- Empowering women through SHGs

BETTER EVERYDAY — VALUE CREATED FOR OUR STAKEHOLDERS

GOVERNMENT

- Contribution to the exchequer
- 'Make in India' initiative promoted

INSTITUTIONS

- Collaborative technology
- Research and development

CIVIL SOCIETY AND INVESTORS

- Market leadership for shareholder value
- Accountability and disclosure of information

SUPPLIERS

- Enhanced capability
- Timely payments

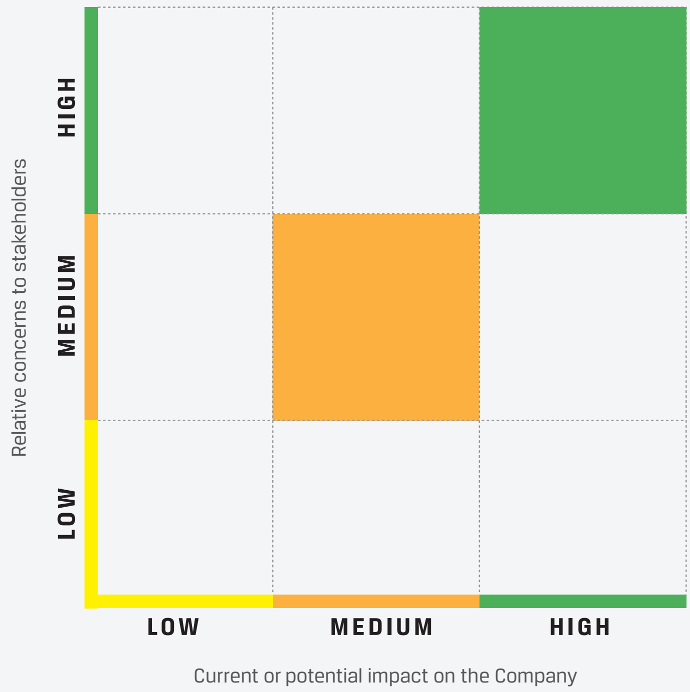
Materiality

Material issues are those that have direct or indirect impact on an organisation's ability to create, preserve or deplete economic, environmental and social value for itself, its stakeholders and the society. At JSW Steel, the identification of material issues goes beyond prioritising and addressing risks to helping the Company capitalise on emerging opportunities. Materiality assessment has been instrumental in ensuring the Company retains focus on aspects which enable it to create long-term sustained value.

The material issues for JSW Steel were identified based on their criticality to the Company's business and importance to stakeholders. The Company believes deeper engagements with stakeholders significantly enhances its knowledge and understanding on externalities that may impact its business environment. By focusing on the macro-level trends identified in these engagements, the Company is able to align its strategic focus areas with the emerging priorities.

JSW Steel conducted over 300 detailed interactions with internal and external stakeholders to understand their specific concerns, major risks and opportunities, along with justification for key issues raised and their potential impact on business. The stakeholders engaged included customers, employees, suppliers, community, government, civil society and investors and institutions. This year, the Company recalibrated its material issues through focussed interactions with internal stakeholders.

Materiality Assessment



1. Key economic perameters of the Company
2. Impact of investments on the community
3, Adopt best-in-class procurement systems and processes
4. Engagement with local community
5. Compliance with laws and regulations
6. Talent development
7. Input materials used in the operations
8. Energy management in the organisation
9. Water used and recycled by the organisation
10. Effluents and waste generated due to the operations

11. Productive and motivated workforce
12. Ensuring health and safety of all employees at work
13. Promoting diversity and equal opportunity at all levels
14. Grievance redressal for all stakeholders
15. Emissions generated due to operations

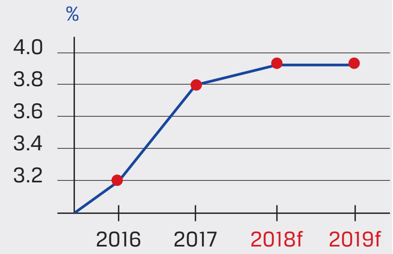
Business Environment

Opportunities

Global

Improving Growth of Global Economy

GLOBAL ECONOMIC GROWTH

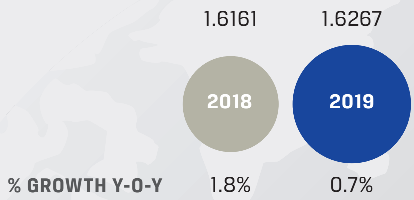


SOURCE: INTERNATIONAL MONETARY FUND
f: FORECAST

Rising Steel Demand and Strong Commodity Prices

HEALTHY PROSPECTS FOR GLOBAL STEEL DEMAND

FORECASTED DEMAND (IN BILLION TONNES)



SOURCE: WORLD STEEL ASSOCIATION

Higher Investments in the US Subsidiary Commodity Prices

COMMODITY PRICE INDEX

YEAR	ENERGY	METAL & MINERALS
2015	64.9	66.9
2016	55.0	63.0
2017	68.0	78.2
2018E	81.5	84.9
2019E	81.2	83.1

WORLD BANK : APRIL '18
E: ESTIMATED

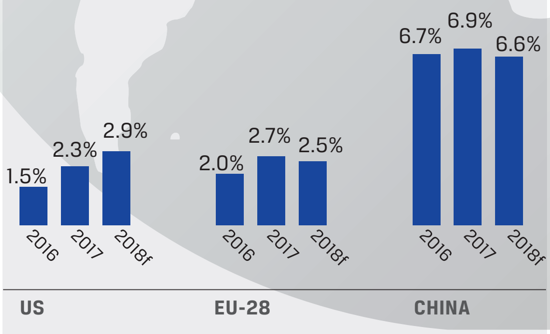
Availability of Good-quality Assets / Companies at Reasonable Valuations

RECENT ACQUISITIONS BY JSW STEEL (INTERNATIONAL)

ACQUIRED COMPANY (COUNTRY)	ACQUISITION VALUE
Acero Junction Holdings (US)	₹550 crore
Aferpi (Italy)	₹440 crore

Rebound in Economies of the US and EU; Stabilising Chinese Economy

ECONOMIC GROWTH



SOURCE: INTERNATIONAL MONETARY FUND
f: FORECAST

India

India overtakes France to be the sixth-largest economy in the world and remains the fastest growing among major global economies.

India GDP stood at $2,597 trillion in FY18

Increasing Rural Demand and Continued Growth in Urban Demand

- **Rural steel demand**
- **Housing demand**
- **Automobiles**
- **Renewable energy**

Transformational Reforms and Policies of Government of India

Key reforms implemented in the year:

- **Goods and Services Tax**
- **Insolvency and Bankruptcy Code**
- **RERA**
- **National Steel Policy**

Uptick in Exports

INDIA: UPTICK IN ECONOMY & EXPORTS

($Bn)

	DOMESTIC	EXPORTS
FY18	2,603	303
FY17	2,274	276
GROWTH%	14	10

CSO: Avg Ex. rate 2016-17 ₹67.09/$ & 2017-18 ₹64.45/$

Higher Government Spending in Infrastructure

GOI SPENDING ON INFRASTRUCTURE

FY18 BUDGET	FY19 BUDGET
₹4.94 lakh Cr	₹5.97 lakh Cr

CSO: Avg Ex. rate 2016-17 ₹67.09/$ & 2017-18 ₹64.45/$

Near Normal Monsoon Prediction

RAINFALL PROJECTIONS FOR 2018

India Meteorological Department
97% of long-period average

Skymet
100% of long-period average

(RAINFALL BETWEEN 96% AND 104% OF THE LPA IS DEFINED AS NORMAL)

Insolvency Resolution through NCLT

525 corporates were undergoing insolvency resolution process at the end of March '18.

Challenges

Industry Consolidation

Large unpaid debt and increasing protectionist measures coupled with benefits of consolidation such as improved margins and stability are moving the global steel industry towards consolidation.

Increased Regulation

Dynamic regulatory environment with increased regulations covering export bans, royalties and taxes have the potential to impact raw material supply and increase price volatility.

Resource Nationalism

This is aimed at ensuring retention of a fair share of the value of natural resources of a region through new laws aimed at increasing local participation, government oversight and taxation.

Climate Change

As a result of its energy intensive processes, the steel industry is increasingly facing direct and indirect effects of climate change like water stress, supply chain disruption, pressure to change energy mix, increased investor pressure and public scrutiny.

Skills Shortage

Shortage of talent with required skills and knowledge base is exacerbated by globalisation and introduction of disruptive technologies, leading to project delays, safety concerns, higher operational costs and reduction in productivity.

READ MORE ON THE OPPORTUNITIES AND CHALLENGES IN THE MD&A SECTION (PAGES 96-104)

Strategic Focus Areas and Enablers

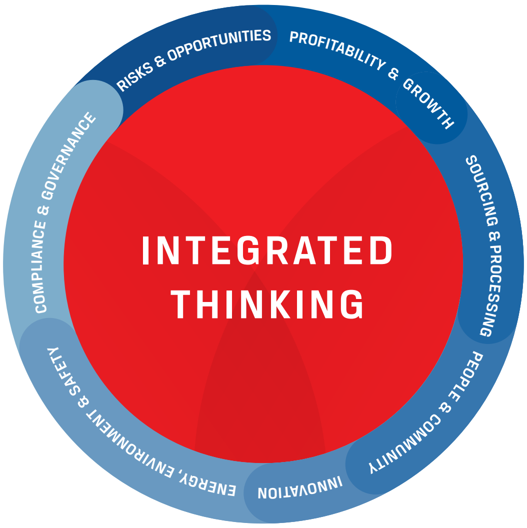
The long-term success of a company depends on its ability to take a holistic view of its operations and the external environment. This is enabled by integrated thinking, which is achieved by breaking down silos, enhancing connectivity and building synergies within the organisation. Integrated thinking enables the development and implementation of an inclusive strategy and builds on internal strengths, while taking advantage of opportunities and overcoming challenges.

Rapidly evolving technologies, globalisation and the accelerating pace of change drives strategy at JSW Steel. The philosophy of 'Better Everyday' has been the guiding force in the Company's growth and will remain so for future endeavours. The Company is driven by a passion for growth and makes consistent efforts to achieve it every day. A triple bottom-line approach which integrates economic progress, environmental protection and community development is at the heart of this strategy and guides all decisions and imperatives.

JSW Steel has made big strides in each of the focus areas listed here and has also charted well-defined plans to achieve them.

Strategic Pillars

STRATEGIC FOCUS AREA		
S1 STRATEGIC GROWTH Capitals involved	**S2** DIVERSIFICATION OF PRODUCT PROFILE AND CUSTOMER BASE Capitals involved	**S3** BACKWARD & FORWARD INTEGRATION Capitals involved
ACTION PLAN		
• Maintain leadership through value-accretive organic and inorganic opportunities • Undertake brownfield expansions at relatively low investment cost	• Increase proportion of high margin value-added products • Enhance customer base, both within India and in international markets • Continue to focus on fast-growing rural markets in India	• Raw material security by evaluating assets in India and abroad • Targeting strategic tie-ups and investments
FY18 PROGRESS		
• Commenced brownfield expansion at Dolvi to 10 MTPA at an investment of only ₹3,000 crore for every additional MTPA – an industry benchmark • Initiated acquisition of Monnet Ispat and Acero Junction (steelmaking capacity of 1.5 MTPA), and Aferpi (downstream capacity of 1.32 MTPA)	• Value Added and Special Products (VASP) contributed 58% to overall sales volume • 73 new grades developed/customised • 8,600+ retail outlets catering to the nation • Commenced capacity expansion of CRM-1 complex at Vijayanagar from 0.85 MTPA to 1.8 MTPA • 0.25 MTPA Tin Plate capacity under construction	• Operationalised Tunga Iron Ore Mine in Karnataka • Announced a $500 million expansion plan for Pipe and Plate making steel mill in Texas, USA, subject to necessary approvals • Announced a $500 million investment in Acero to make it a fully integrated 3 MTPA steel making facility
OUTLOOK		
• Capex of ~₹19,800 crore planned in FY19-21 to achieve 24.7 MTPA capacity by 2021 • Continue to evaluate organic/inorganic growth opportunities to achieve 40 MTPA by 2030	• Continued focus on increasing the share of value-added products in the portfolio, to enhance margins • Modernisation and capacity enhancement at Vasind and Tarapur by 1.5 MTPA by setting up PLTCM • Set up 0.3 MTPA colour coated line in CRMI at Vijaynagar • Install additional 0.25 MTPA Tin Plate facility at Tarapur • Capacity enhancement of Pre-Painted Galvalume Line at Kalmeshwar by 0.22 MTPA	• All five iron ore mines in Karnataka to be operational by FY19 • Moitra coal block with reserves of ~30 million tonnes to be operational by FY20 • To participate in Government of India's iron ore and coal auctions for raw material security



JSW STEEL DEMONSTRATES INTEGRATED THINKING ACROSS THE VARIOUS FACETS OF THE ORGANISATION

Strategic Pillars

STRATEGIC FOCUS AREA		
S4 FOCUS ON RESOURCE OPTIMISATION Capitals involved	**S5** PRUDENT FINANCIAL MANAGEMENT Capitals involved	**S6** MAINSTREAMING SUSTAINABILITY IN BUSINESS IMPERATIVES Capitals involved
ACTION PLAN		
• Focus on cost reduction • Enhanced operational efficiency • Adoption of digital technologies in the operations	• Continuously seek to improve financial profile • Manage capacity expansion and debt profile to capture market opportunities without excessive risk	• Continuously seek to improve financial profile • Manage capacity expansion and debt profile to capture market opportunities without excessive risk
FY18 PROGRESS		
• Energy intensity: 27.57 GJ/T • Plant capacity utilisation of 91% • Various cost savings projects implemented with a resultant savings of ₹495 crore • 12 digital initiatives implemented and achieved cost savings of ₹46 crore	• Net debt reduction of ₹3,529 crore • Net Debt to EBITDA down to 2.59x or 2.59x from 3.20x • Net debt geared down to 1.27x from 1.53x • Return on capital employed of 16%	• Number of Patents filed - 16 • Commenced preparations in Vijayanagar and Dolvi plants for achieving the Deming Award • Material recycled: 3.3 MnT • LTIFR: 0.42
OUTLOOK		
• Continue to focus on improving resource efficiency of processes • Phase 1 DCPL coke oven of 1.5 MTPA by FY19 to eliminate purchase of coke to reduce cost to be commissioned • To operationalise Pipe Conveyor System, for transport of iron ore from the mines to Vijayanagar plant to optimise logistics cost • To implement the identified 'Deep Drive Projects' with savings of ₹541 crore identified • Digital initiative to be implemented in phases. Estimated savings of ₹463 crore	• Projects to be funded by a mix of debt and internal accruals with the overall leverage ratios within levels of 3.75x net debt/EBITDA and 1.75x net debt/equity • To diversify sourcing of funding by way of right mix of rupee and foreign currency debt • Return on capital employed to become one among the top five steel companies globally	• Make conscious efforts to improve gender parity in employment, continue focus on quality management and improve HSE metrics • To prepare for the Deming Prize for Vijayanagar and Dolvi units by FY20

Enablers

Market leader and well-placed to benefit from upcycle	• India's largest producer and seller of steel by value and volume • India's largest exporter of steel • Planned capex and brownfield expansions to further catalyse growth • Government emphasis via National Steel Policy and target of 300 MT by 2030-31 • Decreasing steel imports from China and improved margins
Strong business profile and diversified by region, markets and products	• Geographically diversified with manufacturing facilities in South and West India • Wide offering of flat and long products • Flexibility to adapt product mix to market demands • Continuously enriching product mix with value-added and special products • Developing new products and capturing niche markets • Facilities well-connected to rail and road networks
Strong focus on operational efficiency with globally renowned operations	• Focussed on sweating of assets • One of the lowest conversion costs in the industry due to efficient operations, manpower productivity, strategic locations and state-of-the-art manufacturing facilities • Production facilities backed by captive power plants • Ongoing cost-benefit initiatives • Raw material assets pursued continuously for raw material security
Robust financial profile and stable cash flows	• Strong track record of volume growth • Continued positive momentum in operating revenues • Robust EBITDA margin of 21.1% • Strong operating cash flows
Prudent financial management	• Focussed leverage management by way of target levels for Net Debt to Equity and Net Debt to EBITDA • Diversification of funding sources • Continuous improvement in debt maturity profile

Enablers

Proven track record of growth through organic and inorganic expansions	• Combination of organic and inorganic growth
Skilled workforce led by an experienced management team	• Diverse skills in manufacturing, sales, marketing, finance and supply chain management • Extensive experience and alignment to organisational strategy • Continuous investment in building and enhancing competencies and encouragement to employees to participate in sponsored learning programmes
Adept at using a mix of technologies and flexible capabilities	• Widest range of manufacturing technologies in India to lower cost of production • Well-placed to use wide range of raw material blends
Strong project execution capabilities	• Strong track record of successful project implementation by in-house team within planned timelines and highly experienced project management team supported by cross-functional teams • Leveraging long-term relationship with key domestic and international suppliers
Agile organisational culture	• Ability to perceive and convert opportunities into business gains with speed • Agility to convert threats into opportunities • Flexibility to shift sales between domestic and international markets based on market conditions • Flexibility built in business decisions to proactively address challenges

Risk Management

In a fast changing world, it is imperative that an organisation proactively works towards identifying and managing the diverse risks that it faces or may face. New age risks like digital effectiveness and cyber risk along with conventional ones like regulatory risk and social licence to operate present a formidable challenge to organisations.

To effectively deal with these challenges and better its value creation ability, JSW Steel Ltd. follows the globally recognised Committee of Sponsoring Organisations of the Treadway Commission (COSO) framework for risk management. The Company's robust risk management framework identifies, evaluates and mitigates business risks to:

- Protect interests of key stakeholders
- Achieve business objective and
- Enable long-term sustainable growth

The key risks faced by JSW Steel and the strategies adopted to mitigate them, along with the capitals being affected, are explained or summarised in the table below.

Strategic Risks

RISK TYPE	STRATEGIC RESPONSE	CAPITALS IMPACTED
Competitive dynamics and industry cyclicality	• Tracking of macro-environment • Better market intelligence • Agile response to external environment • Broader value-added product range • Responsive credit and pricing policy	
Ability to market increasing volumes and changing portfolio	• Increasing domestic market share • Enhancing export volumes • Expanding downstream capacity • Price competitiveness	
Raw material security	• Participating in mine auctions • Prioritising domestic sourcing over import • Exploring contract options like long-term/spot/indexing • Creating additional storage capacity	
Infrastructure and logistics	• Prioritising sea v/s rail v/s road • Deploying higher capacity barges/carriers • Enhancing infrastructure at jetties • Creating additional storage capacities	

Operational Risks

RISK TYPE	STRATEGIC RESPONSE	CAPITALS IMPACTED
Water security	• Enhancing water storage capacities • Enhancing efficiency of water management	
Energy security	• Optimising utilisation of waste off-gases • Adding capacity of power transmission infrastructure	
Environment protection	• Complying to increasingly stringent norms • Adopting cleaner technologies • Focussing on safe and sustainable products • Promoting environmental stewardship and circular economy	
Talent management	• Attracting and retaining talent • Implementing inclusive policies and processes • Succession planning • Providing learning and development opportunities • Improving gender diversity	
IT enablement	• Strengthening cyber security • Developing disaster recovery site for SAP-ERP	

Regulatory Risks

RISK TYPE	STRATEGIC RESPONSE	CAPITALS IMPACTED
Occupational Health and Safety	• Enhancing behavioural safety • Including safety performance in the variable pay of the senior management • Conducting regular safety training and drills • Providing medical facilities and health insurance benefits to all employees	

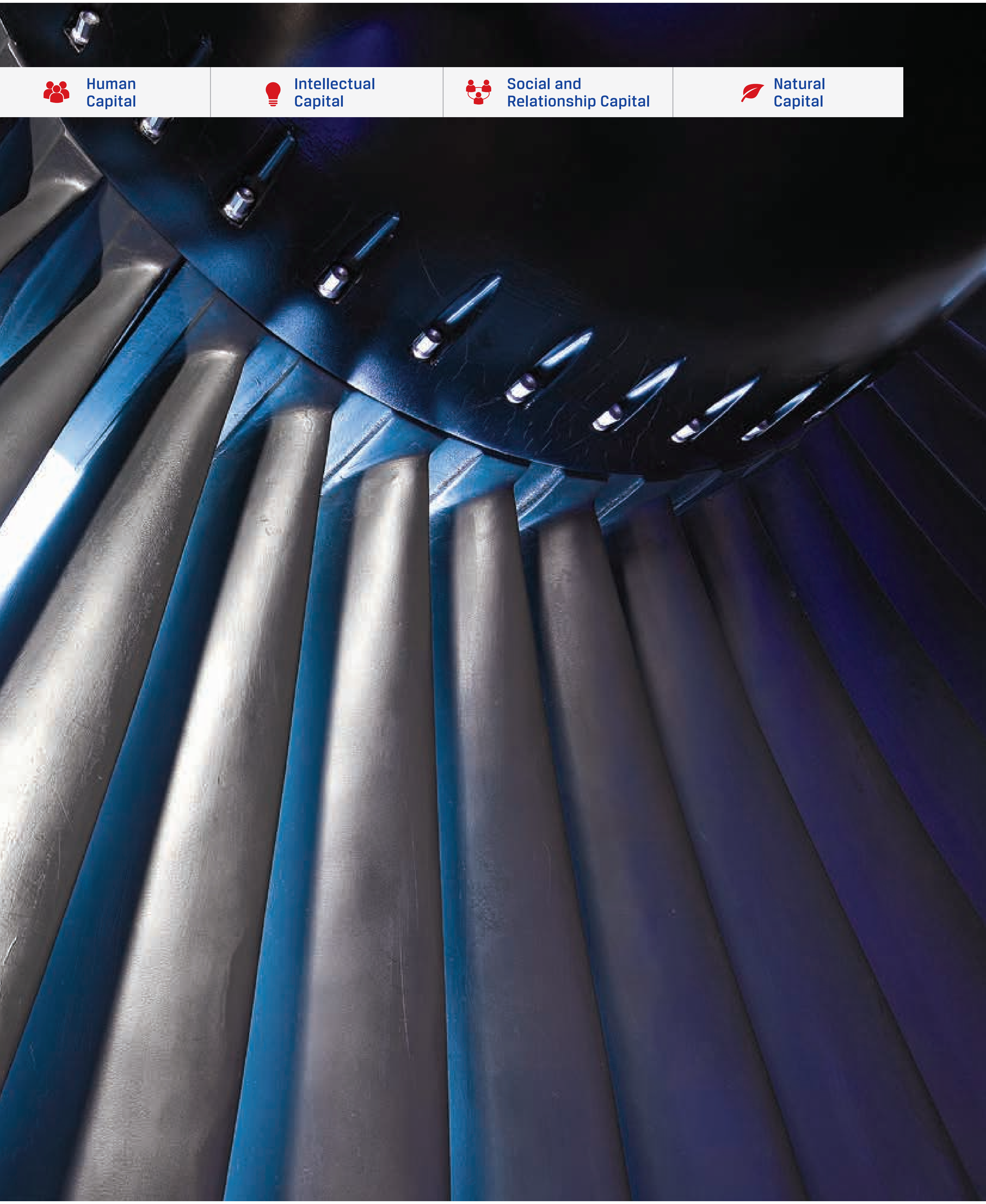
KEY CAPITALS

Financial Capital

Manufactured Capital

Value-creation by The Capitals

Human Capital | Intellectual Capital | Social and Relationship Capital | Natural Capital



Financial Capital

UNDERTAKING ONE OF THE LARGEST CAPEX PROGRAMMES IN ITS HISTORY

A ~₹40,000 crore capacity expansion drive to achieve manufacturing capability of 24.7 MTPA and build downstream facilities by FY21

Making Cost Efficiency Better Everyday

Interlinked Strategies (Pg 26-27) S1, S3, S5

JSW Steel has a strong pool of financial capital to sustain its growth.

Being in a capital-intensive industry, the Company's objective are to maintain a strong credit rating, healthy capital ratios and establish a capital structure that maximises returns to stakeholders through an optimum mix of debt and equity.

The Company's capital requirement is mainly to fund capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principle source of funding for the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funds from bank borrowings and the capital markets.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio; and closely monitors the judicious allocation of the same amongst competing capital expansion projects and strategic acquisitions to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes interest-bearing loans and borrowings-less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments.

Funds generated are utilised for operations of the business, government levies, dividend and funding growth and strategic investments.

Financial Performance

During FY18, the global business cycle turnaround and structural factors provided fundamental support to steel demand. Supply reforms in China by way of continuing closure of inefficient production facilities and pollution-induced production curtailments, coupled with strong domestic demand in the country, led to lower exports. This discipline along with robust steel demand helped improve global steel demand-supply balance. Steel prices rebounded during the year due to resilient demand and improved steel demand-supply balance. Further, the improved steel spread coupled with higher volumes enabled the steel industry to deliver better results.

The Company delivered its highest-ever production volumes, sales, EBITDA and profit after tax during FY18. The Company also progressed well on several performance improvement initiatives, from diversified sourcing, optimisation of logistics costs, to digitalisation projects, thereby driving improvement in yields and productivity.

A detailed discussion on the financial and operational performance for FY18 is available in the Management Discussion and Analysis section.

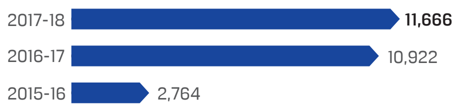
Key Outputs and Outcomes

₹27,534 crore
Net Worth

21%
EBITDA Margins

- Robust financial profile and cash flows
  - EBITDA margins: 21.1%, ₹14,974 crore
  - Operating cash flow: ₹12,379 crore
  - Capital investment cost: Less than $600/MT
- A strong balance sheet, indicating robust financial performance, achieved consistently over the years
  - Reduction in Net Debt by ₹3,529 crore
  - Net Worth of ₹27,534 crore
  - Net Debt to EBITDA improved to 2.57x from 3.41x
  - Net Debt to Equity down to 1.38x from 1.85x
- Diversified funding sources
  - INR debt: 63%; Foreign currency debt: 37%
  - Loans: 74%; Debentures and bonds: 26%
- Earnings per share of ₹25.85
- Highest-ever dividend of ₹3.20 per fully paid-up equity share of ₹1 each. The dividend pay-out ratio of 15% is based on the consolidated profit of the Company

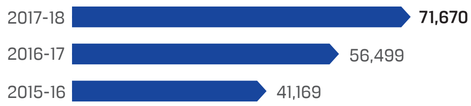
Export Turnover (₹ crore)



Domestic Turnover (₹ crore)

Other Income (₹ crore)

Economic Value Generated (₹ crore)



₹71,670 crore
Economic Value Generated

₹63,193 crore
Economic Value Distributed

₹8,477 crore
Economic Value Retained

CASE STUDY

Cost Optimisation

IT IS NO SURPRISE THEN THAT THE COMPANY IS CONSTANTLY RANKED AMONG THE TOP LOWEST-COST STEEL PRODUCERS IN THE WORLD. IT IS KNOWN TO UNDERTAKE SIZEABLE CAPACITY EXPANSIONS AT LOWER COST AND ITS CONVERSION COSTS ARE AMONG THE BEST IN THE INDUSTRY

In view of the finite resources at the Company's disposal, it constantly strives to achieve higher efficiencies across the value chain of its operations. From sourcing of raw materials to delivering products to customers, it is persistently identifying ways to optimise costs and margins. Accordingly, a host of initiatives have been identified to achieve higher efficiencies across the Organisation.

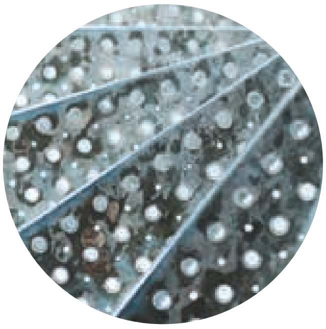
A major step was the backward integration exercise in which iron ore mines were acquired to keep a lid on raw material costs and which will play a crucial role in making JSW Steel self-sufficient. Other measures include modifying the procurement strategy and sourcing raw material at costs better than the competitors, optimising coal blend with semi-hard and utilisation of low fe content iron ore to produce high-quality steel and keeping coke-making costs under check. In the year gone by, the Company did feel the heat from the sudden spike in prices of ferro alloys and electrodes. This is one area where there is scope to curtail costs significantly and the Company believes its efforts and investments on this front will yield results in FY19.

JSW Steel aspires to align with global benchmarks in the areas of energy management and use of environment-friendly inputs and processes, and will continue to set new milestones on these fronts. It is also taking initiatives to bring down logistics costs across the plants to optimise the process of transporting inputs as well as finished products.

It is no surprise then that the Company is constantly ranked among the top lowest-cost steel producers in the world. This is an outcome of relentless efforts to bring down conversion costs. The Company's endeavours to boost cost optimisation are reflected adequately in its EBITDA margin which is above 20% in the last 2 years a feat achieved by only a handful of companies across the globe.

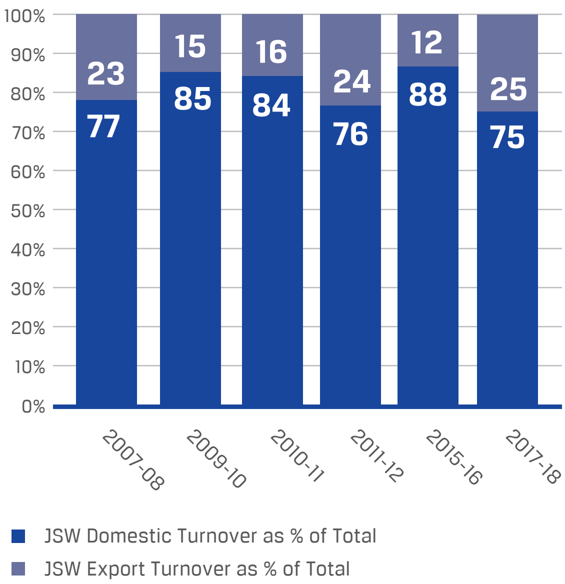
CASE STUDY

Flexibility and Agility



THE COMPANY'S FLEXIBILITY TO JUDICIOUSLY SHIFT BETWEEN DOMESTIC AND INTERNATIONAL MARKETS BASED ON MARKET CONDITIONS ALLOWS IT TO REMAIN RESILIENT IN ADVERSITIES

Domestic and Exports Turnover as % of Total



Adversities in the international steel market such as protectionism and demand crunch, or those in the domestic market such as liquidity crisis and import pressure, can limit the sales potential. As one of the largest steel producers in India with an export presence in over 100 countries, such scenarios have the potential to create significant effect on JSW Steel However, the Company's flexibility to judiciously shift between domestic and international markets based on market conditions allows it to remain resilient in such situations. This is enabled by its extensive geographical presence in India and a nimble sales setup that is quick to realign sales efforts as per market conditions.

Manufactured Capital

ENSURING SUSTAINABLE RAW MATERIAL SUPPLY

All five iron ore mines won in the auctions to be operationalised in FY19

Retaining Market Leadership by Being Better Everyday

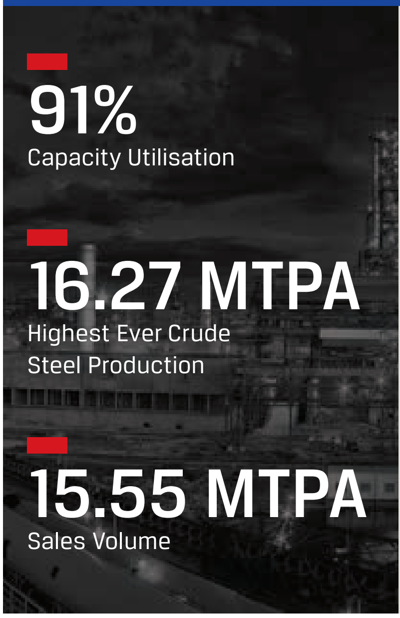
Interlinked Strategies (Pg 26-27) S1, S2, S3, S6

Manufactured capital is part of the fabric of JSW Steel. It supports productivity, stimulates research and development, and guarantees investment for the future. Significant investments have been made in establishing efficient facilities at different locations across the country. Manufactured capital of the Company has the crucial role of an investor as well as a beneficiary of the Government of India's flagship 'Make in India' campaign.

Steel is the backbone of a developing economy like India and JSW Steel is a leading supplier to a variety of sectors: construction, infrastructure, automotive, industrial, engineering, energy and pipes and tubes. The Company can fulfil the requirements of the country with its dedicated investments under manufactured capital. Manufactured in the hot-strip mills of its Vijayanagar (Karnataka) and Dolvi (Maharashtra) plants, a wide range of hot-rolled products are offered by JSW Steel essential for the manufacture of several white goods, the Company's cold-rolled steel products are made in Vijayanagar plant.

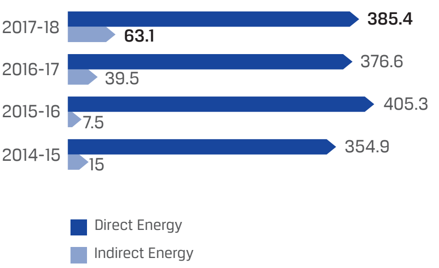
Electrical steel products are manufactured in the modern facility at Vijayanagar Works. This steel has use across multiple sectors such as electric motors, generators, nuclear power stations, power generation plants and equipment, domestic appliances, transformers and automotive electricals.

Key Outputs and Outcomes

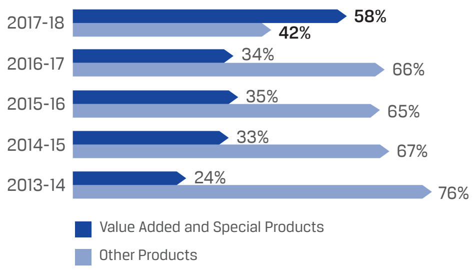


- Capacity utilisation: 91%
- Tunga Iron Ore Mines (Karnataka) made operational; another four iron ore mines to be made operational in FY19
- Highest ever crude steel production: 16.27 MnT
- Diverse product portfolio in the market (top 5):
  - Hot rolled coils and sheets: 6.53 MnT
  - Cold rolled coils and sheets: 2.07 MnT (up 6% y-o-y)
  - Long rolled products: 3.55 MnT (up 16% y-o-y)
  - Galvanised coils and sheets: 1.72 MnT (up 4% y-o-y)
  - Prepainted Galvanised sheets: 0.62 MnT (up 3% y-o-y)
- Sales volume: 15.55 MnT (up 6% y-o-y)
  - Value added and special products: 9 MnT (up 13% y-o-y)
- Pan-India reach through 8,600+ retail outlets and an export presence in over 100 countries, ensuring that the Company's products enable people to lead a better quality of life
- Has one of the lowest conversion costs and low per tonne capacity addition cost, thereby ensuring maximum value creation for all stakeholders
- Reduction in energy consumption: 3.053 million GJ

Energy Consumption (Million GJ), JSW SL



Share of Products in Total Sales (JSW SL)



Specific Energy Consumption (GJ/Tonne), JSW SL

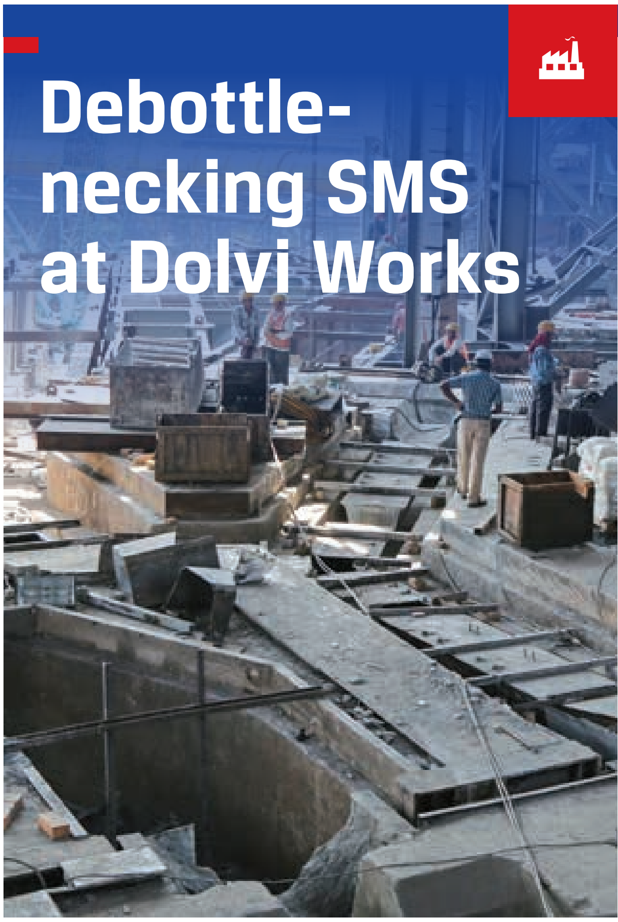
Capacity Utilisation (JSW SL) (%)

	JSW SCPL	JSW SPCL	JSW ARCL	JSW INDUSTRIAL GASES	JSW SALAV
DIRECT ENERGY CONSUMPTION (IN '000 GJ)	2,202.9	0.4	46,742.7	175.0	9,507.1
INDIRECT ENERGY CONSUMPTION (IN '000 GJ)	1,009.9	15.1	952.5	2,389.0	0
SPECIFIC ENERGY CONSUMPTION (IN GJ/TONNES)	8.39	0.03	9.13	1,676 (GJ/MnNM3)	14.25

Note: This unit of measure is needed since the product is gases.

CASE STUDY

Debottle-necking SMS at Dolvi Works



In line with the Company's 'Better Everyday' vision, the multiple manufacturing facilities of JSW Steel undergo continuous efficiency improvement drives. The case in point pertains to the debottlenecking exercise at the Steel Melting Shop (SMS) of JSW Steel Dolvi Works during the fourth quarter of FY18.

The process improvements taken up and the resulting benefits at the site were in four particular areas as elucidated below.

Improved launder utilisation for hot metal pouring

Benefits

- Reduction in refractory delays (Eccentric Bottom Tap-hole, i.e. EBT Jam, Flapper Jamming, etc.)
- Increase in shell life
- Reduction in setup time by 6.3 minutes

Increase in oxygen blowing rate

Benefits

- Oxygen blowing flow increased by 15 Nm^3/hr
- This has resulted in a decrease in blowing time by 2 min/heat

Preventive maintenance during EBT change and shell change

Benefits

- Proactive and preventive maintenance in the change process
- Reduction in delays caused earlier

Maximum hot metal usage

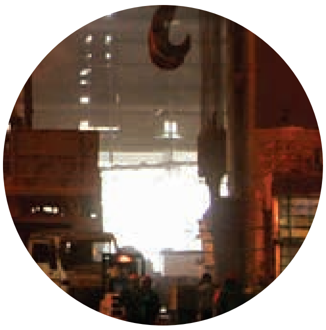
Benefits

- Hot metal usage was increased by 2.9%
- The arcing time has reduced by 3.2 min/heat

OVERALL, THIS DEBOTTLENECKING EXERCISE HAS RESULTED IN IMPROVED EFFICIENCY IN ASSET UTILISATION, REDUCED TIME CONSUMPTION AND LOWERED THE UNEXPECTED PROCESS DELAY RATES

CASE STUDY

Low Conversion and Capacity Addition Cost



JSW Steel is constantly ranked among the lowest-cost steel producers in the world. It is known to undertake sizeable capacity expansions at lower cost, with conversion costs that are among the best in the industry. For the last 10 years, the Company has been rated among the top 10 companies by World Steel Association. Guided by the philosophy of becoming 'Better Everyday', this is an outcome of the relentless efforts to improve performance, including those to bring down conversion costs.

WITH ADDITIONAL CAPACITIES IN PLACE, JSW STEEL IS AT THE FOREFRONT OF TAPPING INTO THE INCREMENTAL DEMAND IN THE DOMESTIC MARKET

CAPACITY ADDITION COST
$580 per tonne

CONVERSION COST
$116 per tonne

The agility of operations at JSW Steel has been the key source of strength and has helped it sail through numerous headwinds faced by the industry. It strives to be aware of the ground realities of the external environment and responds to them in a prompt and efficient manner. Owing to this proactiveness, the Company has been able to spot the power demand turnaround in the domestic market far ahead of its peers. Consequently, the Company embarked on a capacity expansion programme a few years ago and is now realising its potential.

Human Capital

A HAPPY AND ENGAGED WORKFORCE

Employee retention ratio of 95.35%

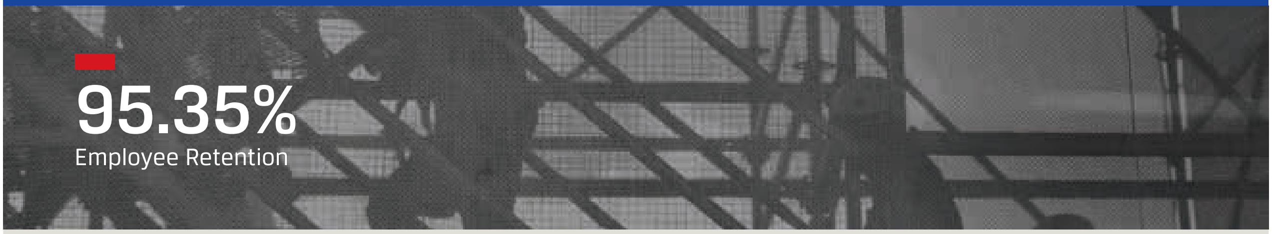

SAFETY
CAPTAIN

Nurturing Talent to be Better Everyday

Interlinked Strategies (Pg 26-27) S6

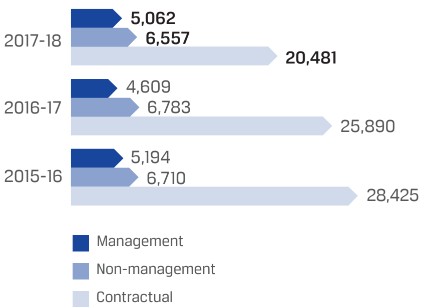
In line with the vision to bring positive transformation to every life JSW Steel touches, the Company encourages individuals to explore their full potential and prepares them for greater responsibilities. The Company truly believes that improving everyday helps make 'better' happen for everyone, including employees. This is achieved by being empathetic and understanding what 'better' means to all stakeholders. A pre-requisite for this is to listen to all stakeholders without prejudice and use that learning to measure actions. This also enables JSW Steel to achieve one of the key purposes, 'Empowering Our People', which the Company does by adopting a participatory approach.

Key Outputs and Outcomes

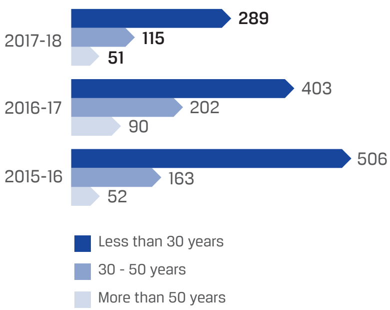


- Employee retention of 95+%, as a result of continuous engagement with employees, welfare measures and learning and development opportunities to create a motivated workforce
- Learning & Development initiatives such as Project Lakshya, Future Fit Leaders and IIM-A Executive Education Programme enable employees to be better prepared for the strategic pillar 'Build for Tomorrow'
- Online JSW Learning Academy to simplify and accelerate training around three strategic pillars: career-based capabilities, competency-based capabilities and leadership
- Widening reach across leading campuses in India through Summer Internship Programme and Management Internship Programme to attract and retain talent
- Human rights policy to ensure no discrimination and demonstrating diversity enriches the Human Capital; same benefits, training and skill enhancement for all members of workforce - including contract workers and differently-abled persons. Monitoring of compliance with regulations as well as internal policies to ensure nil complaints on child labour, forced labour and sexual harassment at workplace.
- Promoting diversity by recruiting, developing, retaining and advancing diverse talent, and initiatives such as JSW Diversity and Inclusion - Springboard for women employees
- Institutional mechanism to listen to employees through interactions, tool-box talks, town halls and joint safety committees. Also, Candid Conversation as a platform for employees to have meaningful and free-flowing interaction with the leadership team
- Addressing corruption through: biometric attendance system and direct transfer of wages to the bank account of contract employees
- Emphasis on safety at the workplace with Near-Miss Reporting going up three-fold from FY17, increase in safety training, linking of safety performance with the variable pay of senior management (including executive director) including executive director and safety audit by the top management

Total Employees, JSW SL

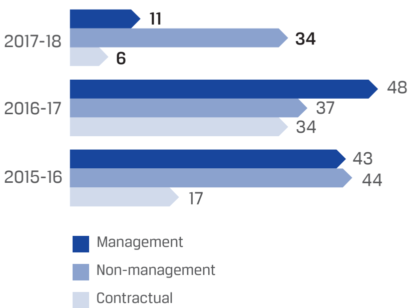


Workforce Turnover by Age, JSW SL



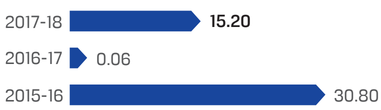
Injuries, JSW SL

Training Hours Per Employee, JSW SL



Lost Time Injuries Rate, JSW SL

Lost Day Rate, JSW SL



11,619
Permanent Employees

Management	5,062
Non-management	6,557
Women	480
Differently-abled	19

Employees at Sites
(segmented by age)

< 30 years	3,764
30-50 years	6,120
> 50 years	989

Average Hours of Training Per Employee

Permanent Employees	37
Management	11
Non-management	34
Permanent Female Employees	17
Temporary/contractual employees	6

28
Permanent Workforce Represented through Recognised Employee Association (%)

Temporary/Contractual	20,481
New Employee Hires	638
Resigned Employees	506

Employees Separated
(segmented by age)

< 30 years	305
30-50 years	123
> 50 years	78

Occupational Health & Safety

Reported Injuries	77
Fatalities	5
LTI	72
LTIFR	0.42
Fatality Rate	0.03
Lost Day Rate	15.2

100%
Percentage of employees receiving regular performance and career development reviews

	JSW SCPL	JSW SPCL	JSW ARCL	JSW INDUSTRIAL GASES	JSW SALAV
PERMANENT EMPLOYEES	1,978	26	213	33	155
Management	759	8	160	22	98
Non-management	1,219	18	53	11	57
Male Employees	1,950	26	209	32	153
Female Employees	28	0	4	1	2
CONTRACTUAL EMPLOYEES	1,885	199	394	5	190
NEW EMPLOYEE HIRES	22	0	0	1	0
RESIGNED EMPLOYEES	63	1	8	2	23
EMPLOYEES AT SITES (SEGMENTED BY AGE)					
< 30 Years	113	15	70	8	7
30-50 Years	1,278	9	129	22	83
> 50 Years	587	2	14	3	65
AVERAGE HOURS OF TRAINING PER EMPLOYEE					
Permanent Employees	10.67	24.64	11.62	35.71	3.75
Management			3.83		3.69
Non-management			19.52		3.78
Permanent Female Employees			1.00		3.81
Temporary/Contractual Employees	2.01		3.29	12.9	3.81
PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE & CAREER DEVELOPMENT REVIEWS	100	100	100	100	100
OCCUPATIONAL HEALTH & SAFETY					
Reported Injuries	9	0	5	0	1
LTI	9	0	5	0	1
LTIFR	0.15	0	0.264	0	0.10
Lost Day Rate	16.06	0	44.76	0	2.43

CASE STUDY

Human Rights are Fundamental to All Human Beings

THESE STEPS PROVIDE A SAFE AND SECURE WORK ENVIRONMENT FOR ALL THE EMPLOYEES, LEADING TO GREATER PRODUCTIVITY AND WORK SATISFACTION

JSW Steel places great importance on its human capital and firmly believes that human rights of every individual need to be respected. The Company's Guidelines and Code of Conduct are in harmony with the UN Declaration on Human Rights as well as the ILO (International Labour Organisation) Conventions. The policies address human rights issues across the supply chain.

The Company's human rights policy is complemented by other specific policies such as occupational health and safety, environment, anti-corruption, etc. It articulates the Company's stand on human rights, including non-discrimination, prohibition of child and enforced labour, and freedom of association and the right to engage in collective bargaining. Further, officers of security agencies are trained to act in a manner that respects human rights at all times and to comply with all the applicable national, state and local laws.

The Company contributes to the fulfilment of human rights through compliance with local human rights legislation, wherever it has operations, as well as through its policies, programmes and grievance redressal mechanisms.

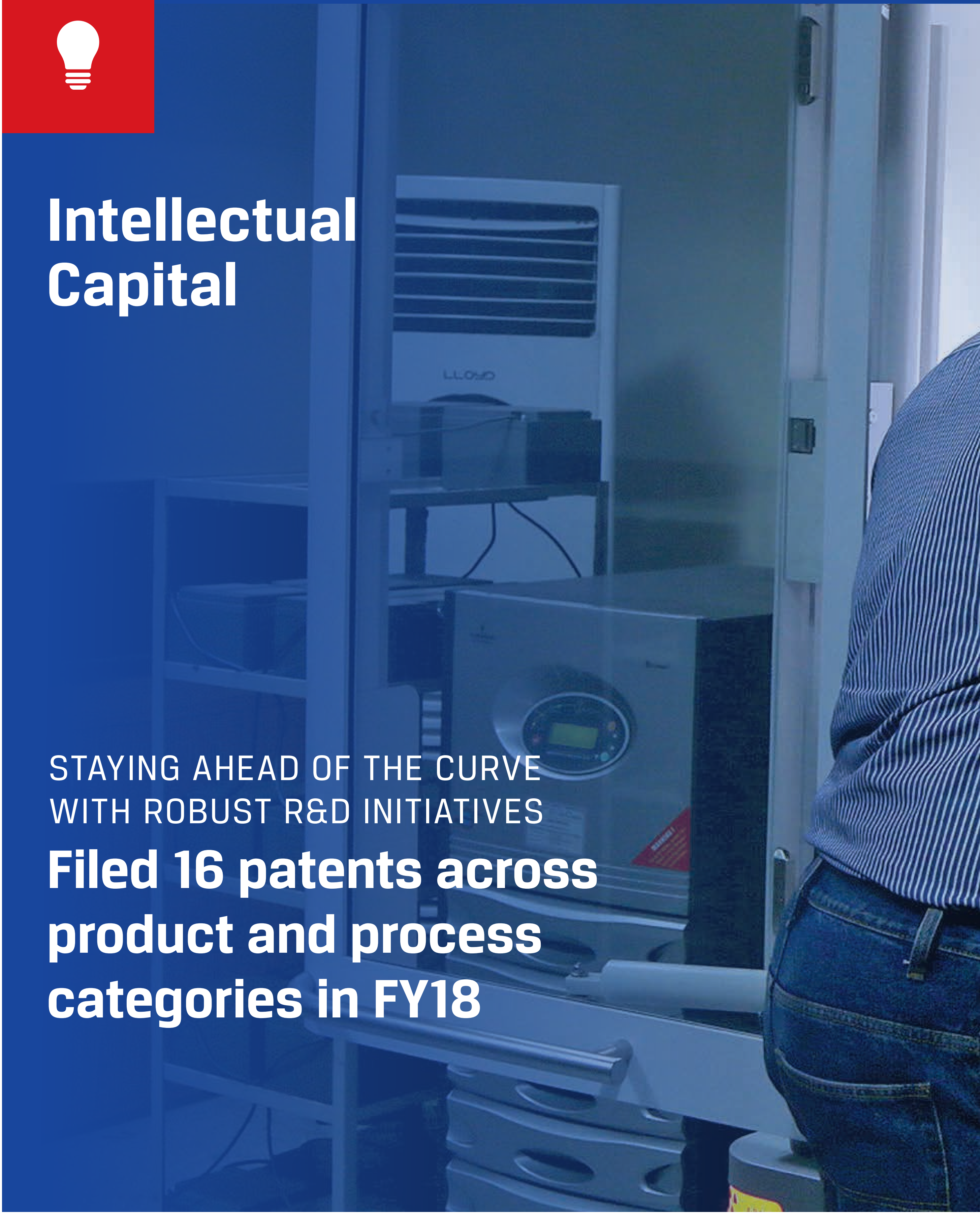
JSW Steel is one of the six pioneering companies to sign up for the Business for Human Rights (Biz4HR) initiative of the Confederation of Indian Industry (CII) that intends to improve the human rights record in the value chain.

CASE STUDY

Pre-retirement Workshops

Driven by 'Better Everyday', the Company has initiated pre-retirement workshops for its employees with the main objective of assisting them in preparing for the changes that takes place at retirement. These workshops explore the opportunities that the change in lifestyle makes available to them and makes them aware of the possible issues that become important while leading a retired life. These workshops that are held for the retiring employees and their spouses, cover the following core areas:

Psychological Preparedness	Social Preparedness	Financial Preparedness	Health Preparedness



Intellectual Capital

STAYING AHEAD OF THE CURVE WITH ROBUST R&D INITIATIVES

Filed 16 patents across product and process categories in FY18


PIXcel3D

Innovating for a Future that will be Better Everyday

Interlinked Strategies (Pg 26-27) S2, S4, S5, S6

Intellectual capital is critical to enhance the value proposition through development of unique and sustainable products and service solutions. The drive to better serve the growing infrastructure needs of India has spurred the adoption of new and improved technologies. The Company understands the importance of R&D and innovation and makes constant efforts to evolve and adapt to the changing needs. Resources to the tune of ₹41 crore are made available to a dedicated team of 155 persons constantly working to address these requirements. Intellectual capital helps the Company to realise its vision to 'Bring positive transformation to every life we touch'.

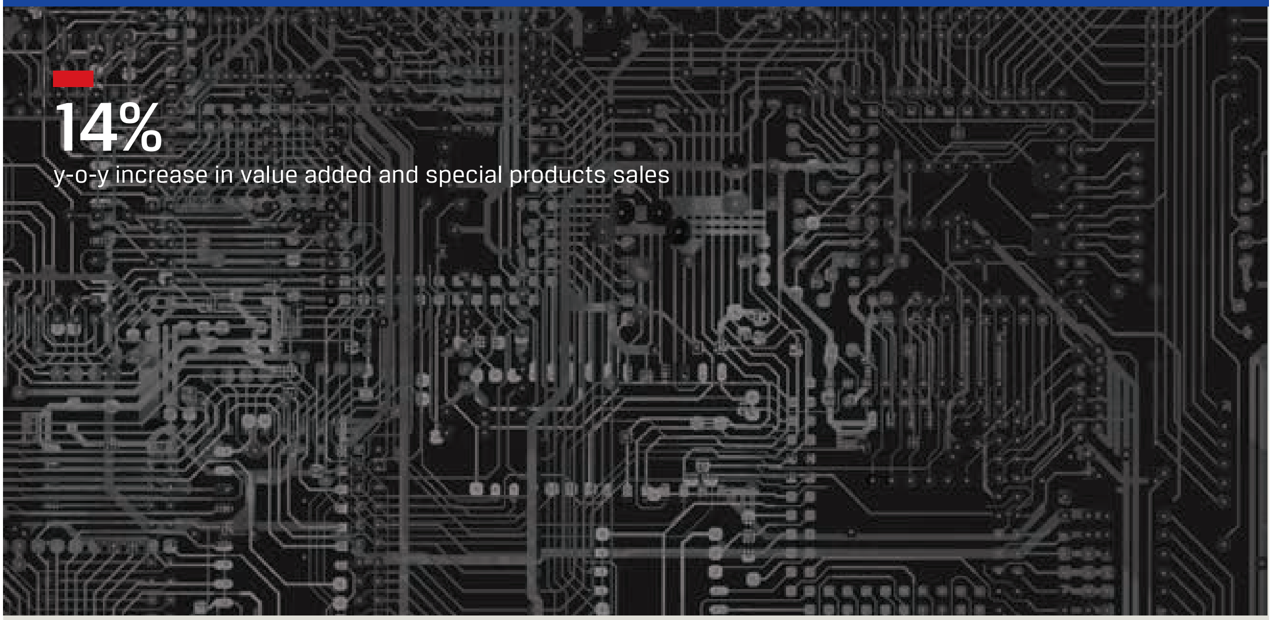
The Company believes that there is virtually no limit to becoming 'better' – be it related to products, processes, infrastructure or the surrounding world.

Building on the core strength of efficiency, the Company is driven to achieve excellence through innovation, expertise, quality and operational efficiency. This is demonstrated by numerous improvement initiatives in the Company.

Intellectual capital also enables the Company to engage with the consumers, giving it an opportunity to learn about the evolving needs, as well as to communicate the advantages of using superior quality steel at manufacturing sites. The product, JSW Neosteel, helps achieve this objective.

The Company believes that it is important to deliver the product of choice to the consumer. Through JSW Shoppes and JSW Explore, the Company is combining sales and services for providing the desired product to the end consumer.

Key Outputs and Outcomes



- The Company has initiated digitalisation and automation, thereby getting people involved in the digital agenda. In the reporting year, JSW Steel saved about ₹~46 crore as a result of the digitalisation efforts

- The Company's increasing focus on value added and special products like Galvalume and customised products catering to the passenger vehicle industry led to a 14% yoy increase in their sales, ultimately reducing imports, boosting local economy and saving foreign exchange for the nation

- JSW Steel is the first iron and steel Company in India to get an Environment Product Declaration (EPD) label – for HR coils, in line with the principles of Life Cycle Assessment (LCA) as per ISO 14025

- Throughout the year, the Company's team of experts are engaged in various facets of new development initiatives, which are practically implementable on the shop floor and otherwise

- Increased understanding of consumer needs has enabled JSW Steel to better communicate the Company's point of view and the value that its products bring with them

- JSW Colouron+ continued to be the leading Colour Coated Brand in the country with highest market share. The Company undertook a large-scale influencer awareness campaign to educate them on how to identify a genuine product

- Continuing its endeavour to improve the customer value proposition of its products, the Company launched JSW Everglow in December 2017. It is a first-of-its-kind product in the steel roofing segment and offers 10-year paint which is a first in India

- The Company implemented multiple cost optimisation initiatives under Project Deep Drive at various business critical departments (logistics, agglomeration and iron making, power and others). Following the signature 4i methodology of Identify-Ideate-Implement-Institutionalise, this initiative has led to substantial cost savings

- The Company continues to collaborate with leading academic and research institutions such as National Metallurgical Laboratory - Jamshedpur, IIT Bombay, IIT Madras, IIT Kharagpur, IISc Bangalore, NIT Surathkal, NCCBM Ballabhgarh, IMMT Bhubaneswar and BITS Pilani. These collaborations have gone a long way in enriching the intellectual capital of JSW Steel through the development of new and improved products and processes

CASE STUDY

Digitalisation at JSW Steel

The highly-competitive sector has begun witnessing a range of digitalisation efforts. JSW Steel is applying these to all critical areas of manufacturing operations, supply chain, and sales and marketing; and is collaborating with global firms to facilitate the journey. This process began with the identification of projects under Wave 1, and thereafter the implementation of the same. These helped the Company establish the power of analytics and automation, while simultaneously getting people involved in the digital agenda. Since the Company was able to identify the potential for value addition from these projects, several other new ones have been identified and are currently being implemented.

A DIGITAL CENTRE OF EXCELLENCE AND GOVERNANCE HAS HELPED IDENTIFY, PRIORITISE, MONITOR AND REVIEW PROJECTS THAT ARE CURRENTLY BEING IMPLEMENTED

CASE STUDY

CoRe Programme

THE CoRe TEAM PARTICIPATED IN THE FROST & SULLIVAN PERP AWARD 2017 AND WAS RECOGNISED AS THE FIRST RUNNER UP IN THE CATEGORY OF COST LEADERSHIP

Continuous Optimisation to Realise Excellence or CoRe was launched in FY17 as a breakthrough improvement methodology focusing on cost management. The purpose of the initiative was to generate ideas by involving every employee in the plant, besides suppliers and functional experts who were working at the site in other functions. The initiative was a KPI-based improvement approach, applying concepts of compressible, semi-compressible and incompressible costs. The scope included generation of ideas, evaluation of ideas, preparation of an action plan for implementation along with responsibility and target dates, and handover of the file to the respective HODs for implementation. The programme yielded benefits of about ₹227 crore in the last two years.

Social & Relationship Capital

EXPANDING STAKEHOLDER CONNECT AND BRAND PRESENCE

22,000+ influencers contacted through 3,000 meets

Building Better Relationships Everyday

Interlinked Strategies (Pg 26-27) S2, S3

JSW Steel engages continuously with its diverse external stakeholders in a variety of ways. All along its development from a humble beginning to becoming a leading corporate citizen over the last two and a half decades, the Company has made incessant efforts to improve the quality of life in the neighbouring community. The Company reinforces relationships through regular engagement and partnerships with its key stakeholders: employees, customers, suppliers, community, financial and research institutions, government bodies and the civil society. Initiating meaningful changes, the Company has deployed a strategic inclusive development approach for its neighbouring communities.

On behalf of the Company, JSW Foundation has led the efforts over the years to identify and implement initiatives on seven thematic areas for social and community development prioritised after needs assessment. They encompass water, sanitation, environment, health, nutrition, education, skills, livelihoods, sports and art, culture and heritage, along with:

1. Over 200,000 persons benefitted from various health and nutrition initiatives, with malnutrition down by 35% and 22% in Vijayanagar and Tarapur, respectively.
2. In Vijayanagar, 1,063 farmers working on 923 hectares of farm land under soil improvement and moisture retention project have reported doubling of profitability, and 500 women were empowered economically through livelihood initiatives.
3. The OP Jindal Centres and JSW Skill Schools provide government-affiliated, state-of-the-art certificate vocational courses on topics such as metallurgical engineering, electrician, apparel-making and safety. Further, entrepreneurship training is imparted to over 450 women through 35 new self-help groups with credit linkages of ₹2.93 crore.
4. Over 10 million m^3 of additional water storage capacity is being created through water-holding structures, restoring moisture in the soil and increasing ground-water level, resulting in prevention of migration of farmers.
5. Preserving national heritage
6. Promoting sports
7. Contributing to Swachh Bharat Abhiyaan (Clean India Mission)

These initiatives at all the manufacturing sites are regularly reviewed and their impacts assessed to serve as inputs for further engagement and better quality of lives in the community.

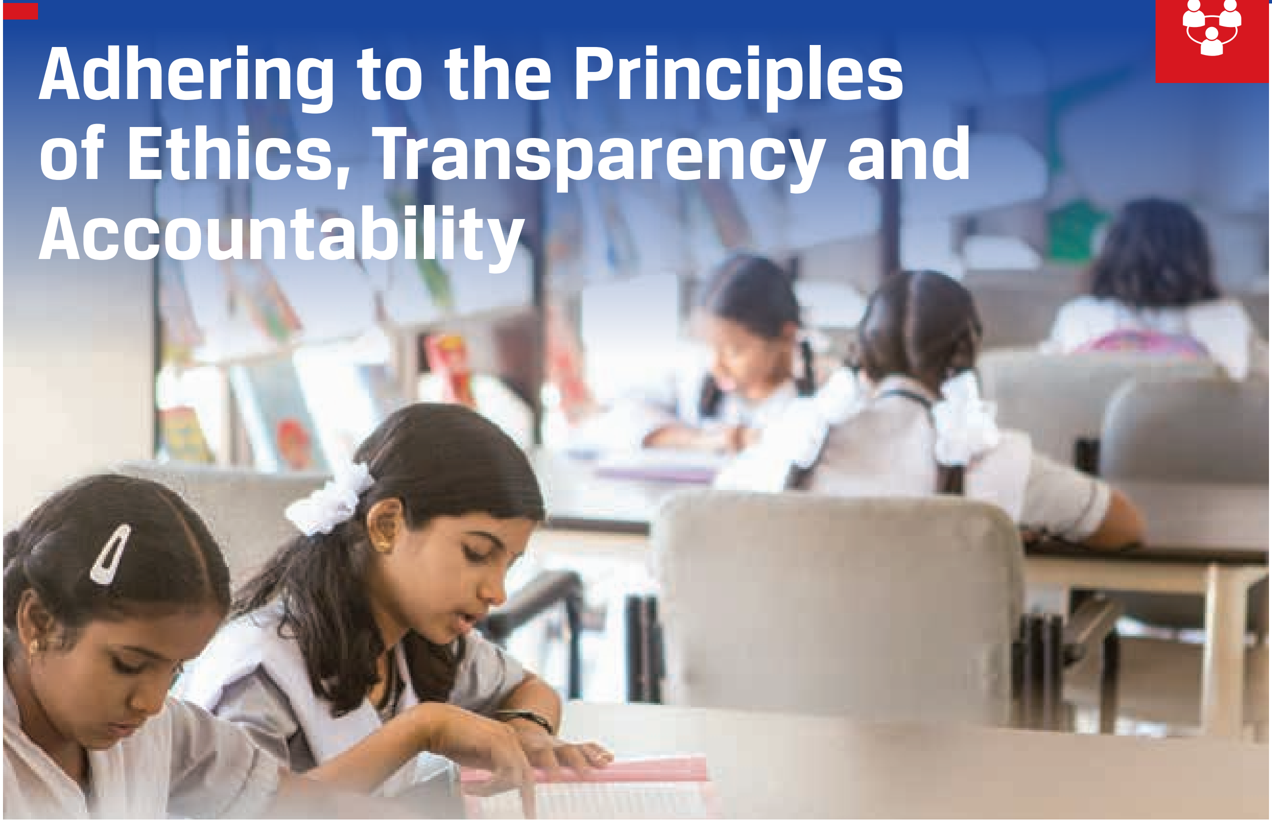
JSW Steel believes engaging effectively with all stakeholders constitute a fundamental part of its business operations, and the resources of the Company are utilised to benefit the society at large. While the Company is dependent on domestic as well as international suppliers for meeting its raw material requirement, it prioritises domestic sourcing over import wherever possible. A testimony to this is the fact that about 85% of the iron ore procured by the Company in FY18 was from domestic sources. Not only do the suppliers and vendors of the Company agree to abide by its Code of Conduct covering ethical, social and environmental aspects, it also subscribes to similar requirements from its customers. As a responsible corporate citizen, the Company complies with all regulatory and legal requirements, has not been subject to any penalties on account of the same, and also not been subject to any cases filed by any stakeholder relating to unfair trade practices, irresponsible advertising or anti-competitive behaviour.

Key Outputs and Outcomes

- JSW Steel has been committing and consistently spending resources beyond the statutory requirement of 2% of the profits for CSR initiatives, even before the regulation was created
- The Company engages with the government for policy advocacy through leading apex and sector industry bodies such as CII, FICCI, ASSOCHAM and Indian Steel Association, among others
- Responds to queries from investors and rating agencies across the world and engages with them to share insights and experiences
- Design and implementation of an integrated water management plan across all locations to ensure water security for all, with about 200,00 m^3 of water conserved around the plants
- Creating plantations to enhance local ecosystems; 400,000 mangroves have been planted
- Engaging with the adjacent communities to provide them healthcare in areas such as Palghar, Vijayanagar and Ballari, among others enabling them to lead a better life. Some sample results include about 8,000 community and individual toilets were built, neurological and ophthalmologic support was provided to 5,500 persons, and a 20% reduction in malnutrition cases in Vijayanagar.
- Improving the quality of education by enabling access to improved infrastructure and advanced methods such as digital learning at a total cost of ₹21 crore, benefitting 45,000 children
- Empowering women to make the whole household 'better'; 400+ self-help groups created and employment provided to 430 women in BPOs, generating a revenue of ₹2.4 crore
- Ensuring food security and encouraging environmental stability through the 'Zero-till Agriculture' and 'Salboni hi-tech agriculture project', in partnership with Jain Irrigation, that has benefitted 3,500+ farmers in the last two years.
- JSW Foundation selected as training partner for the new Skill Enhancement Scheme of Government of Maharashtra, to improve employability of youth; 810 persons benefitted from these skill enhancement initiatives while over ₹1.15 crore was spent on village transformation
- Dedicated efforts have been directed towards restoration of art, culture and heritage, thereby bringing them back to their ancient glory

CASE STUDY

Adhering to the Principles of Ethics, Transparency and Accountability



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 wellbeing. To this end, it has a policy on business conduct that is applicable to all its employees and value chain partners. JSW Steel is committed to not only continuing to allocate resources towards special corpus for Corporate Social Responsibility as per the categories of the Companies Act, 2013, but also to:

- Assess the programmes and their impact through external agencies for culling out learnings along with continually evolving its own monitoring processes
- Continue its stakeholder engagement in a mutually respectful manner and through social processes that help identify essential needs of the community for its overall growth of the same
- Spread the culture of volunteerism through the process of social engagement
- Align its actions to achieve not only the desired results at the grassroots level, but also to contribute towards the attainment of the UN Sustainable Development Goals

In line with the above, JSW Steel engages with leading industry bodies and organisations such as the World Steel Association, CII, FICCI, ASSOCHAM, Indian Steel Association, GRI, DJSI, CDP, UN Global Compact, Bangalore Chamber of Industry & Commerce, Karnataka Iron & Steel Manufacturing Association, Indian Institute of Metals, American Society of Metals, Association of Iron & Steel Technology (USA), Iron and Steel Institute of Japan, PMS (Metal Society of USA), Indian Chamber of Commerce and Bengal Chamber of Commerce & Industry. These engagements provide an opportunity for the Company to partner with the government for policy advocacy and work towards the collective welfare of the society, thereby enhancing value for all.

CASE STUDY

Customer Engagement at JSW Steel

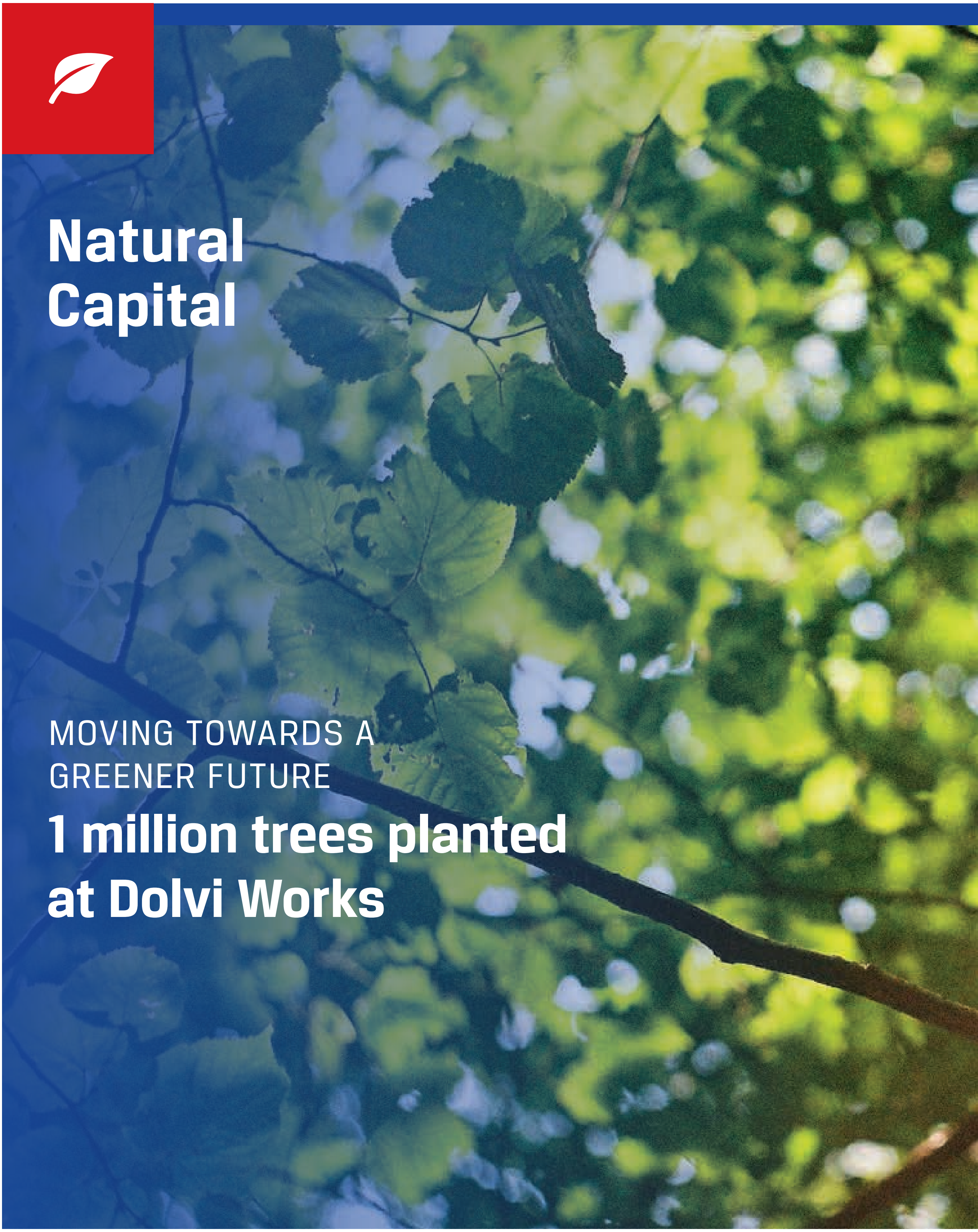
JSW Steel's focus is to add value to its customers and remain a supplier of choice in all markets, while improving the wellbeing of customers and the society. The Company is committed to operating processes and conducting marketing promotions in a transparent and responsible manner by sharing product information.

IN FY18, THE COMPANY RECEIVED 1,145 COMPLAINTS FROM CUSTOMERS, OF WHICH 99% WERE RESOLVED

JSW Steel strives to ensure an efficient customer feedback mechanism and conducts regular customer satisfaction surveys to understand their expectations and concerns.

To enable this, the Company has portals for customers and suppliers. While this facilitates procurement and delivery, it also provides opportunity to gauge evolving customer requirements and supplier capabilities. With some customers and suppliers, the Company even collaborates and co-creates. This type of innovation has helped in mutual profitability, while also reducing emissions and use of energy and other resources. Additionally, a grievance redressal mechanism is available to all stakeholders. Besides resolving the grievances seamlessly, this also provides an opportunity to engage more closely with the entire value chain. JSW Steel conducts customer satisfaction surveys through a third party. The survey captures customer expectations on the following attributes:

- Product Quality
- Order Servicing
- Customer Relationship
- Company Personnel
- Customer Loyalty



Natural Capital

MOVING TOWARDS A GREENER FUTURE

1 million trees planted at Dolvi Works

Minimising Environmental Footprint to be Better Everyday

Interlinked Strategies (Pg 26-27) S3, S4, S6

Natural resources such as iron ore, coal and other minerals are critical to the operations of JSW Steel. The Company realises that natural resources are indispensable, and continued and serious efforts are required to ensure they are not depleted. The objective of minimising the environmental footprint is essential for all business operations. The Company has adopted processes and developed products which are not only unique, but also environment friendly. To tackle concerns such as climate change and diminishing natural resources, the Company has a policy on Conservation and Preservation of the Environment which extends to the entire value chain. Through significant investment in natural capital, all plants of JSW Steel exceed compliance requirements.

JSW Steel has spearheaded several initiatives for the conservation of flora and fauna. The Company was among the pioneers to sign up and commit to the Indian Business and Biodiversity Initiative set up by the Confederation of Indian Industry (CII) in partnership with India's Ministry of Environment, Forests & Climate Change.

Metrics for JSW Steel

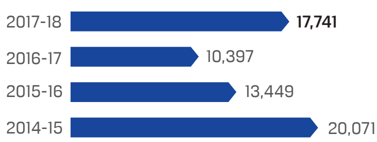
#	ITEM	UNIT	QUANTITY
1.	Recycled Input Materials	Million Tonnes	3.3
2.	GHG Emission Intensity	tCO_2/ Tonnes	2.59
3.	Emissions from Ozone Depleting Substances (ODS)	KG	2,150.3
4.	Water Discharge by Quality and Destination	kL	Zero discharge

Specific Water Consumption

(m^3/T of crude steel), JSW SL

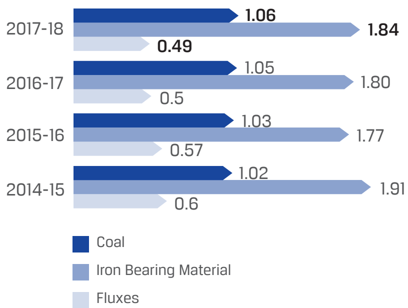
Total Water Recycled & Reused

('000 Kl), JSW SL



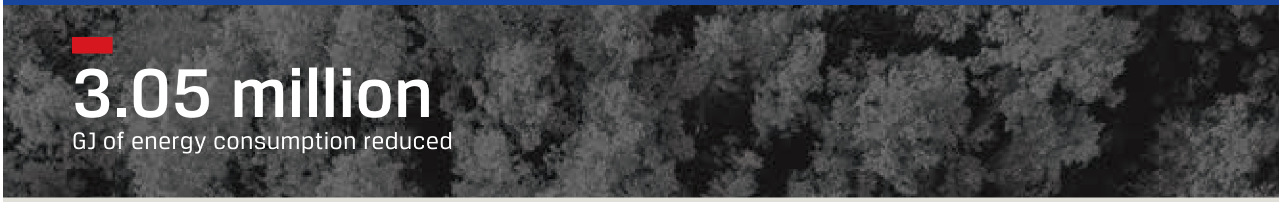
Specific Material Consumption

(T/T of crude steel), JSW SL



Specific material consumption reported for iron bearing materials in previous years was for iron ore fines + lumps: 1.97, 1.64, 1.56 and 1.59 for 2014-15, 2015-16, 2016-17 and 2017-18

Key Outputs and Outcomes



3.05 million

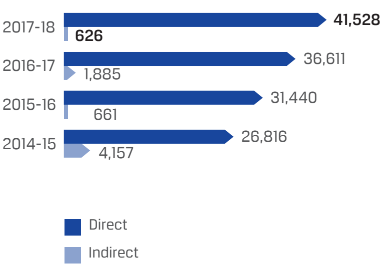
GJ of energy consumption reduced

- While 4.49 million GJ of energy was consumed, there was also 3.05 million GJ of energy reduction due to efficiency measures and conservation efforts
- While 67.32 million m^3 of water was taken in, 17.74 million m^3 water was recycled or reused, and nearly 0.2 million m^3 of water was conserved
- While 17.24 million tonnes of coal and 25.89 million tonnes of iron ore was used as inputs, 3.30 million tonnes of material was recycled
- 75 – kg paper recycling plant at Vijayanagar
- 42.15 million tonnes of GHG emissions, with specific GHG emissions of 2.59
- The Company has worked closely with the Forest Department, Government of Karnataka to protect and enhance awareness on the endangered sloth bears at Daroji Bear Sanctuary
- Working to ensure water security in tandem with various government schemes such as Jal Yukta Shivar Abhiyan (Maharashtra) and NABARD watershed development programme (Tamil Nadu)
- Supported JSW Foundation in the JSW-Times of India Earth Care Awards since 2007 to create mass awareness and also to recognise excellence in addressing climate change
- Reduced waste being generated and sent to landfills through initiatives such as Waste to Wealth for the recycling of paper. Further, reduction in biodegradable waste being disposed at all sites and townships has been undertaken through the installation of composting equipment
- The Company sold 113% of the total slag generated for use as input material in cement companies

DISCLOSURE	JSW SCPL	JSW SPCL	JSW ARCL	JSW INDUSTRIAL GASES	JSW SALAV
Total Water Consumed ('000 m^3)	1,169	4.287	2,446	1,047	2,644
Specific Water Consumption (m^3/t of finished product)	1.450	0.01	0.47	684.58 M3/MnNM3 of finished product	3.96
Specific Emissions of NOx	0.038 Kg/t of finished product	-	0.012 Kg/t of finished product	0.399 kg/MnNM3 of finished product	0.049 Kg/t of finished product
Specific Emissions of SOx	0.089 Kg/t of finished product	-	0.016 Kg/t of finished product	0.304 kg/MnNM3 of finished product	0.016 Kg/t of finished product
Specific Emissions of SPM	0.058 Kg/t of finished product	-	0.059 Kg/t of crude steel	0.011 kg/MnNM3 of finished product	0.069 Kg/t of finished product
Hazardous Waste Generated	59 '000 t (+ 21,766 drums)	12.01 t	1,790 t + 10 m^3	3,295 t	28.91 L
Non-hazardous Waste Generated	163 '000 t	73.17 t	10,720 t	-	495 t

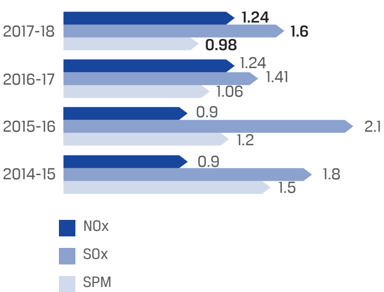
GHG Emissions

('000 TCO_2e), JSW SL



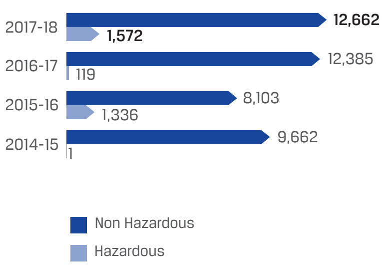
Other Emissions

(Kg/T of crude steel), JSW SL

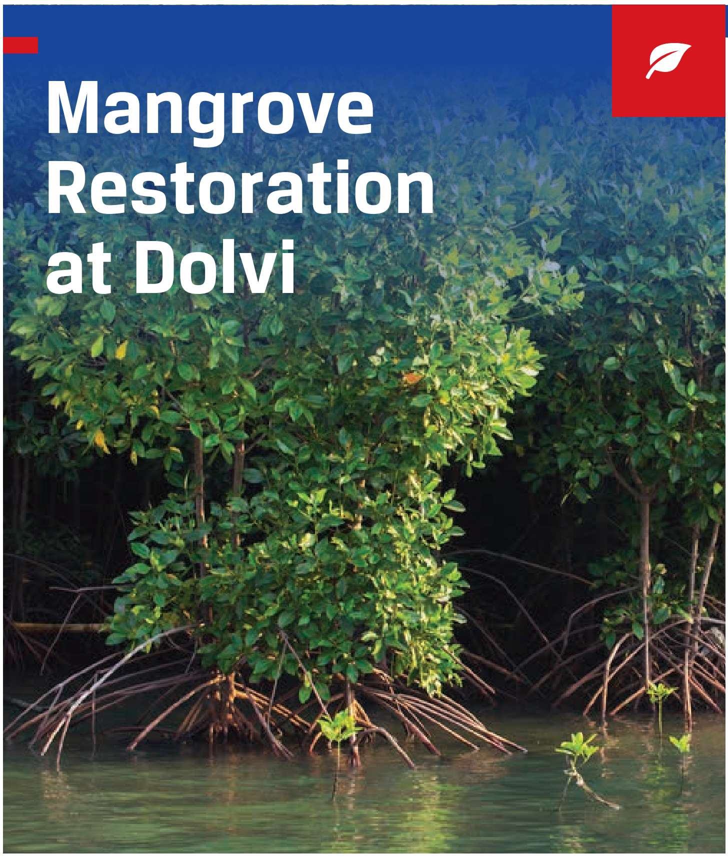


Total Waste Generated

('000 Tonnes), JSW SL



CASE STUDY



Mangrove Restoration at Dolvi

JSW Steel proactively gets involved multiple initiatives to enhance natural capital as it benefits the society. In line with this thought and with the knowledge that mangroves help reduce the impact of climate-related coastal hazards, the Company undertook an extensive mangrove restoration initiative at Dolvi. The phase-wise project, initiated in 2016, will be carried out over three years.

Following are the key highlights of the project, implemented in association with Gram Panchayats and self-help groups:

5
Villages Covered

5,000 ha
Land Impacted

34
Mangroves Working Self-Help Groups (SHGs) (345 Members)

1,05,435
Total Nursery Plants Developed and Planted

7,817
Fishermen and Farmers Benefitted

7
Trainings Conducted for Mangroves Nursery

26
Meetings Conducted with Villagers

Development of Low-cost, Accelerated Weathering Technology for Steel Slag

Steel slag disposal is one of the major areas of concern for the steel industry, mainly because of its toxicity and slow weathering characteristic.

Progress so far:

June 2016
Laboratory trials completed

Feb 2017
Field trial starts with pilot projects

Nov 2016
Laboratory testing of aggregates completed

Mar 2017
Development of self-weathering method indigenously

Mar 2018
Discussion on with technology provider

CASE STUDY

A Leader in Environment Protection

As a responsible producer of high-quality steel, the Company has undertaken a number of initiatives to improve the environment and help build a greener world. Select initiatives are listed below:

Installation of 71 dust analysers on stacks, 8 gas monitors on stacks, 6 AAQMS, 22 CCTVs and 6 effluent monitors across the steel complex

Installation of CO_2 injection system at SMS-2: A unique project having the potential of saving 1,000 m^3 of water daily, with a resultant reduction in the downtime of scrubbers from 72 hrs in a year to 36 hrs

2,023 tonnes of granulated blast furnace slag, 33,302 tonnes of slag sand, 178,575 tonnes of dry pit slag and 60,617 tonnes of steel slag is sold for road-making (NHAI project; Ballari-Hospet) under the the 'green highway' initiative

Introduction of low-cost alternate coals and semi-soft coal in coal blend

GHG emissions at Dolvi Works is the lowest amongst steel plants in India

Installation of water sprinkler/wind net, dry fog and wet fog system in the raw material handling areas at Salem to reduce the fugitive emissions

Board of Directors

From left to right:
Dr. Vinod Nowal, Mr. Seshagiri Rao M.V.S., Mr. Malay Mukherjee, Mr. Kannan Vijayaragavan, Dr. Vijay Kelkar, Mr. Sajjan Jindal, Dr. (Mrs.) Punita Kumar Sinha, Mr. Seturaman Mahalingam, Mr. Hiroyuki Ogawa, Mr. Jayant Acharya

MRS. SAVITRI DEVI JINDAL

Chairperson Emeritus

Mrs. Jindal was on the Board of the Company from May 2005 to October 2011. She is a visionary, renowned industrialist and the matriarch of O.P. Jindal Group. She was appointed Chairperson Emeritus of the Company w.e.f. October 21, 2011, upon the cessation of her role as its Director and Chairperson.

MR. SAJJAN JINDAL ●

Chairman & Managing Director,
Non-Independent Executive Director

Mr. Jindal holds a bachelor's degree in mechanical engineering from Bangalore University. He is also the principal promoter of the Company. His dedication to the cause of a self-reliant India is reflected in the technological innovations that define and set apart each JSW company. Under his leadership, JSW Group has expanded into other core sectors of the economy, such as steel, power, infrastructure-building and cement. Today, the Group runs some of the most energy-efficient and eco-friendly manufacturing facilities in the country. Mr. Jindal serves as council member of Indian Institute of Metals and is a member of the Executive Committee as well as the Chairman of the Sustainability Committee of World Steel Association, and the former President of Institute of Steel Development and Growth. In 2007, he was named Ernst and Young 'Entrepreneur of the Year' in the manufacturing category. In 2009, he was honoured with Willy Korf Ken Iverson Steel Vision Award by American Metal Market & World Steel Dynamics.

Commitees

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder Relationship Committee
- Risk Management Committee

Not in group photo

Mr. Haigreve Khaitan

Mr. N. Jayaram

MR. SESHAGIRI RAO M.V.S.

Joint Managing Director & Group CFO,
Non-Independent Executive Director

Mr. Rao is the Joint Managing Director & Group CFO of JSW Steel, responsible for overall operations of JSW Steel, including strategy formulations related to business development, expansion of existing businesses, joint ventures, mergers and acquisitions, and cost management. He possesses a rich experience spanning over three decades in the steel sector and in the areas of corporate finance and banking. He joined JSW Group in 1997 as Chief Financial Officer and has played an active role in growth strategies of JSW Group since then. He has been involved in all the strategic decision-making within the Group and has grown with JSW Steel, progressively shouldering higher responsibilities. Prior to joining JSW Steel, he has worked with reputed organisations in various capacities. Mr. Rao is a member of Institute of Cost and Works Accountants of India and a licentiate member of Institute of Company Secretaries of India. He is also a certified associate of Indian Institute of Bankers and a diploma holder in business finance awarded by Institute of Chartered Financial Analysts of India.

MR. JAYANT ACHARYA

Director (Commercial & Marketing),
Non-Independent Executive Director

Mr. Acharya was appointed Director (Sales & Marketing) in May 2009 and was redesignated as Director (Commercial & Marketing) in April 2010. He is also the Co-Chair of the Committee on Steel & Non-Ferrous Metals for Federation of Indian Chamber of Commerce and Industry. Mr. Acharya holds a bachelor's degree in chemical engineering and a master's degree in physics from Birla Institute of Technology & Science, Pilani. He also holds a master's in business administration from Indore University. He has over two decades of experience in the steel industry spanning the entire range of flat and long steel products.

DR. VINOD NOWAL

Deputy Managing Director,
Non-Independent Executive Director

Dr. Nowal was appointed Director (Commercial) in April 2007 and redesignated as Director & Chief Executive Officer in April 2009. He was subsequently redesignated as Deputy Managing Director of JSW Steel in May 2013. He has been associated with the Group since 1984. He is currently the President of Karnataka Iron and Steel Manufacturers' Association. He has also served as the President of Bangalore Chamber of Industry and Commerce and Tarapur Industrial Manufacturers Association, along with being the Chairman of Manufacturing Task Force Southern Region at ASSOCHAM, member of Manufacturing Task Force constituted by Government of Karnataka, member of a committee under Chief Minister of Karnataka for Employment in the manufacturing sector, member of Governing Body of M.S. Ramaiah Institute of Technology, Bangalore, advisory member on Board of T. John College, Bangalore, and member of Advisory Committee of Center of Excellence in Steel Technology (COEST) at IIT-Bombay. Dr. Nowal holds a master's degree in business administration and a doctorate in inventory management. He has also acquired Advanced Management Program (AMP), a comprehensive executive leadership programme from the prestigious Harvard Business School, Boston, USA.

MR. HIROYUKI OGAWA

Nominee Director, JFE Steel Corporation, Japan

Mr. Ogawa holds a master's degree in engineering from the Department of Mechanical Engineering, Graduate School of Engineering, The University of Tokyo. Mr. Ogama is Senior Vice President, Corporate Planning Department, Vietnam FHS Project Team, Mexico CGL Project Team, Technical Cooperation Dept. Prior to that he was Vice President, General Superintendent, West Japan Works, Fukuyama and Assistant General Superintendent, West Japan Works-Kurashiki. He joined Kawasaki Steel Corporation in 1985.

MR. MALAY MUKHERJEE

Independent Non-Executive Director

Mr. 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. Before 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. 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 and Kazakhstan and also responsible for stainless steel, pipes and tubes and technology. He also served as the COO of Mittal Steel Company between 2004 and 2006. He served as Executive Director of Works at Bhilai steel plant of Steel Authority of India Limited between 1991 and 1992. Mr. Mukherjee is a recipient of MECON Award from Indian Institute of Metals. Mr. Mukherjee holds a master's degree in mining from the USSR State Commission in Moscow and a BSc degree from Indian Institute of Technology in Kharagpur. Mr. Mukherjee is a member of Academy of Natural Sciences Kazakhstan and life member of 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.

DR. (MRS.) PUNITA KUMAR SINHA

Independent Non-Executive Director

Dr. (Mrs.) Sinha was appointed to the Board of Directors in October 2012. She is the founder and Managing Partner, Pacific Paradigm Advisors, an independent investment advisory and management firm. Prior to founding Pacific Paradigm Advisors in 2012, she was Senior Managing Director of Blackstone Group, leading Blackstone Asia Advisors as the business unit head and Chief Investment Officer. Dr. (Mrs.) Sinha was also the Senior Portfolio Manager for The India Fund (NYSE: IFN), the largest Indian fund in the US for almost 15 years and The Asia Tigers Fund (NYSE: GRR), and The Asia Opportunities Fund L.P. Dr. (Mrs.) Sinha has more than 20 years of experience in fund management in international and emerging markets. She has a PhD and a master's in finance from Wharton School, University of Pennsylvania. She received her undergraduate degree in chemical engineering with distinction from Indian Institute of Technology, New Delhi. She also has an MBA and is a CFA Charter holder. Dr. (Mrs.) Sinha is a member of Boston Security Analysts Society and the Council on Foreign Relations. She is a Charter Member and Board Member of TIE-Boston.

MR. N. JAYARAM, IAS

Nominee Director, KSIIDC

A postgraduate from Bangalore University, Mr. Jayaram joined the Indian Administrative Service (IAS) in 2004. He has rich experience of working with the state government and various corporate bodies. He is presently the Managing Director of Karnataka State Industrial & Infrastructure Development Corporation Limited (KSIIDC) and is responsible for spearheading the implementation of infrastructure projects, including those on public-private partnership basis. He is also the Chief Executive Officer and executive member of Karnataka Industrial Areas Development Board (KIADB), which is developing and maintaining industrial areas, estates and industrial nodes along with corridors throughout the state.

MR. HAIGREVE KHAITAN

Independent Non-Executive Director

Mr. Khaitan, LLB, is a partner at Khaitan & Co. since 1995 and heads the firm's M&A and private equity practice. Mr. Khaitan began his career in litigation and moved on to specialise in corporate law. He has rich experience in all aspects of mergers and 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, demerger spinoffs and sale of assets and 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. KANNAN VIJAYARAGAVAN

Independent Non-Executive Director

Mr. Vijayaraghavan is a fellow member of Institute of Chartered Accountants of India, a certified management consultant and fellow of Institute of Management Consultants. He is the chairman and founder of Sathguru Management Consultants Pvt. Ltd., Hyderabad, a large consultancy and policy advisory firm founded in 1985. He is also a partner at DFK International, a worldwide firm of accountants and business advisors, a visiting fellow and faculty, Executive Education, Cornell University, Ithaca, NY, and a regional coordinator for Cornell University Research Programs in South Asia and South East Asian region. Over the last 26 years, he has handled over 300 assignments in the areas of strategic planning, mergers and acquisitions and organisational growth in emerging market related environment. He also has wide exposure to overseas environment with consulting exposure to large multinational and emerging national companies. Global companies consulted include 20 Fortune 500 companies, about 100 mid-cap enterprises and NASDAQ listed companies. He is a member of the International Advisory Committee of AUTM and honorary President of the Society for Technology Management (STEM), Indian Association of Technology Management Professionals.

DR. VIJAY KELKAR

Independent Non-Executive Director

Dr. Kelkar was appointed on the Board of Directors in January 2010. He has held several key posts in the Government of India, including as advisor to the Minister of Finance, as Finance Secretary, Secretary of Ministry of Petroleum & Natural Gas, Chairman of 13th Finance Commission and Chairman of India Development Foundation in the rank of a Union cabinet minister. He has also previously served on several Government Task Forces, including as Chairman of the Tariff Commission, Chairman of the Implementation of the Fiscal Responsibility and Budget Management Act. He has served as the Chairman of NSE, and as Chairman (Elect.), Forum of Federations, Ottawa, Canada. He has also represented the Government of India on global forums as Executive Director for India, Sri Lanka, Bangladesh and Bhutan at International Monetary Fund, Washington D.C., USA, and has previously served as Director at the United Nations Conference on Trade and Development. Dr. Kelkar holds a BSc degree from University of Pune and MSc degree from the University of Minnesota (USA). He also holds a doctorate of philosophy in development economics from the University of California at Berkeley, USA. He is the recipient of the prestigious Padma Vibhushan award in 2011 for his exemplary service to India.

Commitees

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder Relationship Committee
- Risk Management Committee

MR. SETURAMAN MAHALINGAM

Independent Non-Executive Director

Mr. Mahalingam, a chartered accountant by qualification, began his career as an IT consultant and thereafter played a major role in marketing Tata Consultancy Services (TCS) across the globe, developing processes and creating large software development centres for the company. He has held key positions such as Executive Director and Chief Financial Officer of TCS. Mr. Mahalingam retired from TCS in February 2013 after serving the company for over 42 years. Prior to becoming the Chief Financial Officer in February 2003, Mr. Mahalingam has managed many of the key functions in TCS, including marketing, operations, education and training, as well as human resources. He managed the Company's operations in London and New York in the early days of TCS' global journey. Mr. Mahalingam has also been the President of Computer Society of India and the Chairman of southern region of Confederation of Indian Industry (CII). He was also the President of Institute of Management Consultants of India. Mr. Mahalingam is the Chairman of CII National Council Task Force on Sector Skills Councils & Employment and was a member of the Tax Administration Reform Commission (TARC) set up by the Government of India under the chairmanship of Dr. Parthasarathi Shome. Mr. Mahalingam was chosen as the 'Best CFO' in various years by Business Today, International Market Assessment (IMA), CNBC TV18, CFO Innovation, Finance Asia and Institutional Investors. In 2012, Treasury & Risk, a US-based magazine, named him as one of the 16 most influential CFOs globally.

Corporate Governance Framework

CORE PRINCIPLES OF CORPORATE GOVERNANCE

TRANSPARENCY AND OPENNESS

BOARD OF DIRECTORS

BALANCED BOARD OF EXECUTIVE AND NON-EXECUTIVE INDEPENDENT DIRECTORS WITH DIVERSE RANGE OF EXPERTISE AND EXPERIENCE

PROVIDES STRATEGIC DIRECTION AND ELALUATES OVERALL PERFORMANCE

ENSURES THE LONG-TERM INTEREST OF THE STAKEHOLDERS ARE BEING SERVED

BOARD COMMITTEES

AUDIT	NOMINATION & REMUNERATION	BUSINESS RESPONSIBILITY / SUSTAINABILITY REPORTING	STAKEHOLDER RELATIONSHIP	RISK MANAGEMENT
PROJECT REVIEW	CORPORATE SOCIAL RESPONSIBILITY	HEDGING POLICY REVIEW	EMPLOYEE STOCK OPTION OWNERSHIP PLAN	FINANCE
	SHARE ALLOTMENT	SHARE/ DEBENTURE TRANSFER	CODE OF CONDUCT IMPLEMENTATION	

UNDER THE GUIDANCE OF THE BOARD AND ITS COMMITTEES, THE COMPANY DRIVES PERFORMANCE BY ADOPTING VARIOUS POLICIES ON KEY DOMAINS, SUCH AS CORPORATE GOVERNANCE, SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY. THESE ARE AVAILABLE AT JSW.IN/INVESTORS/INVESTOR-RELATIONS-STEEL

MANAGEMENT REPORTING TO THE BOARD

EXECUTIVE COMMITTEE

OPERATIONS COMMITTEE

KEY CORPORATE FUNCTIONS

FINANCE	RISK	OPERATIONS	SUSTAINABILITY	SALES & MARKETING
LEGAL	INFORMATION TECHNOLOGY	SAFETY	HUMAN RESOURCES	COMMERCIAL

CSR at JSW Steel

Community and Social Development

JSW Steel's commitment to nation-building is also reflected in its CSR policy which is led by the philosophy of working closely with communities living contiguous to the Company's operations and beyond. All the activities in the seven priority areas are carried out by the JSW Foundation on behalf of JSW Steel, and have benefitted over 650,000 persons. The financial year registered the best-ever performance for the Company, and the expenditure for CSR was ₹61 crore.

Health and Nutrition

- Real-time growth tracking of children aged below six years
- Administration of spirulina
- Institutional child-births
- Mobile phone based updates for pre-and post-natal care
- Focus sites: Vijayanagar, Vasind and Tarapur
- Cases of malnutrition down by 35% in Vijayanagar and by 22% in Tarapur
- Rural health camps, such as eye care
- Upgradation of primary health care infrastructure across sites.
- Salem: eye care for students in government schools
- Vasind: cataract in tribal population (Shahapur taluka, Thane district).
- Vasind: Free physiotherapy for senior citizens by experts from the Neurology Foundation of Bombay Hospital
- Vijayanagar, Dolvi and Salem: Continued awareness campaigns, check-up, counselling and referral on HIV-AIDS for truck drivers.
- **Over 2,00,000 beneficiaries**

Education and Learning

- Continued emphasis on upgrading infrastructure of government-run "anganwadis" (day-care centres) and schools across sites
- Computer-aided learning, digital classrooms and remedial classes for rural students
- Bellary and Palghar: Continued funding mid-day meals in rural schools
- Bellary: Shifting of Tamanna School for children with special needs to a new building with a capacity to house over 100 children
- Vasind and Salav: Mini science labs in government schools
- **Over 230,000 beneficiaries**

Agriculture

- Vijayanagar: 923 hectares of farmland under soil improvement and moisture-retention projects led to doubling of profit for 1,063 farmers and empowered over 500 women
- Palghar: over 3,500 farmers benefitted through the watershed initiatives to irrigate farms and scientific inputs from ICRISAT
- Palghar: training in bee-keeping to over 40 farmers
- Palghar: Facilitated signing of farm-to-market agreements for over 100 farmers

Water and Environment

- Retain rainwater by constructing water-holding structures, restoring moisture in the soil and increasing the ground water level
- Vijayanagar and Salem: water conservation efforts have led to increase of ground water level, resulting in water availability in peak summer
- Palghar: efforts to strengthen watershed in order to arrest migration of farmers
- **Expect to increase over 10 million m3 of additional water storage capacity**

Rural BPO

- Women-only rural BPO; renamed JSW Shakti
- New fourth Centre inaugurated at Dolvi in January 2018
- Current employment in four BPOs: 430
- Combined revenue ₹2.4 crore; surplus of ₹38 lakh.
- Three BPOs certified to ISO 27001
- MoUs signed with District Administration of West Medinipur (West Bengal) and Ogawa Society, Nagpur (Maharashtra) to set up 2 additional women-only BPOs
- **Aisha Begum, a BPO operator at Vijayanagar took a flight for the first time in her life to receive an award from Bureaucracy Today at Delhi in "Women Empowerment" category**

Summary of Site-wise Beneficiaries

Vijayanagar: 2,00,000+
Tarapur: 1,00,000+
Salav: 5,000+
Kalmeshwar: 40,000+
Vasind: 75,000+
Salem: 15,000+
Dolvi: 2,00,000+

Skill Enhancement

- OP Jindal Centres (OPJCs) and JSW Skill Schools committed to provide state-of-the-art government-affiliated certificate vocational courses to students.
- Vijayanagar: OPJC enrolled 216 students for courses such as metallurgical engineering and safety
- Vijayanagar: 75 persons certified electricians and apparel makers under the Pradhan Mantri Kaushal Vikas Yojana
- Vasind: 543 students enrolled in JSW Skills School for certificate courses that would help in gaining employment in topics such as basic automotive servicing, domestic electrician, and arc and gas welding. These are under the state government's Pramod Mahajan Kaushalya Vikas Yojna
- Vasind: Beautician training course for girls at the OPJC
- **Vijayanagar: 49 trained women started their own enterprises in embroidery, candle-making, jewellery and fashion designing, goat farming, etc.**
- **35 new SHGs created for over 450 women; ₹2.93 crore credit linkages**

Sports

- Palghar: over 1,500 youths received training in football and encouraged to participate in various state-level and district-level tournaments
- Salav: 182 girls trained in karate in association with the district karate association

Assurance Statement

Independent Limited Assurance Statement on sustainability related performance indicator disclosures in the Integrated Report of JSW Steel Limited for the Financial Year Ended March 31, 2018

To The Board of Directors of JSW Steel Limited

We have been engaged by the Management of JSW Steel Limited, to provide an independent Limited Assurance Statement on sustainability related performance indicators ('SPIs') described below and presented as per the "GRI Sustainability Reporting Standards ('In accordance' - Core)" issued by the Global Reporting Initiative ('the GRI Standards') in the Integrated Report of JSW Steel Limited ('JSW Steel/The Company') for the year ended March 31, 2018 ('the Report') covering - JSW Steel, JSW Steel Coated Products Limited ('JSW SCPL'), JSW Steel Processing Centre Limited ('JSW SPCL') , Amba River Coke Limited ('ARCL'), JSW Steel (Salav) Limited ('JSW Salav'), and JSW Industrial Gases Private Limited ('JSW Industrial Gases').

Subject Matter

We are required to provide limited assurance on the following SPIs reported in numerical figures, specific to the period from April 1, 2017 to March 31, 2018 in the Report in accordance with the GRI Standards for the year ended March 31, 2018.

The scope of work includes the following:

Natural Capital:

UNIT OF MEASURE/INDICATORS	GRI STANDARD TOPIC DISCLOSURE	SCOPE OF COVERAGE
Coal	301: Materials	JSW Steel
Iron Ore		
Fluxes		
Recycled Input Materials		
Energy Consumption within Organization: Direct	302: Energy	JSW Steel, JSW SCPL, JSW SPCL, JSW ARCL, JSW Industrial Gases, JSW Salav
Energy Consumption within Organization: Indirect		
Total Energy		
Energy Intensity		
Reduction in Energy Consumption		JSW Steel
Water withdrawal by source	303: Water	JSW Steel, JSW SCPL, JSW SPCL, JSW ARCL, JSW Industrial Gases, JSW Salav
Water recycled & reused		JSW Steel
Direct Scope 1 GHG emissions	305: Emissions	JSW Steel
Indirect Scope 2 GHG emissions		JSW Steel
GHG emission intensity		JSW Steel
Ozone depleting substances (ODS)		JSW Steel
Non GHG emissions (SOx, NOx and TPM/SPM)		JSW Steel, JSW SCPL, JSW SPCL, JSW ARCL, JSW Industrial Gases, JSW Salav
Water Discharge	306: Waste and Effluents	306: Waste and Effluents
Waste by type disposal: Hazardous		JSW Steel, JSW SCPL, JSW SPCL, JSW ARCL, JSW Industrial Gases, JSW Salav
Waste by type disposal: Non-Hazardous		

Human Capital:

UNIT OF MEASURE/INDICATORS	GRI STANDARD TOPIC DISCLOSURE	SCOPE OF COVERAGE
Permanent Employees	405: DIVERSITY & EQUAL OPPORTUNITY	JSW Steel, JSW SCPL, JSW SPCL, JSW ARCL, JSW Industrial Gases, JSW Salav
Management		
Non-Management		
Women		
New Employees hires	401: EMPLOYMENT	
Employees Resigned		
Employees (segmented by age)		
Employees Separated (segmented by age)		
Average hours of Training per employee	404: TRAINING AND EDUCATION	
Reported Injuries	403: OCCUPATIONAL HEALTH AND SAFETY	
Fatalities		
LTI		
LTIFR		
Lost Day Rate		

Project Boundary

Sustainability Reporting boundary covers the following operations:

- JSW Steel Limited - Operations specific to Vijayanagar, Dolvi, and Salem
- JSW Steel Coated Products Limited - Operations specific to Kalmeshwar, Tarapur and Vasind
- JSW Steel Processing Centres Limited
- Amba River Coke Limited
- JSW Steel (Salav) Limited and
- JSW Industrial Gases Private Limited

Responsibility of the Management

The Company's management is responsible for content of the report, identification of key issues, engagement with stakeholders, the identification and presentation of information including the responsibility for establishing and maintaining relevant and appropriate performance management systems and internal control framework to facilitate collection, calculation, aggregation and validation of the data with respect to the GRI Standards based SPIs, included in the Report and reported to us for obtaining assurance.

Our Independence, Ethical Requirements and Quality Control

We have complied with independence policies of Deloitte Haskins and Sells LLP, which address the requirements of the International Federation of Accountants ('the IFAC') Code of Ethics for Professional Accountants in the role as independent auditors. We have complied with the relevant applicable requirements of the International Standard on Quality Control (ISQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

We also confirm that we have maintained our independence in the Report and there were no events or prohibited services related to the Assurance Engagement which could impair our independence.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the SPIs, set out in the scope of work paragraph, as disclosed in the Report based on the procedures we have performed and the evidene we have obtained. We conducted our limited assurance in accordance with International Standard on Assurance Engagement ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information ('ISAE 3000') issued by the IFAC. This standard requires us to comply with ethical requirements and to plan and perform our limited assurance engagement to obtain sufficient appropriate evidence about whether the KPIs are free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal controls, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of process followed, inspection of documents, analytical procedures, evaluating appropriateness of quantification methods, agreeing or reconciling with underlying data.

In performing the procedures listed above we:

- Interviewed key personnel including senior executives at respective plant locations and at the corporate office to understand the governance, systems and controls in place during the reporting period; and

- Carried out site visits at the respective operational locations as specified in the project boundary in order to:
  - o Test data, perform analytical procedures, review of records and review of relevant documentations submitted by the Company, to arrive at the data presented in their Report; and
  - o Analyse and review key structures, systems, processes, procedures relating to collation, aggregation, validation and reporting of the selected SPIs on sample basis.

We have relied on the information, documents, records and explanations provided by the Company for the purpose of our review.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the SPIs have been presented, in all material respects, in accordance with GRI Standards.

Further, a limited assurance engagement does not constitute an audit or review of any of the underlying information in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit opinion or review conclusion.

Our Observations

We believe our work provides an appropriate basis for our observations, which are mentioned below:

- The companies can improve on bringing uniformity in reporting of SPIs across locations;
- Good practices adopted in certain plants can be replicated across all the other plants;
- Companies may undertake actions to understand the biodiversity near the operational sites;
- Make provision to include human rights discrimination and environmental issues as areas of concern under grievances handling mechanism across all locations;
- Provision of more focused training on human rights policies to employees, associates and security staff; and
- Make provision to undertake supplier assessments for reporting indicators on supplier environmental assessment.

Areas of further improvement wherever identified have been brought before the attention of the management of the Company. Site-specific observations and recommendations have been provided in the management letter, which shall be submitted to the Company separately.

Our Conclusions

The procedures we have performed and the documents and records that were made available to us and according to the information and explanations provided to us by the Company in connection to the review of the SPIs disclosed in the Report provides an appropriate basis for our conclusion as per ISAE 3000 (Revised).

Based on the procedures performed and the evidence we have obtained obtained, nothing has come to our attention that causes us to believe that the SPIs set out in the subject matter paragraph for the year ended March 31, 2018, are not prepared, in all material respects, in accordance with the GRI Standards.

Other Matters

The assurance scope excludes:

- The Company's financial performance;
- The Company's statements that describe or report data pertaining to market share assessment; opinion; beliefs; future performance plans/strategies;
- Any comparison in any form of performance related to any of the SPIs of the financial year 2017-18 with the SPIs of other Financial Years; and
- Design standards or features or technical assessment of the capacity, efficiency and efficacy of the technologies or utilities of the Company.

Restriction on Use and Distribution

Our work has been undertaken to enable us to express a limited assurance conclusion on the SPI disclosures in the Report to the Directors of the Company in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than the Company, for our work, for this report, or for the conclusion we have reached.

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

Pratiq Shah
Partner
(Membership No. 111850)

Place: Mumbai
Date: July 4, 2018

Business Responsibility Report (2017-18)

Section A: General Information about the Company

	DISCLOSURE ITEM	RESPONSE
1	Corporate Identity Number (CIN) of the Company	L27102MH1994PLC152925
2	Name of the Company	JSW Steel Limited
3	Registered address	JSW Centre Bandra Kurla Complex Bandra East, Mumbai - 400 051. Maharashtra India. Tel: +91 22 4286 1000 Fax: +91 22 4286 3000
4	Website	www.jsw.in
6	Financial Year reported	2017-18
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of Iron and Steel **Industrial Group** – **Description** 071 – Mining of iron ores 241 – Manufacture of basic iron and steel 243 – Casting of metals 259 – Manufacture of other fabricated metal products; metalworking service activities
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	1. Hot rolled coils 2. Cold rolled coils 3. Galvanised steel
9	Total number of locations where business activity is undertaken by the Company	
	i. Number of International Locations (Provide details of major 5)	Through subsidiaries: a. USA (Texas, near Houston): Plate and pipe mill b. USA (West Virginia): Coking coal mines c. Chile (North Caldera): Iron ore mines under care & maintenance d. Mozambique: Mining operations under care & maintenance e. Georgia (Rustavi): Steel plant (Joint Venture)
	ii. Number of National Locations	In India, JSW Steel Ltd. has three main operational integrated iron and steel manufacturing locations, at Vijayanagar (Karnataka), Dolvi (Maharashtra) and Salem (Tamil Nadu).
10	Markets served by the Company - Local/State/National/ International/	JSW Steel is India's leading integrated iron and steel producer, with a pan-India presence and exports to over 140 countries. Nearly 23% of the total sales are carried out through retail network of more than 8,300 outlets in across 575 districts. The focus geographic areas of the company are south and west, but it serves a variety of customers in various market segments.

Section B: Financial Details of the Company

	DISCLOSURE ITEM	RESPONSE
1	Paid up capital (₹)	241.72 crore
2	Total turnover (₹)	71,670 crore
3	Total profit after taxes (₹)	6,113 crore
4	Total spending on corporate social responsibility (CSR) as percentage of profit after tax (₹) (%)	61 crore (This is 3.8% of average PAT of previous 3 financial years)
5	List of activities in which expenditure in # 4 above has been incurred. The Company's efforts have focused on five areas - Nutrition & Healthcare, Water & Sanitation, Education, Skill Development, Art Culture & Sports - and expenditure has been under the following heads:	
	a. Improving living conditions	
	b. Promoting social development	
	c. Addressing social inequalities	
	d. Addressing environmental issues	
	e. Preserving national heritage	
	f. Promotion of sports	
	g. Rural development projects	
	h. Clean India Mission (Swachh Bharat Abhiyaan)	
	i. Project Management Cost	

Section C: Other Details

	DISCLOSURE ITEM	RESPONSE
1	Does the Company have any Subsidiary Company/Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes. Some of the major subsidiaries of JSW Steel Ltd. are: a. JSW Steel Coated Products Ltd. b. JSW Steel Processing Centres Ltd. c. Amba River Coke Ltd. d. JSW Steel (Salav) Ltd. e. JSW Industrial Gases Pvt. Ltd.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with/participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities (less than 30%, 30-60%, more than 60%).	JSW Steel's value chain partners (e.g., suppliers and contractors) are encouraged to contribute to its CSR initiatives. However, with the expansive nature of JSW Steel's value chain, currently less than 30% of the entities directly partner with JSW Steel in its BR initiatives.

Section D: BR Information

1. Details of Director/Directors Responsible for BR

#	NAME	DIN	TELEPHONE	EMAIL ID
1	**Mr. Malay Mukherjee** Chairman & Independent Director	02861065	(91) 11 4103 2905	malayumauk@googlemail.com
2	**Mrs. Punita Kumar Sinha** Independent Director	5229262	(91) 98333 63533	punitakumarsinha@gmail.com
3	**Mr. K. Vijayaraghavan** Independent Director	00544730	(91) 40 2335 0586	vijay@sathguru.com
4	**Mr. Seshagiri Rao M.V.S.** Executive Director	00029136	(91) 22 4286 1000	seshagiri.rao@jsw.in
5	**Dr. Vinod Nowal** Executive Director	00046144	(91) 22 4286 1000	vinod.nowal@jsw.in
6	**Mr. Jayant Acharya** Executive Director	00106543	(91) 22 4286 1000	jayant.acharya@jsw.in

NAME	DESIGNATION	TELEPHONE	EMAIL ID
Dr. S. Majumdar	Chief Sustainability Officer, JSW Group	(91) 22 4286 1000	suman.majumdar@jsw.in

2. Principle-wise (as per the National Voluntary Guidelines) BR policy/policies (Reply in Y/N)

#	DISCLOSURE ITEM	RESPONSE								
	QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for:	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy been formulated in consultation with relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does the policy conform to any international/ national standards? If yes, specify? (50 words)	Yes ref. A, F, G	Yes ref. B, F	Yes ref. C, F	Yes ref. B, F	Yes ref.B, F	Yes ref. A, D, F, G	Yes ref. E, F	Yes ref. A, F	Yes ref. A, F
	A: National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business B: ILO Convention on Human Rights C: Report on Affirmative Action by CII D: National Action Plan on Climate Change, National Environmental Policy E: UN Sustainable Development Goals F: Global Reporting Initiative G: Carbon Disclosure Project (CDP) H: Dow Jones Sustainability Index (DJSI)									
4	Has the policy been approved by the Board?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Is yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Indicate the link for the policy to be viewed online?	http://www.jsw.in/investors/investor-relations-steel (under section "Sustainability Policies")								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	Does the company have in-house structure to implement the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

2a If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

	QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance Related to BR

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	3-6 months
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This Integrated Report for JSW Steel Ltd. acts as the Sustainability Report as well as the Business Responsibility Report for FY18 The hyperlink to view all the published reports: http://www.jsw.in/investors/investor-relations-steel

Mapping the Principles of the National Voluntary Guidelines

	Current Location	Disclosure	Page No.
Principle 1			
1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	Case study in Social & Relationship Capital	P1-1	64
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Social and Relationship Capital	P1-2	62
Principle 2			
1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Key Intellectual Capital Outputs and Outcomes Natural Capital Introduction	P2-1	57, 68
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional).	Key Natural Capital Outputs and Outcomes	P2-2	68-69
3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof in 50 words or so.	JSW value chain: Logistics	P2-3	8
4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Social and Relationship Capital	P2-4	62
5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	JSW value chain: Recycling Natural Capital	P2-5	8, 68-69
Principle 3			
1. Please indicate the Total number of employees.	Human Capital	P3-1	49-51
2. Please indicate the total number of employees hired on temporary/contractual/casual basis.	Human Capital	P3-2	49-51
3. Please indicate the Number of permanent women employees.	Human Capital	P3-3	49-51
4. Please indicate the Number of permanent employees with disabilities.	Human Capital	P3-4	49-51
5. Do you have an employee association that is recognised by management?	Human Capital	P3-5	49-51
6. What percentage of your permanent employees is members of this recognized employee association?	Human Capital	P3-6	49-51
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Human Capital	P3-7	49
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	Human Capital	P3-8	48-53
Principle 4			
1. Has the company mapped its internal and external stakeholders? Yes/No	Stakeholder Engagement and Materiality Social and Relationship Capital	P4-1	22-23, 62-63

Mapping the Principles of the National Voluntary Guidelines

	Current Location	Disclosure	Page No.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders.	Social and Relationship Capital	P4-2	62-63
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof in 50 words or so.	Social and Relationship Capital	P4-3	62-63
Principle 5			
1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	Key Human Capital Outputs and Outcomes Case study in Human Capital	P5-1	49, 52
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Social and Relationship Capital Human Capital	P5-2	59, 62
Principle 6			
1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others.	Natural Capital	P6-1	68
2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	Natural Capital	P6-2	68-71
3. Does the company identify and assess potential environmental risks? Y/N	Natural Capital	P6-3	68-71
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The Company does not have any project related to Clean Development Mechanism	P6-4	NA
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Natural Capital	P6-5	68-71
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Social & Relationship Capital	P6-6	62
7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Social & Relationship Capital	P6-7	62
Principle 7			
1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.	Key Social and Relationship Capital Outputs and Outcomes Social & Relationship Capital case study	P7-1	63-64

Mapping the Principles of the National Voluntary Guidelines

	Current Location	Disclosure	Page No.
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Key Social and Relationship Capital Outputs and Outcomes Social & Relationship Capital case study	P7-2	63-64
Principle 8			
1. Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8 ? If yes details thereof	Social & Relationship Capital	P8-1	62-63
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	Social & Relationship Capital	P8-2	62-63
3. Have you done any impact assessment of your initiative?	Social & Relationship Capital	P8-3	62-63
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	Performance Highlights for FY18 Social & Relationship Capital	P8-4	3, 62-63
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.	Social & Relationship Capital	P8-5	62-63
Principle 9			
1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Social & Relationship Capital case study	P9-1	65
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A./Remarks (additional information)	NA	P9-2	NA
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	Social & Relationship Capital	P9-3	62
4. Did your company carry out any consumer survey/consumer satisfaction trends?	Social & Relationship Capital case study	P9-4	65

Mapping the UN SDGs and the Capitals

SDG		TARGETS		CAPITALS
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages	3.9	Reduce number of deaths and illnesses due to pollution **PG 54-71**	
		3.2	End preventable deaths of newborns and children under 5 years of age **PG 60-65**	
5 GENDER EQUALITY	Achieve gender equality and empower all women and girls	5.5	Ensure women's full and effective participation and equal opportunities for leadership **PG 46-53**	
6 CLEAN WATER AND SANITATION	Ensure availability and sustainable management of water and sanitation for all	6.3	Improve water quality **PG 60-71**	
		6.4	Increase water-use efficiency **PG 66-71**	
		6.6	Protect and restore water-related ecosystems **PG 60-71**	
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy for all	7.3	Improve energy efficiency **40-45, 66-71**	
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.8	Protect labour rights and promote safe and secure working environment **PG 46-53**	
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Management Discussion & Analysis

JSW Steel – An overview

JSW Steel, the flagship company of the JSW Group is one of India's leading steel players with integrated steel manufacturing facilities. With an annual capacity of 18 MTPA, the Company has seven state-of-the-art manufacturing units spanning western and southern India and a strategic overseas presence, making it among the foremost integrated steel players in the world. The Company manufactures and markets a highly diversified portfolio of steel products.

An expansion pan-India reach (over 8,600 exclusive and non-exclusive retail outlets) and an export presence in over 100 countries, gives the Company the capability to customise offerings to varied market requirements. The Company is widely perceived as a preferred supplier of high-end and value-added steel.

In the preceding two-and-a-half decades, the Company has grown significantly with a deep and abiding commitment to nation-building. From a 1.6 MTPA capacity in 2002, it currently holds crude steel production capacity of 18 MTPA; and is on track to touch 40 MTPA in the next decade.

The Company has an extensive portfolio of flat and long products and is one of India's leading producers and exporters of coated flat steel products.

Product Portfolio

- Hot rolled coils (HRC)
- HR Sheets and plates
- Cold rolled coils and sheets
- Galvanised and galvalume products
- Pre-painted galvanised and galvalume products
- Thermo mechanically treated (TMT) bars
- Wire rods and special steel bars
- Rounds and blooms
- Plates and pipes of various sizes
- Cold rolled non-grain-oriented products

The Company's integrated and enriched offerings fulfill the requirements of multiple industries, including construction, infrastructure, automotive, consumer durables and more. The Company meets these evolving needs by staying at the

forefront of innovation in the steel sector. The Company has entered into technological collaboration with JFE Steel Corp. Japan for the manufacture of high-strength and advanced high-strength steel for the automobile sector.

The Company has also signed a joint venture agreement with Marubeni-Itochu Steel Inc., Japan, to set up contemporary steel processing centres. In addition, to strengthen its global network, the Company also operates a plate and pipe making steel mill, situated at Baytown, Texas in USA.

Further, as part of its backward integration strategy and with a focus to source iron ore locally, the company has acquired five iron ore mines in Karnataka. One of these mines became operational in February 2018 and the remaining four will be operationalised in the FY 19. Collectively they will provide 4.7 MTPA of iron ore, providing about 20% of the Company's iron ore requirements at Vijayanagar.

While the Company's downstream capacity of 3.6 MTPA serves as a strong risk mitigation strategy, it is well supported strong pipeline of new products. The Company also enhanced its focus on cold rolled, galvanised and galvanneal products for body panels of automobiles, a rising and attractive sector in the country. The Company has one of the largest colour coated facility to address construction, warehousing and roofing requirements, and Cold Rolled Non-grain Oriented (CRNO) steel plant facility to address domestic demand by substituting imports of high grade electrical steel.

The Company reduced its net debt on consolidated basis by ₹ 3529 crores in FY18, while diversifying funding sources. These have created a strong financial profile and cash flows:

- Strong Operating EBITDA margins of 21.1%
- Capex spend of ₹ 4,700 crores
- Industry leading ROCE of 16%

The Company has announced cumulative capex projects of ₹ 44,415 crores to expand the Company's steel-making capacity from 18 MTPA to 24.7 MTPA by FY21 with downstream facilities and cost savings projects.

As a leading player with significant domestic and international exposure, JSW Steel's operations are impacted by geopolitical developments, policy changes, demand-supply nuances and competition. Despite these challenges, the Company continues to sustain its market leadership, following a continuous growth trajectory. JSW Steel's core strengths comprise:

- Agile operations
- Rich product mix
- Best-in-class technology

₹44,415 crores

Cumulative capex plan till FY21

As part of its backward integration strategy and with a focus to source iron ore locally, the Company has acquired five iron ore mines in Karnataka

- Excellence in project execution
- Sustainable sourcing, and
- Consistent focus on employee engagement

The result of these is that Company has plant capacity utilisation of 91%, among the best the industry. JSW Steel also recorded the highest ever crude steel production of 16.27 million tonnes in FY18, up by 3%. With one of the lowest conversion costs producer, best-in-class return accretive investments in various steel facilities and prudent financial policies, the Company has created a sturdy and sustainable operating structure, coupled with a strong balance sheet and leverage matrices.

A measure of this operational excellence is that, in 2017, the Company was ranked sixth amongst top 36 world-class steelmakers according to World Steel Dynamics, based on a variety of factors. In particular, the Company achieved the highest rating (10 out of 10) on the following criteria:

- Conversion costs
- Yields
- Expanding capacity
- Location in high-growth markets and labour costs

This ranking puts the Company ahead of all other steelmakers based in India.

Not the one to rest on its laurels, JSW Steel is constantly seeking new ways integrate sustainability into its operations, be a reliable partner in the country's journey to self-reliance, and, in the process, revolutionise steelmaking.

The following sections eloborate further on the above dynamics and aspects.

3.9%
Expected global growth in 2018

In terms of commodities, energy prices indices grew by 24% in CY17 (y-o-y)

1. Economic analysis

1.1. Global economy

According to the International Monetary Fund (IMF), the global economy is on the road to recovery and grew by 3.8% in CY17, a 0.6 percentage point increase over CY16. This is the highest rate of global GDP growth after CY11. The growth happened owing to an increase in manufacturing activity, private consumption, investments and global trade.

The growth was broad based, with growth increasing in more than half of the world's economies aided by benign global financing conditions, revival in investment sentiment, accommodative monetary policies and higher commodity prices. The growth was higher as compared to the initial estimates with upside surprises in the second half of 2017 in advanced as well as emerging and developing countries. Two-thirds of countries accounting for about three-fourths of global output experienced faster growth in 2017 vis-à-vis previous year.

The advanced economies performed better than expected with a 0.6% growth in CY17 as compared to the previous year There was stronger gross fixed capital formation and an acceleration in stock building which contributed to the pickup in investment, with accommodative monetary policy, stronger balance sheets, and an improved outlook helping release pent-up demand for capital goods.

On the other hand, emerging economies saw an upswing by 0.4 percentage point, primarily led by private consumption. In economies like India and China, resurgent exports too facilitated growth. The commodity exporting countries were largely benefitted by the global economic upswing during CY17, owing to firming up of prices of commodities.

After two years of uninspiring performance, global trade also picked up pace; and its impact was particularly pronounced in emerging markets. This happened owing to an improvement in investment growth.

In terms of commodities, energy prices indices grew by 24% in CY17 (y-o-y) while the non- energy indices grew by 6%. The metal price indices grew by 24%. Accelerated global growth lifted the demand for commodities while a number of commodities faced supply side contractions.

The global recovery offers a window of opportunity to strengthen policies and reforms that sustain the current upswing and raise medium-term growth for the benefit of all countries. According to the IMF, such policies should focus on reinforcing the potential for higher and more inclusive growth, building buffers to deal more effectively with future economic headwinds and fostering international cooperation.

1.1.1. Other Global Developments

a) Oil witnessed a sharp increase from the levels of $41 per barrel in 2016 to a four-year high at $54 per barrel in 2017, driven by production cuts administered by OPEC.

b) US monetary measures – US Dollar appreciated on the back of rising Federal Reserve rates from 0.75-1% in March 2017 to 1.50-1.75% in March 2018.

c) Landmark tax reforms in the US, reducing tax rates from 35% to 21% to bolster investment and employment.

1.1.2. Challenges

a) Rising oil prices
b) Increasing protectionism, rising trade barriers
c) Geopolitical risks
d) Escalating global debt and rising interest rates

1.1.3. Outlook

Global growth is on an upswing and is expected to reach 3.9% in 2018 supported by strong momentum, favourable market sentiment, accommodative financial conditions and the domestic and international effects of expansionary fiscal policies. The global GDP is expected to increase to $88 trillion. Both advanced economies and emerging markets are expected to see a rise in growth figures in the near term before stabilisation in the medium-term.

This growth rate is the outcome of faster economic expansion in the Euro area, Japan, China and the US. Advanced economies are projected to grow at 2.5% in

2018 as compared to 2.3% growth in 2017 primarily driven by improving domestic demand and industrial activities, private investment, moderate inflation and focus on domestic manufacturing activities. In China, growth is projected to soften slightly from 6.9% in 2017 to 6.6% in 2018. Over the medium term, the Chinese economy is projected to continue rebalancing away from investment toward private consumption and from industry to services. Growth in emerging market and developing economies is expected to increase further from 4.8% in 2017 to 4.9% in 2018 due to strong economic performance. This augers well and reflects improved prospects for commodity exporters after three years of weak economic acitivity.

There is also a positive momentum in global trade and it is expected to moderately improve with nominal trade escalation by $2.0 trillion to $19.5 trillion.

Global Growth

COUNTRY / REGION	2016	2017	2018 PROJECTION
	(%)	(%)	(%)
World	3.2	3.8	3.9
AMEs	1.7	2.3	2.5
EMEs	4.4	4.8	4.9
US	1.5	2.3	2.9
EU-28	2.0	2.7	2.5
China	6.7	6.9	6.6
Japan	0.9	1.7	1.2
Russia	-0.2	1.5	1.7
Korea	2.8	3.1	3.0
India	7.1	6.7	7.4

Source: International Monetary Fund (IMF)

1.2. Indian economy

After a brief period that was dedicated to introducing economic reforms that would further formalise the economy and boost ease of doing business, India has achieved a growth of 6.7% in FY18 with a 7.1% growth in Q-4'18. India has bounced back as the fastest growing economy in the world during the third quarter for FY18.

The investment cycle exhibited a growth of 7.6% in FY18 and 14.4% in the Q-4'18. The FY18 is likely to see an improved growth of 7.5% due to transformative reforms undertaken by the Government.

India's economic fundamentals continued to improve during the year. The Index of Industrial Production (IIP) touched 4.3% during the FY18 after a robust growth of 6.2% in the Q-4'18, which was 1.9% in Q-1'18. Inflation figures are also largely in control, with the Consumer Price Inflation reducing to 3.6% in FY18 from a level of 4.5% in FY17, keeping the food prices under control. Through the year, India's foreign exchange reserves has also increased to more than US$420 billion. The eight key sectors rose to 3.4% year-on-year in FY18, with cement, coal and electricity registering a growth of 13%, 9% and 6% respectively.

The Government of India has put in place multiple enablers to bolster the country's consumption demand. Higher spending on social schemes such as NREGA, continued thrust on rural infrastructure projects, raising of minimum support prices, implementation of 7th Pay Commission pay hikes across states and One Rank, One Pension scheme are also likely to lead to robust disposable income leading to higher spend and consumption.

The major driver of India's consumption economy is the country's large population of youth (more than half of the population is below the age of 35). Two consecutive years of favourable monsoon, addition of young working population and rising urbanisation are other major growth drivers.

The 2018-19 Union Budget has emphasised on India's infrastructural requirements and the allocation on roads, railways and rural infrastructure has been significant. The Budget also focussed considerably on health and education sectors, which are instrumental in developing a sustainable economy and society.

1.2.1. Outlook

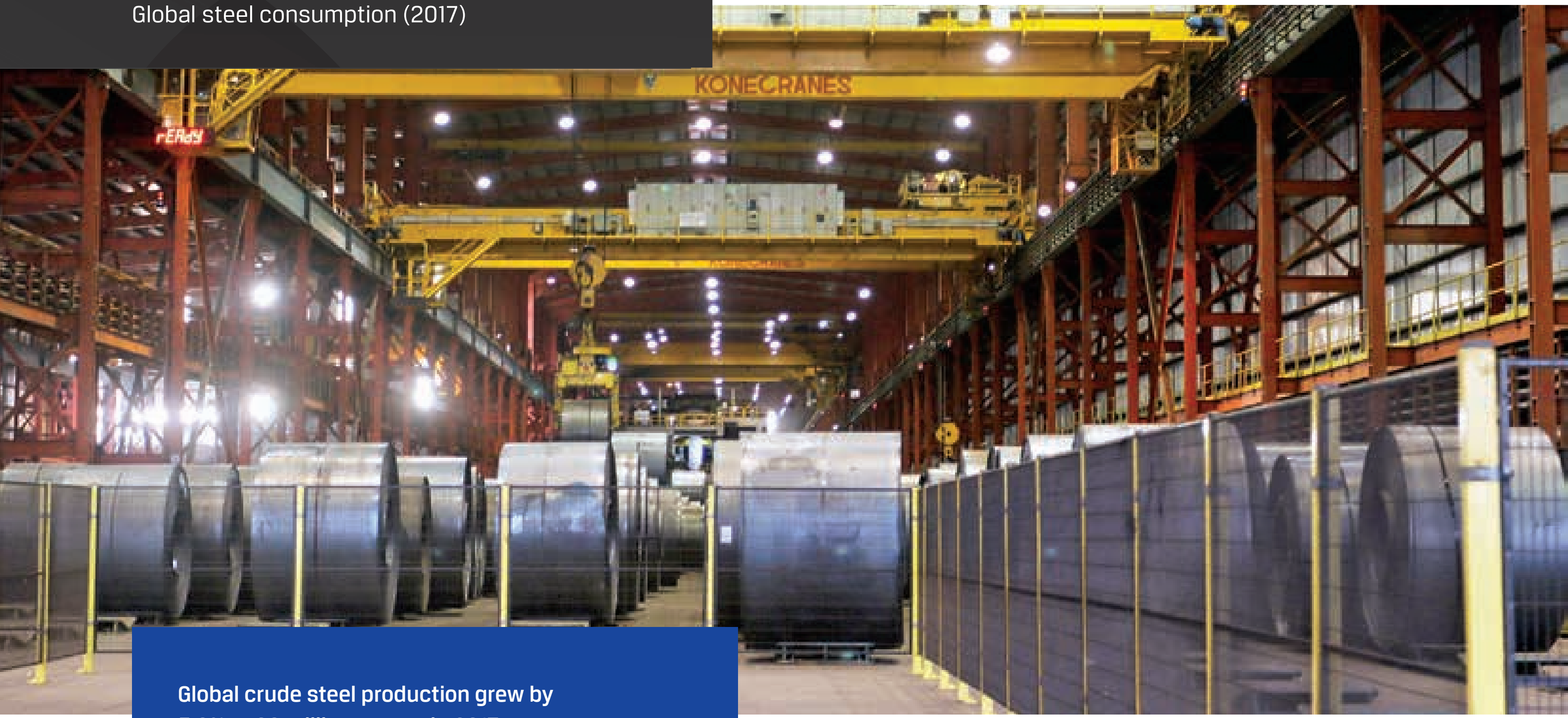
During FY19, India is likely to record a robust GDP growth of 7.4% (Source: IMF). This growth will be driven by structural and wide ranging reforms such as the Goods and Services Tax (GST) to widen the indirect tax base, Insolvency and Bankruptcy Code to address asset quality of banks and formalisation and digitisation of the economy improving business ecosystem, thrust on infrastructure development, and a liberal FDI regime. Banking reforms through recapitialisation and the Insolvency and Bankruptcy Code are expected to resolve the stressed assets of over-leveraged corporates and restore lending support to these sectors.

To make the growth broad based and inclusive, there is a clear budgetary and policy focus on rural development to construct 3.17 lakh km of road, 51 lakh houses, 1.88 crores toilets and provide electricity connections to 1.75 crores new households. Rural employment too, is expected to improve with MNREGA budget expanded by ₹ 7,000 crores to ₹ 55,000 crores Further, the latest IMD forecast predicts a normal monsoon in 2018. Since over 65% of the nation is employed in the agricultural sector, this would boost the consumer expenditure resulting in improved demand prospects.

The strengthening global economy is also likely to stimulate exports. The country's exports are expected to touch US$350 billion during 2018-19. Pick up in capital expenditure done by private corporate sector will also provide the necessary impetus to India's GDP growth.

1.59 billion tonnes

Global steel consumption (2017)



Global crude steel production grew by 5.3% or 63 million tonnes in 2017 to 1,691.2 million tonnes

2. Industry analysis

2.1. Global Steel Sector

2017 saw an improvement in global steel consumption, which grew 4.7% to 1.59 billion tonnes in the year, after a subdued growth of 1% in 2016. A low base-effect of 2016, along with improved steel consumption in China and investment-led recovery in advanced economies were the key factors driving this momentum. The government's stimulus measures and momentum in construction activities fuelled steel demand in China. Consumption in Europe (other than EU) too gathered pace in the year and grew ~2.5% with other countries like US with 6.4%, Brazil 5.3% Iran 4.5% follow the growth trajectory of rising global steel demand.

Global crude steel production grew by 5.3% or 63 million tonnes in 2017 to 1,691.2 million tonnes, as most economies registered good growth in steel production. Annual production grew between 4% and 6% for major economies of China, India, European Union and USA, among others. Turkey, South America and Brazil witnessed the highest growth in steel production at 13.1%, 8.7% and 9.9%, respectively.

China trimmed its capacities by eliminating Basic Oxygen Steelmaking (BOF) – Electric Arc Furnace (EAF) of 55 million tonnes in 2017. The world's largest steel producing country also closed 140 million tonnes of inefficient induction furnace capacity. These initiatives uplifted market sentiments and bolstered pricing power and profitability of most steel producers in the World. Overall, steel exports from China fell by 30% to 75 million tonnes in the year.

Global steel prices remained buoyant in 2017 due to: a) falling exports from China as it continues to reduce excess capacities; b) firm iron ore prices; and c) improving demand from China following the upswing in the infrastructure and construction sectors. The global capacity utilisation ratio stood at 69.5% in December 2017 — up 1.8 percentage points, compared to December 2016 level.

In the preceding couple of months, trade actions across economies aggravated to arrest imports, threatening the possibility of trade diversion.

2.1.1. Global Trade Actions

(figures in million tonnes)

	WORLD	US SECTION -232	EUROPE SAFEGUARD	TURKEY SAFEGUARD	TOTAL
Quantity	335*	35	40	10	85

(*) Global Steel trade net of EU-Intra-Trade @ 115-MnT

- Global threat to 85 MnT or ~25% quantity of steel trade
- Globally, iron and steel witnessed the highest number of trade actions
- The US has imposed largest number of trade actions (252) with 44% of these actions imposed on iron and steel products
- India has imposed second largest number of trade actions at 150 with only 14 actions on iron and steel products
- Globally, Indian exports are subjected to 125 trade actions, including 53 actions on iron and steel
- China faces highest number of trade actions at 63% of total 1,118 global actions.

In view of trade actions and counter actions, the export dependent economies viz. Japan, Korea, China, Russia have to either cut production or look for new markets. As india's domestic demand is robust, the Indian steel industry should be watchful of any surge in import of steel into India from these countries.

2.1.2. Steel production of top 10 steel-producing countries

RANK	COUNTRY	2017 (MILLION TONNES)	2016 (MILLION TONNES)	% CHANGE
1	China	831.7	807.6	3.0
2	Japan	104.7	104.8	-0.1
3	India	101.4	95.5	6.2
4	United States	81.6	78.5	4.0
5	Russia	71.3	70.5	1.3
6	South Korea	71.1	68.6	3.7
7	Germany	43.4	42.1	3.5
8	Turkey	37.5	33.2	13.1
9	Brazil	34.4	31.3	9.9
10	Italy	24.0	23.4	2.9

Source: World Steel Association

2.1.3. Outlook

World Steel Association estimates suggest that global steel demand is likely to touch 1,616 million tonnes in 2018, a growth of 1.8% vis-à-vis 2017. Continued strengthening of investments in advanced economies, improving manufacturing climate and recovery in commodity prices are expected to act as key catalysts to drive global steel demand.

A large part of this demand is likely to come from the emerging and developing economies (excluding China) with an estimated increase of 4.9% in steel demand in 2018. In the developed economies, steel demand is likely to grow by 1.8% in the current calendar year. Important downside risks to these estimates comprise rising wave of protectionism in global trade and higher interest rates in the US and the EU.

A large part of global steel demand is likely to emanate from the emerging and developing economies (excluding China) with an estimated increase of 4.9% in 2018.

2.1.3.1. Developed markets

The US economy is likely to grow at a rapid pace in 2018 on the back of strong consumption and investments, favourable monetary policy framework, robust corporate earnings (on the back of tax reforms) and a healthy construction sector. In the presence of these catalysts, steel demand is expected to remain robust in the US this year.

Strong private consumption, broad-based recovery across countries and healthy demand both in domestic and international markets are key growth drivers for the EU economy, going forward. A pick-up in non-residential construction and healthy improvement in manufacturing initiatives are other positives for the EU region. Steel demand from this region is likely to remain encouraging in the current year.

Steel demand in Japan will continue to remain muted on the back of an ageing population, which reduces the growth potential. Economic growth in Japan is expected to be sluggish in the coming years. Huge consumer debt, weak construction activity and a suffering shipbuilding sector are crucial challenges that may adversely impact steel demand in South Korea.

2.1.3.2. China

Chinese economy is likely to witness slower growth in 2018 on the back of weak investments, high debt levels for both corporates as well as local government, slowdown in construction activity and decline in automotive and home appliances sectors. The Government's efforts to boost domestic consumption and growth of the machinery sector though could offset some of this pressure. Overall, steel demand is expected to remain flat in China in 2018. Steel exports from China are likely to remain under pressure due to trade actions against China by various countries and may have to accelerate the shutting down the excess steel capacities. China is expected to cut 30 million tonnes of excess steel capacity in 2018 – in continuation to its ongoing mandate to streamline Chinese steel industry. Increasing trade tensions, high inflationary pressures and tightening of monetary policies of developed economies could pose some challenges to steel companies, going forward.

2.1.3.3. Emerging economies (excluding China)

Emerging and developing economies (excluding China) are likely to lead from the front as far as global steel demand is concerned. Firming up of oil and other commodity prices and higher reconstruction activities may strengthen steel demand from the MENA region. The growth though could be higher, depending on how fast the region can attain geopolitical stability.

Steel demand is likely to remain stable in Turkey even as the minor improvement witnessed in Russia and Brazil is expected to continue. Monetary policy easing, improving credit growth and higher consumer and business confidence will drive growth in Russia. Higher investments in the infrastructure sector though will lead to robust growth in steel demand in the ASEAN-5 countries.

STEEL DEMAND FORECASTS	MILLION TONNES			Y-O-Y GROWTH RATES, %		
REGIONS	2017	2018 (F)	2019 (F)	2017	2018 (F)	2019 (F)
European Union	162.3	165.6	166.9	2.5	2.0	0.8
Other Europe	42.3	44.2	46.1	4.1	4.5	4.4
CIS	52.8	54.0	55.0	6.1	2.3	1.8
NAFTA	140.7	145.0	147.3	6.4	3.0	1.6
Central and South America	40.9	43.5	45.6	3.8	6.2	4.9
Africa	35.1	36.6	38.3	-6.8	4.5	4.6
Middle East	53.3	55.7	57.8	0.4	4.6	3.7
Asia and Oceania	1060.1	1071.4	1069.7	5.5	1.1	-0.2
World	**1587.4**	**1616.1**	**1626.7**	**4.7**	**1.8**	**0.7**
World excl. China	850.6	879.3	904.6	1.8	3.4	2.9
Developed Economies	410.7	417.9	422.7	2.9	1.8	1.1
China	736.8	736.8	722.1	8.3	0.0	-2.0
Emerging and Developing Economies excl. China	439.9	461.4	481.9	0.8	4.9	4.5
ASEAN-5	70.3	74.9	79.8	-5.2	6.6	6.4
MENA	71.7	75.3	78.5	-1.1	5.0	4.2

f- forecast

Source: World Steel Association

2.1.4. Key sectors driving steel demand

2.1.4.1. Oil & Gas

Production cuts announced by the Organisation of the Petroleum Exporting Countries (OPEC) in 2017 lent support to crude oil prices and the good show is likely to continue, going forward. Strong demand and possibility of renewed US sanctions on Iran may lead to further escalation in crude oil prices from here on.

Improving prospects of crude oil will augur well for the sector, as it will lead to higher production by upstream oil and gas companies. This, in turn, will benefit downstream companies as well. Higher investments in the sector will positively impact steel demand.

2.1.4.2. Metals and Mining

Commodity prices trended northwards for large parts of 2017; and the trend is likely to continue in 2018 as well. Higher prices will elevate production growth in the year and strengthen investments and upstream activity in this sector.

2.1.4.3. Infrastructure

According to a report by Global Infrastructure Hub, every year investment worth US$3.7 trillion is required to be made in worldwide infrastructure to meet the demand of the rising global population. Asian economies will account for more than half of these investments. Thus, the infrastructure sector will continue to play a major role in driving demand for the global steel industry.

2.1.4.4. Capital Goods

Upswing in commodity prices, broad-based improvement in economic growth and positive outlook for automotive and construction sectors are likely to aid prospects of global capital goods companies. S&P Global Ratings expects the credit metrics of capital goods companies to improve on the strength of rising capital expenditure by private sector companies. Steel is the primary input to manufacture equipment and machinery; and hence stands to benefit from improving prospects of the capital goods sector.

Rising trade protectionism

In the past few months, adoption of trade restrictive measures by different countries has intensified as governments look to protect the interest of domestic metal makers. The US imposed a 25% duty on steel imports and a 10% tariff on aluminium imports, effective from 23 March 2018.

China, too, implemented similar measures to reduce US imports. Given that steel exports represent a miniscule 2% to India's exports, such measures are unlikely to have significant impact on India. However India also may have to adopt similar measures to eliminate the import of steel at unfair prices that would cause injury to domestic industry.

India should remove Steel from all Free Trade Agreements (FTAs) prevailing in global trade. Consequent to the concessional duty under the FTAs for Japan, Korea and ASEAN regions, there is a price disparity of ~13.75%, equivalent to ~₹ 6,500 per tonne or a price impact of 15% on domestic ex-mill prices. This disparity should be addressed by swift action from India.

During 2017-18, imports increased 5.4% to 8.4 million tonnes and displaced 17% of flat steel demand and 9% of total Indian steel demand. The share of defective steel imports in our country increased from 3% of total imports in 2016-17 to 5% of total imports in 2017-18. Rising imports despite prevalence of trade measures prove that these measures are completely ineffective. Increasing imports due to lack of monitoring the BIS quality standards is a threat to the high number of jobs created directly and indirectly by the Indian steel industry.

The Government of India must implement stringent policies to curb these imports. This wave of trade protectionism is expected to continue for a long period of time.

The Company will focus on widening its presence in areas across major global markets. In such a scenario, its revenue from global markets will continue to grow; and will largely remain safeguarded from rising protectionism.

Growing global footprint will enable JSW Steel to evolve into an organisation with an ability to tap into emerging opportunities across the world.

2.2. Indian Steel Sector

India's steel production grew 4.5% to its highest ever level of 102 million tonnes in FY18. The Government of India has been proactive in addressing the issues faced by domestic steel makers. It has taken major steps to stop unfair trade and to safeguard the interests of domestic players.

This has been accompanied by recovery in construction activity and shut down of excess capacities in China. China has phased out capacities to the tune of 115 million tonnes in the past two years; and is gearing up for another production cut of 30 million tonnes in 2018. Leading steel makers in India are well poised to benefit from this development.

Riding high on an all-round improvement in the growth of key sectors, namely automobiles, infrastructure, and capital goods, among others, India's steel demand grew at a high rate of 7.9% to 91 million tonnes in FY18. This pace may accelerate further as domestic steel demand growth is pegged at 8.3% to 98.2 million tonnes in the current fiscal year (Source: JPC). In FY18, India's per capita steel consumption grew 6.2% to 69 kg, while share of flats improved from 42% to 44%.

India's construction activity, particularly in highways, bridges and metro lines has bolstered the demand for long steel products in recent times. Given their size, long steel products are relatively difficult to ship and hence most contractors are sourcing them locally.

Domestic steel prices have started trending northwards since November 2017, owing to a surge in global prices, healthy recovery in domestic demand, and a weaker rupee. The prices though still trail international prices and hence there is a scope for further uptick in prices.

Governmental measures such as the National Steel Policy and extension of anti-dumping duty on steel products, imposition of quality standards are key facilitators for the growth of domestic steel sector in India. Additionally, the Government has earmarked ₹ 14.3 lakh crores towards infrastructure spending, which will also enhance steel demand in the domestic market.

2.2.1. Highlights of India's Steel Industry

- Achieved all-time high crude steel production in FY18
- Third largest crude steel producer in the world in 2017
- Third largest consumer of finished steel in the world in 2017
- Steel consumption grew at a multi-year high in FY18
- Contributes nearly 2% to the country's GDP
- Producer of world-class steel of all major varieties and grades

- Government's wide-ranging reforms may aid the steel sector
- Broad-based improvement in the growth of infrastructure, automobiles, capital goods, among others in FY18

2.2.2. Crude steel production (million tonnes)

PRODUCTION	FY14	FY15	FY16	FY17	FY18
Public Sector	16.8	17.2	17.9	18.5	19.8
Private Sector	64.9	71.8	71.9	79.5	82.5
Total	**81.7**	**89.0**	**89.8**	**98.0**	**102.3**

2.2.3. Steel consumption in India (million tonnes)

PRODUCTION	FY14	FY15	FY16	FY17	FY18
Public Sector	74.1	77.0	81.5	84.0	90.7

Source: Joint Plant Committee

2.2.4. Advantage India

The National Steel Policy, 2017 (NSP) aims to make India a self-sufficient steel producing nation by 2030. The Policy will promote the indigenous industry to eliminate steel imports in the country by 2030. Reduction in import dependence for procuring coking coal, emphasis on BF / BOF technology, sharper focus on pelletisation and installation of slurry pipelines and conveyors, promotion of domestically manufactured steel in government procurement and production of value-added steel indigenously are the key goals of this Policy.

To achieve these targets, some Indian companies have undertaken capacity expansions, which will drive their market shares further in the coming years. The acquisition of debt-laden steel companies will reduce the time for ramping up existing capacities. Investments worth US$210 billion would be required to achieve the targeted steel capacity of 300 million tonnes by 2030. Overall, the NSP will empower domestic steel makers by making them more competitive globally.

In the domestic market as well, there are multiple catalysts to drive steel industry growth. Relatively lower per capita steel consumption, healthy prospects of consumption demand on the back of buoyant infrastructure growth and strong growth in the automobile and railways sector being the prominent ones. Against this backdrop, it is expected domestic steel demand would grow by around 5% in the financial year 2018-19.

2.2.5. National Steel Policy, 2017 – Ushering in the next phase of steel growth in India

PARTICULARS	FY18 ACTUALS	NCP TARGET BY 2030-31
Crude steel production (million tonnes)	102	300
Per capita steel consumption (kg)	69	160

Source: Joint Plant Committee

DEMAND ENABLERS	RISING INVESTMENTS	LOW-COST ADVANTAGE	FAVOURABLE POLICIES
Domestic growth to remain buoyant	Investments worth $210 billion required to achieve steel capacity of 300 million tonnes by 2030-31	India is the world's third-largest producer of crude steel at globally competitive cost	100% FDI through the automatic route is allowed
Healthy prospects of infrastructure, automobiles, consumer durables, oil and gas sectors	301 MoUs signed with various states for planned capacity of 486.7 million tonnes	Easy availability of skilled and unskilled workforce	Large infrastructure projects in the PPP mode are being formed
The National Steel Policy is a major effort to make India a self-sufficient steel-producing nation by 2030-31	The Ministry of Steel plans to set up Steel Research and Technology Mission in India	Presence of abundant iron ore reserves in India	Policy clarity and stability expected in respect of expediting auction of mining leases and forest clearances and operationalising these mines.

5%

Expected domestic steel demand in FY19

Rural India is expected to reach a per capita consumption from 12.11 kg to 14 kg for finished steel by CY20.

2.2.6. Union Budget 2018 Impetus

MEASURE 1	MEASURE 2	MEASURE 3
Higher infrastructure spending through various road projects under The Ministry of Road (including NHAI) and Pradhan Mantri Gram Sadak Yojana by 11% over the preceding year	Railway allocation increased by 22% with focus on building infrastructure, stepping up safety and improving maintenance	Measures aimed at enhancing farm income will bolster demand for automobiles and tractors. Improved prospects of automobile sector to aid domestic steel consumption

2.2.7. Domestic growth enablers

Rural steel demand

Rural India is expected to reach a per capita consumption from 12.11 kg to 14 kg for finished steel by CY20. The policies like Food for Work Programme (FWP) and Indira Awaas Yojana, Pradhan Mantri Gram Sadak Yojana and Affordable Housing, among others are expected to drive the demand.

Housing demand

The allocation towards building houses in rural and urban areas under the PMAY scheme stood at ₹ 275 billion in the Union Budget 2018-19. Rising transparency in the real-estate sector following the implementation of The Real Estate (Regulation and Development) Act has bolstered the confidence of both investors and home buyers. In this scenario, housing demand is likely to accelerate going forward, leading to higher steel demand in the domestic market.

Renewable Energy

India aims to generate 275 GW of total renewable energy by CY27. Of the total pie, 72 GW will be from hydro-energy and 15 GW from nuclear energy. Nearly 100 GW is expected to come from 'other zero emission' sources. Both generation and transmission capacities are expected to raise steel demand from the sector.

Pegged at 5.5%, the domestic steel demand is likely to grow at a faster pace than global steel demand, which is likely to grow by 1.8% in 2018.

Critical measures needed to bolster India's Steel Industry

- Strengthening of existing trade measures by changing the form of duty from Reference Price to Fixed Duty ($/tonne), coupled with the removal of the Lesser Duty Rule (LDR)
- Increase the Basic Customs Duty to at least 25% across all steel and steel-intensive products
- Higher emphasis on Quality Order compliance to arrest import of seconds and defective steel
- Make the public procurement policy more effective and conducive in favour of domestically produced steel

Automobile

The automobile industry is estimated to grow by US$260-300 billion by 2026. With increasing capacity addition, steel demand is expected to be robust.

2.2.8. Outlook

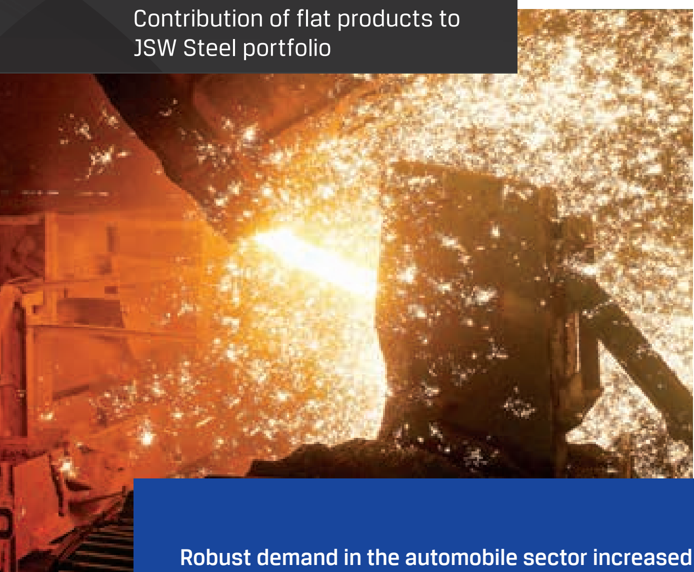
According to the World Steel Association, consumption of finished steel products in India is estimated at 92 million tonnes in 2018 – a growth of 5.5% over 2017. Of the total incremental demand of 28.7 million tonnes in 2018 worldwide, India alone is likely to add steel demand of 4.8 million tonnes.

Pegged at 5.5%, the domestic steel demand is likely to grow at a faster pace than the global steel demand. Steel demand worldwide is likely to grow by 1.8% in 2018. The nation's per capita steel consumption is likely to improve to 72-74 kgs in 2018-19. Clearly, Indian steel players are looking inwards to achieve higher growth. As China continues to trim its excess capacities in 2018 as well, and given the low-cost, higher quality products offered by Indian companies, opportunity to grow exports is also sizeable. Against this backdrop, Indian players having significant capacity expansions on the cards are well poised to tap into these opportunities over the next few years.

3. Business review

71%

Contribution of flat products to JSW Steel portfolio



Robust demand in the automobile sector increased domestic flat sales by 11% y-o-y

The Company grew with record numbers on multiple fronts in a year that began on a slow footing but ended on a high note. While growth was moderate during the first half of the year owing to sluggish demand, the second half saw the Company outperform its previous production and sales rates on the back of higher auto sector demand and recovery in construction and capital goods segment.

Overall, in FY18, the Company registered its highest ever yearly crude steel production at 16.27 million tonnes. During the year, the Company achieved a consolidated sale of 15.55 million tonnes, a y-o-y growth of 6%. This was driven by the highest ever domestic sales of 11.9 million tonnes with a south-west mix of nearly 84%. At a y-o-y level, the growth in domestic sales touched 9% compared to the domestic industry growth of 7.9%. Consequently, the Company's market share also witnessed an increase.

The share of value-added and special product (VASP) sale went up to 58% during the year, driving up the Company's margins. The total sale of VASP products stood at over 9 million tonnes, a 13% y-o-y growth.

During the year, the Company was prompt and agile to realign its sales based on the prevailing market conditions. It adopted the strategy to reduce exports to 23% of total sales, and focus on the faster growing and more attractive domestic market.

Domestic and exports sales ratio

YEAR	DOMESTIC	EXPORTS
FY18	77%	23%
FY17	74%	26%

3.1. Product performance

JSW Steel's best-in-class technology and sustained R&D initiatives help deliver customised and innovative offerings. The Company focusses on expanding the share of the value-added products in its portfolio to enhance margins, resulting in industry-leading profitability.

3.1.1. Flats

JSW Steel produces flat sheet products that include slabs, hot-rolled coils, cold-rolled coils, coated products and others. Flats also remained the Company's mainstay during the first half of the year, when demand for long products was low.

Continuing the trend from previous years, flat products occupied a significant proportion of the Company's product portfolio at 71% and registered a y-o-y sales growth of 2%. Robust demand in the automobile sector increased domestic flat sales by 11% y-o-y.

3.1.1.1. Hot Rolled

Manufactured in the Hot Strip Mills (HSMs) of Vijayanagar (Karnataka) and Dolvi (Maharashtra) plants, the Company offers a wide variety of Hot Rolled products.

Vijayanagar Works is home to the country's widest HSM, occupied with sizing presses and an automatic line inspection facility, with a capacity of 3.2 MTPA and 5 MTPA for HSM-1 and HSM-2, respectively,

The capacity stands at 3.6 MTPA at Dolvi Works, where India's first CONARC process was implemented for steel manufacturing. The name CONARC is a fusion of two processes (CONverter ARChing) and the science behind this process is based on the increased use of hot metal in the electric arc furnace. This technology aims to optimise energy recovery and maximise productivity.

During the year, Hot Rolled Coils (HRCs) comprised 39% of the Company's product portfolio. Domestic sales of HRCs rose 8% y-o-y primarily in Southern and Western regions of India.

Key Sectors

JSW Steel is a leading steel supplier of HR products (HR) to multiple sectors such as Construction and Infrastructure, Industrial and Engineering, Pipes and Tubes, Automotive and Energy etc. that drive the economy.

The overall of sales of HR products grew by 4% during the year. While robust auto growth and a large number of infrastructure projects kept up the demand, the availability was somewhat restricted by factors such as higher consumption by downstream Cold Rolled and Galvanised units. The Company's supply to auto segment grew 45% y-o-y against Commercial Vehicles production growth of 10% y-o-y.

3.1.1.2. Cold Rolled

Essential to the auto sector and several white goods, JSW Steel's Cold Rolled (CR) steel products are manufactured at its state-of-the art Vijayanagar Works. CR products comprised 17% of the product portfolio in FY18. During the year, sales volume of Cold Rolled and Close Annealed (CRCA) grew 8% y-o-y with domestic growth of 20% y-o-y. CRCA sales grew 27% during the year and outpaced the growth of 15% posted by the automobile sector in India.

JSW Steel is the only steel producer with the capability of producing wider width and advanced high-strength steel grades. The Company's CR products thus are well regarded due to their superior surface appearance, uniform mechanical properties and excellent drawability.

Key Sectors

India's cold rolled products are primarily consumed by the automotive, industrial and engineering sectors.

45%
Growth in sales to auto sector

JSW Steel continues to focus on the automotive sector with sales growing 27% y-o-y during FY18

a) Automotive sector

India's auto sector grew 15% during the year, with an overall production of vehicles in India crossing the 29-million mark. For the first time, India's passenger vehicle and utility vehicle production crossed the 4-million figure.

JSW Steel continues to focus on the automotive sector with sales growing 27% y-o-y during FY18. Quick and seamless approvals of the Company's CR products from automotive companies resulted in a fast ramp up of automotive steel sales. The cold rolled coils and galvanised and galvannealed steel are supplied to automobile Original Equipment Manufacturers (OEMs), leading to commercialisation of different grades developed for auto makers.

The CRM 2 in Vijayanagar Works produces ultra-high strength steel for India's automobile manufacturers. These steel products were earlier imported by auto majors, but are now being procured locally, giving a push for Make in India and the country's self-reliance.

b) Packaging sector

JSW Steel's CR products have received encouraging response in the packaging sector due to their superior surface, tight thickness tolerances and uniform mechanical properties.

3.1.1.3. Electrical Steel

Electrical steel products are manufactured at the Company's state-of-the-art Vijayanagar Works facility. Electrical steel finds application across sectors such as electric motors, generators, nuclear power station, power generation plants, domestic appliances, transformers and automotive electricals.

During FY18, expedited customer approvals from clients resulted in rapid ramp-up of capacity utilisation. The Company's exclusive service centres that provide ready-to-use electrical steel products also aided the growth.

40%
Sales growth in electrical steel

JSW Steel caters to the galvanised steel segment with a market share of 42%

As a result, the sales in electrical steel increased 40% y-o-y, driven by the strengthening of domestic appliances demand and the receiving of approval for alternators, industrial motors and compressors with new customers.

Going forward, the Company is geared to participate in India's journey towards energy efficiency and infrastructure development with expansion of its grade range to high silicon alloy content, development of customised and high permeability grades, and a wide range of insulation coatings.

3.1.1.4. Galvanised

JSW Steel is India's largest manufacturer and exporter of galvanised steel, and the first supplier of products with higher coating (550 gsm) to the country's solar sector. Four JSW Steel facilities manufacture galvanised coils and sheets – Vijayanagar, Vasind, Tarapur and Kalmeshwar.

Trusted globally, JSW Steel's galvanised steel is high in strength, resistant to corrosion, eco-friendly, durable and lightweight. In the markets, JSW's galvanised corrugated sheets, branded JSW VISHWAS, are the most sought after due to their unmatched resistance to weathering elements. Galvanised products comprised 11% of the product portfolio in FY18.

Key Sectors

India's galvanised products are primarily consumed by construction, infrastructure and consumer durables sectors. These products are also used in the solar energy sector, and JSW Steel caters to the galvanised steel segment with a market share of 42%. Eco-friendly Zero Spangle Organic coated ROHS compliant GI produced at Vijayanagar Works has been well received and approved by all major appliance, panel and duct manufacturers.

3.1.1.5. Galvalume

JSW Steel is the first licensee Galvalume producer in India that uses technology from BIEC International Inc., USA. The technology licence qualifies the Company to continually access the latest product innovations and process refinements through BIEC and the ZAC Association. Surpassing the growth of 14% in the domestic market, the Company clocked a volume growth of 17% in its GL products during the year, driven by development initiatives in Solar & Construction sectors.

3.1.1.6. Colour coated

JSW Steel offers colour coated steel under the brands JSW Colouron, Colouron+, Pragati brands and Everglow. Produced at the Vasind, Tarapur and Kalmeshwar plants, a new facility is being set up at Vijayanagar Works as well.

Colour coated products comprised 4% of the Company's product portfolio in FY18. During FY18, total sales volume of colour coated products increased 26% y-o-y.

JSW Steel has one of the largest colour coated facilities to address construction, warehousing and roofing requirements and a state-of-the-art colour coating line for appliance grade products used in consumer durables.

Key Sectors

The major consumers of colour coated products in India are the construction and Infra and Consumer durables sectors. The colour coated brands of JSW Steel enjoy high market share in semi-urban and rural areas, catering to the requirements of the Individual Home Builder (IHB) segment.

The overall growth of this segment is driven by the rural sector recovery, with the last year witnessing a subdued base due to demonetisation. Good monsoon, coupled with GST stabilisation, has resulted in overall demand growth. Accelerated growth in Q4 was largely due to the Company's brand-building measures and a consumer education drive to identify original JSW coated sheets. The residential roofing and cladding segment grew 27% over Q3 and warehousing/PEB by 5%, while industrial roofing declined by 2%. With growth in the rural sector, the warehousing/PEB segments have grown 5% during the year.

The demand in consumer durables has grown by 14% y-o-y. The government initiative for rural electrification saw a thrust in Q4 FY18, compared to 9M FY18. Rural penetration of online retailing of appliances increased the demand for consumer durables. The major manufacturers of consumer durables have increased their capacity, expanding the market for the Company's products.

3.1.2. Longs

Long products comprised 23% of the Company's product portfolio in FY18. During the year, long product sales increased 15% y-o-y.

3.1.2.1. TMT

JSW Steel manufactures and markets JSW NEOSTEEL TMT bars that conform to domestic and international standards. Owing to their higher strength, ductility and shock resistance, this range of TMT bars have become a market favourite. The NEOSTEEL range has been deployed in multiple prestigious projects in India, such as metro rails, expressways and airports.

TMT Rebars are manufactured in Vijayanagar Works and Dolvi Works. They comprise 15% of the Company's product portfolio. During the year, the total sales volume increased 17% y-o-y. JSW Neosteel has increased penetration in semi-urban and rural areas with substantial business volumes from South India and West India.

Key Sectors

The Company is proud of being part of India's growth story through supplying steel to metro rail projects in various cities.

JSW Neosteel was also used in major projects in the country from Indian Railway projects, aerospace, defence projects, port and airport projects, expressways and highways and critical atomic power projects. JSW Steel also caters to prominent educational institutions, hospitals, IT Parks and high-rise structures.

3.1.2.2. Wire rods

The electrode, CHQ and low, medium and high carbon wire rod grades are produced at Vijayanagar, while Salem Works produces alloy and special grade wire rods.

3.1.2.3. Special alloy steel

Alloy steel products are manufactured at JSW Steel's Salem Works. The Company is the largest domestic producer of spring steel flats, alloy steel rounds and bars and alloy steel wire rods. In terms of technology upgradation, the Company has commissioned a new continuous caster, which can give blooms and billets with reduced macro segregation due to higher EMS current.

The rolling mill at Salem was upgraded with a sliding stand in the bar and rod mill, which accommodates higher reduction ratio for bar products. A contemporary atmosphere-controlled Bell annealing furnace was installed for spheroidised annealing of coils for delivering products to cold heading quality product customers and bright bar manufacturers. An additional automatic billet grinding facility was installed, which ensures the supply of bars with high-surface quality in the 'as hot rolled' condition.

Eight new grades of special steel were approved, which included high value alloyed and micro-alloyed steel for various components of automotive engine, transmission, bearings and suspension.

The Company launched JSW Everglow in December 2017, a first-of-its-kind product in the steel roofing segment. JSW Everglow offers a 10-year paint warranty to the consumer, which is a country-wide first. The product has a unique feature of matching colours at the bottom of sheet against the dull grey that is normally used. It has been launched in over nine states in FY 2017-18 and phased rollout is planned in FY19. The product has seen encouraging initial response from consumers.

3.2.Retail

The Company's expansive India-wide retail network is the backbone of its growth story and continued success. The Company has over 8,600 exclusive and non-exclusive retail outlets, spanning 575 districts across India, making it one of the country's largest steel retail networks. During FY18 the Company also engaged with 22,000+ influencers through 3,000+ meets.

The Company has three main retail formats: JSW Explore, JSW Shoppe and JSW Shoppe Connect, each catering to a different set of customers and geography.

3.2.1. Brand Building

The Company has been undertaking focussed brand building initiatives in JSW Neosteel (TMT Bars), JSW Colouron+ (Colour Coated) and JSW Everglow (Colour Coated).

In JSW Neosteel the focus was on further strengthening the engagement with the influencers and educating them about the benefits of using high-quality steel. Consumer meets at retail counters were also conducted across several districts of South India. The consumers were delighted to engage directly with the Company as a large proportion of them were unaware of benefits of using good quality steel.

JSW Shoppe is a one-of-its-kind network of stores launched in 2007, which run on a franchisee model. With over 400 outlets, these stores combine sales and services for making available the right product for the end consumer. Nearly half of this network is located in the country's semi-urban and rural areas.

JSW Colouron+ continued to be the leading colour coated brand in India with the highest market share. The Company undertook large-scale influencer awareness campaign to educate them on how to identify genuine products. Advertisements across regional television channels were also used as a communication medium to create brand awareness.

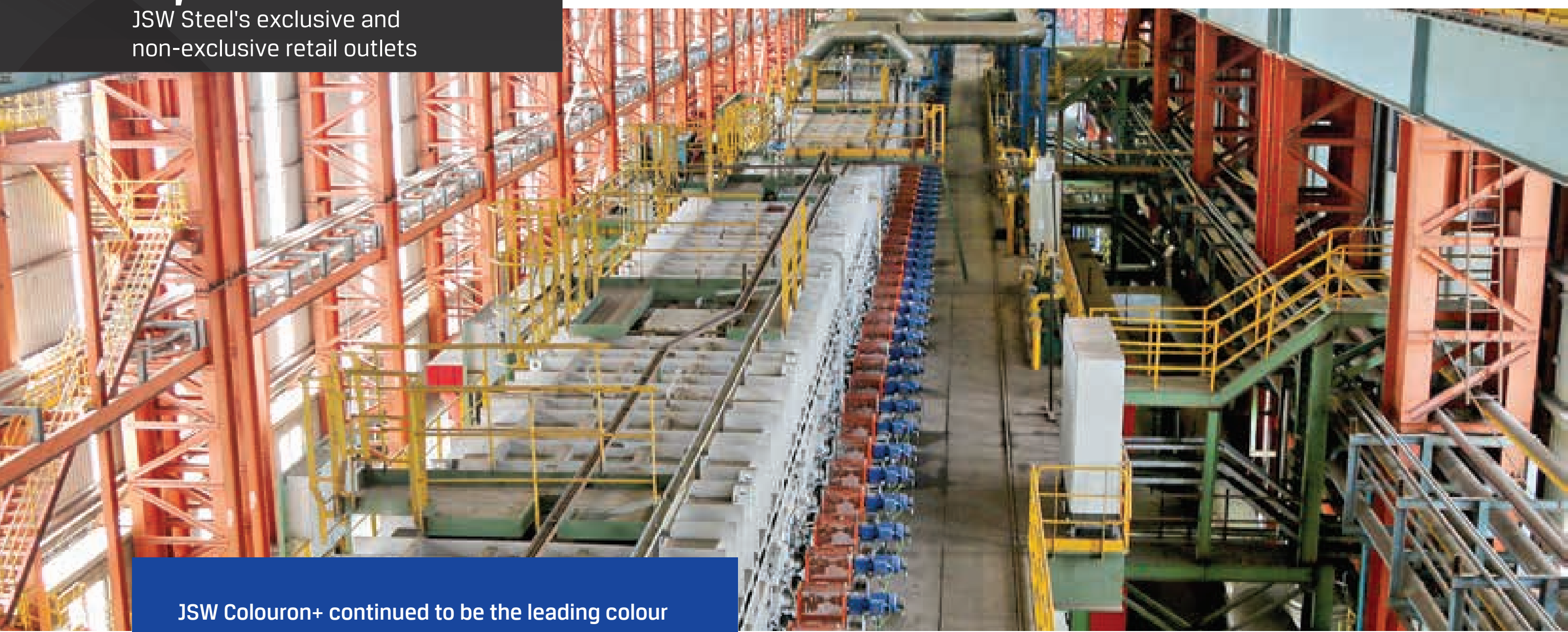
3.2.2. Customer Relationship Management (CRM)

During the year, the Company started a project to enhance and improve relationships with its customers, putting them at the heart of its operations. The first phase has been launched, covering the following aspects:

1) Customer management
2) Customer 360-degree view
3) Pricing
4) MoUs with customers

The second and third phases will include important elements like credit management, complaint management, a customer portal and customer visit planning and report generation.

8,600+
JSW Steel's exclusive and non-exclusive retail outlets



JSW Colouron+ continued to be the leading colour coated brand in India with the highest market share

4. Financial Review

4.1. Standalone

Global manufacturing and construction activities have clearly improved year-on-year evidenced by macro growth numbers. Global crude steel production increased significantly in 2017 to a record 1,691 million tonnes, up 5.3% from 2016 reflecting the investment led pick up in growth and cyclical rebound in global trade. The Chinese steel exports continued to decline on the back of supply reforms in China, in terms of closure of inefficient production facilities and pollution induced curtailments and strong domestic growth and consumption. This discipline from China helped improve the global steel demand-supply balance. On the back of this strong demand growth and moderation in exports at unfair prices, the steel prices rebounded with increase in steel spreads. This improvement in steel spread during the year coupled with volume growth enabled the steel industry to deliver strong performance during the year.

India's steel demand growth improved in the second half of the year post the gradual normalisation of the effects of demonetisation and GST. The Indian steel consumption grew at a healthy 7.9% on the back of government's push for infrastructure spending and strengthening consumer demand. While steel imports into the country have moderated in recent months, YTD import of flat products increased by 16% y-o-y. Import of coated products continues at an elevated level, pressurising domestic manufacturers. Import of colour coated products increased by a staggering 250% y-o-y.

In this volatile environment, the Company continued to increase its market share in the domestic market. This robust demand growth, increased steel spreads, focussed cost reduction drive and value added steel product portfolio helped the Company deliver strong profitable performance during FY18.

4.1.1. Highlights FY18

₹ (in crore)

	2017-18	2016-17	GROWTH %
Revenue from operations	66,234	56,913	16
Other Income	213	255	-16
Operating EBITDA	13,741	11,544	19
EBITDA margin (%)	21.1%	22.1%	-4
Depreciation and amortisation expense	3,054	3,025	1
Interest Expenses	3,591	3,643	-1
Profit before Exceptional Items	7,309	5,131	42
Exceptional Items	234	-	-
PAT	4,625	3,577	29
Earning per share (diluted) (₹)	19.14	14.80	29

The Company achieved a capacity utilisation of 91% and posted its highest ever production, shipments, revenue and EBITDA during the FY18.

For the year FY18, the Company reported a Crude Steel production of 16.27 million tonnes, a growth of 3% y-o-y. Production volumes in the first half were impacted due to water shortages and constrained iron ore availability and capacity utilisations increased to 94% in the second half of the year reflecting the steel demand growth and improvement in operational efficiencies.

During FY18, JSW Steel's revenues increased by 16% from ₹ 56,913 crores to ₹ 66,234 crore. An increase in realisations and sales volumes were the primary drivers of this performance. The Company's saleable steel sales volume for the year grew by 6% y-o-y to 15.62 million tonnes owing to the Company liquidating excess inventory to meet demand growth.

JSW Steel continued its focus on pruning costs by improving yields and productivity and optimised the mix and sourcing of key inputs like iron ore and coal to withstand the volatile pricing environment. Further the JSW Steel commenced mining at one of its mines that was acquired as part of the mining auction in the State of Karnataka. The Company was able to achieve encouraging progress on key strategic initiatives like digitisation and logistics optimisation. This increase in steel product realisation and cost optimisation initiatives helped the Company report a operating EBITDA of ₹ 13,741 crores for the year, which grew by 19% y-o-y to and EBIDTA margin stood at 21.1%. The Company registered a net profit after tax of ₹ 4,625 crore. In the senerio, it is not surprising that the Company registered industry leading ROCE of 16.4% in the year.

During the year JSW Steel continued to strengthen its balance sheet and reduced net consolidated debt by ₹ 3,529 crores. The Company's total net debt gearing was at 1.27 as on 31 March 2018 (vis-à-vis 1.53, as on 31 March, 2017) and Net Debt to EBITDA stood at 2.59x as on 31 March 2018 (as against 3.20x as on 31 March 2017).

4.1.2. Revenue analysis

₹ (in crores)

	2017-18	2016-17	CHANGE	CHANGE %
Domestic Turnover	53,380	45,322	8,058	18
Export Turnover	11,666	10,922	744	7
Total Turnover	**65,046**	**56,244**	**8,802**	**16**
Other Operating Revenues	1,188	669	519	78
	66,234	**56,913**	**9,321**	**16**

Product wise quantity break-up (Mt)

PRODUCTS	2017-18	2016-17	% GROWTH
Rolled products - Flat	11.17	10.97	2
Rolled products - Long	3.55	3.06	16
Semis	0.90	0.74	22
Total Saleable Steel	**15.62**	**14.77**	**6**

JSW Steel's performance was relatively strong with the improvement in absolute volumes in the domestic market. The Company has also focussed on and increased VASP (Value Added and Special Products) sales. The total sales volume stood at 15.62 MnT, up by 6% vis-à-vis the previous year. JSW Steel also explored opportunities in the export market in addition to developing existing markets. The revenues were higher by 16% vis-à-vis the previous year on account of 6% volume growth and ~18% increase in sales realisations.

The other operating revenue was higher by ₹ 519 crores compared to the previous year. The growth in other operating revenue was primarily due to higher incentive benefits recognised attributed to upward revision in incentive rates and increase in regional sales and realisations.

- Increase in rolled long products by 16% y-o-y on the back of strong demand
- Product mix improved with value-added and special products sales, reaching 58% of total sales

4. 1.3. Other income

₹ (in crores)

	2017-18	2016-17	CHANGE	CHANGE%
Other Income	213	255	(42)	-16%

Other income for the year was lower primarily due to non-recognition of interest income on loans provided to certain subsidiaries due to uncertainty involved in its collectability as a result of losses incurred by these subsidiaries.

4. 1.4. Materials

₹ (in crores)

	2017-18	2016-17	CHANGE	CHANGE %
Cost of material consumed including purchase & traded goods and change in inventories	37,470	27,955	9,515	34

The Company's expenditure on material consumption increased by 34% from ₹ 27,955 crores in FY17 to ₹ 37,470 crores in FY18 primarily on account of increase in production volumes and increase in prices of input raw materials like iron ore and coal.

4. 1.5. Employee benefits expenses

₹ (in crores)

	2017-18	2016-17	CHANGE	CHANGE %
Employees Remuneration and Benefits	1,260	1,168	92	8

Employee benefits expenses increased by 8% to ₹ 1,260 crores in FY18 from ₹ 1,168 crores in FY17. This increase was largely due to annual increase in compensation for the employees. The Company employed about 11,619 employees as at 31 March 2018, vis-à-vis 11,861 employees as at the end of 31 March 2017.

4. 1.6. Manufacturing and other expenses

₹ (in crore)

	2017-18	2016-17	CHANGE	CHANGE %
Other Expenses	12,504	11,623	881	8

Manufacturing and other expenses increased by 8% from ₹ 11,623 crores in FY17 to ₹ 12,504 crores in FY18. The increase was primarily a result of increase in power and fuel cost and stores and spares consumed.

Power and fuel cost, a 16% increase amounting to ₹ 674 crores, rose on account of additional power purchases for increase in production volumes and hike in the rates of steam coal prices over the last year. Stores and spares consumption increased by 12% largely due to increase in prices of refractories and graphite.

4. 1.7. Finance cost

₹ (in crores)

	2017-18	2016-17	CHANGE	CHANGE %
Finance Cost	3,591	3,643	(52)	-1

Finance cost decreased by 1% to ₹ 3,591 crores in FY18 from ₹ 3,643 crores in the previous year. The decline was primarily due to lower interest costs on account of repayment of borrowings and reduction in rupee term loans and reduction in benchmark lending rates of various banks. The weighted average interest cost of debt was lower at 6.98% as on 31 March 2018 vis-à-vis 7.40% as on 31 March 2017.

4. 1.8. Depreciation and amortisation

₹ (in crores)

	2017-18	2016-17	CHANGE	CHANGE %
Depreciation and amortisation	3,054	3,025	29	1

Depreciation and amortisation increased by 1% to ₹ 3,054 crores in FY18 from ₹ 3,025 crores in FY17 due to additional depreciation on capitalisation of assets relating to projects and normal capex.

4.1.9. Exceptional items

During the year a subsidiary of the Company has surrendered one of its iron ore mine 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 ₹ 234 crores which has been disclosed as an exceptional item.

4.1.10. Tax Expense

The tax expense increased to ₹ 2,450 crores in FY 2017-18 from ₹ 1,554 crores in the previous year primarily on account of higher tax provision due to increase in profit before tax during the current year and higher effective tax rate. The effective tax rate was 34.62% during the current year as compared to 30.28% primarily due to discontinuance of additional tax incentives for investments in new plant and machinery and certain other disallowances.

4.1.11. Property, Plant and Equipment

₹ (in crores)

	2017-18	2016-17	CHANGE	CHANGE %
Tangible assets	49,503	50,215	(712)	-1%
Capital work-in-progress	3,071	2,745	326	12%
Intangible assets	65	51	14	27%
Intangible assets under development	321	282	39	14%
Total	**52,960**	**53,293**	**(333)**	**-1%**

The net block of Property, Plant and Equipment reduced by ₹ 712 crores during the year primarily on account of depreciation charge of ₹ 3,026 crores during the year offset by additions to the Property, Plant and Equipment to the extent of ₹ 2,403 crore. The capital work-in-progress increased by ₹ 326 crores primarily due to capital expenditure spend during the year offset by capitalisation of Property, Plant and Equipment

4. 1.12. Loans and advances

₹ (in crores)

	2017-18	2016-17	CHANGE	CHANGE %
Long-term loans and advances	5,165	2,771	2,394	86
Short-term loans and advances	158	121	37	30

Loan and advance on overall basis has increased primarily due to loans and advances provided to certain overseas subsidiaries to repay the borrowings guaranteed by the Company and other business needs of the subsidiaries.

4. 1.13. Current Assets

₹ (in crores)

	2017-18	2016-17	CHANGE	CHANGE %
Other Non-Current Assets	2,299	1,396	903	65
Other Current Assets	3,070	2,370	700	30

Other Non-Current Assets increased by ₹ 903 crores primarily due to increase in Capital Advances for upcoming projects.

Other Current Assets increased by ₹ 700 crores due to non-receipt of GST incentives and increase in supplier advances for iron ore.

4. 1.14. Inventories

₹ (in crores)

	2017-18	2016-17	CHANGE	CHANGE %
Raw Materials	4,918	3,590	1,328	37
Work-in-progress	690	747	(57)	-8
Semi Finished/ Finished Goods	2,826	3,702	(876)	-24
Production Consumable and Stores & Spares	1,648	1,231	417	34
Total	**10,082**	**9,270**	**812**	**9**

The average inventory holding in terms of number of days as on 31 March 2018 for finished goods was 20 days vis-à-vis 33 days as on 31 March 2017. However overall inventory holding has came down to 72 days for FY18 vis-à-vis 83 days for FY17. The value of inventories increased by 9% predominantly due to higher cost of raw materials like coal and iron ore and spares as against the previous year. However, steel products inventory (SFG / FG) reduced by 1.47 lakh tonnes during FY18.

4. 1.15. Trade receivables

₹ (in crores)

	2017-18	2016-17	CHANGE	CHANGE %
Total Debtors	4,770	3,954	816	21
Less: Provision for Doubtful debts	(78)	(6)	(72)	1,198
Trade Receivables	**4,692**	**3,948**	**744**	**19**

The average collection period in terms of the number of days as on 31 March 2018 was 26 days. There was no change in the average collection period as compared to the previous year. The increase is primarily on account of increase in steel prices during the year.

4.1.16. Borrowings

₹ (in crores)

	2017-18	2016-17	CHANGE	CHANGE %
Long-term borrowings	29,551	28,358	1,193	4
Short-term borrowings	2,172	4,875	(2,703)	-55
Current Maturity of Long-Term Debt	4,099	4,703	(604)	-13
Current Maturity of Finance Lease Obligations	359	337	22	7
Borrowings	**36,181**	**38,273**	**2,092**	**5**

Long-term borrowings (including current maturity of long term debt) increased by ₹ 611 crores mainly owing to availing new loans for capacity expansion projects during the year.

Short-term borrowings reduced by ₹ 2,703 crores during the year. This decrease was primarily due to repayment of working capital facilities.

4. 1.17. Trade payables

₹ (in crores)

	2017-18	2016-17	CHANGE	CHANGE %
Acceptances	8,098	8,415	(317)	-4
Other than Acceptances	5,890	3,189	2,701	85
Total Trade Payable	**13,988**	**11,604**	**2,384**	**21**

Trade payables increased by 21% mainly due to increase in creditors and material in transit for raw material due to increased volume of production and surge in raw material prices.

4. 1.18. Capital Employed

Total capital employed increased by 2.5% from ₹ 64,375 crores as on 31 March 2017 to ₹ 65,986 crores as on 31 March 2018.

Return on capital employed was 16.4% for FY18.

4.1.19. Own Funds

Net worth increased from ₹ 24,098 crores as on 31 March 2017 to ₹ 27,907 crores as on 31 March 2018.

The book value per share was ₹ 115.45 as on 31 March 2018 as against ₹ 99.69 as on 31 March 2017.

4.2. Consolidated

The Company has reported consolidated revenue from operations, operating EBIDTA and net profit after tax of ₹ 71,503 crore, ₹ 14,794 crore, and ₹ 6,113 crore, respectively. The Company's consolidated financial statements include the financial performance of the following subsidiaries, joint ventures and associates.

4.2.1. Subsidiaries

1. JSW Steel (Netherlands) B.V.
2. JSW Steel Italy S.R.L.
3. JSW Steel (UK) Limited
4. Periama Holdings, LLC (w.e.f. 23 January 2017)
5. JSW Steel (USA) Inc.
6. Purest Energy, LLC
7. Meadow Creek Minerals, LLC
8. Hutchinson Minerals, LLC
9. R.C. Minerals, LLC
10. Keenan Minerals, LLC
11. Peace Leasing, LLC
12. Prime Coal, LLC
13. Planck Holdings, LLC
14. Rolling S Augering, LLC
15. Periama Handling, LLC
16. Lower Hutchinson Minerals, LLC
17. Caretta Minerals, LLC
18. JSW Panama Holdings Corporation
19. Inversiones Eroush Limitada
20. Santa Fe Mining
21. Santa Fe Puerto S.A.
22. JSW Natural Resources Limited
23. JSW Natural Resources Mozambique Limitada
24. JSW ADMS Carvao Limitada
25. JSW Steel Processing Centres Limited
26. JSW Bengal Steel Limited
27. JSW Natural Resources India Limited
28. JSW Energy (Bengal) Limited
29. JSW Natural Resource Bengal Limited
30. JSW Jharkhand Steel Limited
31. JSW Steel Coated Products Limited
32. Amba River Coke Limited
33. Nippon Ispat Singapore (PTE) Limited
34. Erebus Limited
35. Arima Holdings Limited
36. Lakeland Securities Limited

37. Peddar Realty Private Limited
38. JSW Steel (Salav) Limited
39. JSW Industrial Gases Private Limited (formerly known as JSW Praxair Oxygen Private Limited) (w.e.f. 16 August 2016)
40. JSW Utkal Steel Limited (w.e.f. 16 November 2017)
41. Hasaud Steel Limited (w.e.f. 13 February 2018)
42. Milloret Steel Limited (w.e.f. 8 March 2018)
43. Creixent Special Steel Limited (w.e.f. 27 February 2018)
44. Dolvi Minerals & Metals Private Limited
45. Dolvi Coke Projects Limited
46. JSW Realty & Infrastructure Private Limited

4.2.2. Jointly controlled entities:

47. Vijayanagar Minerals Private Limited
48. Rohne Coal Company Private Limited
49. Geo Steel LLC
50. JSW Severfield Structures Limited
51. JSW Structural Metal Decking Limited
52. Gourangdih Coal Limited
53. JSW MI Steel Service Center Private Limited
54. JSW Vallabh Tinplate Private Limited
55. Accialtalia S.p.A. (w.e.f. 30 November 2016)

91%
Capacity Utilisation

With rising spends in infrastructure projects, the medium-term demand growth outlook is quite constructive

5. Capital Expenditure Plan

FY18 marked a turning point for the domestic steel demand growth for the country, as elasticity of steel demand growth to GDP growth went back to >1x after more than 5 years. With rising spends in infrastructure projects, the medium term demand growth outlook is quite constructive. At the same time, with a 91% utilisation in FY18, there is an opportunity to expand capacity to participate in the strong India growth story.

With a strategic objective of augmenting the incremental capacity creation at a low specific investment cost so that they remain returns accretive, the Company has approved certain key new projects in addition to the existing capex pipeline to achieve the following:

- Expand overall steelmaking capacity from 18 MTPA to 24.7 MTPA by March 2020.
- Enrich the product mix with 3.2 MTPA additional downstream capacity.
- Backward integration projects to achieve cost reduction.

The new projects that would be undertaken are explained in detail in the operational review section

The overall estimated capex plan of ₹ 26,815 crores announced last year, is expected to be enhanced by ~₹ 17,600 crores to implement the above new projects. Overall, the Company is now implementing a cumulative capex pipeline of ₹ 44,415 crores over a 4 year period between FY18 to FY21. With spend of about ₹ 4,700 crores in FY18, the Company plans to spend the balance ₹ 39,715 crores over the next 3 years. These projects are planned to be funded by a mix of debt and internal accruals in such a manner as to keep the overall leverage ratios within the targeted threshold levels of 3.75x Net Debt/EBITDA and 1.75x Net Debt/Equity. The Company's capital investment cost is among the best in the industry at less than $600 per MT. The Company has a successful track record of executing project within the planned time-line as well as budget.

12 MTPA
Capacity at Vijayanagar Works

The Vijayanagar plant is counted among the world's most efficient steel production facilities in terms of conversion cost

6. Operational Review

6.1. Vijayanagar Works

Vijayanagar Works is the largest plant of JSW Steel with a total capacity of 12 million tonnes per annum. The facility is located 380 kilometres from Bengaluru at Toranagallu village in North Karnataka, in the Bellary-Hospet iron ore belt. It is well-connected to both Goa and Chennai ports. It is a fully integrated steel plant with a well-developed township. The Vijayanagar plant is counted among the world's most efficient steel production facilities in terms of conversion cost. This plant manufactures a wide range of steel products in the flat and longs segments.

The Vijayanagar facility has been the first mover in India in many areas. It was the first integrated steel plant in India to:

a) Reach 12 MTPA capacity at a single location
b) Use Corex technology for hot metal production
c) Set up iron ore beneficiation facility
d) Implement pellet making technology based on both dry and wet process
e) Having combination of both non-recovery and recovery types of coke ovens

Other distinctive features of the plant include:

a) Largest single location integrated steel plant in India
b) Fastest growing steel plant in India
c) Highest manpower productivity in India
d) Highest growth rate in automotive steel sector in India
e) Widest and largest hot strip mill in India

6.1.1. Capacity expansions roadmap and key projects

PARTICULARS	CURRENT CAPACITY (MTPA)	TARGETED CAPACITY (MTPA)	TIMELINE
Ramp up total capacity	12	13	December – 2019
Product-category wise break-up			
Flat Products	8.2	8.8	December – 2019
Long Products	2.8	4.0	July – 2019
CRM1 complex capacity expansion	0.85	1.8	December – 2019
Colour Coating line	-	0.3	October - 2019

Upstream Projects – Augmenting crude steel capacity at Vijayanagar to 13 MTPA

The Company, in the last year, had announced a plan to revamp and up-grade capacity of Blast Furnace-3 at Vijayanagar, post which the higher cost BF-2 would have been ramped down keeping overall capacity at Vijayanagar at 12 MTPA. Considering the prospects of strong steel demand outlook, JSW Steel now plans to modify and enhance the capacities of Steel Making Shop and capacities of flat and long products mills with allied facilities to utilise the additional hot metal.

Capacity up gradation of SMS-3 at Vijayanagar Works from 1.4 MTPA TO 2.8 MTPA:

To handle the additional hot metal at the 13 MTPA stage, the SMS-3 would be upgraded up to 2.8 MTPA by adding associated facilities.

Capacity up gradation of HSM-1 at Vijayanagar Works to 3.8 MTPA:

HSM-1 at Vijayanagar works is to be revamped and upgraded to achieve 3.8 MPTA, by upgrading the reheating furnace and allied facilities.

New Wire Rod Mill No.2 at Vijayanagar Works:

To process additional Billets at the 13 MTPA stage, a new Wire Rod Mill of 1.2 MTPA capacity would be installed.

Cost reduction projects and manufacturing integration:

Setting up of 8 MTPA pellet plant and 1.5 MTPA coke oven plant at Vijayanagar: The Company has decided to set up an 8 MTPA pellet plant at Vijayanagar to strategically reduce the dependency on more expensive lump iron ore. The Company has also decided to set up a 1.5 MTPA coke oven plant at Vijayanagar to bridge the current and expected gaps in coke availability. Both these projects are expected to provide significant cost savings and are likely to be commissioned by March 2020.

6.1.2. Initiatives undertaken in FY18

a) **Project Deep Drive**

JSW Steel implemented multiple cost optimisation initiatives under 'Project Deep Drive' at various business critical departments (logistics, agglomeration and iron making, steelmaking, rolling mills, power and others) leading to substantial cost savings. Deep Drive follows the signature 4i methodology of 'Identify-Ideate-Implement-Institutionalise' to sweat out additional saving potentials in the system and trigger innovation.

b) **Cost reduction using Overall Plant Effectiveness (OPE) Loss Tree methodology**

OPE Loss Tree was introduced in FY18 in key production units to capture various loss elements due to lower availability, lower rate of production and poor quality. Specific cross-functional projects were taken up to address major loss elements. Improvement projects under the 0757 framework were also taken up to reduce various wastes and unearth cost benefits.

SR. NO.	MAJOR OPE IMPROVEMENT PROJECTS IN FY18
1	Modification of Green Mixture to improve productivity of Sinter Plant 3
2	Reduce repair time of Noduliser of Sinter Plant 3
3	Increase finishing throughput of BRM1 and BRM2 for export rolling
4	Reduction in baby coil scraps in CRM1
5	Decrease in roll change time in BRM2

c) **Leveraging IT for cost management**

IT has become an indispensable tool for informed and holistic decision-making. It further helps to improve visibility and provide the requisite information to the management. JSW Steel has implemented various IT modules to drive efficiencies across various functions ranging from optimising the raw material blend to elimination of manual intervention in roll change sequence, among others.

6.1.3. Highlights of FY18

This was the best year for Vijayanagar Works as the plant accomplished many firsts in terms of productivity.

- Improved capacity utilisation of compared to earlier years
- Operationalised the Tunga iron ore mines
- Added 47 new steel grades – 41 in flats products (mostly automotive steel) and 6 in long products
- A pouring station of capacity 10,000 TPD at SMS-1 for to handle torpedo and 140 T open-top ladles were commissioned to enhance steel melting shop productivity and casting capacity.
- Movable KR station at SMS-1 for pre-treatment (desulphurisation) of hot metal as required for producing special steel grades and silicon steel was commissioned
- HR Slitter line of 0.75 MTPA capacity at HSM-2 to cater to customer's requirement of HR black, HRPO, HRSPO and BH grade steel in narrow width was commissioned
- 11 patents were filed – six being product-based and five process-based and four patents were granted

6.1.4. Priorities for FY19

- Operationalisation of the remaining four mines (of the five acquired in the previous year in auction)
- Setting up of Pipe conveyor system to enable the transportation of iron ore to the plant.

- New water reservoir with a storage capacity of 32 million cubic meters, to meet the water requirement at Vijaynagar
- Participation in Iron ore and coal mine auctions to ensure sustained raw material availability for manufacturing

6.2. Dolvi Works

Located on the Western coast in the state of Maharashtra, Dolvi is the second largest facility at JSW Steel. With a current 5 MTPA capacity, the plant is undergoing a ramp-up and in the next three years, this capacity will double to 10.7 MTPA. This strategically located plant is also connected to a jetty that has a cargo handling capacity of 15 MTPA. The facility is also the only primary producer of long products in Western India.

Substantial quantum of HR Coils produced in Dolvi is directed towards JSW's downstream facilities for value addition. From automotive and industrial to consumer durables, Dolvi manufactures products that meet the needs of multiple sectors.

6.2.1. Highlights of the facility

a) Dolvi Works is India's first to adopt a combination of Conarc Technology for both steel-making and compact strip production (CSP), aiding the production of hot rolled coils.

b) CO_2 emissions at Dolvi Works is one of the lowest among the steel plants in India. All the existing projects within the facility are compliant with the Indian standards for emissions.

c) Dolvi caters to JSW's downstream facilities. 90% of its production is sold in Maharashtra The plant's bar mill is the highest speed bar mill at a worldwide scale.

d) The plant is situated in close proximity to the Arabian Sea coast and this is a significant advantage for the Company. It provides easy access to the port, leading to cost reduction in logistics.

6.2.2. Capacity Expansion Roadmap and key projects

PARTICULARS	CURRENT CAPACITY (MTPA)	TARGETED CAPACITY (MTPA)	TIMELINE
Ramp-up total capacity	5	10.7	December 2020*
Product-category wise break-up			
Flat Products	3.5	8.5	December 2020*

*to be commissioned between March 2020 to December 2020.

Augmenting Crude Steel capacity at Dolvi to 10.7 MTPA

In beginning of the year, JSW Steel announced that steelmaking capacity at Dolvi Works would be increased from existing 5 MTPA to 10 MTPA. The major facilities included in the project are a 4.5 MTPA Blast furnace with 5 MTPA Steel Melt Shop, 5 MTPA Hot Strip Mill, 5.75 MTPA Sinter plant, 4 MTPA Pellet plant, and 4 Kilns of 600 TPD LCPs.

The expansion project at Dolvi to 10 MTPA is currently under implementation. In order to effectively utilise the steel making and casting capacity, the Company has decided to increase DRI capacity at Salav to 1.6 MTPA (from existing 0.9 MTPA) along with augmentation and modification of Steel Melting Shop at Dolvi for hot charging of DRI. This project is expected to be commissioned by March 2020. With this, the crude steel capacity at Dolvi would increase to 10.7 MTPA.

Phase-2 Coke Oven plant of 1.5 MTPA under DCPL:

The Company through its subsidiary, DCPL would set up a second phase of 1.5 MTPA coke oven plant along with CDQ facilities to cater to the additional coke requirement for the crude steel capacity expansion to 10.7 MTPA at Dolvi. This project is expected to be commissioned by June 2020.

Setting up 175 MW and 60 MW power plants at Dolvi:

The Company will set up power plants of 175 MW and 60 MW to effectively utilise flue gases and steam generated from CDQ, which will lead to savings in power costs. These power plants are expected to be commissioned in March 2020.

6.2.3 Key Initiatives during the year

a) Leveraging IT for driving plant and logistics efficiencies

Digitisation has been instrumental is driving efficiencies across the JSW value chain. At Dolvi Works, there were two focus areas for digitisation in FY18, as given below.

- Tracking of material movement between port and the facility – Using location-based tracking, the logistics movement to and from the plant and port can be monitored real time. Apart from bolstering diligence, this measure also results in identifying bottlenecks and safety issues that require immediate attention.

- Improving energy efficiency through real-time systems – Integrated steel plants like Dolvi Works require meticulously planned energy management systems. Efficient energy management helps ensure optimal production levels and lower costs. At Dolvi Works, technology-enabled systems assist in real-time monitoring and distribution of requisite energy to the multiple facilities at the plant.

b) Research and development (R&D)

During the year, five patents (three process and two product) were filed and one process patent filed earlier was granted.

6.2.4 Highlights for FY18

- Installation of 500 TPD Vapour Pressure Swing Adsorption (VPSA) for increasing oxygen enrichment and ramp up hot metal production at blast furnace
- Addition of the sixth strand billet caster to the existing machines to enhance the productivity
- Waste heat recovery system installed at Sinter Plant-2 by utilising the waste heat from the sinter cooler by generating 20 TPH steam
- Safety remains a priority area at Dolvi and FY18 saw a decline in the LTIFR. To further explore and improve safety practices in and around shop floor, the Company has entered into a partnership with global consultants DuPont
- Developed/customised new 17 grades

Key sustainability projects

The Dolvi unit is handling two major and unique Corporate Social Responsibility projects as detailed below.

- Mangrove restoration initiative – Mangroves act as the intermediate ecosystem between land and marine water. The buffer provided by the mangroves have been depleted in the recent past due to human-induced activities. This has caused flooding of the farmlands and destruction of the local ecosystem. As a socially committed organisation, JSW Steel has undertaken a large-scale initiative to restore mangroves to their pristine state with a project duration of three years. At present, over 5,000 hectares of land and over 7,800 people have been positively impacted. Over a lakh nursery plants have been developed and planted.
- Large-scale afforestation initiative–To spread the green cover and foliage near the plant's area of operations, JSW Steel has embarked on a journey of planting a million trees in Dolvi and surrounding areas. While the community can reap the benefits of increased plantation, the initiative also helps JSW Steel to ensure sustainable operations in the area.

Both these initiatives are aimed at restoring natural diversity and directly involve the local community stakeholders in executing the projects and reaping their benefits.

6.2.5. Priorities for FY19

- Conversion of the existing Lime Calcination Plant 1, 2 and 3 from pulverised coal to mixed gas (BFG + COG) to improve the productivity and quality of lime
- Construction of new centralised stores with Automatic Storage Retrieval System to cater to the requirement of 10.7 MTPA
- Construction of pellet-covered shed to guard the iron ore fines from monsoon to reduce moisture levels.
- Mechanisation of coal yard by retrofitting with yard equipment and conveyor systems
- Augmentation of pipe conveyor to railway siding for shifting the coke (0.6 MMTPA) to JSW Steel Vijayanagar by rake
- Construction of coil storage shed for the storage and dispatch of hot-rolled coils and TMT bars
- Laying of 1.1 metre diameter raw water pipeline from Nagothane intake pump house to Dolvi to cater to the requirement of 10 MTPA
- Conversion of the existing slag grinding mill to coal mill for increasing coal injection in the blast furnace, which will result in cost savings by reduction in coke consumption
- SMS Gas Cleaning Plant improvement by enhancing suction capacities and modification of bag house, which will improve productivity and control dust emissions

6.3. Salem Works

Salem Works is India's largest special steel plant with 1 MTPA capacity and produces about 850 special grades of steel. It is distinguished as a leading virgin special steel producer with 100% waste utilisation. The plant is a major supplier to auto components and is a market leader for manufacturing special grade steel used in gears, crank shafts and bearings.

The strategic location of the Salem plant allows it to cater to the needs of the major auto hubs in southern India. Located nearly 340 km from Chennai and 180 km from Bengaluru, it is well connected through railways, highways and ports, which facilitates the transportation of raw materials and finished products.

6.3.1 Highlights for FY18

- Caster III Project with 3 Strands commissioned successfully to handle casting sections.
- Sliding Stand at BRM commissioned successfully to handle higher sections
- Coil Annealing with capacity of 48,000 TPA has been commissioned for value added end products
- Second Billet grinding machine has been set up during the year to improve quality of billets for Cold head quality and free cutting steels
- Developed/ Customised 9 new grades mostly in automotive components

6.3.2 Priorities for FY19

- Pre & Post Pickling Treatment with capacity of 84,000 TPA for BRM products
- Bar Annealing with capacity 18,000 TPA for further value addition
- CPP 3 with 30 MW is under erection
- Stove upgradation in BF 1 to improve Hot Blast temperature
- Third Billet grinding machine

48,000 TPA
Coil annealing capacity commissioned

At JSW Steel, it is a constant endeavour of the team to maximise the use of hot air and gases generated during the various processes and to minimise the consumption of fossil fuels.

7. Energy Management

Power consumption is quite high in steel plants due to their various manufacturing processes. The steel manufacturing process comprises exothermic reactions, which generate significant heat that can be recycled and put to optimal utilisation. At JSW Steel, it is a constant endeavour of the team to maximise the use of hot air and gases generated during the various processes and to minimise the consumption of fossil fuels. This leads to significant savings in energy costs for the Company and helps reduce environmental footprint.

The outcome of such measures are explained below.

7.1. Vijayanagar Works

a) Burner replacement of captive power plants no. 3 and 4 to replace usage of coal with gas to reduce fuel consumption

b) Utilised of 100% gases generated in Corex

7.2. Dolvi Works

a) Dolvi Works initiated the use of coke oven gas (COG) in place of natural gas (NG) at following locations to improve energy/cost efficiency during FY18:

- Partial replacement of NG for production of DRI, results in saving of 24,212 KNm3 NG
- 100% NG is replaced with COG at Tunnel Furnace for slab heating, leads to saving of 30,293 KNm3 NG
- Commissioning of Bar Mill on mixed gas
- COG consumption in SMS ladle preheater in place of NG resulted in saving of 1,040 ksm3/annum.

b) Implementation of online air fuel ratio logic at CPP, resulted in reduction of CPP heat rate by 2.8%.

c) Revamped Sinter plant # 1 for waste heat recovery boiler to generate 7 TPH steam

d) Installed waste heat recovery boiler at Sinter Plant 2 to generate 20 TPH steam

e) Reduced gaseous heat rate of Bar Mill from 0.45 Gcal/tp (in FY16/17) to 0.30 Gcal/tp

f) Increased power plant generation by 10.65% through usage of mixed gases.

7.3. Salem

- Maximised steam generation through additional waste heat recovery boilers (WHRB # 4 and #5) resulting in reduction of coal consumption
- Effective usage of hot metal production, by reducing the pig iron production resulted in savings of 0.12 Gcal/TCS
- Minimised fuel, power and BF gas consumption at blast furnace through optimisation of production between Blast Furnace #1 & #2, and usage of higher sinter percentage
- Optimised process at 150 TPD Air Separation plant resulting in savings of 45,000 kwh/month
- Reduced power consumption in furnace -1 through installation of energy efficient motors with regenerative drive for EOT Crane, energy efficient motor with drive in hydraulic system, 6.6kv drive in ID fan motor resulted in savings of 1,59,000 Kwh/month
- Saved energy in auxiliary cooling water pumps at CPP#2 through coating of pump internals resulted in savings of 8,300 Kwh/month
- Utilised waste heat from Non-Recovery Coke Ovens effectively through waste heat recovery boilers

8. Procurement

Raw materials and logistics continue to occupy the majority share of the steel industry's cost and hence backward integration and raw material security are key components of the JSW Steel's future strategy. JSW Steel believes that securing critical raw materials, either for sale on the global market or for direct use at its facilities, will help protect the Company from variations in raw material prices. Over the past few years, JSW Steel has instituted a strategy of diversifying its raw material sources. As a result, the Company believes it can strike the right balance between sourcing key raw materials and optimising input blend and cost.

During FY18, input costs witnessed a hike and JSW Steel neutralised the cost push partly owing to technology, continuous innovations and strategic procurement.

8.1. Iron ore

Iron ore is the key raw material for steel production. JSW Steel's strategy is to participate in more iron ore mines auction to bolster backward integration.

Iron ore procurement remains a key area of focus. Given the Company's upcoming capacity expansions, its requirement for iron ore is expected to grow. The Company procures iron ore from the third party sources through an optimum mix of domestic purchases and imports. In the case of Vijayanagar and Salem, the majority of the iron ore are sourced from within the State of Karnataka. The Dolvi's iron ore requirements are met from iron ore sourcing from State of Odisha and imports.

Further to address uncertainties in iron ore supply, JSW Steel has relied on in-house beneficiation technology to transform low grade iron ore into higher grade usable inputs. In addition, a strategy of ensuring raw material supply security from various regions is being pursued.

At present, differential pricing maintained for the state of Karnataka relative to that of prevailing in Odisha, is a key issue for the JSW Steel as the Company's largest plant (Vijayanagar Works) is situated in the state. During the year, the domestic prices were not in line with global levels and the benefits of competitive iron ore prices did not materialise for the Company.

Thus, to ensure the consistency of raw material supply and to maintain control over input costs, backward integration is adopted as the way forward for JSW Steel. JSW Steel will continue to evaluate additional raw material assets that fit within its strategic criteria and intend to look for further opportunities in India and abroad to secure key raw material supplies and to reduce its cost of production by targeting strategic tie-ups and investments in new technologies to achieve further backward integration. JSW Steel believes this will further enhance the raw material security of the Company and lead to integrated and efficient operations.

Towards this effect, five mines in Karnataka were acquired in the previous fiscal pursuant to the auction conducted for iron ore mines in the State of Karnataka. One of these mines has become operational during the year and the remaining iron ore mines are expected to start functioning within the next financial year. These mines have an estimated reserves of ~111 million tonnes, which meets approximately 20% of the total requirements of iron ore at Vijayanagar.

8.2. Coal

Coal is another major raw material for steel manufacturers. During FY18, coal prices remained bullish for major part of the year, but it started to stabilise by the year end. There were not many weather disruptions throughout the year. JSW Steel was able to mitigate the impact of coal pricing to some extent owing to an optimal procurement strategy and blend management.

At JSW Steel, its in-house and state-of-the-art blend management system ensures that the Company's dependence on premium coking coal is minimised. The process keeps the Company's operating parameters at peak levels and blends semi-softs, anthracites and other lower-grade coals to be used in coke ovens in place of premium coking coal.

With the pricing mechanism in world coking coal markets shifting from annual to quarterly to monthly to index, JSW Steel has had to alter its buying pattern ratio of periodic and spot material to remain competitive. JSW Steel now analyses market dynamics to maximise cost benefits without compromising on technical specifications. Similar developments have been witnessed in sourcing thermal coal and other products. Some of the key strategies for coal procurement are as follows:

- New sources of thermal coal reduced single source dependency and unit cost of power generation
- Coal blend stabilisation: This was achieved by rationalising carbon bearing material and improving input quality in coke ovens. This has led to a significant reduction in the cost of production and decreases the overall consumption of coking coal

  With the introduction of new sources of imported raw material, strategic sourcing has achieved goals such as uninterrupted production, controlled inventory levels, diversified risks, reduced costs and enhanced bargaining strength.

Further, the JSW Steel risk management policies attempt to protect business planning from adverse commodity price movements of iron ore and coal. Accordingly JSW Steel also hedges commodity price exposures. Commodity hedging is undertaken as a risk offsetting exercise.

The Company has secured the Moitra coking coal block via an auction process. This mine has total extractable coal reserve of around 30 MnT; and the coking coal mine is in advanced stage of development.

9. Quality management

Quality is elemental to every activity at JSW Steel and consistent quality improvement has become a habit for the entire team. The Company periodically invests in cutting-edge technologies, people practices and process enhancements to enhance its quality and stay ahead of the peers.

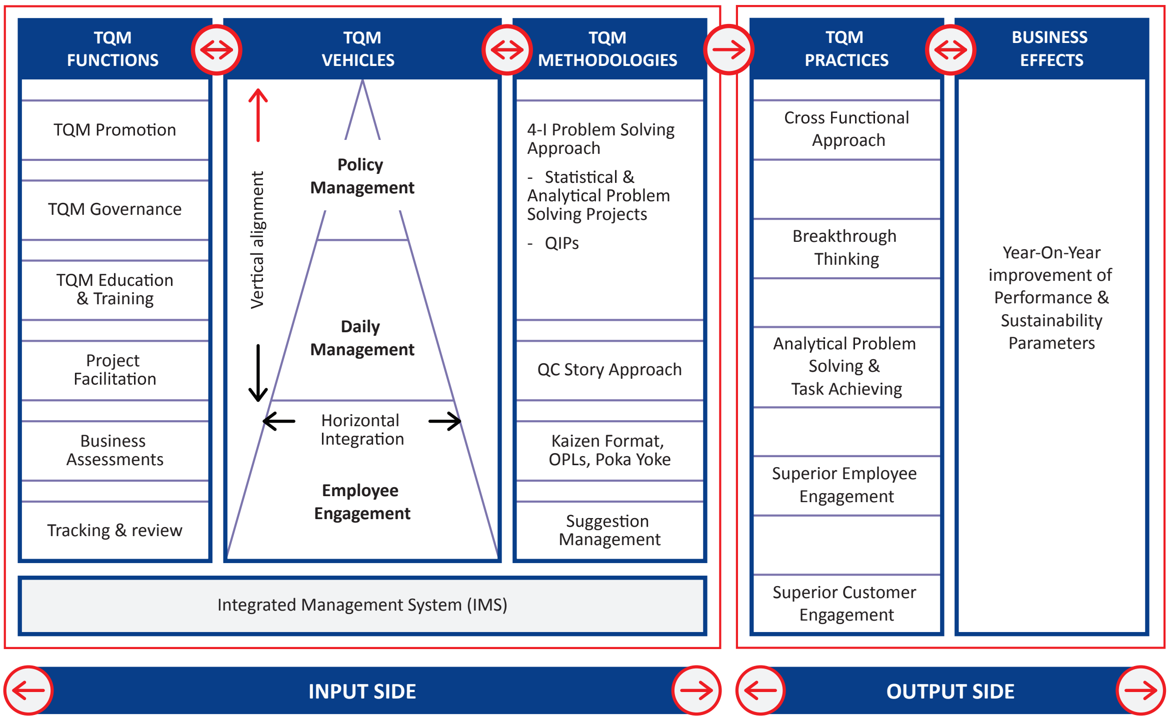
9.1. TQM – Deming Journey

JSW Steel is on a Total Quality Management (TQM) journey for attaining quality excellence with all ISO-certified facilities and multiple plants applying for the coveted Deming prize.

JSW Steel's Vijaynagar and Salem Works successfully qualified the TQM diagnosis in the July – September period of FY18. Moreover, the Company has submitted the application for Deming Challenge in March 2018 to Japanese Union of Scientists and Engineers (JUSE), Japan. Additionally, Dolvi Works has begun the Deming journey and aims to achieve the status by 2020.

JSW Steel's plants have end-to-end, cross-functional quality assurance system, which has become a true hallmark. The Company's focus on quality has helped its multiple facilities achieve both internal and external recognitions such as the ICQC Award for quality and the CII EXIM Award for Business Process Model.

Integrated TQM framework at Vijayanagar Works



10. Talent Management

JSW Steel continues to build a meritocracy, ready to embrace new competencies for a sustainable future. The Company firmly believes that their strong employee base builds competitive advantage. The talent management team at JSW Steel aligns its policies with the refreshed Human Resource vision, values and purpose to transform boardroom strategies into business realities.

10.1. Learning & Development – People and Skills

Learning and development continue to be a key employee value proposition for JSW Steel, as it remains committed to implementing new training methodologies for its people. The Company imparts training across all departments through structured initiatives that revolve around the organisation's 'BUILD FOR TOMORROW – STRATEGIC PILLARS'.

During FY18, JSW Steel employees underwent systematic learning interventions focussing on the next role of capability building, leadership and enhancement of functional skills. These training sessions captured the learning needs of people from the annual performance management discussion, which is designed around three pillars of capabilities - career, competency, and leadership.

10.2. Project Lakshya

JSW Steel aims to inculcate a high-performance work culture across all levels of the organisation. It has thus initiated Project Lakshya, a learning intervention for workmen-level employees in all plants. The intervention includes topics like driving self-motivation, time management, building the right habits, power of thinking, communicating with purpose, effective communication skills, presentation skills and conflict management. The Company covered 1,500 employees across plants through Project Lakshya.

10.3. Future Fit Leaders

The Company has a robust framework to build a future-fit talent pool. It further endeavours to empower its team to take the organisation into the new level of growth and sustainability, while at the same time, driving career aspirations.

In FY18, the team identified 97 Future Fit Leaders (FFLs) from various business segments. A comprehensive capability development programme was designed and implemented for accelerating the progress of the FFLs. The development programme comprised classroom learning from ivy-league schools and on-field assignments. Additionally, the Company also commissioned systematic development programmes for ~1,319 high performers who underwent training at the development centre.

10.4. The IIM-A Executive Education programme focus

The primary objective of JSW Steel's IIM-A Executive Education programme is to prepare each participant for executing multi-faceted responsibilities of leadership roles at the Company. This programme provides a unique opportunity for both personal and professional growth. It allows the candidate to develop knowledge and insight and expand the breadth of perspective, cultivate leadership skills and inculcate strategic mindset.

10.5. JSW Springboard – Next Steps

1) Women Leadership Programme

The Company believes in promoting diversity at work and thus wants to encourage women leaders at JSW Steel. The Women Leadership Programme is a structured need-based development journey for high-performing female employees, which will be piloted by IIM Bangalore.

2) Gender Sensitisation Workshops

Gender sensitisation is a very important aspect in the Company's vision to add more women leaders to the organisation. Gender sensitisation workshops will be conducted for the leadership team and all line managers with women employees in their teams. These workshops will address the concepts of diversity and inclusion for managers while focussing on behavioural changes.

3) Building & Strengthening Performance Conversation

At JSW Steel, process and performance improvements are priorities and the Company views performance conversation as a catalyst for overall performance improvement. The entire capability development programme was based on the Great Place to Work survey results and the manager feedback report. These workshops help participants develop essential skillsets for more effective leadership roles in the Company.

4) Candid Conversation – A Platform to interact with JSW Leaders

Face-to-face open discussions help build strong relationships and ensure lifelong connections. Keeping the same in mind, JSW Steel has created a two-way communication platform named 'Candid Conversations' to enable greater interaction between its employees and leaders.

5) Pre-Retirement Workshops

Driven by the philosophy of 'Better Everyday', JSW Steel is taking a step ahead in enhancing employee lives even post retirement. The Company launched pre-retirement workshops for its retiring employees and their spouses to prepare them for the changes during and after retirement. These workshops also encourage them to explore new opportunities post retirement.

10.6. Fresh Talent – JSW Campus Engagement

The Company is focussed on widening its footprints across India's top college and university campuses through its Undergraduate Internship Programme, Summer Internship Programme and Management Internship Programme. JSW Steel has successfully established a strong presence among the Tier I engineering and management institutes, while its Undergraduate Internship Programme has gained significant traction among the most Tier I campuses. Interns absorbed through this programme further undergo the Graduate Rotation Programme comprising four months of training and two sets of rotations.

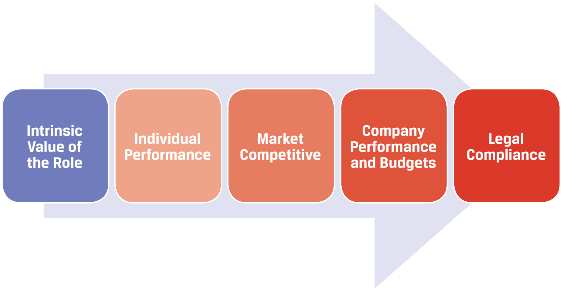
2018 Internship Programme

PROGRAMME DETAILS	SUMMER INTERNSHIP PROGRAMME	MANAGEMENT INTERNSHIP PROGRAMME
Campus Category	Tier I	Tier I
Degree	B.Tech/ B.A/ B.Com/ B.Sc/ B.A./ LLB	MBA
Number of campuses targeted	16	10
Campus List	IIT-Delhi, IIT-Mumbai, IIT-KGP, IIT-Kanpur, BHU, Roorkee, Gandhinagar, Madras, BITS Pilani, VJTI, LSR, SRCC, St. Stephen's, FLAME, GLC, Symbiosis	IIM – Ahmedabad, Bangalore, Calcutta, Indore, Lucknow; MDI, IIFT, FMS, JBIMS, XLRI
Batch Size	33	23
Internship Duration	8 Weeks	8 Weeks
Applications Received	3,500 and above	2,700 and above

10.7. Great Places to Work – Trust Impact Tool

Great Places to Work (GPTW) survey was completed at JSW Steel in December 2016. It provided deep insights into the pulse of the JSW Steel employees. The survey was conducted across the Group and covered more than 16,000 employees through both online and offline mode. The same led to discovery of various scores across demographics and their relative comparison with Top 100 companies, as well as the best in manufacturing industry. Improvement areas were identified and the Company is working diligently on them to deliver desired results.

10.8. Employee Compensation & Benefits



10.8.1. Tenets of JSW Employee Remuneration Policy

JSW Steel is a performance driven organisation that recognises and rewards good performance while focussing on employee retention and career growth. The Company provides its people competitive remuneration and regularly conducts studies to understand the trends in executive and employee pay positioning in steel and related industries.

The Company's remuneration programme is designed to attract, motivate and retain employees. It has a salary pay mix with appropriate performance incentives for managers and executives. At JSW Steel, employees share both risk and wealth creation with the Company in the form of long-term incentive plans. JSW Steel's future focus will be to further strengthen its performance-based pay philosophy. The Company has also launched initiatives like flexible compensation, encouragement for participation in National Pension Scheme (NPS) and retiree health insurance.

10.9. Performance Management

JSW Steel's performance management process is a continuous journey to achieve the following four fundamentals

Driving Performance Culture	Driving **Performance Culture** for Greater Shareholder value creation
Fairness & Transparency	**Drive fairness & transparency** by consistently communcating and interacting with all the relevant stakeholders
Feedback & Communication	**Continuous feedback** and communication (both formal and informal) between manager and employee
Performance Differentiation	**Differentiation of Talent** based on performance

Performance review is a three-step process in JSW Steel. It begins with the setting of organisational goals, aligning teams and individuals to the Company's objectives, strategies and processes and includes monthly review of goals and achievements with corrective actions. The employee then selects the specific JSW competency, which he/she needs to build upon and finally chooses his/her individual development plan.

10.10. JSW HR Digitisation

In the last few years, JSW Steel has adopted several collaborative initiatives to develop and connect various functions of the Company with its HR functions to facilitate improved decision-making.

During FY18, the Company adopted the following digitisation initiatives for HR:

i. Launched online learning module for all employees across the Group with support from the digitisation partners Success Factors while it conducted courses and training in association with Harvard Manage Mentor and Skillsoft.

ii. Installed contract workforce management, which is currently underway in partnership with an industry expert.

iii. Unveiled a single website with Single Sign On (SSO) access in the form of JSW intranet for all employees across the group.

iv. Shifted performance management system to more user-friendly and agile Success Factors system

v. Commenced work on digitising the compensation management system for all group companies across locations and for employee expense management system with our partners Success Factors and Expenzing.

11. Information Technology

Information technology (IT) is critical in integrating JSW Steel's diverse operations and helps enhance the value proposition of the business. The Company has commissioned several projects to further strengthen and enhance IT penetration within its procedures, as IT facilitates disciplined processes and enables faster decision-making. The Company leverages ERP solutions for its business operations, which are based on the SAP platform that empowers smooth data collation, decision-making, MIS and data security.

JSW Steel persistently strengthens its IT architecture to implement important initiatives, and thereby aligns its business processes to dynamic sectoral and economic realities.

During FY18, the Company's GST roll out was implemented successfully with entire set of systems reconfigured for the new tax regime. It further dynamically undertook subsequent modifications upon receiving change notifications.

11.1. IT-Business Initiatives

During FY18, the Company implemented several IT initiatives to enhance efficiencies, automation and digitisation of its core processes:

a) Modernised various MES systems phase-wise at different steel plants.

b) Enhanced customer-centricity and enabled all round customer focus through a leading customer relationship management solution that is being deployed, which will ensure the sales force is more responsive to customer needs.

c) Ensured two-way communication between the Company and its customers through a web- and app-based customer portal that is being developed.

d) Strengthened HR processes further with best-in-class solution for all employee processes from hire to retire (including recruitment, on boarding, performance management, e-learning, and exit); compensation management/career development and succession planning through IT-based processes is also underway for FY19.

e) Designed comprehensive contract workforce management system to efficiently manage the workforce; deployment for steel plants has already started and will end for all plants within FY19.

f) Digitised all mining processes using the most modern digital technologies – the digital mining processes will be extended to all mines as and when they are scheduled to get operational.

g) Approved the critical technical architecture initiative of migrating the base SAP platform and the process is currently on, which will be completed in FY19; an analytics platform will also be deployed along with it.

h) Reinforced cyber security through multiple projects, which are underway.

i) Created the architecture strategy for JSW Steel to migrate from SAP base platform to HANA, enabling SAP to become the digital core; the new architecture will be realised by the end of FY19 and multiple architecture projects are currently in progress.

j) Implemented the distributor management system for secondary sales in the retail segment.

k) Deployed multiple projects enhancing process efficiency and data visibility like exports and imports documentation management; Total Quality Systems and portals; advances planning and optimisation projects for providing delivery commitment to customers; order management solutions, legal case management solution and others – all in different stages of completion.

11.2. Digital Initiatives

During FY18, JSW Steel incorporated digitalisation in critical areas of manufacturing operations, supply chain, and sales and marketing. It collaborated with global firms to facilitate a smooth digital journey.

JSW Steel's digital project has the following critical components:

a) Governance setup for digital projects

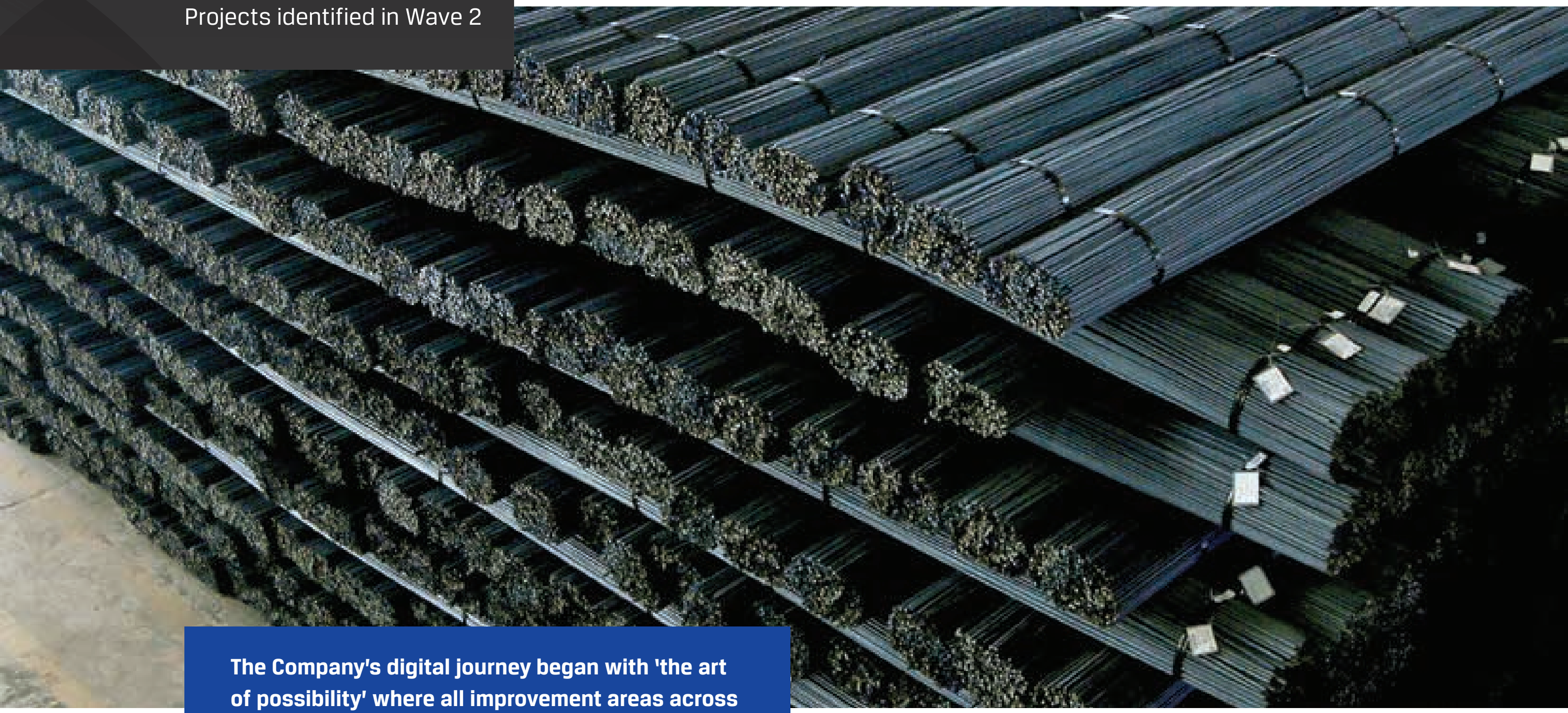
b) Establish a dedicated digital Centre of Excellence

c) Identification of projects in Wave 1 and Wave 2

The Company's digital journey began with 'the art of possibility' where all improvement areas across the businesses were identified and consolidated. JSW Steel applied scientific criteria to shortlist projects and understand the applicability of digital levers, ROI, impact and delivery period. These projects went through an approval process and became digital projects for delivery and were named Wave 1 projects. Similarly, Wave 2 was run to arrive at further projects and ~35 such projects were identified having significant impact on the bottom line.

The projects will deploy Internet of Things, value in use, optimisation tools, data modelling and analytics to solve the business issues. The digital journey, at JSW Steel, will continue in FY19 with the addition of 2-3 critical processes to improve the bottom line.

~35
Projects identified in Wave 2



The Company's digital journey began with 'the art of possibility' where all improvement areas across the businesses were identified and consolidated.

12. Risk Governance

JSW Steel follows the globally recognised 'COSO' framework for risk governance. The Company is aware that recognising and identifying emerging risks to mitigate them is a critical business activity. It has a robust risk management framework that identifies and evaluates business risks and opportunities to:

a) Protect the interest of its shareholders and stakeholders

b) Achieve its business objective

c) Enable sustainable growth

Pursuant to the requirement of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations 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 and ensure:

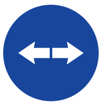
a) Execution of decided strategies with focus on action

b) Monitoring risks arising out of unintended consequences of decisions or actions related to performance, operations, compliance, incidents, processes, systems and the same are managed appropriately

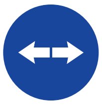
Key risks and the Company's response strategies are detailed below.

Strategic risk(s)

RISK TYPE	MOVEMENT	IMPACT	RESPONSE STRATEGIES
Competitive dynamics & industry Cyclicality	↔	The following can affect sales & margin: 1) Adverse global and domestic demand-supply dynamics 2) Cyclical nature of steel industry 3) Unfair trade practices resulting into surge in imports 4) Trade barriers imposed by other countries like US, Europe.	Company de-risks by - 1) In-house research team tracks macro environment with help of reports of specialised agencies & interactions with all concerned. 2) Due diligence review carried out before dealing with unknown markets. 3) Better market intelligence with inputs from marketing team. 4) Widening and deepening customer reach in domestic & international markets. This gives flexibility in switching over from domestic to export market & vice versa. 5) Broadening product range like CRM, auto grade etc.. 6) Increased Value-added products like galvanised, galvalume. 7) Responsive credit & pricing policy so as to stay competitive.
Marketing	↑	At present, global steelmaking capacity exceeds global consumption of steel products. This often results lower realisation & reduced margins. Company's capacity expansion at Dolvi may be impacted due to lack of market potential for increased volumes.	1) Indian Steel demand expected to grow at 7+% CAGR. The Company expects to increase its domestic market presence & share. 2) Indian steel exports expected to grow due to improving competitiveness in couple of years; which will help Company to improve its exports volume. 3) Company's downstream capacity is being expanded. This will result in additional HR demand from its downstream units. 4) Company's price competitiveness is expected to help in import substitution of HRC in Western region.

RISK TYPE	MOVEMENT	IMPACT	RESPONSE STRATEGIES
Raw material availability & cost		Availability and cost of required grade of Iron ore are impacted by: 1) Global movement and parity of landed cost considering price, freight, tariff and exchange rates. 2) Domestic demand-supply gap, constraints & vendor actions. 3) Govt. Policies on mining, auction of mines and tariff.	1) Company has successfully participated in public auction of mines & bagged 20 years leasing rights of 5 mines (approximate 5 MTPA capacity). The production is expected to start in FY19. This will reduce dependency on State suppliers & other vendors. 2) During last year, company imported iron ore from Brazil & Australia as the landed cost of imports is relatively lower on the concept of value-in-use. 3) Regular tracking of Government policies & announcements for future auctions & regulatory changes in sourcing countries.
Infrastructure & Logistics		Company is in the process of brownfield expansion at its Dolvi plant. Various factors can affect movement of enhanced quantity of inbound raw material & outbound goods like - a) Port congestion, unloading/ loading infrastructure, rail connectivity, channel blockage. b) Storage & material handling (RMHS) system to protect material from exposure to weather thereby its metallurgical property.	Various measures are being taken such as – 1) Additional gates being constructed for smooth movement of vehicular traffic. 2) the rail track length in Rail yard & HSM area is being increased. 3) higher capacity barges / Mini Bulk Carriers (MBCs) being procured for transportation of inbound raw material & outbound finished goods. This will also reduce pressure on road movement. 4) Improving infrastructure facilities at Dharamtar jetty like – increasing jetty length, dredging for deeper draft, additional barge unloaders. 5) Additional storage yards for iron ore fines & coal are being constructed to handle the enhanced volumes.

Operational risk(s)

RISK TYPE	MOVEMENT	IMPACT	RESPONSE STRATEGIES
Availability of water for production		Shortage of water can affect production.	1) Company is proactively developing water storage capacities at its plants to match the increasing water requirement due to capacity expansions. 2) Apart from this, to reduce water consumption, Company is investing in various technologies like- a) Converting water condensers to Air condensers in captive power plant, b) Setting up Zero liquid discharge plants, RO Plants, sewage treatment plants, c) Water reduction in coke production through Coke Dry Quenching (CDQ) technology.
Availability of power for production		Company's proposed expansion at Dolvi would increase the power requirement. Inadequate power supply & network bandwidth may lead to operational interruptions & affect the production.	1) The power required would be met partly through captive from Coke oven / Blast Furnace gases and balance being sourced from JSW Energy, Ratnagiri & MSEDCL through open access. 2) In order to have network bandwidth, 200 KV additional transmission line of 20 kms is planned from Nagothane to Plant.

RISK TYPE	MOVEMENT	IMPACT	RESPONSE STRATEGIES
Environment	↑	Steel making process involves emission of CO_2, dust & other hazardous gases / waste. These emissions pose risk to environment & sustainable growth. India is also a part of Paris agreement (COP 21) which aims at reducing carbon emissions.	1) Company ensures compliance with norms through selecting right equipment, technology, processes, inputs and regularly monitor emissions. 2) Company regularly tracks changes in technology & future norms; so as to plan in advance. 3) Company gives thrust on sustainable products that are safe for consumers. Company has developed products that are environment friendly & safe for usage like high-strength low carbon steel, lesser weight steel used in Auto sector that makes the vehicle lighter which helps in reducing the carbon footprint as well as safety of travellers. 4) Last year, JSW Steel was 1st Indian steel company to get an Environmental Product Declaration (EPD) label for HR steel strip in line with ISO 14025.
Human resource	↔	Human workforce with required skillset & experience is critical for maintaining current level of operations & upcoming expansions at plants.	1) Senior leadership support helps in setting the tone at the top. 2) Company has strong HR policies & processes in place for hiring & retaining of talent. 3) Robust performance management system to reward performers which helps attracting & retaining the talent. 4) Adequate training & grooming for future-fit leadership with specially designed courses from IIM-Ahmedabad & Cornell university, USA. 5) Launched 'SKILLS 2020. programme where in employees have to acquire 10 skills, as suggested by World Economic Forum, through online learning tool over next 2 years. 6) Gender diversity initiative 'SPRINGBOARD' launched for women leadership development.
Information systems	↓	Absence of robust Information security may lead to compromise of confidentiality, integrity & availability of information	Company ensures strengthening cyber security through – 1) Implementation of policies on IT security. 2) Deployment of antivirus / endpoint security at all locations. 3) Creating security awareness amongst employees through e-mails & regular communication. 4) Establishment of Disaster recovery site for SAP-ERP & other critical applications/software. 5) Implementation of SAP-GRC control to ensure segregation of duties & role based access to information.

Compliance risk(s)

RISK TYPE	MOVEMENT	IMPACT	RESPONSE STRATEGIES
Health & Safety		Any safety lapses would result in damage to property, assets & human capital.	1) International consultant 'DuPont' has been engaged for rolling out their international safety standards. 2) All 14 standards are being implemented across all plant locations. 3) Safety has been added as Key Performance Indicator (KPI) for Managers. There is provision of disincentives for any safety breach incidents, accidents reported in the department. 4) Periodic safety training imparted to employees & associates. 5) Mandatory usage of safety gadgets such as safety shoes, helmets, hand gloves, masks on shop floor/ plants. 6) Monthly apex safety meetings are held for review of safety aspect, fatal accidents/near miss accidents, if any. 7) Fire protection systems in place like fire extinguishers, fire tenders, periodic mock drills. 8) Medical facilities, Medi-claim policy cover for employees & their families; Group insurance policy for employees. 9) Strong Security arrangements like security check-post, entry pass / identity cards, access control system, CCTV at critical locations.

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, unauthorised 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.

Directors' Report

To the Members of
JSW STEEL LIMITED,

Your Directors take pleasure in presenting the First Integrated Report alongwith financial statements on the business and operational performance of the Company for the Financial year ended 31 March 2018.

1. FINANCIAL RESULTS

(₹ in crores)

		Standalone		Consolidated	
		FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
I	Revenue from operations	66,234	56,913	71,503	60,536
II	Other income	213	255	167	152
III	**Total income (I + II)**	**66,447**	**57,168**	**71,670**	**60,688**
IV	**Expenses:**				
	Cost of materials consumed	35,995	28,400	38,779	29,749
	Purchases of stock-in-trade	1,063	945	2	-
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	412	(1,390)	244	(1,486)
	Employee benefits expense	1,260	1,168	1,843	1,700
	Finance costs	3,591	3,643	3,701	3,768
	Depreciation and amortisation expense	3,054	3,025	3,387	3,430
	Excise duty expense	1,259	4,623	1,278	4,932
	Other expenses	12,504	11,623	14,563	13,467
	Total expenses	**59,138**	**52,037**	**63,797**	**55,560**
V	**Profit/(loss) before exceptional items and tax (III - IV)**	**7,309**	**5,131**	**7,873**	**5,128**
VI	Exceptional items	234	-	264	-
VII	**Profit/(loss) before tax (V - VI)**	**7,075**	**5,131**	**7,609**	**5,128**
VIII	**Tax expenses/(benefit):**				
	Current tax	1,578	(53)	1,826	152
	Deferred tax	872	1,607	(288)	1,522
		2,450	**1,554**	**1,538**	**1,674**
IX	**Profit/(loss) for the year (VII - VIII)**	**4,625**	**3,577**	**6,071**	**3,454**
X	Share of (loss)/profit from an associate			-	(9)
XI	Share of profit from joint ventures (net)			42	22
XII	**Total Profit/(loss) for the year (IX + X + XI)**	**4,625**	**3,577**	**6,113**	**3,467**
XIII	**Other comprehensive income**				
A	i) Items that will not be reclassified to profit or loss				
	a) Re-measurements of the defined benefit plans	(3)	(16)	(5)	(20)
	b) Equity instruments through Other Comprehensive Income	82	(63)	92	(68)
	ii) Income tax relating to items that will not be reclassified to profit or loss	1	6	2	7
	Total (A)	**80**	**(73)**	**89**	**(81)**

(₹ in crores)

		Standalone		Consolidated	
		FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
B	i) Items that will be reclassified to profit or loss				
	a) The effective portion of gains and loss on hedging instruments	(341)	300	(401)	347
	b) Changes in Foreign Currency Monetary Item Translation Difference account (FCMITDA)	(33)	297	(33)	297
	c) Foreign Currency Translation Reserve (FCTR)	-	-	9	30
	ii) Income tax relating to items that will be reclassified to profit or loss	130	(207)	150	(223)
	Total (B)	**(244)**	**390**	**(275)**	**451**
	Total Other comprehensive income/(loss) (A+B)	**(164)**	**317**	**(186)**	**370**
XIV	**Total comprehensive income/(loss) (XII + XIII)**	**4,461**	**3,894**	**5,927**	**3,837**
	Total Profit /(loss) for the year attributable to:				
	- Owners of the Company			6,214	3,523
	- Non-controlling interests			(101)	(56)
				6,113	**3,467**
	Other comprehensive income/(loss) for the year attributable to:				
	- Owners of the Company			(184)	365
	- Non-controlling interests			(2)	5
				(186)	**370**
	Total comprehensive income/(loss) for the year attributable to:				
	- Owners of the Company			6,030	3,888
	- Non-controlling interests			(103)	(51)
				5,927	**3,837**

The Company has adopted Indian Accounting Standard (referred to as 'Ind AS') with effect from 1 April 2016 and accordingly these financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under Section 133 of the Companies Act, 2013 ("Act") read with the relevant Rules framed thereunder and the other accounting principles generally accepted in India.

2. RESULTS OF OPERATIONS

During the Financial Year 2017-18, the global business cycle turnaround and structural factors provided fundamental support to steel demand. The cyclical upturn for steel broadened and firmed throughout the year leading to better than expected performance from both developed and developing economies.

The structural factors such as supply reforms in China by way of continuing closure of inefficient production facilities and pollution induced production curtailments coupled with strong domestic demand in China lead to lower exports from China. This discipline along with robust steel demand helped improve global steel demand-supply balance. During the year, the steel prices rebounded due to resilient demand and improved steel demand-supply balance.

The steel spread, calculated by subtracting iron ore and coking coal prices from the benchmark HRC price has been improving throughout the year. This improved steel spread coupled with higher volumes enabled the steel industry to deliver improved results in the current year.

Indian steel consumption grew by 7.9% and there was competitive pressure in the domestic market due to a surge in domestic steel production and an elevated level of imports specifically in coated products. Steel consumption grew largely in the second half of the year on the back of the Government's push for infrastructure spending and strengthening consumer demand. In this competitive environment, the Company continued to increase its market share in the domestic market.

This robust domestic demand, focused cost reduction drive and value added special product portfolio helped the Company deliver strong profitable performance and consequently the Company's profitability improved during FY 2017-18.

(A) Standalone Results

Your Company delivered its highest ever production volumes, sales volume, EBITDA and profit after tax during the FY 2017-18.

The Company reported crude steel production growth of 3% y-o-y at 16.27 million tonnes for the full year FY 2017-18. Saleable steel sales volume for the year grew by 6% y-o-y to 15.62 million tonnes, driven by domestic sales.

Revenue from operations for FY 2017-18 stood at ₹ 66,234 crores, up 16% y-o-y.

This revenue was driven by sales volume growth of 6% y-o-y and higher realisations. The Company also progressed well on multiple performance improvement initiatives – from diversified sourcing, optimisation of logistics costs, digitalisation projects driving improvement of yields and productivity. As a result, the operating EBITDA for the year grew by 19% y-o-y to ₹ 13,741 crores. The Company posted a net profit of ₹ 4,625 crores for FY 2017-18 as compared to the net profit of ₹ 3,577 crores for FY 2016-17.

During the year, a subsidiary of the Company has surrendered one of its iron ore mines in Chile considering its economic viability. Accordingly, the Company reassessed the recoverability of the loans given to and investments made in these subsidiaries and recognised an impairment provision of ₹ 234 crores which has been disclosed as an exceptional item in the standalone financial statements.

The Company's net worth increased to ₹ 27,907 crores as on 31 March 2018 as compared to ₹ 24,098 crores as on 31 March 2017. The Company's gearing (Net Debt to Equity) at the end of the year stood at 1.27x (as against 1.53x as on 31 March 2017) and Net Debt to EBITDA stood at 2.59x (as against 3.20x as on 31 March 2017).

(B) Consolidated Results

Revenue from operations on a consolidated basis for FY 2017-18 stood at ₹ 71,503 crores. The operating EBITDA stood at ₹ 14,794 crores, registering an increase of 22% y-o-y. Sales of value-added products grew by 13% y-o-y to 9 million tonnes for FY 2017-18. The Company reported a net profit of ₹ 6,113 crores for FY 2017-18 as compared to the net profit of ₹ 3,467 crores for FY 2016-17.

The performance and financial position of the subsidiary companies and joint arrangements are included in the consolidated financial statement of the Company.

The operational performance at the US operations of both the Plate and Pipe mill at Baytown, as well as the US coal operations, have seen an improvement during the course of the year. In view of the improved operating performance and a strong economic outlook for the USA, the Company during the year ended 31 March 2018 has recognised a Deferred Tax Asset amount of ₹ 729 crores on the unutilised tax losses to the extent of temporary differences. Further during the year, pursuant to the enactment of Tax Cuts and Jobs Act by the USA on December 22, 2017, the corporate income tax rate in USA has been reduced to 21% resulting in a reversal of deferred tax liabilities amounting to ₹ 572 crores. Accordingly, the Company has recognised a Deferred Tax credit of ₹ 1,301 crores in the consolidated financial statements.

During the year, the Group has surrendered one of its iron ore mines in Chile considering its economic viability and accordingly has reassessed the recoverability of carrying amounts of Property, Plant and Equipment, Goodwill and advances pertaining to the said iron ore mine and recognised an impairment of ₹ 264 crores, which has been disclosed as an exceptional item in the consolidated financial statements.

The Company's net worth increased to ₹ 27,534 crores as on 31 March 2018 as compared to ₹ 22,401 crores as on 31 March 2017. The Company's gearing (Net Debt to Equity) at the end of the year stood at 1.38x (as against 1.85x as on 31 March 2017) and Net Debt to EBITDA stood at 2.57x (as against 3.41x as on 31 March 2017).

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 of Directors of the Company has approved a Dividend Distribution Policy on 31 January 2017 in accordance with the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Policy is available on the Company's website: www.jsw.in/investors/investor-relations-steel.

In terms of the Policy, Equity Shareholders of the Company may expect Dividend, if the Company is having surplus funds and after taking into consideration relevant internal and external factors enumerated in the policy for declaration of dividend. The policy also enumerates that efforts will be made to maintain a dividend payout (including dividend distribution tax and dividend on preference shares, if any) in the range of 15% to 20% of the consolidated net profits of the Company after tax, in any financial year, subject to compliance of covenants stipulated by Lenders/Bond holders.

In line with the said policy, the Board has, subject to the approval of the Members at the ensuing Annual General Meeting, recommended:

- Dividend at the stipulated rate of 10% per share on the 10% Cumulative Redeemable Preference Shares of ₹ 10 each of the Company, i.e. (i) ₹ 1 (rupee one only) per share of ₹ 10 each (prior to its part redemption on 15.12.2017), (ii) ₹ 0.75 (paise seventy five only) per share of ₹ 7.50 each (face value post redemption on 15.12.2017) and (iii) ₹ 0.50 (paise fifty only) per share on the 10% Cumulative Redeemable Preference Shares of ₹ 5 each (face value post redemption on 15.03.2018), for the year ended 31 March 2018. The aggregate amount of Dividend per share works out to ₹ 0.91506849.
- Cumulative dividend starting from October 1, 2002 at the stipulated rate of 0.01% per share on the 0.01% Cumulative Redeemable Preference Shares of ₹ 10 each. The aggregate amount of Dividend per share works out to ₹ 0.015496.
- Dividend of ₹ 3.20/- (Rupees Three & Paise Twenty only) (320%) per fully paid-up Equity Share of ₹ 1 each of the Company, for the year ended 31 March 2018.

Together with Corporate Tax on dividend, the total outflow, on account of equity dividend, will be ₹ 932.5 crores, vis-à-vis ₹ 654.6 crores paid for FY 2016-17.

4. PROSPECTS

A report on the Management Discussion and Analysis covering prospects is provided as a separate Section in the Annual Report.

5. INTEGRATED REPORT

The Securities and Exchange Board of India (SEBI), in its circular dated 6 February 2017, has advised the top 500 listed companies (by market capitalisation) to voluntarily adopt Integrated Reporting (IR) from the financial year 2017-18.

Your Company believes in sustainable value creation while balancing utilisation of natural resources and social development in its business decisions. In continuation with this commitment we are delighted to present the first Integrated Report (IR) for the period ended 31 March 2018. The IR framework of the Company has been developed on the Guiding Principles and Content Elements as defined by the International Integrated Reporting Council (IIRC).

IR is a concept that better articulates the broader range of measures that contribute to an organisation's long-term value creation. Central to this concept is the proposition that value is increasingly shaped by factors additional to financial performance, such as reliance on the environment, social reputation, human capital, innovation and others. This value creation concept is the backbone of IR and is the direction for future of corporate reporting. In addition to the financial capital, IR examines five additional capitals that should guide an organisation's decision-making and long-term value creation. IR starts from the position that any value created as a result of a sustainable strategy will translate into performance, thereby impacting market value.

This IR articulates the Company's unique approach to long-term value creation which is a paradigm shift from the traditional compliance based reporting to governance based value creation model.

6. PROJECTS AND EXPANSION PLANS

FY 2017-18 marked a turning point for the domestic steel demand growth for the country, as elasticity of steel demand growth to GDP growth went back to >1x after more than 5 years. With rising spends in infrastructure projects, the medium term demand growth outlook is quite constructive. At the same time, with a 91% utilisation in FY 2017-18, there is an opportunity to expand capacity to participate in the strong India growth story.

With a strategic objective of augmenting the incremental capacity creation at a low specific investment cost so that they remain returns accretive, the Board of Directors of the Company has approved certain key new projects in addition to the existing capex pipeline to achieve the following:

- expand overall steelmaking capacity from 18 MTPA to 24.7 MTPA by March 2020.
- enrich the product mix with 3.2 MTPA additional downstream capacity.
- backward integration projects to achieve cost reduction.

The major new projects so approved are:

(a) Upstream Projects – Augmenting crude steel capacity at Vijayanagar & Dolvi

i) The Company, in the last year, had announced a plan to revamp and up-grade capacity of Blast Furnace-3 at Vijayanagar, post which the higher cost BF-2 would have been ramped down keeping overall capacity at Vijayanagar at 12 MTPA. Considering the prospects of strong steel demand outlook, the Company now plans to modify and enhance the capacities of Steel Making Shop and capacities of flat and long products mills with allied facilities to utilise the additional hot metal at an estimated cost of ₹ 2,300 crores.

ii) The expansion project at Dolvi to 10 MTPA is currently under implementation. In order to effectively utilise the steel making and casting capacity, the Company has decided to increase DRI capacity at its subsidiary JSW Steel Salav Limited to 1.6 MTPA (from existing 0.9 MTPA) along with augmentation and modification of Steel Melting Shop at Dolvi for hot charging of DRI. This project is expected to be commissioned by March 2020 at an estimated cost of ₹ 1,375 crores. With this, the crude steel capacity at Dolvi would increase to 10.7 MTPA.

Post completion of both these projects, the Company's overall crude steel making capacity will increase from 18 MTPA to 24.7 MTPA by March 2020.

(b) Enriching Product Mix

The Company remains strategically focused on enriching its product mix by increasing the volume and share of value added and special products in its portfolio. Considering the growth potential in these value added segments, the Company has decided to set up the following downstream facilities:

i) Setting up 0.3 MTPA colour coated line at CRM1 complex at Vijayanagar

ii) Modernisation and Capacity Enhancement at Vasind & Tarapur by 1.5 MTPA by setting up PLTCM instead of earlier planned 0.96 MTPA BCTM

iii) Installation of an additional Tin Plate line with capacity of 0.25 MTPA at Tarapur

iv) Capacity enhancement of Pre-Painted Galvalume Line (PPGL) at Kalmeshwar by 0.22 MTPA

These projects, in phases, are likely to be commissioned between September 2019 and March 2020. The overall project cost for the above new projects is expected to be ₹ 1,470 crores.

(c) Cost reduction projects and manufacturing integration

i) Setting up of 8 MTPA pellet plant and 1.5 MTPA coke oven plant at Vijayanagar:

The Company has decided to set up an 8 MTPA pellet plant at Vijayanagar to strategically reduce the dependency on more expensive lump iron ore. The Company has also decided to set up a 1.5 MTPA coke oven plant at Vijayanagar to bridge the current and expected gaps in coke availability. Both these projects are expected to provide significant cost savings and are likely to be commissioned by August 2019 and March 2020 respectively, at an estimated cost of ₹ 5,200 crores.

ii) Phase-2 Coke Oven plant of 1.5 MTPA under Dolvi Coke Projects Limited (DCPL):

The Company through DCPL would set up a second phase of 1.5 MTPA coke oven plant along with CDQ facilities to cater to the additional coke requirement for the crude steel capacity expansion to 10.7 MTPA at Dolvi. This project is expected to be commissioned by June 2020 at an estimated cost of ₹ 2,050 crores.

iii) Setting up 175 MW and 60 MW power plants at Dolvi:

The Company will set up power plants of 175 MW and 60 MW to effectively utilise flue gases and steam generated from CDQ, which will lead to savings in power costs. These power plants are expected to be commissioned in March 2020 at an estimated cost of ₹ 975 crores.

The overall estimated capex plan of ₹ 26,815 crores as approved by the Board of the Company at the start of FY 2018 is expected to be enhanced by ~₹ 17,600 crores to implement the above new projects. Overall, the Company is now implementing a cumulative capex pipeline of ₹ 44,415 crores over a four-year period between FY 2018 to FY 2021. With spend of about ₹ 4,700 crores in FY 2018, the Company plans to spend the balance ₹ 39,715 crores over the next 3 years. These projects are planned to be funded by a mix of debt and internal accruals in such a manner as to keep the overall leverage ratios within the targeted threshold levels of 3.75x Net Debt/ EBITDA and 1.75x Net Debt/ Equity.

VIJAYANAGAR

I. Projects commissioned during FY 2017-18

The following projects were commissioned at the steel melting shop to enhance capacities and improve operational efficiencies:

- A pouring station of capacity 10,000 TPD at SMS-1 to enhance melting shop productivity and casting capacity.
- Movable KR station at SMS-1 for pre-treatment (desulphurisation) of hot metal as required for producing special steel grades and silicon steel.
- HR Slitter line of 0.75 MTPA capacity at HSM-2 to cater to customer's requirement of HR black, HRPO, HRSPO and BH grade steel in narrow width.
- Installation of the sixth strand at SMS-3 to reduce the long casting time due to submerged casting speed and to match the Electric Arc Furnace (EAF) productivity enhancement in future.
- New De-dusting systems at various areas of shops to control the level of emissions.

II. Projects under implementation

- BF-3 at Vijayanagar works is to be revamped and upgraded from 3 MTPA to 4.5 MTPA, along with the associated auxiliary units.
- Capacity expansion of the CRM-1 complex at Vijayanagar from 0.85 MTPA to 1.8 MTPA.
- A pipe conveyor system is being set up with a capacity of 20 MTPA. This solution will be environment friendly and reduce transportation costs of iron ore to the plant.
- A new water reservoir to ensure adequate supply of water for uninterrupted operations of the plant.
- Coke drying unit for Blast Furnace-1 to utilise the waste heat of Sinter Plant-1 to reduce moisture in coke.
- Maximised Emission Reduction of Sintering (MEROS) and Selective Waste Gas Recovery (SWGR) at sinter plants and installation of Bag filter with the provision for DeSOX after process ESP to meet emission norms.
- Replacement of defective Primary Gas Coolers (PGCs) in Coke Oven-4 to improve operational efficiencies.
- New Cut to Length (CTL) line is planned to be commissioned to cater to the demand of high-strength steel.

Efficiency, productivity improvement and cost-reduction initiatives

a) Edge and BAR heater at HSM-2 to enhance the quality of Auto grade steels.

b) Tailing Beneficiation Project, envisaged to facilitate recovery of useful iron ore from medium-grade tailing rejects.

c) Waste heat recovery boiler for reheating furnace for HSM-1 and 2 to recover the heat from flue gases.

d) Debottlenecking of Beneficiation Plant-2 to handle feed rate of 50,000 TPD of low-grade iron ore.

DOLVI

I. Projects commissioned during FY 2017-18

- Installation of 500 TPD Vapour Pressure Swing Adsorption (VPSA) for increasing oxygen enrichment and ramp up hot metal production at blast furnace.
- Addition of the sixth strand billet caster to the existing machines to enhance the productivity with 130 X 130 Sections.
- Waste heat recovery system installed at Sinter Plant-2 by utilising the waste heat from the sinter cooler.

II. Projects under implementation

The steelmaking capacity at Dolvi Works will be increased from existing 5 MTPA to 10 MTPA. The major facilities included in the project are 4.5 MTPA blast furnace, 5 MTPA steel melt shop and 5 MTPA hot strip mill.

SALEM

I. Projects commissioned during FY 2017-18

- Caster III Project with 3 Strands to handle casting Sections of 220 x 220 mm, 250 x 250 mm and 280 x 370 mm
- Sliding Stand at BRM to handle higher Sections
- Coil Annealing with capacity of 48000 TPA for value added end products
- Second Billet grinding machine to improve quality of billets for Cold head quality and free cutting steels.

II. Projects under implementation

- Pre & Post Pickling Treatment with capacity of 84000 TPA for BRM products
- Bar Annealing of capacity 18000 TPA for further value addition
- CPP 3 of 30 MW is to cater to the power requirements is under erection
- Stove upgradation in BF 1 to improve Hot Blast temperature
- Third Billet grinding machine

7. SUBSIDIARY, JOINT VENTURE (JV) AND ASSOCIATE COMPANIES

The Company had 46 direct and indirect subsidiaries and 9 JVs as on 31 March 2018. There has been no material change in the nature of the business of the subsidiaries.

During the year under review, the following 4 companies were formed as the subsidiaries of the Company:

1. JSW Utkal Steel Limited
2. Creixent Special Steels Limited
3. Hasaud Steel Limited
4. Milloret Steel Limited

As per the provisions of Section 129(3) of the Act, a statement containing the salient features of the financial statements of the Company's subsidiaries (which include associate companies and JVs) in Form AOC-1 is attached to the financial statements of the Company.

As per the provisions of Section 136 of the Act, the standalone financial statements of the Company and consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company. The Company would provide the annual accounts of the subsidiaries and the related detailed information to the shareholders of the Company on specific request made to it in this regard by the shareholders.

The details of major subsidiaries, JVs 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 flat steel products comprising of Galvanised and Galvalume Coils/Sheets and Colour-Coated Coils/Sheets. This Company caters to both domestic and international markets. JSW Steel Coated reported a production (Galvanising/Galvalume products) of 1.70 million tonnes, a decrease by 1% y-o-y. The sales volume grew by 20% y-o-y to 2.06 million tonnes during FY 2017-18, including traded goods.

The revenue from operations for the year under review was ₹ 12,553 crores. The operating EBITDA during FY 2017-18 was FY ₹ 638 crores as compared to the EBITDA of ₹ 630 crores in FY 2016-17. The operating EBIDTA margin during FY 2017-18 was 5% as compared to 7% in FY 2016-17. The net profit after tax stood at ₹ 275 crores, compared to net profit after tax of ₹ 277 crores in FY 2016-17.

KEY NEW PROJECTS

Tin Plate Mill:

JSW Steel Coated Products Limited is setting up a Tin Plate Mill and related facilities at its Tarapur Work to cater to the increasing demand for the tin plate. The estimated project cost is ₹ 650 crores and is expected to be commissioned in FY 2018-19.

Considering the potential growth in demand, it is decided to set up another Tin Plate Mill with capacity of 0.25 MTPA at an estimated cost of ₹ 419 crores.

Modernisation and Capacity Enhancement at Vasind & Tarapur by 1.5 MTPA by setting up PLTCM:

Additions/modifications will be carried out at Vasind and Tarapur for net capacity enhancement of cold rolling by 1 MTPA and other down stream facilities. The project cost is estimated at ₹ 1,729 crores and is expected to be commissioned in FY 2019-20.

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. ARCL has produced 1.04 million tonnes of coke and 4.19 million tonnes of pellet during the FY 2017-18, registering an increase of 3% and 6%, respectively, as compared to FY 2016-17. The coke and pellets produced are primarily supplied to the Dolvi unit of the Company. The operating EBITDA during the FY 2017-18 was ₹ 431 crores as compared to the EBITDA of ₹ 369 crores in FY 2016-17.The profit after tax increased to ₹ 169 crores in FY 2017-18 as compared to ₹ 159 crores in FY 2016-17.

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

JSW Salav is a wholly-owned subsidiary of JSW Steel Ltd. JSW Salav has a DRI plant with a capacity of 0.9 MTPA, along with a captive jetty and railway siding.

During the year 2017-18, the unit has produced 0.67 MnT, an increase of 19% as compared to FY 2016-17. The profit after tax for FY 2017-18 was ₹ 35 crores.

JSW SALAV has decided to increase DRI capacity at Salav to 1.6 MTPA, from existing 0.9 MTPA.

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 5.68 lakh tonnes of steel during FY 2017-18, compared to previous year's 5.41 lakh tonnes. JSWSPCL registered a profit after tax for FY 2017-18 of ₹ 21 crores.

   JSWSPCL's Board has recommended a dividend of ₹ 20 per share (at 200%) for every share of ₹ 10 each to the equity shareholders for FY 2017-18.

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

   Peddar Realty Private Limited (PRPL) is the Company's wholly-owned subsidiary. Loss after tax for FY 2017-18 was ₹ 12 crores, compared to profit after tax of ₹ 3 crores in FY 2016-17.

6. **JSW BENGAL STEEL LIMITED (JSW BENGAL), ITS SUBSIDIARIES 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 a 10 MTPA capacity steel plant in phases. All enabling work to take up the implementation of the project is in place.

   However, due to uncertainties in the availability of key raw materials such as iron ore and coal, post cancellation of allotted coal blocks, the implementation of the project is currently put on hold.

   Auditors in their Audit report has put up an emphasis of matter on going concern of the project due to material uncertainties relating to allocation of Coal and iron ore mines to the Company and its consequential impact on the implementation of the project.

   In the meantime, efforts are being made to secure long-term linkages of raw materials.

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.

8. **JSW INDUSTRIAL GASES PRIVATE LIMITED (JIGPL) (FORMERLY KNOWN AS JSW PRAXAIR OXYGEN PRIVATE LIMITED)**

   JSW Industrial Gases Private Limited is a wholly owned subsidiary of the Company.The Company sources oxygen, nitrogen and argon gases from JIGPL for its Vijayanagar plant. The profit after tax was ₹ 33 crores in FY 2017-18 as compared to profit after tax of ₹ 21 crores in FY 2016-17.

   JIGPL's Board has recommended a dividend of ₹ 13.50 per share (at 135%) for every share of ₹ 10 each to the equity shareholders for the FY 2017-18.

9. **DOLVI MINERAL & METALS PRIVATE LIMITED (DMMPL) AND ITS SUBSIDIARY DOLVI COKE PROJECTS LIMITED (DCPL)**

   The Company holds 39.996% stake in Dolvi Minerals & Metals Private Limited (DMMPL) and Dolvi Coke Projects Limited (DCPL) is a wholly-owned subsidiary of DMMPL.

   The Company is setting up a 1.5 million tonnes per annum Coke Oven Plant (Phase-1) at Dolvi through DCPL. The total cost for this project will be about ₹ 2,000 crores and is expected to be commissioned during FY 2018-19.

   DCPL has also commenced setting up of Phase II project comprising of a 1.5 MTPA coke oven plant and 2x190 TPH Coke Dry Quenching (CDQ) unit at an estimated cost of ₹ 2,133 crores during FY 2017-18.

   Although the Company owns only 39.996% ownership interest, under Ind AS, the Company has concluded that it has the practical ability to direct the relevant activities of DMMPL and DCPL unilaterally and treated both these Companies as its subsidiaries and accordingly consolidated DMMPL and DCPL in its consolidated financial statements

10. **JSW REALTY & INFRASTRUCTURE PRIVATE LIMITED (JSWRIPL)**

    JSWRIPL primarily provides housing facilities to the employees of JSW Steel Limited and its business associates at Vijayanagar plant of JSW Steel. JSW Steel holds 10% preference shares of ₹ 99.15 crores in JSWRIPL as on 31 March 2018.

Though the Company does not hold any ownership interest in JSWRIPL, the Company has concluded that it has the practical ability to direct the relevant activities of JSWRIPL under Ind AS and treated the same as subsidiary and accordingly consolidated JSWRIPL as part of its consolidated financial statements.

11. JSW Utkal Steel Limited

JSW Steel Limited has formed a wholly-owned subsidiary by the name 'JSW Utkal Steel Limited' for setting up of an Integrated Steel Plant (ISP) of 12 MTPA capacity and a 900 MW captive power plant in the state of Odisha in phases.

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 U.K., Chile and Italy. It also has 49% equity holding of Georgia-based Geo Steel LLC, incorporated under the laws of Georgia.

(a) PERIAMA HOLDINGS LLC AND ITS SUBSIDIARIES VIZ. JSW STEEL (USA) INC. – PLATE AND PIPE MILL OPERATION AND ITS SUBSIDIARIES – WEST VIRGINIA, USA-BASED COAL MINING OPERATION

Plate and pipe mill operation

During FY 2017-18, the US plate and pipe mill's performance improved as compared to FY 2016-17 with better capacity utilisation. This unit produced 0.25 million net tonnes of plates and 0.05 million net tonnes of pipes with capacity utilisation of 26% and 9%, respectively.

Profit after tax for FY 2017-18 was ₹ 652 crores compared to loss after tax of ₹ 364 crores in FY 2016-17.

Coal mining operation

Periama Holdings LLC has 100% equity interest in coal mining concessions in West Virginia, US along with permits for coal mining. Periama also owns a 500 TPH coal-handling and preparation plant.

During the year, the coal-handling and preparation plant was operational and it has processed 0.09 million net tonnes of coal after procuring the same from the neighbouring mines.

Loss after tax of coal mining operations for FY 2017-18 was ₹ 81 crores, compared to loss after tax of ₹ 49 crores in FY 2016-17.

The operational performance at the US operations of both the Plate and Pipe mill at Baytown, as well as the US coal operations, have seen a consistent improvement during the course of the year. This has been supported by a strong economic outlook for the US. Consequently, the Company during the year ended 31 March 2018 has recognised a Deferred Tax Asset amount of ₹ 729 crores on the unused tax losses to the extent of temporary differences. Further during the year, pursuant to the enactment of Tax Cuts and Jobs Act by the USA on December 22, 2017, the corporate income tax rate in USA has been reduced to 21% resulting in a reversal of deferred tax liabilities amounting to ₹ 572 crores. Accordingly, the Company has recognised a Deferred Tax credit of ₹ 1,301 crores in the consolidated financial statements.

(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)

Santa Fe Mining (SFM) in Chile is developing iron ore deposits in the Atacama region of Chile. The Company holds 70% equity interest in SFM.

SFM has developed the Bella Vista iron ore deposit, located 20 km from Copiapo, Chile. In 2010, SFM installed a 1 MTPA dry beneficiation plant.

These mines have been currently shut down for care and maintenance since May 2015 and the commencement of operations might be further delayed based on prevailing market conditions.

Loss after tax for FY 2017-18 was ₹ 143 crores, compared to ₹ 77 crores in FY 2016-17.

During the year, the Group has surrendered one of its iron ore mines in Chile considering its economic viability and accordingly has reassessed the recoverability of carrying amounts of Property, Plant and Equipment, Goodwill and advances pertaining to the said iron ore mine and recognised an impairment of ₹ 264 crores, which has been disclosed as an exceptional item in the consolidated financial statements.

(c) **JSW STEEL UK LIMITED AND ITS ASSOCIATE ACCIATALIA S.P.A.**

During the previous year, the Company has acquired 35% stake in Accitalia S.P.A. Accitalia S.P.A. which is currently in the process of voluntary liquidation.

The loss after tax was ₹ 34 crores for FY 2017-18.

2. **JSW NATURAL RESOURCES LIMITED (JSWNRL) AND ITS SUBSIDIARIES JSW NATURAL RESOURCES MOZAMBIQUE LIMITADA (JSWNRML) AND JSW ADMS CARVAO LIMITADA**

JSW Natural Resources Limited formed a wholly-owned subsidiary – JSW Natural Resources Mozambique Limitada 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 Limitada completed the exploration activities in Mutara district of the Tete province and is in the process of obtaining the necessary approvals for lease of certain mining assets.

JSW ADMS Carvão Limitada, a subsidiary of JSW Natural Resources Mozambique Limitada, has a coal mining licence in Zumbo district of the Tete province. The Company has completed exploration activities and it has received an award for mining concession during the year. Now, the Company is in the process of making various applications for obtaining the necessary approvals for mining operations.

3. **NIPPON ISPAT SINGAPORE (PTE) LIMITED, EREBUS LIMITED, ARIMA HOLDINGS LIMITED AND LAKELAND SECURITIES LIMITED**

There were no significant operations during the financial year.

4. **JSW STEEL ITALY S.R.L.**

JSW Steel Italy S.R.L. is a wholly-owned subsidiary through JSW Steel Netherlands B.V. The Company was formed mainly for trading in steel and steel-related products primarily to cater the European market.

The loss after tax was for FY 2017-18 was ₹ 9 crores as compared to ₹ 0.28 crores for FY 2016-17.

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 1.58 lakh tonnes of rebars and 1.54 lakh tonnes of billets during FY 2017-18. Profit after tax for FY 2017-18 was ₹ 76 crores, compared to ₹ 41 crores in FY 2016-17.

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 the state and private sectors during FY 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 the state and private sectors during FY 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 the state and private sectors during FY 2014-15. Consequently, the allocation of the coal block to GCL stood cancelled. The Gourangdih coal block has been re-allocated to West Bengal Mineral Development and Trading Corporation by the Ministry of Coal vide its notice dated March 16, 2016.

5. **VIJAYANAGAR MINERALS PRIVATE LIMITED (VMPL)**

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

As per the Apex Court direction, the mines are being operated by Mysore Minerals Limited directly.

6. **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 46,385 tonnes during FY 2017-18. Its order book stood at ₹ 598 crores (53,953 tonnes), as on 31 March 2018. The profit after tax for FY 2017-18 was ₹ 11 crores, as compared to ₹ 1 crores in FY 2016-17.

JSW Structural Metal Decking Limited (JSWSMD), a subsidiary company of JSSL, is engaged in the business of designing and roll forming of structural metal decking and accessories such as edge trims and shear studs. The plant's total capacity is 10,000 TPA. The profit after tax for FY 2017-18 was ₹ 0.1 crores, compared to ₹ 2 crores in FY 2016-17.

7. **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 May 2018. 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 earned a profit after tax of ₹ 12 crores during FY 2017-18.

8. **JSW VALLABH TINPLATE PRIVATE LIMITED (JSWVTPL)**

JSW Steel holds 50% stake in JSWVTPL, which is into tin plate business and has a capacity of 1.0 lakh tonnes. JSWVTPL produced 0.85 lakh tonnes during FY 2017-18. Net loss after tax for FY 2017-18 was ₹ 2 crores.

D. 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 the states 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 ₹ 32 crores as on 31 March 2018, (₹ 30 crores as on 31 March 2017) considering the principle of conservatism.

8. ACQUISITION

Monnet Ispat & Energy Limited (MIEL)

The Company and Aion Investments Private II Limited (together as a consortium) had submitted a bid for Monnet Ispat & Energy Limited (MIEL) under the corporate insolvency process of the Insolvency and Bankruptcy code 2016. MIEL was referred to the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code. MIEL has a steel plant in Chhattisgarh, with a steelmaking and rolling capacity of 1.5 MTPA when the facilities are fully commissioned. The Company proposes to hold a minority stake in their venture.

The consortium has been declared as a successful resolution applicant by the Committee of creditors of MIEL on 10 April 2018 and has received a Letter of Intent (LOI). The consortium has accepted the terms of the LOI.

The consortium has also received approval from the Competition Commission of India for the proposed acquisition of MIEL. The closure of the transaction is subject to obtaining necessary regulatory approval including the National Company Law Tribunal, which is in progress.

Acero Holdings Limited and its wholly-owned subsidiary Acero Junction Inc. (ACERO)

On 28 March 2018, the Company entered into a stock purchase agreement with JSM International Limited, Acero Junction Holdings Inc. and Acero Junction Inc. for acquisition of 100% shares of Delaware-based steel manufacturer, Acero Junction Holdings Inc. for a cash consideration of up to US$80.85 million.

The proposed acquisition is subject to the fulfilment of certain conditions precedent and other terms as per the stock purchase agreement with a long stop date of 31 May 2018. The Company expects that this acquisition will allow it to gain increased access to the North American steel market. The total enterprise value of the transaction is about US$ 180.35 million, with equity value of US$ 80.85 million and liabilities of US$ 99.50 million, subject to closing adjustments.

Acero Junction Inc. has a steel-manufacturing facility, which includes an Electric Arc Furnace of 1.5 million tonne per annum, a ladle metallurgy furnace, a slab continuous casting machine and a 3 million tonne per annum hot strip mill.

The Company has also planned an investment programme to complete backward integration project to restart the EAF and Caster, which will need an additional investment of up to US$50 million. On completion of this capital expenditure, estimated in about 6 months from completion of the transaction, there shall be a 1.5 MTPA fully integrated steel making facility, with HSM rolling capacity up to 3 MTPA.

9. TECHNICAL COLLABORATION WITH JFE STEEL CORPORATION, JAPAN (JFE)

The financial year under review was the 8th year of strategic collaboration between the Company and JFE Steel Corporation. During the year the Company has been able to enhance its business share in the Automotive and Electrical Steel segments.

The Strategic Technical collaboration with JFE Steel has added significant value to the Company, both in terms of products and services, thereby enriching the product mix of the Company. The Company has developed a wide range of steel for critical auto end use applications such as outer body panels, bumper beams and other crash resistant components with strength levels up to 980 mPA. The continuous support received from JFE in the form of technical assistance has resulted in expeditious resolution of issues observed during the commercial production/approval of stipulated licensed grades.

Our strategic collaboration agreement with JFE has added significant value to the Company in business processes, products and customers over the years.

The partnership has helped the Company achieve a "PREFERRED STEEL SUPPLIER STATUS" with certain major customers in the auto and electrical steel segments in India. The systems and methods that have been deployed under the guidance from JFE has enabled the Company to re-define customer relationship and has paved the way for a better understanding to meet customer expectations.

The Company by virtue of its partnership has been able to create a formidable position in the market place to take on the challenges of the future.

In addition to the technical assistance, JFE continues to provide key inputs to improve quality parameters at downstream facilities and for manufacture of Electrical steel.

10. RISK MANAGEMENT

JSW Steel follows the globally recognised 'COSO' framework. The Company's robust risk management framework identifies and evaluates business risks and opportunities.

The Company recognises that the emerging and identified risks need to be managed and mitigated to:

- Protect its shareholders and other stakeholder's interests
- Achieve its business objective
- Enable sustainable growth

The risk frame work 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 49 of the erstwhile Listing Agreement, the Company has constituted a sub-committee of Directors to oversee the Enterprise Risk Management framework to ensure that execution of decided strategies with focus on action and monitoring risks arising out of unintended consequences of decisions or actions related to performance, operations, compliance, incidents, processes and systems and transactions are monitored and managed appropriately.

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

Key risks and response strategies

- Competitive dynamics and industrial cyclicality – managed through widening and deepening customer reach and broadening product range.
- Raw material availability and cost– broad–basing vendors from different geographies, exploring various contract options such as long term/ spot/ indexing and relationship management with vendors.
- Logistics and infrastructure – a centralised logistics cell to ensure end-to-end integration, optimisation of infrastructure spend and digitisation initiatives such as last mile connectivity tracking.
- Technology and operational disruptions – effective management of automation systems, spares management, maintenance scheduling, R & D infrastructure and insurance cover for plant interruptions and loss of profit.
- Environment, health and safety – compliance with norms through the right selection of equipment, processes, inputs and tracking emissions; preserving bio-diversity in eco-sensitive area; tracking changing technology and future norms for advance planning and safety training and providing medical facilities and Mediclaim policy cover for employees and their families.
- Manpower availability with desired skill-sets – manpower planning in line with growth strategy, on-the-job / online trainings to develop competencies and soft skills and leadership programmes to develop future fit leaders.
- Reputation – value-driven leadership; adhering to the highest standards of governance and code of conduct, extending even to business partners.
- Finance – proactive tracking of funding and covenants, regular review of hedging strategy, close monitoring of plant operations, cost optimisation, inventory, collections and vendor credit.
- Confidentiality, integrity and security of data and systems - security policies and procedures, antivirus / endpoint security deployment, operationalisation of disaster recovery site and implementation of disaster recovery plan and regular training on IT security.

11. INTERNAL CONTROLS, AUDIT AND 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 corporate governance policies.

Internal control

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

- Adequate documentation of policies, guidelines, authorities and approval procedures covering all the important functions of the Company.
- Deployment of an ERP system that 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 and a proper and authorised recording and reporting of all transactions.
- Preparation and monitoring of annual budgets for all operating and service functions.
- Ensuring a reliability of all financial and operational information.
- Audit Committee, a sub-committee of the 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 compliances as well as an enhanced control consciousness.

Internal audit

JSW Steel has an internal audit function that inculcates global best standards and practices of international majors into the Indian operations. The Company has a strong internal audit department reporting to the Audit Committee comprising Independent Directors who are experts in their fields. The Company successfully integrated the COSO framework in its audit process to enhance the quality of its financial reporting, compatible with business ethics, effective controls and governance.

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

Audit plan and execution

The Internal Audit function prepares a risk-based audit plan. The frequency of the audit is decided by risk ratings of areas/functions. The audit plan is carried out by the internal team and reviewed periodically to include areas that have assumed significant importance in line with the emerging industry trend and the aggressive growth of the Company. In addition, the audit committee also places reliance on internal customer feedback and other external events for inclusion 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 a robust system and framework of internal financial controls. This provides the Directors with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks. The Company has devised appropriate systems and framework, including proper delegation of authority, policies and procedures; effective IT systems aligned to business requirements; risk-based internal audits; risk management framework and a whistle blower mechanism.

The Company had already developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes entity-level policies, processes and Standard Operating Procedures (SOP).

The entity-level policies include antifraud policies (such as code of conduct, conflict of interest, confidentiality and whistle blower policy) and other polices (such as organisation structure, insider trading policy, HR policy, IT security policy, treasury policy and business continuity and disaster recovery plan). The Company has also prepared SOP for each of its processes such as 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.

12. CREDIT RATING

During the year, Moody's Investors Service has upgraded the Corporate Family Rating and Senior Unsecured Bond Rating due in 2019 and 2022, respectively, to Ba2 from Ba3 while maintaining the outlook at stable.

Also, Fitch Ratings retained the Company's long-term Issuer Default Rating (IDR) and Senior Unsecured Bond rating due in 2019 and 2022, respectively, to BB, upgrading the outlook to stable from negative.

The domestic credit rating for long-term debt/ facilities/ Non-Convertible Debentures (NCDs) by Credit Analysis and Research Ltd. (CARE) and ICRA were retained at AA-, while the short-term debt/ facilities continues to be rated at the highest level of A1+. CARE has assigned a stable outlook on the long-term rating, while ICRA has upgraded the outlook to stable from negative. India Ratings has assigned a long-term issuer rating and rating for the outstanding NCDs of the Company is AA- while upgrading the outlook to stable from negative.

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

The Company's Authorised Share capital during the financial year ended 31 March 2018 remained at ₹ 9015,00,00,000 (Rupees Nine Thousand Fifteen crores only) consisting of ₹ 6015,00,00,000 (Rupees Six Thousand Fifteen crores only) equity shares of ₹ 1/- (Rupee One only) each and 300,00,00,000 (Three Hundred crores) preference shares of ₹ 10/- (Rupees Ten only) each.

The Company's paid-up equity share capital remained at ₹ 241,72,20,440 comprising of 241,72,20,440 equity shares of ₹ 1 each.

During the financial year, the Company partially redeemed its 27,90,34,907, 10% cumulative redeemable preference shares of ₹ 10 each fully paid-up, in two equal instalments of ₹ 2.5 per share on 15 December 2017 and 15 March 2018.

Thereby, the aggregate preference share capital as at the financial year ended 31 March 2018 is ₹ 624,93,20,575 comprising of 27,90,34,907, 10% cumulative redeemable preference shares of ₹ 5 each 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 FY 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, aggregating to US$500 million, to eligible investors. In April 2017, the Company further allotted 2,500, 5.25% Fixed Rate Senior Unsecured Notes of US$2,00,000 each of the Company due 2022 aggregating to US$500 million, to eligible investors. These Bonds issued by the Company in the International Market are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

16. CORPORATE GOVERNANCE

The Company constantly endeavours to follow the corporate governance guidelines and best practices sincerely and disclose the same transparently. The Board is conscious of its inherent responsibility to disclose timely and accurate information on the Company's operations, performance, material corporate events as well as on the leadership and governance matters relating to the Company.

Your Company has complied with the requirements of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 regarding corporate governance. A report on the Corporate Governance practices and 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

JSW Steel Ltd. is committed to pursuing its business objectives ethically, transparently and with accountability to all its stakeholders. The Company believes in demonstrating responsible behaviour while adding value to the society and the community, as well as ensuring environmental well-being with a long-term perspective.

The Business Responsibility Report (BRR) of the Company was being presented to the stakeholders as per the requirements of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 describing the environmental, social and governance initiatives taken by the Company. Further SEBI vide its circular dated 6 February 2017, has advised the top 500 listed companies (by market capitalisation) to voluntarily adopt Integrated Reporting (IR) from FY 2017-18.

As stated earlier in the report, the current financial year marks an important milestone in its corporate reporting journey as the Company is transitioning towards Integrated Reporting, focussing on the six 'capitals' in its imparatives of value creation. The Company's maiden Integrated Report discloses performance as per the IR framework for the period 1 April 2017 to 31 March 2018.

The Company was recognised in 2018 as the 'Industry Mover' in the Dow Jones Sustainability Indices under their Corporate Sustainability Assessment for achieving the largest improvement in sustainability performance compared to the previous year. The Company also features in the Vigeo Eiris Emerging 70 group.

In FY 2017-18, among several other initiatives, the Company has put in significant efforts to ensure a positive impact on its surrounding flora and fauna that are part of the local ecosystems. The Company was among the pioneers to sign up and commit to the Indian Business and Biodiversity Initiative (IBBI), a pioneering effort by the Confederation of Indian Industry (CII) in partnership with India's Ministry of Environment, Forest & Climate Change. This has helped to learn from peers about their efforts to manage biological diversity at their sites and to demonstrate to stakeholders the Company's commitment and efforts towards a sustainable future.

The Company has also provided the requisite mapping of principles of the National Voluntary Guidelines to fulfill the requirements of the Business Responsibility Report as per the directive of SEBI, as well as between the Integrated Report and the Global Reporting Initiative ('GRI'). The Report, along with all the related policies, can be viewed on the Company's website (http://www.jsw.in/investors/investor-relations-steel).

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. Seshagiri Rao M.V.S. (DIN 00029136) retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

Dr. (Mrs.) Punita Kumar Sinha (DIN 05229262) who was appointed as a Director of the Company in the category of Independent Director, holds office up to the conclusion of the ensuing Annual General Meeting of the Company ("first term" in terms of Sections 149(10) of the Companies Act, 2013). Your Company has received a notice under Section 160 of the Companies Act, 2013 from a shareholder of your Company proposing the re-appointment of Dr. (Mrs.) Punita Kumar Sinha for the Office of Director of your Company in the category of Independent Director for a second term of upto 23 July 2023 or upto the conclusion of the 29th Annual General Meeting (AGM) of the Company in the calendar year 2023, whichever is earlier. A brief profile of Dr. (Mrs.) Punita Kumar Sinha is given in the notice convening the 24th AGM, for the reference of the shareholders. The Board taking into account the recommendation of the Nomination and Remuneration Committee and on the basis of the report of performance evaluation of Independent Directors, has recommended the re-appointment of Dr. (Mrs.) Punita Kumar Sinha as a Director of the Company in the category of Independent Director, for the aforesaid term.

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

Mr. Vijay Kelkar and Mr. Kannan Vijayraghavan who were appointed as Independent Directors in the Company's 20th Annual General Meeting held on 31 July 2014 would complete their term upon the conclusion of the ensuing 24th Annual General Meeting of the Company and having been on the Board for a tenure of 10 years and not being eligible for re-appointment in terms of the Company's policy for appointment/re-appointment of Independent Directors, have not offered themselves for re-appointment.

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

Karnataka State Industrial Infrastructure and Development Corporation Limited (KSIIDC) had nominated Mrs. P. Hemlatha, IAS (DIN 06537451) as its nominee on your Company's Board in place of Mr. Naveen Raj Singh, IAS, (DIN 06854287) with effect from 20 April 2017. However, it withdrew the nomination of Mrs. P. Hemlatha, IAS and nominated, Mr. N. Jayaram, IAS (DIN 03302626) as its nominee on your Company's Board with effect from 31 October 2017.

Your Directors place on record their deep appreciation of the valuable services rendered by Mr. Vijay Kelkar, Mr. Kannan Vijayaraghavan, Mr. Naveen Raj Singh, IAS and Mrs. P. Hemlatha, IAS during thier tenure as Directors of the Company.

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

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 31.03.2018, the Board of Directors comprises 12 Directors, of which eight are non-executive, including one woman director. The number of Independent Directors is six, 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 the 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.

20. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

21. BOARD EVALUATION

The Board carried out an annual performance evaluation of its own performance, the performance of 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.

22. AUDITORS AND AUDITOR'S REPORT

STATUTORY AUDITORS

At the Company's 23rd AGM held on 29 June 2017, M/s S R B C & CO LLP (324982E/E300003), Chartered Accountants, has been appointed as the Statutory Auditor of the Company for a term of 5 years (subject to ratification by members at every AGM if required under the prevailing law at that time), to hold office from the conclusion of the 23rd Annual General Meeting until the conclusion of the 28th Annual General Meeting of the Company.

Vide Section 40 of the Companies (Amendment) Act, 2017 notified by the Ministry of Corporate Affairs on 7 May 2018, the requirement for ratification of the appointment of Statutory Auditors by the members at every Annual General Meeting has been done away with. Accordingly, no resolution has been proposed for ratification of the Statutory Auditors, who were appointed in the 23rd Annual General Meeting held on 29 June 2017.

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark, or disclaimer.

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

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 16 May 2018, has on the recommendation of the Audit Committee, re-appointed M/s. Shome & Banerjee, Cost Accountants to conduct the audit of the cost accounting records of the Company for FY 2018-19 on a remuneration of ₹15 lakhs plus taxes 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. The due date for filing the Cost Audit Report of the Company for the Financial Year ended 31 March 2017 was 30 September 2017 and the Cost Audit Report was filed in XBRL mode on 30 August 2017.

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. During the period under review, the Company has complied with the applicable Secretarial Standards notified by the Institute of Company Secretaries of India.

The Board, at its meeting held on May 16, 2018, has re-appointed M/s. Srinivasan & Co., Practicing Company Secretaries, as Secretarial Auditor, for conducting Secretarial Audit of the Company for FY 2018-19.

23. RELATED PARTY TRANSACTIONS

All Related Party Transactions (RPT) that were entered into during the financial year were on an arm's length basis and in the ordinary course of business.

The Company has obtained approval of the shareholders by way of a postal ballot on 17 December 2016 for RPT with JSW International Tradecorp Pte Limited (JITPL) for an aggregate value of US$7,480 million over a period of 36 months starting from 1 April 2016 for procuring iron ore, coking coal, coke and other raw materials being considered material in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. Total value of raw material purchased from JITPL during FY 2017-18 was ₹ 16,369 crores.

The policy on dealing with RPT 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 RPT, keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All RPT are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for RPT that are of repetitive nature and / or entered in the ordinary course of business and are at arm's length. All RPT are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of RPT under the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The disclosure of material RPT 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, RPTs that individually or taken together with previous transactions during a financial year, that exceed 10% of the annual consolidated turnover as per the last audited financial statements, which were entered into during the year by your Company, are given in Annexure E to this Report.

Your Directors draw your attention to Note No. 8 to the Abridged Standalone financial statements and Note No. 44 to the Standalone financial statements, which set out related party disclosures.

24. EMPLOYEE STOCK OPTION PLAN (ESOP):

The Board of Directors of the Company, at its meeting held on 29 January 2016, formulated the JSWSL Employees Stock Ownership Plan – 2016 (ESOP Plan), to be implemented through the JSW Steel Employees Welfare Trust (Trust), 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. The ESOP Plan involves acquisition of shares from the secondary market.

A total of 2,86,87,000 (Two Crores Eighty Six Lakhs Eighty Seven Thousand) options would be available for grant to the eligible employees of the Company and its director(s), excluding independent directors, and a total of 31,63,000 (Thirty One Lakh Sixty Three Thousand) 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.

74,36,850 options have been granted under this plan by the JSWSL ESOP Committee in its meeting held on 17 May 2016 under the first 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 the 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 1,92,680, 1,79,830 and 1,79,830 options, respectively, towards the first grant under the ESOP Plan.

51,18,977 options have been granted under this plan by the JSWSL ESOP Committee in its meeting held on May 16, 2017 under the second 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 the 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 1,27,968, 1,27,968 and 1,19,436 options, respectively, towards the second grant under the ESOP Plan.

33,88,444 options have been granted under this plan by the JSWSL ESOP Committee in its meeting held on 15 May 2018 under the third and final 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 the 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 87,841, 87,841 and 81,985 options, respectively, towards the third 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.

In terms of clause 4.2 of the "JSWSL Employees Stock Ownership Plan – 2012" ("ESOP-2012 Plan") that came into force on the July 26, 2012, the ESOP-2012 Plan was terminated on the Closing Date of September 30, 2017 and any Stock Options that remained unexercised after the Closing Date, has automatically lapsed.

The applicable disclosures relating to the earlier ESOP–2012 Plan as well as the current ESOP plan of 2016, as stipulated under the ESOP Regulations, pertaining to the year ended 31 March 2018, 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 aforesaid ESOP Plans 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.

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 AGM for inspection by Members.

25. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company firmly believes that in order to be a responsible corporate citisen in its true sense, its role is much more than producing steel. As such, the Company aims to continuously foster inclusive growth and a value-based empowered society. For this, the Company engages through the JSW Foundation to carry out a consultative needs assessment, ascertain joint action with a range of stakeholders and bring in strategic partnerships.

The Company continues to strengthen its relationships with the communities in the Direct Influence Zone (DIZ) of its plant locations and beyond, through a meaningful and purposeful engagement, implementation of a range of programmes covering all important aspects of their lives from education, health and sanitation to skill development, livelihoods, environment and water management and augmenting arts and cultural heritage.

The Company is committed to not only continue to allocate resources towards special corpus for Corporate Social Responsibility (CSR) as per the categories of the Companies Act, 2013 but also to:

- Assess the programmes and their impact through external agencies for culling out learnings and also continually evolve its own monitoring processes
- Continue its stakeholder engagement in a mutually respectful manner and through social processes that help identify essential needs of the community for its overall growth
- Spread the culture of volunteerism through the process of social engagement
- Align its actions to achieve not only the desired results at the grassroots level but to also contribute towards the attainment of Sustainable Development Goals (SDGs)

STRATEGY

- The JSW Foundation administers the planning and implementation of all the CSR interventions. It is guided by the CSR Committee appointed by the Board, which reviews the progress from time to time and provides guidance as necessary.

- Taking a note of the importance of synergy and interdependence at various levels, the CSR programmes are carried out directly as well as through strategic partnerships and in close coordination with the concerned State Governments.
- While priority is given to the villages in the immediate vicinity of the plant locations defined as DIZ, in order to get maximum effectiveness, at times, activities are also taken up in related villages too. This context is defined as Indirect Influence Zone (IIZ).
- Convergence with Government schemes and programmes and regular dialogue with the functionaries is the cornerstone of the CSR activities of the Company.
- The programmes are collated under various themes for bringing in best practices and the thematic heads at the head office of the Foundation regularly and closely work with the location-specific teams to achieve more focused results.

THEMATIC AREAS

The Company has aligned its CSR programmes under Education, Health & Nutrition, Agriculture, Environment & Water, Skill Enhancement, Rural Women's BPO, Sports and Art & Culture. This helps the Company cover the following 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
- Promotion of sports
- Swachh Bharat Mission

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

26. ENVIRONMENTAL INITIATIVES

Your Company is firmly committed to conservation of natural resources; reduction of emissions and discharges to the environment and preservation of biodiversity in all its operations. The Company recognises the need to be proactive and integrate thoughts into processes, to reduce risks and harness opportunities, and set targets beyond compliance considering the future changes and carrying out the required changes in the processes focussing on social and environmental concerns to better manage the long term expectations of the stakeholders.

This approach demonstrates sensitivity to the environment in the areas of conserving resources such as water, energy and input materials; minimising waste while maximising recirculation, reuse and recycling and enhancing local biodiversity. The awareness of the environment complemented with decisions and actions that the Company take towards a responsible behaviour leads to innovation and value creation for the Company.

The following actions were taken in 2017-18 to improve environment:

Conservation of natural resources:

- Efficient operation as well as effective monitoring of pollution control equipment ultimately leads to reduced wastage of materials. During the year, stack emission monitoring systems, dust analysers, gas monitors on stacks, CCTVs and effluent monitors were installed across the steel complex.
- Enhancing steam generation through additional waste heat recovery boilers at Salem (WHRB #4 and #5) resulted in reduction of coal consumption (about 22,000 MT/Annum) in coal-based boilers, thereby minimising the fossil fuel consumption.

Water conservation: Water security is essential for un-interrupted operations of steel plant units. Vijayanagar & Salem plants are located in water scares areas. During the year several measures were taken to conserve water by improving water use efficiency; recycling treated waste water; treated sewage and recovering high quality water through reverse osmosis plants.

The following initiatives for water conversation has been carried out during the year:

- Treatment of sewage and recovering quality water through reverse osmosis.
- Installation of Roof-top rain water harvesting system at 12 plant buildings at Dolvi and the collected rain water is stored in nearby water utility system for reuse.
- Increased the cycles of concentration in all cooling towers across all plant locations resulting in reduced waste water generation.
- Installation of an RO system in the upstream water system instead of downstream (high TDS water), resulting in elimination of softening systems, which generates high Total Dissolved Solids (TDS) effluents and reduction in energy consumption.

Recycle of Solid Waste: Solid waste materials such as sludge and collected dust are generated during the operation of air and water pollution control system. During the year at Vijayanagar, Biogas plant for food waste and sewage waste was installed. Gas produced in the process is being transferred to the central canteen and the solids generated were composted. Pilot trial for treatability study of ammonia and cyanide has been completed at Vijayanagar.

Slag sand:
During the year, the Company sold 2.87 lakhs tonnes of slag sand for use as fine aggregates in construction replacing natural river sand, thereby helping conserve the river beds. Granulated slag sold during the year was 45.6 lakhs tonnes. The Company has installed second line of granulated slag crusher of 40 TPH capacity resulting in doubling the daily production of slag sand.

Steel Slag:
The Company has developed an innovative technology which can convert the steel slag as a useful product as construction aggregate, especially in roads and pavements. The technology is being patented and is expected to increase steel slag utilisation substantially in the future years. 2023 tonnes of granulated BF slag, 33302 tonnes of slag sand, 1,78,575 tonnes of dry pit slag and 60,617 tonnes of steel slag was sold during the year for NHAI project Ballari-Hospet. This highway is termed as "Green Highway".

Reduction of emissions and discharges:
Air emissions: Owing to handling of large volume of solid materials, emissions of dust remain a major area of concern in all integrated iron and steel plants. During the year, several measures were taken to reduce emissions by installing bag filters in high dust areas. Some of the other measures includes:

- At Dolvi, 13 Dust Extraction (DE) systems at junction houses were installed to control fugitive emission during the material transfer through conveyors.
- The Company also has established Pneumatic conveying for dust transfer to feeding bin and a new DE system at pellet discharge junction house. The other initiatives to reduce emissions include installation of Electro Static Precipitator for discharge end of the pellet making process and construction of 0.5 km of concrete road in the raw material handling area to minimise fugitive emission and easy vehicular movement.
- Installation of water sprinklers / wind nets and dry fog and wet fog systems in the raw material handling areas to reduce the fugitive emission, which leads to improvement in ambient air quality in the plant premises.
- Established two telescopic chutes and replacement of trucks with bulkers resulted in curbing the fugitive emissions during loading of GCP dust.

Zero Liquid Discharge:
All the units of Company have installed requisite facilities to maximise the utilisation of water. These include cascaded water use, recycling in less critical applications, use for greenery development etc. These actions has facilitated in ensuring zero liquid discharge from all the steel plants.

Biodiversity:
The steel plant at Vijayanagar is in an arid area, with poor rainfall and devoid of vegetation. With the continued efforts on tree plantation over the years by the Company and surrounding community, the micro climate in the surrounding area has improved substantially facilitating improved bio diversity.

With an effort to improve the greenery beyond the steel plant area, tree plantation has been carried out over an area of 450 acres belonging to the forest department at Vijayanagar. 4,29,497 sq. ft. area has been added under green cover inclusive of lawns, planting local species of trees, shrubs and herbs.

Million Trees Plantation Mission:
The million tree plantation project has been initiated in nearly 127 acres of degraded forest areas at Dolvi and Karav with a vision to plant 1 million trees by FY 2021-22.

27. AWARDS AND ACCOLADES

Vijayanagar Works

1) Ranked sixth among the best operating steel plant in the world by World Steel Dynamics in June 2017.
2) Vijayanagar Works has been recognised as the second best integrated steel plant in the country for the performance. It was awarded the Steel Minister's Trophy for the years 2014-15 and 2015-16.
3) JSW Steel (Vijayanagar Works) has been awarded the prestigious Ispat Suraksha Puraskar - 2017 by the Joint Committee on Safety, Health & Environment in the steel industry for zero fatalities during the calendar years 2015 and 2016 in the following zones:
    - Steel melting shops and continuous casting shops
    - Blast furnaces, slag granulation plant, sinter plants and the raw material department
4) Water Management Excellence Award 2017 by ASSOCHAM on 30 June 2017 at Hotel Le Meridian, New Delhi
5) National Sustainability Award-2017: First Prize among the Integrated Steel Plants Category by the Indian Institute of Metals

6) Winner of the International and Best CSR Practice award 2018 at International NGO and CSR Summit 28 February 2018, Bengaluru.

7) Awarded the India CSR Project of the Year award for Mission against Malnutrition (MAM) in the state of Karnataka on 26 May 2017

8) JSW Steel Ltd., Vijayanagar Works awarded as "MODEL EMPLOYER" felicitated by Ministry of Labour and Employment, Sri Bandaru Dattatreya 16 May 2017

Dolvi Works

1) PM's Trophy 2013-14: Certificate of Appreciation for Maximum Incremental Improvement amongst ISP

2) CII Exim Bank Award 2017 for Significant Achievement in Nov'17

3) CoRe programme stood 1st Runner up in Frost & Sullivan PERP 2017 Award in Dec'17

4) Ispat Suraksha Puraskar for zero fatal in 2018

Salem Works

1) **Best ITI – Skill Development through the PPP Model:** JSW Steel Salem won the Silver Trophy by ASSOCHAM, India, in recognition of outstanding contribution in Best ITI – Skill Development

2) **IIM Sustainability Award:** Won the second prize in the alloy steel category by the Indian Institute of Metals

28. 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:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.

b) 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 on 31 March 2018 and of the Company's profit or loss for the year ended on that date.

c) 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.

d) The annual financial statements have been prepared on a going concern basis.

e) Internal financial controls were laid down to be followed and that such internal financial controls were adequate and were operating effectively.

f) Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

29. DISCLOSURES

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, eight 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. K. Vijayaraghavan is the Chairman of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

There are no recommendations of the Audit Committee that 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 instances of fraud and mismanagement, if any. Details of the same are given in the Corporate Governance Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SEC. 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 that could impact the going concern status of the Company and its future operations.

However, Members' attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the Financial Statements.

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 AGM 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 1.00 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 and trainees) are covered under this policy. No complaints pertaining to sexual harassment were received during FY 2017-18.

OTHER DISCLOSURES / REPORTING

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

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
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.

30. APPRECIATION

Your Directors take this opportunity to express their appreciation for the cooperation and assistance received from the Government of India; Republic of Chile, Mauritius, Mozambique, the US and the UK; the State Governments of Karnataka, Maharashtra, Tamil Nadu, West Bengal; Jharkhand and Odisha and 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

Place: Mumbai
Date: 16 May 2018

Sajjan Jindal
Chairman

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

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

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 prioritise 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.

STEPS TAKEN FOR ENERGY CONSERVATION:

VIJAYNAGAR

- Interconnection of Blast furnace gas lines has been completed resulting into 2% specific fuel rate reduction.
- Efficient monitoring and effective use of gases resulting in 3.5% reduction in Blast furnace gas flaring.
- Utilisation of recovered waste heat at Sinter Plant-1 for drying of Coke to reduce moisture from 8% to 3% resulting in reduced specific fuel rate by 3%.
- Strengthening of steam network resulting into enhancement of CPP#2 power generation by 2 MW.
- Increased the LD gas recovery from 93 to 95 Nm3/ Tls through improvised SOP's.
- Gaseous heat rate at Pellet plant has been reduced by 7% y-o-y, by stabilising the mixed gas calorific value resulting into increased productivity.
- Improved Sinter Fe% resulted into reduction of Blast Furnace fuel rate by 1% y-o-y.

DOLVI

- Usage of Coke Oven gas / Mixed gas as a replacement of NG at following facilities:
  - a) Tunnel furnace heating, all ladle preheaters heating at SMS.
  - b) Heating of Bar Mill furnace with mixed gas.
- Reduction in heat rate by 3% at Power plant through implementation of online air fuel ratio logic.
- Power generation through Waste gas has increased by 11%.
- Revamping of waste heat recovery boiler at Sinter plant # 1.
- Installation & commissioning of waste heat recovery boiler at Sinter plant # 2.
- Replacement of conventional lights with LED lights at plant area and achieved energy savings of 20,000 KWH.

SALEM

- Reduction in fuel rate, power consumption, BF gas consumption at Blast furnace through optimisation of production between Blast furnace #1 & #2 and higher sinter usage resulted in savings of 0.18 Gcal/ TCS.
- Process optimisation at 150 TPD Air separation plant resulted in savings of 540000 kwh per annum.
- Power consumption reduction in Energy optimising furnace-1 through installation of energy efficient motors with regenerative drive for EOT Crane, energy efficient motor with drive in hydraulic system and 6.6kv drive in ID fan motor. Energy savings of 1908000 Kwh per annum
- Energy savings in an auxiliary cooling water pumps at CPP#2 through coating of pump internals resulted in savings of 99600 Kwh per annum.

THE STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATE SOURCES OF ENERGY:

VIJAYNAGAR

- 30% Increase in by product gas supply y-o-y to power plants resulted in coal saving of 21 TPH.
- HSM waste heat recovery for steam generation is under progress.

DOLVI

Usage of Coke Oven gas / Mixed gas at Dolvi as a replacement of NG at following facilities:

a) Tunnel furnace heating, all ladle preheaters heating at SMS.

b) Heating of Bar Mill furnace with mixed gas.

SALEM

- Effective utilisation of waste heat from Non recovery Coke Ovens through waste heat recovery boilers.

EXPENDITURE ON ENERGY CONSERVATION PROJECT:

VIJAYANAGAR

Capital expenditure of ₹ 34.60 crores was incurred on energy conservation projects, resulting in a reduction of 0.053 Gcal / tcs and a financial savings of ₹ 47.50 crores on annualised basis.

DOLVI

Capital expenditure of ₹ 27.22 crores was incurred on energy conservation projects, resulting in a reduction of 0.011 Gcal / tcs and a financial savings of ₹ 6.73 crores on annualised basis.

SALEM

Capital expenditure of ₹ 1.17 crores was incurred on conservation projects, resulting in a reduction of 0.01 Gcal / tcs and a financial savings of ₹ 0.62 crores on annualised basis.

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 the Company involve new Process and Product development, process improvements for maximisation of quality, cost and energy optimisation, waste utilisation and conservation of natural resources.

The key focus areas include:

- Optimisation of resource utilisation.
- Quality, productivity and cost optimisation through process efficiency improvements.
- Product development, customisation and new applications.
- Recycling and reuse of process waste and conservation of natural resources.
- New application developments and promotion of slag usage in the country.

R&D is actively involved in Industry–Institute partnership and has initiated four collaborative projects in FY 2017-18 with leading academic and research institutes in India – IIT Bombay, IIT Madras, IIT Kanpur, NMDC and NITK Surathkal.

The Company is also pursuing an international collaborative research programme with BASF, Germany to develop special purpose reagents for iron ore beneficiation.

The Company has initiated and is associated with 3 Nos. of advanced research programmes with partial funding from Ministry of Steel and Ministry of Human Resource Development.

2. Benefits derived as a result of R&D efforts

A) Vijayanagar Works

- Process optimisation to facilitate usage of SMS sludge in pellet feed at PP#2 resulting in reduction in carbon consumption by 2 kg/T of pellets and improved CCS of fired pellets and cost savings in terms of reduced carbon and iron ore requirements in pellet making.
- Development of Application of PS Balls (SMS-2 slag) as Filter Media and for shot blasting resulted in efficiency, quality improvement and cost savings.
- Development of a new hydraulic bound mixtures (HBM) using BF slag, LD slag and Lime resulted in reduction in civil project costs, lower carbon emissions, extensive use of slag leading to conservation of natural resources.
- Optimisation of cooling process parameters resulted in improved quality and productivity of special grade steels by elimination of Coil Collapsing in Medium Carbon and High Tensile Grades.
- Development of a process for recovery of carbon from process wastes has lead to savings in fuel costs.

Other important developments carried out at R&D

- Development of heat treatment process for improving life cycle of ladle turret lining plates at SMS.
- Optimisation of usage of washed iron ore in sintering process.
- Process optimisation to maximise iron bearing dust & sludge consumption in micro-pelletisation.

- Process optimisation for improvement in sinter quality and productivity with high porosity iron ores.
- Development of flux rich shell for pellets to reduce fugitive emissions and sticking during induration of pellets.
- Process development to increase Sinter grade feed at BP2.
- Development of beneficiation process for de-zincing of SMS and BF dust and sludge.
- Optimisation of Drying cycle (DD Zone) at PP2 for improving pellet quality.
- Development of operator guidance charts for identifying sliver defects in rolled products.
- Process development for improving the coke reactivity.

New products developed / customised

- Development of new generation high strength steels mainly for automotive and electrical applications have been the major focus at Vijayanagar works. The strategic development aims at providing solutions for high strength with low weight applications.
- The new developments include incremental improvements in material properties to match the customer requirements and new grades for new applications.
- A total of 47 numbers of new steel grades have been developed/customised consisting of flat and long rolled products.

B) Dolvi Works

- Improvement in sinter quality yield through improving aerodynamics of pellet car by use of narrow grate bars in SP1 resulting in reduction of return fines generation by 1.5%.
- Use of Calcium Carbide based deoxidant for reducing easily reducible oxides in slag, namely FeO and MnO, resulting in savings in Al consumption.
- Optimisation of CSP process to improvement of DWTT properties in PP60ME grade resulting in customer satisfaction.
- Optimisation of QST technology for reduction in Mn & Si of lower diameter TMT bars (<=25 mm) resulting in ferro-alloy cost saving of ₹ 210/MT.
- Optimisation of process parameters for reduction in dissolved oxygen level at Billet caster resulting in decrease in inclusions, mill cobbles and elimination of surface cracks in 12, 16 and 20 mm TMT bars.
- Development of Fe500S grade through C-Mn route using QST technology

Other important developments carried out at R&D

- Reduction of ferro-alloy cost in value added grade by alternative alloying strategy resulting in cost savings.
- Process modification in use of ladle covering compound in CSP casted heats to reduce nitrogen pickup and improve castability.
- Successful sinter making with use of lean iron ore fins with high volatile matter (LOI 9-10%).
- Successful use of Pre blended coal in coke oven to reduce inventory of different type of coal and cost of procurement.

New products developed / customised

- Development of high strength TMT rebar (Fe600) for weight reduction and seismic resistance TMT rebars (Fe 500S) has been the main focus area of Dolvi for FY 2017-18.
- Dolvi R&D also developed/customised a total of 17 steel grades.

C) Salem Works:

The key focus areas include:

- Cost reduction through process efficiency improvements.
- Product development and customisation.
- Waste management.

The following process and technology improvement projects have been completed:

- Development of tire cord steel resulting in new product introduction in the market.
- Optimisation of deoxidation process for elimination of macro inclusions in micro alloyed steels leading to quality improvement.
- Development of polyurethane lining in the convolution of bellow resulting in improved life of bellow at BF#2.
- Optimisation of blast burden charge with small sinter in blast furnaces resulting in effective utilisation of raw material and reduction in the cost of production.

- Optimisation of process parameters for grade S53CG leading to improved steel cleanliness.
- Optimisation of thermo-mechanical processing for improving mechanical properties of 10B35 grade steel.
- Development of heat treatment process for improvement of mechanical properties of 52CrMoV4 grade.
- Development of process for synthesizing gypsum from steelmaking slag.
- Development of Cr-Mo Steel for High Tensile Fasteners.
- Optimisation of Deoxidation process for Cr-Mo steel.
- Optimisation of cooling parameters for peritectic steel grades resulting in reduction of surface cracks.
- Development of continuous cast gear steel to replace ingot cast steel.
- Development of Steel Grade for Leaf Spring Application.

New products developed / customised

A total of 9 new grades have been developed/ customised mostly for automotive components such as rear axle shaft, leaf spring, tire cord etc.

3. Expenditure on R&D (2017-18)

Item	₹ in crores
Capital	16
Revenue	25
Total	41
Total as % PAT	**0.89%**

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

Vijayanagar Works

- Commissioning of 10,000 T/day pouring station at SMS-1, to handle torpedo and 140t open top ladles.
- Commissioning of movable KR station at SMS-1, for pre-treatment of Hot metal for special steel grades and silicon steel.
- Commissioning of HR Slitter line of 0.75mtpa capacity at HSM-2.
- Installation of 6th strand billet caster at SMS-3.

Dolvi Works

- Upgradation of online surface imaging system for HR coil.
- Commissioning of 6th strand Billet Caster.
- Commissioning of 500 TPD VPSA / Oxygen plant.
- Commissioning of waste heat recovery system in Sinter Plant-2.

Salem Works

- Installation of Simufact simulation software.
- Commissioning of Instrumented Impact testing machine.
- Commissioning of Sliding strand in Bar and Rod Mill.
- Commissioning of annealing facility for coils.
- Commissioning of CCM-3.

INTELLECTUAL PROPERTY

1. PATENTS

Vijayanagar Works

Patents Filed – 11 Nos.

1) Cold rolled high strength steel having excellent strain hardening property and method of manufacturing the same.
2) A process for cooling and weathering of steel slag.
3) A system for drying iron ore pellets in down draft zone of Induration furnace and method thereof.
4) Rephosphorised low carbon high strength cold rolled steel with resistance for secondary work embrittlement and good formability.
5) High strength cold rolled dual phase steel sheet having high yield ratio with excellent bend ability and phosphatability and a method of its production to continuous annealing route (780Y).
6) Rephosphorised low carbon high strength cold rolled steel having excellent weld ability, aging resistance and resistance for secondary work embrittlement and method of manufacturing the same (440R).
7) High yield ratio high strength cold rolled steel sheet with improved bending properties.
8) A process for sintering of iron ore blend involving pre-processing of porous iron ore to improve sinter quality and plant productivity.
9) Cold rolled ultra-high strength steel sheet with excellent stretch formability and method of manufacturing the same.
10) Flux coated iron ore pellets and the process of manufacturing the same.
11) Hyper-activated clay binder and formulation/ compositions thereof adopted to improve green properties of iron ore pellets through chemical doping.

Granted patents – 4 Nos.

1. 'A Method of Burden Distribution of Iron Oxide Ore as Pellet and Coke' - patent No. 294396.

2. 'A System for Effluent Treatment at Coke Oven Plant and a Method for Such Treatment' - patent no. 294402.

3. 'A Simulator System for Desulphurization of Coke Oven Gas and a Gas Treatment Method using such System' - patent no. 293702.

4. 'A System for Mixing of Corex and Blast Furnace Gas for Pre-Heating of BF Air' -patent no. 292421.

Dolvi Works

Patents Filed – 5 Nos.

1. Low carbon HSLA steel with low YS/UTS ratio, reduced corner crack sensitivity, improved rollability through CSP route.

2. A belt rupture protection device for sinter plant.

3. A seismic resistance reinforced steel bar.

4. An automated system and method of delivery of high pressure liquor Ammonia (HPLA) to coke oven battery during charging operation by sensing flow in HPLA line to facilitate oven-to-oven gas transfer.

5. A Pellet Car Assembly for Induration System involving end grate bars with tilt arresting configuration.

Granted patents - 1 No.

1. An extension being attached in a casting apparatus for increasing metallurgical length of casting apparatus.

Publication of Technical Papers

Vijayanagar Works

Total 13 publications have been published. 10 in International and 3 in National journals.

Dolvi Works

A total of 14 National and International conference publications and conference proceedings were published.

Salem Works

Total of 11 papers (5 journal papers and 6 papers in conference proceedings) have been published.

i) The benefits derived like product improvement, cost reduction, product development or import substitution.

The R&D developments in process improvement, energy optimisation and cost reduction have helped in substantial 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
Vijayanagar Works		
Continuous Annealing Line for CRM- 2	2015-16	Commissioned
Capacity augmentation of Blast Furnace No. 1	2015-16	Commissioned
Lime kiln-12	2015-16	Commissioned
Commissioning of Electrical Steel Complex (ACL) at CRM-1 to produce Cold Rolled Non-Grain Oriented (CRNGO)	2015-16	Commissioned
Commissioning of Slab Auto Scarfing for removing surface and sub-surface defects for auto grades and non-auto grades	2015-16	Commissioned
Commissioning of I-Shop to machine and fabricate precision components in-house	2015-16	Commissioned
Commissioning of Slab sizing press at HSM-2	2015-16	Commissioned
KR station at SMS-2 for desulphurisation of hot metal	2016-17	Commissioned
6th strand billet caster at SMS-3	2017-18	Commissioned
HR Slitter line of 0.75mtpa capacity at HSM-2	2017-18	Commissioned

Innovation / Technology	Year of Import	Status
Dolvi works		
Capacity augmentation of Blast Furnace	2015-16	Commissioned
Sinter Plant II	2015-16	Commissioned
High temperature quenching system in GCP	2015-16	Commissioned
Ladle Furnace #5	2015-16	Commissioned
EMBR in CSP Caster #1 and Caster #2	2015-16	Commissioned
Metallurgical Length Extension of CSP Caster #1	2015-16	Commissioned
New Billet Caster	2015-16	Commissioned
Upgraded HSM Level 2 systems	2015-16	Commissioned
Bar Mill - II	2015-16	Commissioned
Section augmentation (130mmX130mm) in existing Billet Caster	2016-17	Commissioned
Upgradation of online surface imaging system for HR coil	2017-18	Commissioned
Commissioning of 6th strand Billet Caster	2017-18	Commissioned
Commissioning of 500 TPD VPSA / Oxygen plant	2017-18	Commissioned
Salem Works		
Online Gauge Surface Defect Detection System	2016-17	Commissioned
Instrumented Impact testing machine	2017-18	Commissioned
Sliding strand in Bar and Rod Mill	2017-18	Commissioned
Annealing facility for coils	2017-18	Commissioned
CCM-3 (Continuous casting machine)	2017-18	Commissioned

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign exchange used and earned during the year:

(₹ In Crores)

	FY 2017-18	FY 2016-17
Foreign Exchange earned	10,938	10,149
Foreign Exchange used	22,617	17,595

Annexure – B to Directors' Report

FORM NO. MGT- 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2018

[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:

1.	CIN	L27102MH1994PLC152925
2.	Registration Date	15.03.1994
3.	Name of the Company	JSW Steel Limited
4.	Category / Sub-Category of the Company	Iron & Steel Making Facilities.
5.	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
6.	Whether listed company Yes / No	Yes
7.	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 – 500 008 Tel. No.: 040 67161500 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:-

Sl. 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		47.7
2	Bar & Rods	241	20.9
3	MS Cold Rolled Coils/Sheets		14.7

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	% of Shares held
		SUBSIDIARY [APPLICABLE SECTION: 2 (87) (II)]		
1	JSW Steel (UK) Limited	Roxburghe House,273-283 Regent Street, London WIB 2HA, UK.	Not applicable	100%
2	JSW Natural Resources Limited, Mauritius	C/o, International Financial Limited, IFS Court, Twenty Eight Cybercity, Ebene Mauritius.	Not applicable	100%
3	JSW Natural Resources Mozambique Lda	3rd Floor, Rua Desidane No. 60, Opp. Polana Shopping Complex, Polana Cimento "A", Maputo, Mozambique	Not applicable	100%
4	JSW ADMS Carvao Limitada	3rd Floor, Rua Desidane No. 60, Opp. Polana Shopping Complex, Polana Cimento "A", Maputo, Mozambique	Not applicable	100%
5	JSW Steel (Netherlands) B.V.	Hoogoorddreef, 15, 1101, BA, Amsterdam	Not applicable	100%
6	JSW Steel (USA) Inc.	5200 E, Mckinney Road, Baytown, Texas - 77523	Not applicable	90%
7	Periama Holdings, LLC	2711, Centreville Road, Suite 400, City of Wilminton Country of New Castle Delaware 19808.	Not applicable	100%
8	Purest Energy LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	% of Shares held
9	Planck Holdings, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
10	Prime Coal, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
11	Rolling S Augering, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
12	Caretta Minerals, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
13	Periama Handling, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
14	Lower Hutchinson Minerals, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
15	Meadow Creek Minerals, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
16	Keenan Minerals, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
17	Hutchinson Minerals, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
18	RC Minerals, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
19	Peace Leasing, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
20	JSW Panama Holding Corporation	48th East Street, Bella, Vista, P.O. Box No.: 0816-01832, Panama.	Not applicable	100%
21	Inversiones Eurosh Limitada	Juan Francisco Gonzalez, 562, Sector Placilla, Morales Copiapo, Chile	Not applicable	100%
22	Santa Fe Mining	Juan Francisco Gonzalez, 562, Sector Placilla, Morales Copiapo, Chile	Not applicable	70%
23	Santa Fe Puerto S.A.	Juan Francisco Gonzalez, 562, Sector Placilla, Morales Copiapo, Chile	Not applicable	70%
24	JSW Steel Processing Centres Limited	JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai 400 051	U01010MH2003PLC176595	100%
25	JSW Jharkhand Steel Limited	JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai 400 051	U27310MH2007PLC171405	100%
26	JSW Bengal Steel Limited	JSW Centre, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U27106MH2007PLC170160	98.68%
27	JSW Natural Resources India Limited	JSW Centre, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U14200MH2007PLC173687	98.68%
28	JSW Energy (Bengal) Limited	JSW Centre, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U40300MH2010PLC199844	98.68%
29	JSW Steel Coated Proudcts Limited	JSW Centre, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U27100MH1985PLC037346	100%
30	Amba River Coke Limited	JSW Centre, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U23100MH1997PLC110901	100%
31	Peddar Realty Pvt Limited	JSW Centre, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U45200MH2002PTC137214	100%
32	Arima Holdings Ltd.,	42 Hotels Street, 3rd Floor, Gfin Tower, CyberCIty, Ebene, Mauritius	Not Applicable	100%
33	Lakeland Securities Ltd.,	42 Hotels Street, 3rd Floor, Gfin Tower, CyberCIty, Ebene, Mauritius	Not Applicable	100%
34	Erebus Limited	42 Hotels Street, 3rd Floor, Gfin Tower, CyberCIty, Ebene, Mauritius	Not Applicable	100%
35	Nippon Ispat Singapore (Pte) Ltd.,	17 Philip Street # 05-01 Grand Building, Singapore 048695.	Reg No.199303132W	100%
36	JSW Natural Resource Bengal Limited	JSW Centre, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U10300MH2010PLC200871	98.68%
37	JSW Steel (Salav) Limited	Welspun City, Village Versamedi, Taluka Anjar, Kutch, Anjar, Gujrat.	U27100GJ2008PLC064145	100%
38	JSW Industrial Gases Private Limited (formerly known as JSW Praxair Oxygen Private Limited)	JSW Centre, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051	U85110KA1995PTC018868	100%
39	JSW Steel Italy S.R.L.	Via Carlo D' Adda, 9A, 20143 Milano, Italy.	Not Applicable	100%
40	JSW Utkal Steel Limited	JSW Centre, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U27209MH2017PLC301887	100%

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	% of Shares held
41	Hasaud Steel Limited	Grand Palladium, 6th Floor, 175, CST Road, Santacruz East, Mumbai - 400 098	U27209MH2018PLC305033	100%
42	Creixent Special Steel Limited	QR No. 50-51,Park Avenue colony, Jindal Road, Dhimrapur, Raigarh, Chattisgarh 496 001	U27209CT2018PLC008397	100%
43	Milloret Steel Limited	QR No. 50-51,Park Avenue colony, Jindal Road, Dhimrapur, Raigarh, Chattisgarh 496 001	U27320CT2018PLC008414	100%
		Associates [Applicable Section 2(6)]		
44	Dolvi Mineral & Metals Pvt. Ltd.	JSW Centre, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U51900MH2014PTC257483	39.996%
45	Dolvi Coke Projects Limited	JSW Centre, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	U23209MH2014PLC254395	39.996%

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

1. Category-wise Share Holding: -

Category Code	Category of Shareholder	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% 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)
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	**INDIAN**									
(a)	Individual /HUF	14504770	0	14504770	0.60	14510770	0	14510770	0.60	0.00
(b)	Central Government/ State Government(s)	9079520	0	9079520	0.38	9079520	0	9079520	0.38	0.00
(c)	Bodies Corporate	932496350	0	932496350	38.58	935543350	0	935543350	38.70	0.12
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	600	0	600	0.00	0.00
	Sub-Total A(1):	**956080640**	**0**	**956080640**	**39.55**	**959134240**	**0**	**959134240**	**39.68**	**0.13**
(2)	**FOREIGN**									
(a)	Individuals (NRIs/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	50021540	0	50021540	2.07	50021540	0	50021540	2.07	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
	Sub-Total A(2):	**50021540**	**0**	**50021540**	**2.07**	**50021540**	**0**	**50021540**	**2.07**	**0.00**
	Total A=A(1)+A(2)	**1006102180**	**0**	**1006102180**	**41.62**	**1009155780**	**0**	**1009155780**	**41.75**	**0.13**
(B)	**PUBLIC SHAREHOLDING**									
(1)	**INSTITUTIONS**									
(a)	Mutual Funds /UTI	25629576	197670	25827246	1.07	58424736	152510	58577246	2.42	1.35
(b)	Financial Institutions / Banks	7676928	25800	7702728	0.32	8592447	17650	8610097	0.36	0.04
(c)	Central Government / State Government(s)	12375000	0	12375000	0.51	12375000	0	12375000	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	482231835	117130	482348965	19.95	479964786	97750	480062536	19.86	-0.09
(g)	Foreign Venture Capital Investors	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 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% 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)
(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
	Sub-Total B(1):	**527913339**	**340600**	**528253939**	**21.85**	**559356969**	**267910**	**559624879**	**23.15**	**1.30**
(2)	**NON-INSTITUTIONS**									
(a)	Bodies Corporate	191850453	7315380	199165833	8.24	188421487	4993500	193414987	8.00	-0.24
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 2 lakh	97362861	27950380	125313241	5.18	94081643	19811708	113893351	4.71	-0.47
	(ii) Individuals holding nominal share capital in excess of ₹ 2 lakh	149198809	0	149198809	6.17	124346201	0	124346201	5.14	-1.03
(c)	Others									
	Employees Welfare Trust	0	40	40	0.00	0	0	0	0.00	0.00
	Foreign Bodies Corporates	362583070	1660	362584730	15.00	362583070	1660	362584730	15.00	0.00
	I E P F	0	0	0	0.00	12027406	0	12027406	0.50	0.50
	Non Resident Indians	27028122	4261880	31290002	1.29	25241320	3530120	28771440	1.19	-0.10
	Nri Non-Repatriation	878916	0	878916	0.04	2089524	0	2089524	0.09	0.05
	Overseas Corporate Bodies	0	10660	10660	0.00	0	9660	9660	0.00	0.00
	Trusts	14235750	0	14235750	0.59	10988860	0	10988860	0.45	-0.14
	Trusts	186120	220	186340	0.01	313622	0	313622	0.01	0.01
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2):	**843324101**	**39540220**	**882864321**	**36.52**	**820093133**	**28346648**	**848439781**	**35.10**	**-1.42**
	Total B=B(1)+B(2):	**1371237440**	**39880820**	**1411118260**	**58.38**	**1379450102**	**28614558**	**1408064660**	**58.25**	**-0.13**
	Total (A+B):	**2377339620**	**39880820**	**2417220440**	**100.00**	**2388605882**	**28614558**	**2417220440**	**100.00**	**0.00**
(C)	**SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED**									
(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
	GRAND TOTAL (A+B+C):	**2377339620**	**39880820**	**2417220440**	**100.00**	**2388605882**	**28614558**	**2417220440**	**100.00**	**0.00**

2. Shareholding of Promoters and Promoter Group:

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year 01.04.2017			Shareholding at the end of the Year 31.03.2018			% change in shareholding
		No. of Shares held as on 01.04.2017	% of total Shares of the Company	% of Shares pledged/ encumbered to total shares	No. of Shares held as on 31.03.2018	% of total Shares of the Company	% of Shares pledged/ encumbered to total shares	
1.	JSW Techno Projects Management Limited	229326950	9.49	67.94	229326950	9.49	55.99	0.00
2.	Jsw Holdings Limited	175794230	7.27	62.33	177306230	7.34	50.77	0.06
3.	Vividh Finvest Private Limited	139866690	5.79	56.14	140726690	5.82	62.85	0.04
4.	Sahyog Holdings Private Limited	109922360	4.55	43.56	110597360	4.58	55.95	0.03
5.	JSW Power Trading Company Limited	70038350	2.90	0.00	70038350	2.90	12.79	0.00
6.	Danta Enterprises Private Limited	60368250	2.50	63.70	60368250	2.50	70.23	0.00
7.	Virtuous Tradecorp Private Limited	60368250	2.50	9.77	60368250	2.50	20.41	0.00
8.	Nalwa Sons Investments Limited	45486370	1.88	0.00	45486370	1.88	0.00	0.00
9.	Jsl Overseas Limited	21026090	0.87	0.00	21026090	0.87	0.00	0.00
10.	Glebe Trading Private Limited	17157930	0.71	88.84	17157930	0.71	74.07	0.00
11.	Jsw Logistics Infrastructure Private Limited	17125770	0.71	0.00	17125770	0.71	0.00	0.00
12.	Beaufield Holdings Limited	16409910	0.68	0.00	16409910	0.68	0.00	0.00
13.	Karnataka State Industrial And Infrastructure Development Corporation	9079520	0.38	0.00	9079520	0.38	0.00	0.00
14.	Siddeshwari Tradex Private Limited	7024580	0.29	0.00	7024580	0.29	0.00	0.00
15.	Mendeza Holdings Limited	4218090	0.17	0.00	4218090	0.17	0.00	0.00
16.	Nacho Investments Limited	4207380	0.17	0.00	4207380	0.17	0.00	0.00
17.	Estrela Investment Company Limited	4160070	0.17	0.00	4160070	0.17	0.00	0.00
18.	Parth Jindal	3500000	0.14	0.00	3500000	0.14	0.00	0.00
19.	Tanvi Shete	3500000	0.14	0.00	3500000	0.14	0.00	0.00
20.	Tarini Jindal Handa	3500000	0.14	39.03	3500000	0.14	45.63	0.00
21.	Tarini Jindal Handa	1413890	0.06	0.00	1413890	0.06	0.00	0.00
22.	Tanvi Shete	1383630	0.06	0.00	1383630	0.06	0.00	0.00
23.	Urmila Bhuwalka	250000	0.01	100.00	260000	0.01	96.15	0.00
24.	Arti Jindal	227550	0.01	0.00	227550	0.01	0.00	0.00
25.	Deepika Jindal	0	0.00	0.00	148650	0.01	0.00	0.01
26.	Nirmala Goyal	0	0.00	0.00	120000	0.00	0.00	0.00
27.	Prithvi Raj Jindal	84580	0.00	0.00	84580	0.00	0.00	0.00
28.	Savitri Devi Jindal	75300	0.00	0.00	75300	0.00	0.00	0.00
29.	S K Jindal And Sons Huf.	58000	0.00	0.00	58000	0.00	0.00	0.00
30.	Sminu Jindal	55970	0.00	0.00	55970	0.00	0.00	0.00
31.	Tripti Jindal	50660	0.00	0.00	50660	0.00	0.00	0.00
32.	P R Jindal Huf.	45550	0.00	0.00	45550	0.00	0.00	0.00
33.	Naveen Jindal	27790	0.00	0.00	27790	0.00	0.00	0.00
34.	Naveen Jindal	27200	0.00	0.00	27200	0.00	0.00	0.00
35.	Parth Jindal	20000	0.00	0.00	20000	0.00	0.00	0.00
36.	Hexa Tradex Limited	13620	0.00	0.00	13620	0.00	0.00	0.00
37.	Aiyush Bhuwalka	14000	0.00	100.00	10000	0.00	0.00	0.00
38.	Sangita Jindal	1000	0.00	0.00	1000	0.00	0.00	0.00
39.	Reynold Traders Private Limited	1000	0.00	0.00	1000	0.00	0.00	0.00
40.	Jsw Investments Private Limited	1000	0.00	0.00	1000	0.00	0.00	0.00

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year 01.04.2017			Shareholding at the end of the Year 31.03.2018			% change in shareholding
		No. of Shares held as on 01.04.2017	% of total Shares of the Company	% of Shares pledged/ encumbered to total shares	No. of Shares held as on 31.03.2018	% of total Shares of the Company	% of Shares pledged/ encumbered to total shares	
41.	JSW Projects Limited	1000	0.00	0.00	1000	0.00	0.00	0.00
42.	Sajjan Jindal	1000	0.00	0.00	1000	0.00	0.00	0.00
43.	Tanvi Jindal Family Trust	0	0.00	0.00	100	0.00	0.00	0.00
44.	Tarini Jindal Family Trust	0	0.00	0.00	100	0.00	0.00	0.00
45.	Parth Jindal Family Trust	0	0.00	0.00	100	0.00	0.00	0.00
46.	Sajjan Jindal Family Trust	0	0.00	0.00	100	0.00	0.00	0.00
47.	Sangita Jindal Family Trust	0	0.00	0.00	100	0.00	0.00	0.00
48.	Sajjan Jindal Lineage Trust	0	0.00	0.00	100	0.00	0.00	0.00
49.	Nirmala Goyal	120000	0.00	0.00	0	0.00	0.00	0.00
50.	R K Jindal & Sons Huf.	148650	0.01	0.00	0	0.00	0.00	-0.01
	Total	**1006102180**	**41.62**		**1009155780**	**41.75**		**0.13**

3. Change in Promoters & Promoter Group Shareholding (please specify, if there is no change)

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative shareholding during the year		REMARKS			
		No. of Shares held as on 01.04.2017	% of total shares of the Company	No. of Shares held as on 31.03.2018	% of total shares of the Company	Date	Sold	Purchased	No. of Shares at the end of the year
1	JSW Techno Projects Management Ltd	229326950	9.49	229326950	9.49	01.04.2017	0	0	229326950
						31.03.2018	0	0	229326950
2	JSW Holdings Limited	175794230	7.27	177306230	7.34	01.04.2017	0	0	175794230
						10.11.2017	0	384980	176179210
						17.11.2017	0	785020	176964230
						24.11.2017	0	342000	177306230
						31.03.2018	0	0	177306230
3	Vividh Finvest Private Limited	139866690	5.79	140726690	5.82	01.04.2017	0	0	139866690
						09.03.2018	0	600000	140466690
						16.03.2018	0	260000	140726690
						31.03.2018	0	0	140726690
4	Sahyog Holdings Private Limited	109922360	4.55	110597360	4.58	01.04.2017	0	0	109922360
						02.03.2018	0	200000	110122360
						09.03.2018	0	475000	110597360
						31.03.2018	0	0	110597360
5	JSW Power Trading Company Limited	70038350	2.90	70038350	2.90	01.04.2017	0	0	70038350
						31.03.2018	0	0	70038350
6	Danta Enterprises Private Limited	60368250	2.50	60368250	2.50	01.04.2017	0	0	60368250
						31.03.2018	0	0	60368250
7	Virtuous Tradecorp Private Limited	60368250	2.50	60368250	2.50	01.04.2017	0	0	60368250
						31.03.2018	0	0	60368250
8	Nalwa Sons Investments Ltd	45486370	1.88	45486370	1.88	01.04.2017	0	0	45486370
						31.03.2018	0	0	45486370
9	JSL Overseas Limited	21026090	0.87	21026090	0.87	01.04.2017	0	0	21026090
						31.03.2018	0	0	21026090
10	Glebe Trading Private Limited	17157930	0.71	17157930	0.71	01.04.2017	0	0	17157930
						31.03.2018	0	0	17157930
11	JSW Logistics Infrastructure Private Limited	17125770	0.71	17125770	0.71	01.04.2017	0	0	17125770
						31.03.2018	0	0	17125770
12	Beaufield Holdings Limited	16409910	0.68	16409910	0.68	01.04.2017	0	0	16409910
						31.03.2018	0	0	16409910
13	Karnataka State Industrial And Infrastructure Development Corprn	9079520	0.38	9079520	0.38	01.04.2017	0	0	9079520
						31.03.2018	0	0	9079520
14	Siddeshwari Tradex Private Limited	7024580	0.29	7024580	0.29	01.04.2017	0	0	7024580
						31.03.2018	0	0	7024580
15	Mendeza Holdings Limited	4218090	0.17	4218090	0.17	01.04.2017	0	0	4218090
						31.03.2018	0	0	4218090
16	Nacho Investments Limited	4207380	0.17	4207380	0.17	01.04.2017	0	0	4207380
						31.03.2018	0	0	4207380
17	Estrela Investment Company Limited	4160070	0.17	4160070	0.17	01.04.2017	0	0	4160070
						31.03.2018	0	0	4160070

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative shareholding during the year		REMARKS			
		No. of Shares held as on 01.04.2017	% of total shares of the Company	No. of Shares held as on 31.03.2018	% of total shares of the Company	Date	Sold	Purchased	No. of Shares at the end of the year
18	Parth Jindal	3500000	0.14	3500000	0.14	01.04.2017	0	0	3500000
						31.03.2018	0	0	3500000
19	Tanvi Shete	3500000	0.14	3500000	0.14	01.04.2017	0	0	3500000
						31.03.2018	0	0	3500000
20	Tarini Jindal Handa	3500000	0.14	3500000	0.14	01.04.2017	0	0	3500000
						31.03.2018	0	0	3500000
21	Tarini Jindal Handa	1413890	0.06	1413890	0.06	01.04.2017	0	0	1413890
						31.03.2018	0	0	1413890
22	Tanvi Shete	1383630	0.06	1383630	0.06	01.04.2017	0	0	1383630
						31.03.2018	0	0	1383630
23	Urmila Bhuwalka	250000	0.01	260000	0.01	01.04.2017	0	0	250000
						06.10.2017	0	10000	260000
						31.03.2018	0	0	260000
24	Arti Jindal	227550	0.01	227550	0.01	01.04.2017	0	0	227550
						31.03.2018	0	0	227550
25	Deepika Jindal	0	0.00	148650	0.01	31.03.2017	0	0	0
						02.06.2017	0	148650	148650
						31.03.2018	0	0	148650
26	Nirmala Goyal	12000	0.00	120000	0.00	31.03.2017	0	0	12000
						31.03.2018	0	0	120000
27	Prithvi Raj Jindal	84580	0.00	84580	0.00	01.04.2017	0	0	84580
						31.03.2018	0	0	84580
28	Savitri Devi Jindal	75300	0.00	75300	0.00	01.04.2017	0	0	75300
						31.03.2018	0	0	75300
29	S K Jindal And Sons Huf.	58000	0.00	58000	0.00	01.04.2017	0	0	58000
						31.03.2018	0	0	58000
30	Sminu Jindal	55970	0.00	55970	0.00	01.04.2017	0	0	55970
						31.03.2018	0	0	55970
31	Tripti Jindal	50660	0.00	50660	0.00	01.04.2017	0	0	50660
						31.03.2018	0	0	50660
32	P R Jindal Huf.	45550	0.00	45550	0.00	01.04.2017	0	0	45550
						31.03.2018	0	0	45550
33	Naveen Jindal	27790	0.00	27790	0.00	01.04.2017	0	0	27790
						31.03.2018	0	0	27790
34	Naveen Jindal	27200	0.00	27200	0.00	01.04.2017	0	0	27200
						31.03.2018	0	0	27200
35	Parth Jindal	20000	0.00	20000	0.00	01.04.2017	0	0	20000
						31.03.2018	0	0	20000
36	Hexa Tradex Limited	13620	0.00	13620	0.00	01.04.2017	0	0	13620
						31.03.2018	0	0	13620
37	Aiyush Bhuwalka	14000	0.00	10000	0.00	01.04.2017	0	0	10000
						31.03.2018	0	0	10000
38	Sangita Jindal	1000	0.00	1000	0.00	01.04.2017	0	0	1000
						31.03.2018	0	0	1000
39	Reynold Traders Private Limited	1000	0.00	1000	0.00	01.04.2017	0	0	1000
						31.03.2018	0	0	1000

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative shareholding during the year		REMARKS			
		No. of Shares held as on 01.04.2017	% of total shares of the Company	No. of Shares held as on 31.03.2018	% of total shares of the Company	Date	Sold	Purchased	No. of Shares at the end of the year
40	JSW Investments Private Limited	1000	0.00	1000	0.00	01.04.2017	0	0	1000
						31.03.2018	0	0	1000
41	JSW Projects Limited	1000	0.00	1000	0.00	01.04.2017	0	0	1000
						31.03.2018	0	0	1000
42	Sajjan Jindal	1000	0.00	1000	0.00	01.04.2017	0	0	1000
						31.03.2018	0	0	1000
43	Sajjan Jindal Family Trust	0	0.00	100	0.00	01.04.2017	0	0	100
						31.03.2018	0	0	100
44	Sajjan Jindal Lineage Trust	0	0.00	100	0.00	01.04.2017	0	0	100
						31.03.2018	0	0	100
45	Sangita Jindal Family Trust	0	0.00	100	0.00	01.04.2017	0	0	100
						31.03.2018	0	0	100
46	Tarini Jindal Family Trust	0	0.00	100	0.00	01.04.2017	0	0	100
						31.03.2018	0	0	100
47	Tanvi Jindal Family Trust	0	0.00	100	0.00	01.04.2017	0	0	100
						31.03.2018	0	0	100
48	Parth Jindal Family Trust	0	0.00	100	0.00	01.04.2017	0	0	100
						31.03.2018	0	0	100
49	R K Jindal & Sons Huf.	148650	0.01	0	0.00	31.03.2017	0	0	148650
						02.06.2017	148650	0	0
						31.03.2018	0	0	0

4. Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative shareholding during the year		Date	During the year		No. of Shares at the end of the year
		No. of Shares held as on 01.04.2017	% of total Shares of the Company	No. of Shares held as on 31/03/2018	% of Total Shares of the Company		Sold	Purchased	
1	JFE Steel International Europe B.V.	362583070	15.00	362583070	15.00	01.04.2017	0	0	362583070
						31.03.2018	0	0	362583070
2	Gagandeep Credit Capital Pvt. Ltd.	45982650	1.90	45982650	1.90	01.04.2017	0	0	45982650
						31.03.2018	0	0	45982650
3	Lotus Global Investments Ltd.	41709650	1.73	41709650	1.73	01.04.2017	0	0	41709650
						31.03.2018	0	0	41709650
4	Apms Investment Fund Ltd.	36885000	1.53	36885000	1.53	01.04.2017	0	0	36885000
						31.03.2018	0	0	36885000
5	The Indiaman Fund (Mauritius) Limited	30512216	1.26	30772853	1.27	01.04.2017	0	0	30512216
						28.04.2017	0	80000	30592216
						26.05.2017	0	25000	30617216
						03.11.2017	0	26000	30643216
						10.11.2017	0	43383	30686599
						17.11.2017	0	63401	30750000
						08.12.2017	0	11000	30761000
						19.01.2018	0	11853	30772853
						31.03.2018	0	0	30772853
6	Shamyak Investment Private Limited	25333230	1.05	25333230	1.05	01.04.2017	0	0	25333230
						31.03.2018	0	0	25333230

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative shareholding during the year		Date	During the year		No. of Shares at the end of the year
		No. of Shares held as on 01.04.2017	% of total Shares of the Company	No. of Shares held as on 31/03/2018	% of Total Shares of the Company		Sold	Purchased	
7	Nemish S Shah	23943930	0.99	23943930	0.99	01.04.2017	0	0	23943930
						31.03.2018	0	0	23943930
8	Enam Securities Pvt. Ltd.	21725450	0.90	20847750	0.86	01.04.2017	0	0	21725450
						28.04.2017	0	2327300	24052750
						31.10.2017	1000000	0	23052750
						30.03.2018	2205000	0	20847750
						31.03.2018	0	0	20847750
9	Vanguard Emerging Markets Stock Index Fund	0	0.00	20438562	0.85	01.04.2017	0	0	0
						23.03.2018	0	20530312	20530312
						30.03.2018	91750	0	20438562
						31.03.2018	0	0	20438562
10	Hypnos Fund Limited	19810000	0.82	19810000	0.82	01.04.2017	0	0	19810000
						31.03.2018	0	0	19810000

5. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
		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	1000	0.00	1000	0.00
2	Mr. Seshagiri Rao M.V.S, Jt. Managing Director & Group CFO	223200	0.01	223200	0.01
3	Dr. Vinod Nowal, Dy. Managing Director	90730	0.00	120560	0.00
4	Mr. Jayant Acharya, Director (Commercial & Marketing)	112060	0.00	112060	0.00
5	Dr. Vijay Kelkar, Director	Nil	Nil	Nil	Nil
6	Dr. Malay Mukherjee	Nil	Nil	Nil	Nil
7	Mr. K. Vijayaraghavan	Nil	Nil	Nil	Nil
8	Mr. Seturaman Mahalingam	Nil	Nil	Nil	Nil
9	Mr. Hiroyuki Ogawa, Nominee Director (JFE Steel Corpn)	Nil	Nil	Nil	Nil
10	Dr. (Mrs.) Punita Kumar Sinha	Nil	Nil	Nil	Nil
11	Mr. N. Jayaram, IAS, Nominee Director (KSIIDC)	Nil	Nil	Nil	Nil
12	Mr. Haigreve Khaitan	Nil	Nil	Nil	Nil
13	Mr. Rajeev Pai, Chief Financial Officer	Nil	Nil	Nil	Nil
14	Mr. Lancy Varghese, Company Secretary	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

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

(₹ in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	16,382	21,893	-	38,274
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	138	214	-	352
Total (i + ii + iii)	**16,520**	**22,107**	**-**	**38,626**
Change in indebtedness during the financial year				
* Addition	1,182	28,149	-	29,331
* Reduction	2,587	28,946	-	31,537
NET CHANGE	**-1,405**	**-797**	**-**	**-2,202**
Indebtedness at the end the financial year				
i) Principal Amount	14,977	21,204	-	36,181
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	114	207	-	321
Total (i + ii + iii)	**15,091**	**21,411**	**-**	**36,502**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in crores)

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	9.89	4.85	3.57	3.04	21.35
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.18	0.22	0.17	0.15	1.72
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961					
2	Stock Option	--	15.88	8.40	7.56	31.84
3	Sweat Equity					
4	Commission - as % of profit	37.67	--	--	--	37.67
5	Others, please specify	--	--	--	--	--
	Total (A)	**48.74**	**20.95**	**12.14**	**10.75**	**92.58**
	Ceiling as per the Act (@10% of profits calculated under Section 198 of the Companies Act, 2013)			**753.41**		

B. Remuneration to other directors:

₹ In Lakhs

Sl. No.	Particulars of Remuneration	Mr. K. Vijayaraghavan	Dr. Vijay Kelkar	Mr. Malay Mukherjee	Mr. Seturaman Mahalingam	Dr. (Mrs) Punita Kumar Sinha	Mr. Haigreve Khaitan	Mr. Uday Chitale *	Total Amount
		1	2	3	4	5	6	7	
1	**Independent Directors**								
	Fee for attending Board Committee meetings	6.00	1.60	5.00	4.60	3.80	0.80	0.00	21.80
	Commission	44.00	43.00	43.50	41.90	43.00	39.00	1.60	256.00
	Others, please specify								
	Total (1)	50.00	44.60	48.50	46.50	46.80	39.80	1.60	277.80

		Mr. Naveen Raj Singh/Mrs. P. Hemalatha/Mr. N. Jayaram (KSIIDC Nominee)	Mr. Hiroyuki Ogawa/ Mr. Kyoichi Kameyama/ Mr. Hiromu Oka (JFE Nominee)	Total Amount
2	**Other Non-Executive Directors**			
	Fee for attending Board Committee meetings	0.20	2.20	2.40
	Commission	31.96	43.00	74.96
	Others, please specify			
	Total (2)	**32.16**	**45.20**	**77.36**
	Total (B)=(1+2)			**355.16**
	Total Managerial Remuneration (Excluding Sitting Fees) - ₹ in lakhs (A + B)	**95.89 crores**		
	Overall Ceiling as per the Act (@11% of profits calculated under Section 198 of the Companies Act, 2013)	**828.75 crores**		

*retired as Independent Director w.e.f. 26.07.2016

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	0.66	1.60	2.26
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.02	0.09	0.11
	(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	--	--	--
	Total	**0.68**	**1.69**	**2.37**

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)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

Annexure – C to Directors' Report

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 March 2018
[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,
JSW STEEL LIMITED
JSW Centre, Bandra-Kurla Complex,
Bandra (East), Mumbai,
Maharashtra - 400051

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JSW STEEL LIMITED bearing CIN:L27102MH1994PLC152925 (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my 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 provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, We hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2018 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 Company for the financial year ended on 31 March 2018 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contract (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 Regulations prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act') as appropriately applicable for the period under review:

   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) Securities Exchange Board of India (Share Based Employee benefits) Regulations, 2014;

   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 an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

vi. All other relevant applicable laws including those specifically applicable to the Company, a list of which has been provided by the management. The examination and reporting of 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 compliance with the applicable clauses of the following:

- **Secretarial Standards**

The Secretarial Standards SS-1, SS-2 and SS-3 issued and notified by the Institute of Company Secretaries of India has been generally complied with by the Company during the financial year under review;

- **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Company has complied with the applicable clauses of the listing agreement entered by it with the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) of India as also with the applicable clauses of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards, etc. mentioned above subject to the following observation:

The Hon'ble Adjudicating Officer of the Securities and Exchange Board of India had passed an order dated 31 August 2017 (the 'Order') against the Company imposing a penalty of ₹ 2,50,000 (Rupees Two Lakh Fifty Thousand) for non-redressal of an investor grievance in a speedy manner. An appeal before the SEBI Appellate Tribunal (SAT) against the above mentioned order was filed by the Company on 16 October 2017. The Company without any admission of guilt/ wrongdoing on its part of violation of Circular No. CIR/OIAE/1/2014, dated 18 December 2014, also filed an application under the SEBI (Settlement of Administrative and Civil Proceedings) Regulations for settling the order of the Adjudicating Officer, SEBI dated 31 August 2017, by agreeing to pay an amount of ₹ 2,75,000 as settlement amount and ₹ 56,750/- (Rupees Fifty Six Thousand Seven Hundred and Fifty Only) as legal charges in the matter. SEBI has in principle agreed to accept the terms of the settlement. The Company has paid the settlement amount. Pursuant to the acceptance of the Company's settlement application by SEBI, SAT has disposed of the Company's appeal.

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 is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days 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 has been carried through in the Board Meetings while there were no dissenting members' views.

We further report that, there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period, except the events listed below no other events occurred which had any major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards and that the Company has complied with such of those relevant clauses thereto which are applicable:

- The Company has fully redeemed the following Non-Convertible Debentures during the period under review -

    1. 1750 10.40% secured Non-Convertible Debentures of ₹ 10,00,000 each
    2. 5000 10.20% secured Non-Convertible Debentures of ₹ 10,00,000 each
    3. 2000 10.20% secured Non-Convertible Debentures of ₹ 10,00,000 each
    4. 3000 9.62% secured Non-Convertible Debentures of ₹ 10,00,000 each
    5. 5,000 10.25% secured Non-Convertible Debentures of ₹ 10,00,000 each
    6. 5000 10.10% secured Non-Convertible Debentures of ₹ 10,00,000 each

- The Company has also partly redeemed 10% Cumulative Redeemable Preference Shares of face value of ₹ 10/- each to the extent of ₹ 139,51,74,535/- (₹ 69,75,87,267.5 + ₹ 69,75,87,267.5) being part redemption amount carrying a face value of ₹ 5/- per share leaving the face value of share post redemption as ₹ 5/-.

- The Company entered into a Stock Purchase Agreement dated 28.03.2018 with JSM International Limited, Acero Junction Holdings Inc., Acero Junction Inc. for acquisition of 100% shares of Acero Junction Holdings Inc., a Delaware Corporation, for a cash consideration of US$80.85 million.

- The Company has launched a new product namely JSW Everglow which aims to provide beautiful and innovative roofing and wall solutions for modern India.

- The Company has raised US$500 million by allotment of fixed rate senior unsecured notes ('Notes') in accordance with regulation S of the U.S. Securities Act, 1933 and applicable Indian regulations.

- The Company has obtained all the required clearances and obtained final commencement letter from the Govt. of Karnataka, Department of mines and Geology on 10.02.2018 for starting of operations in respect of one of the mines. Based on this letter, mining operations were started on 11.02.2018 in Tunga mines (ML No. 0004) which is of capacity 0.3 MTPA.

- The Company has incorporated the following wholly owned subsidiaries during the year under review:

  a) JSW Utkal Steel Limited
  b) Hasaud Steel Ltd.
  c) Creixent Special Steels Limited
  d) Milloret Steel Limited

For *S. Srinivasan & Co.,*
Company Secretaries

S. Srinivasan
Senior Partner
FCS: 2286
CP. No. 748

Place: Mumbai
Date: 16 May 2018

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

ANNEXURE TO SECRETARIAL AUDIT REPORT OF JSW STEEL LIMITED DATED 16.05.2018

To,
The Members,
JSW STEEL LIMITED
JSW Centre,
Bandra-Kurla Complex,
Bandra (East), Mumbai,
Maharashtra - 400 051

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 considered 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 Account of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and 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.,*
Company Secretaries

S. Srinivasan
Senior Partner
FCS: 2286
CP. No. 748

Place : Mumbai
Date : 16 May 2018

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 programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

A brief outline of the Company's CSR Policy has been given in the Director's Report. Web link reference: www.jsw.in/foundation/about-jswfoundation.

2. The composition of the CSR Committee.

Dr. Vijay Kelkar (Chairman)	Mr. K. Vijayaraghavan, Director
Mr. Seshagiri Rao M.V.S., Jt. MD & Group CFO	Dr. (Mrs.) Punita Kumar Sinha, Director
Dr. Vinod Nowal, Dy. Managing Director	Mr. N. Jayaram, IAS – Nominee Director (KSIIDC)
Mr. Jayant Acharya, Director (Commercial & Marketing)	

3. Average net profit of the Company for last three financial years: ₹ 1,752 crores

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 35 crores

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year : ₹ 35 crores

(b) Total amount spent in the financial year : ₹ 53 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 of Programme (1) Local area or other (2) Specify the State and district where projects or Programmes was undertaken**	**Amount outlay (budget) project or programme wise (₹ in crores)**	**Amount spent on the projects or programmes Sub-heads: (1) Direct expenditure on projects or programmes (2) Overheads: (₹ in crores) (as on 31 March 2018)**	**Cumulative expenditure up to the reporting period (₹ in crores) (as on 31 March 2018)**	**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, Rural Transformation Programme etc., Jain Irrigation Project	Improving Living Conditions	Around our Direct Influence Zone (DIZ) at Vijayanagar, Dolvi, Vasind, Salem, Tarapur; also at Thane, Palghar & Gadchiroli, Salboni	17	16	16	Direct / Implementing agency
2	School Infrastructure development and Enhancement of Quality education; Nehru Science Centre Lecture Series, School for Differently-Abled. Vocational Training Institutes, IIT Monash	Promoting Social Development	Around our DIZ at Vijayanagar, Vasind, Dolvi, Kalmeshwar, Tarapur; also at Uttarakhand	19	17	17	Direct / Implementing agency

1 Sr. No.	2 CSR projects or activities	3 Sector in which the Initiatives were Covered	4 Projects of Programme (1) Local area or other (2) Specify the State and district where projects or Programmes was undertaken	5 Amount outlay (budget) project or programme wise (₹ in crores)	6 Amount spent on the projects or programmes Sub-heads: (1) Direct expenditure on projects or programmes (2) Overheads: (₹ in crores) (as on 31 March 2018)	7 Cumulative expenditure up to the reporting period (₹ in crores) (as on 31 March 2018)	8 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, Programme for adolescent girls	Addressing Social Inequalities	Around our DIZ at Vijayanagar, Salem; and also at Mumbai	1	1	1	Direct / 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 our DIZ at Vijayanagar, Dolvi, Salem, Vasind, Kalmeshwar, Tarapur	1	1	1	Direct / Implementing agency
5	Conservation of Hampi, Restoration of various Historical Monuments	Preserving National Heritage	Around our DIZ at Vijayanagar Dolvi-Alibaug; also at Mumbai	1	1	1	Direct / Implementing agency
6	Sports Excellence Programmes; Domestic/ International Training / Medical support	Sports Training	At various locations	6	5	5	Direct / Implementing agency
7	Construction of community halls, village roads, drainages, bus shelters etc.	Rural Development Projects	Around our DIZ at Salem, Tarapur, Vasind, Dolvi & Vijayanagar	6	6	6	Direct / Implementing agency
8	School toilets & community toilets	Swachcha Bharat Abhiyan	Around our DIZ at Vijayanagar, Dolvi, Vasind, Kalmeshwar, Salem, Tarapur;	3	3	3	Direct / Implementing agency
9	Staff salaries	Overheads		3	3	3	Direct
		TOTAL		**57**	**53**	**53**	

* 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.

Place: Mumbai
Date: 16 May 2018

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	NIL (All contracts or arrangements or transactions with related parties are at arm's length basis)
(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	
(e)	Justification for entering into such contracts or arrangements or transactions	
(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	JSW Steel Coated Products Limited ('JSW Coated') and JSW International Trade Corp Pte Limited ('JITPL')
(b)	Nature of contracts/ arrangements/ transactions	Sale/purchase of steel products to/from JSW Coated, recovery/ reimbursement of expenses, Interest income and Procurement of Iron Ore, Coking Coal, Coke and other raw materials from JITPL
(c)	Duration of the contracts/ arrangements/transactions	Apr'17 to Mar'18
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Value of transactions with JSW Coated amounted to ₹ 9,973 crores and procured raw material from JITPL amounted to ₹ 16,369 crores during FY 2017-18
(e)	Date(s) of approval by the Board, if any	For JITPL – The Board approved transaction on 27 October 2016 and shareholders approved this transaction through Postal Ballot by passing resolution dated 17 December 2016. For JSW Coated – Not applicable
(f)	Amount paid as advances, if any	NIL

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 31 March, 2018.

Sr. No.	Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in ₹)	Total Experience (No. of Years)	Previous Employment (Designation)
(A)	**Employed throughout the year and were in receipt of remuneration of not less than ₹1,02,00,000 per annum**							
1	Jindal Sajjan	58	BE (Mechanical)	4 July 1992	Chairman & Managing Director	49,58,13,398	36	Jindal Strips Ltd. (Jt. Managing Director)
2	Seshagiri Rao M.V.S.	60	B.Com, CAIIB, AICWA, LCS, DBF	1 September 1997	Joint Managing Director & Group CFO	21,09,86,158	39	Nicholas Piramal (India) Ltd. (Sr. Vice President)
3	Nowal Vinod K	62	MBA,Ph.D (Inventory Management)	14 February 1984	Deputy Managing Director	12,24,53,156	39	K. M. Sugar Mills Ltd. (Factory Manager)
4	Acharya Jayant	55	BE (Chemical), MBA (Marketing), MSC (Physics)	1 July 1999	Director - Commercial & Marketing	10,84,34,580	35	Essar Steel Ltd. (Jt. General Manager)
5	Maheshwari Arun	48	MBA (Marketing & Finance)	20 February 2003	Executive Vice President - Commercial	3,70,27,006	26	Maketi Rolling Mills Ltd. (Manager - Business Development)
6	Jayaraman R.	53	B.Com., MBA	1 October 1990	Sr. Vice President - Corporate Planning & Imports	3,31,32,455	27	Indian Market Research Bureau (Field Surveyor)
7	Chainani Gautam	55	B. Sc, MMS	1 November 2016	Group President - Human Resource	2,88,81,461	32	Ultratech Cement Limited (Chief Human Resource Officer & Corp. Communication)
8	Lal H. R.	63	B. Sc., PGD In Social Work (Labour Welfare), LLB	8 April 2004	Sr. Vice President - HR & Admin.	2,87,06,117	41	SAIL (Jt. Director - Estate Management)
(B)	**Employed for the part of the year and were in receipt of remuneration aggregating to not less than ₹8,50,000 per month**							
1	Rathore Gajraj Singh	53	BE (Metallurgy)	1 October 2017	President Dolvi and Salav	3,02,56,286	22	Steel Processing Center Ltd. (Executive Vice President)
2	Singh Shankar Pratap	54	BE (Mechanical)	1 November 2017	Sr. Vice President - Odisa Project	2,13,59,137	30	JSW Project Limited (Sr. Vice President)

Notes:

1. Remuneration shown above includes Salary, Performance Reward / Special Allowance, House Rent Allowance / Perquisite for Accommodation, Leave Travel Allowance, Medical Reimbursement, Bonus, Variable Pay, Commission, ESOP perquisite, monetary value of perquisites as per income tax rules and Company's Contribution to Provident Fund. But does not include Acturial Valudation of Leave Encashment, Company's Contribution to Gratuity Fund.
2. 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.
3. The nature of employment in all cases is contractual except in case of Mr. Sajjan Jindal.
4. Mr. Sajjan Jindal Is relative of Mrs.Savitri Devi Jindal, Chairperson emeritus of the Company.

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 31 March 2018.

Sr. No.	Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in ₹)	Total Experience (No. of Years)	Previous Employment (Designation)
B (i)	**Employed throughout the year and were in receipt of remuneration of not less than ₹ 1.02 crores per annum (Other Than Top 10)**							
1	Agarwal Prakash Kumar	39	B.Com., ACA.	28 August 2008	Dy. General Manager (Taxation)	1,03,26,997	17	Arcelor Mittal
2	Aggarwal Ashok Kumar	59	B. Sc (Engineering)	2 June 1998	President - Business Development	1,85,80,535	32	Essar Steel Limited (Jt. General Manager)
3	Agrawal Sanjay	54	B. Tech (Metallurgy)	28 October 2010	Sr. Vice President - Sales & Marketing	1,06,03,319	31	Jindal Steel & Power Ltd. - GM (Sales & Marketing)
4	Agrawal Vineet	46	BE (Electronics & Telecom), MTECH (Management & Systems)	11 February 2011	Sr.Vice President & Group Head - Direct Taxation	1,47,54,754	21	Reliance Power Ltd. (Vice President - Taxation)
5	Ashutosh B Gangrade	58	B.E. (Mechanical)	21 December 1992	Vice President - Commercial & Marketing	1,98,92,657	33	Grindwell Norton Limited (Procuct Engineer)
6	Bakshi Rajiv	57	B. Com,LLB	4 March 2013	Sr. Vice President - Legal & Group Counsel General	2,02,69,088	33	Godrej Industries Limited (Executive Vice President - Legal)
7	Behera Umakanta	56	Dip. In Mining	1 October 2007	General Manager - Commercial	1,02,92,890	34	JSW Bengal Steel Ltd. (General Manager)
8	Bhalerao Ravindra	54	BE (Metallurgy.), Dip. In Mechanical Engg.	1 March 1989	Associate Vice President - Commercial	1,02,42,840	30	Metallurgy Services Pvt. Ltd. (Metallurgical Engineer)
9	Chandra Alok	52	B.E.	14 March 2000	Executive Vice President - Operations	1,37,37,945	30	SAIL - Bhilai (Manager)
10	Chatterjee Ajanta	50	B.A., Post Gratuate in Sociology	20 October 2015	Vice President - Human Resources	1,07,54,237	19	Vodafone India Ltd. (Associate Vice President - HR)
11	Chauhan Rakesh	53	PG Diploma, B.E.	18 July 2006	Vice President - Sales & Marketing	1,24,81,490	29	Global Steel Philippines (DGM-Marketing)
12	D. Ravichandar	61	BE (Mechanical), BE (Electrical), Diploma (Finance)	18 November 1994	CEO (Salem Works)	1,83,28,934	40	Bhushan Steel & Strips Ltd. (General Manager)
13	Das Deb Kumar	56	B. Com., ICWA	15 July 1998	Vice President - Finance and Accounts	1,12,88,572	32	Lasen & Tourbo Ltd (Junior Executive)
14	Dixit Praveen	53	B. Sc.,M. Sc., PGD (Industrial), MMM	30 December 1991	Sr. Vice President - Sales & Marketing	2,59,80,421	30	Roadmaster Steel Strips Limited (Engineer - PPC)
15	Doshi Sanjeev	49	B. Com, CA	30 September 2000	Associate Vice President - Finance and Accounts	1,06,34,004	24	S V Ghatalia & Associates (Manager)
16	Dua Haresh K.	49	CA,B.COM,CIA, CISA, CISSP	22 May 2008	Sr. Vice President - Internal Audit	1,33,45,431	25	Pantaloon Retail India Ltd (Chief Internal Auditor)
17	Gokhale Sandeep Gopal	55	BE (Electrical), MBA (Finance)	25 August 2008	President - Business Development	2,56,58,540	32	Mumbai International Airport Pvt. Ltd. (Director - Commercial)
18	Guron Paramjit	55	BA, CPL	03 October 2005	Executive Pilot - Aviation	1,35,21,778	28	Orient Flying School (Chief Pilot & CFI)
19	Hukku Shiv	54	B.Sc., PG Diploma	18 October 2011	Sr. Vice President - Sales & Marketing	1,21,26,938	30	TATA Steel Head Marketing-General Engg & Process Improvement(Flat Products)
20	Jayram Sanjay	57	Diploma in Export Mgt.,B.A.(Economics), B.E. (Mechanical)	3 April 2006	Executive Vice President - Sales & Marketing	2,49,79,324	32	Essar Steel Ltd., (General Manager)
21	Jha Pranab	46	B.Sc. MBA. MBM	14 June 2010	Vice President - Shipping	1,13,08,900	25	SICAL Logistic Ltd(DGM)

Sr. No.	Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in ₹)	Total Experience (No. of Years)	Previous Employment (Designation)
22	Kandoi Umesh Ramlal	54	B.Com., CA.	1 July 2006	Associate Vice President - Shipping	1,28,05,177	31	Grasim India Ltd. (DGM-Purchase)
23	Kathariya Sunil D.	58	BE	24 April 1995	Sr. Vice President - CMD	1,38,80,708	33	Lecuturer at Enggineering Collage
24	Kattikaren John A.	52	BE (Civil)	2 June 2008	Vice President - Civil	1,85,29,062	30	Lupin Group Ltd. (Sr. General Manager)
25	Kedia Pawan Kumar	58	B.Com., ICWA	6 January 2012	Group President - Commercial Strategy	1,63,85,772	34	Consultant
26	Kole P R	57	B.Com, CA, LLB	1 October 1988	Sr.Vice President - Finance & Accounts	1,66,28,234	32	BDPL Group (Accounts Executive)
27	Mittal Sanjay	49	B.E.	2 November 2009	Associate Vice President - Sales and Marketing	1,07,35,230	27	Tata Steel Ltd (Head EPA, Long product)
28	Mohta Manoj Kumar	47	B.Com., AICWA, CA,	1 Septmber 2015	Vice President - Finance & Accounts (Project)	1,73,90,077	23	Aditya Birla Management Corp. Ltd. (Dy. General Manager - Management Service Division
29	Murugan P K	51	B.Sc. (PCM),B.Tech (Production Engg)	17 January 1998	Executive Vice President - - Allied Services and Mines	2,23,66,318	27	Essar Steels Limited (Dy Manager)
30	N Gopalakrishna	60	B.Sc., LLB., DPM, MBA, MBL.	1 October 2014	Vice President - Legal	1,27,08,710	33	Hindustan Zinc Ltd. (Vice President - Legel)
31	Nayak Ranjan	46	BE (Mining), PG Diploma in Business Finance	21 Febuary 2011	Associate Vice President - Corporate Strategy and Development	1,13,15,833	25	JSW Infrastructure Ltd (Associate Vice President)
32	Nowal Sushil	51	B.Com.,MBA (Mktg), EDM	1 January 1989	Sr. Vice President - Logistic	1,42,68,643	31	Jindal Strips Ltd. (Marketing Assistant)
33	P. Rajashekar	60	BE (Mechanical)	13 July 1998	President - Operations	1,76,55,872	35	RINL (Manager)
34	Pai Rajeev M.	56	B. Com, CA, CS (Inter)	1 Deacmber 2000	Chief Financial Officer	1,67,02,829	34	Crompton Greaves Ltd. (Manager - Finance)
35	Patidar Vijaykumar	58	B.E.-ELEC	7 January 1992	Sr. Vice President - Project	1,61,40,483	35	Electrotech Engg. (Partner)
36	Patil Sadashiv	60	BA, Dip in Human Resources	29 April 1995	Sr.Vice President - Corporate Relations & Administration	1,23,30,095	39	Special Steels Ltd. (Deputy Manager - Administration)
37	Prabhakaran Chandrasekaran	43	B.Sc.,CA, ICWA	24 November 2014	Financial Controller	1,29,44,321	20	Sesa Sterlite Ltd. (Associate Vice President - Finance)
38	Prasad Ganapathi	48	BE (Mech. Engg.)	13 April 1998	Associate Vice President - Operations	1,20,35,058	27	Essar Steek Surat Gujarat (Deputy Manager)
39	Ranganath T	57	B.Com., CA,ICWA,	8 June 2000	Vice President - Finance & Accounts	1,16,13,102	28	Punjab National Bank - Manager (Financial Analyst)
40	Ranka Balwant	51	CA,B.Com	1 June 2014	Vice President - Procurement & Stores	1,81,69,542	28	JSW Energy Limited (Vice President -Commercial)
41	Reddy Babu	46	BE (Mechanical)	4 April 2007	General Manager - Logistic Centre of Excellance	1,35,21,313	24	Torrent Pharmaceuticals Ltd (AGM)
42	Roy Kinshuk	53	MBA (Marketing),B.E. (Metallurgy)	11 Febuary 2008	Vice President -Sales & Marketing	1,12,88,908	29	Tata Steel Ltd. - Head, Product Application Group
43	Samuel Saji	52	B. Sc.,Dip in Marketing	15 April 1997	Vice President - Sales and Marketing	1,37,39,084	29	Best & Crompton Engg. Ltd. (Deputy Manager)
44	Satya Prakash	52	B. Tech.- Electr., EMBA-Operation	16 March 2005	Vice President - Operations	1,08,88,599	29	Bokaro Steel Limited (Sr. Manager)

Sr. No.	Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in ₹)	Total Experience (No. of Years)	Previous Employment (Designation)
45	Sekhar V. R	51	Dip. Mettalurgy, AMIM (Mettallurgy)	24 November 1998	Vice President - Steel Melting Shop - I (BOF)	1,35,54,274	29	Rashtriya Ispat Nigam Ltd. (Junior Officer - Operation)
46	Sengupta Partha	60	B. Tech (Metallurgy)	1 October 2015	President - Corporate Services	1,83,50,834	32	SREI Infra and Finance Limited
47	Shah Tushar V	50	B.Com., ICWA,	12 Augest 1991	Associate Vice President - Finance & Accounts	1,60,43,938	29	The Bombay Silk Mills Ltd. (Cost Accountant)
48	Sharma Kumar Narinder	52	BA.	1 December 2006	Assistant General Manager - Aviation	1,06,32,643	12	Orient Flight School, Pondicherry (AFI)
49	Sharma Raj Kumar	57	Dip (Mechanical) / BE (Mechanical)	25 April 1996	Sr. Vice President - Customer Service	1,04,39,828	38	Khema Ispat Ltd. (Works Manager)
50	Sharma Rakesh Kumar	53	B. Sc., M.Sc., MBA	31 July 1997	Vice President- Sales & Marketing	1,37,17,107	30	Jai Corp Limited - Comet Steel Division
51	Shroff Vinay	54	BE (Chemical)	22 April 2010	Executive Vice President - Retail	1,82,15,058	31	Reliance Industries Ltd. (Sr. VP - SCM & Business Head - Logistics)
52	Singh Anil Kumar	52	B. Sc (Engineering)	1 Decmber 1994	ExecutiveVice President - Administration	1,67,21,927	30	BSBK Limited(General Manager)
53	Singh Lokendra Raj	54	B.Tech (Metallurgy)	12 January 2008	Sr. Vice President - Iron Making	1,62,10,814	31	Kremikovelsi AD global steel holding ltd. Sofia, Bulgaria (General Manager)
54	Singh Shashipal	48	B.E. MMS (Sales & Marketing)	1 Septmber 1995	General Manager - Sales and Marketing	1,02,84,260	22	Tightwell Fastners (Trainee Engineer)
55	Singh Vimal	47	BE (Mechanical)	24 November 1995	Associate Vice President - Commercial	1,55,87,337	23	Kanoria Chemicals and Industries Ltd (Dy. Suptd.)
56	Singhal Devender	55	Dip. In Management Studies	1 January 1986	Associate Vice President - Commercial	1,32,37,114	32	
57	Sinha Dheeraj	47	BE (Electronics & Communication), MBA (Finance)	5 July 2016	Chief Information Officer - Information Technology	2,05,51,974	25	Appollo Tyres Limited (Group Head - CMS, IT & SCM)
58	Sriram K S N	49	CA, ICWA, B.Com	6 October 2000	Vice President - MSD	1,08,21,165	24	Bermaco Group (Sr. Manager - Accounts & Finance)
59	Sureka Raj Kumar	59	B. Com., FCA, FICWA, CS (Inter)	1 Febuary 1997	Sr. Vice President - Finance & Accounts	1,87,84,898	41	Balasore Alloys Limited (General Manager - Commercial)
60	Surendranath V. Vandakudri	59	B.Com., CA.	19 April 1999	Vice President - Taxation	1,31,45,689	35	Ritz Private Ltd. (Taxation Manager)
61	Verma Atulya Kumar	55	BE - Metallurgy	1 December 2014	Sr. Vice President- Project	1,24,76,980	27	Electronics Steel Ltd. (COO)
62	Vinay Pritesh	42	B.Sc.(Engg), MMS (Finance)	15 October 2012	Vice President -Finance & Investors Relations	1,34,90,178	16	Goldman Sachs, India (Executive Director - Global Investment Research)
63	Warrier Madhav M. R.	60	BE (Mech), ICWA	30 Septmber 1998	Sr. Vice President - F & A, Excise & Insurance	1,59,03,068	37	Ispat Industries, (GM - Costing)
64	Yezdegardi Deepa	47	B. Com, CA	1 July 1995	Dy. General Manager - Finance & Accounts	1,32,91,253	23	
65	Yogeswara T.	61	BE (Fire Engg.), Ph. D. in Environment & Science	8 March 1999	Vice President - Fire & Safety	1,43,27,159	26	SAIL, Rourkela Steel Plant

Sr. No.	Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in ₹)	Total Experience (No. of Years)	Previous Employment (Designation)
B (ii)	**Employed for the part of the year and were in receipt of remuneration aggregating to not less than ₹. 8.5 Lacs per month (Other Than Top 10)**							
1	Asawale Sudhakar S	61	B. Tech (Metallurgy)	21 November 2011	Sr. Vice President (Steel & Rolling Mills)	84,71,409	36	Remi Metals (President)
2	Kulkarni Kaustubh Sudhakar	44	B. Com., MMS., CFA.	6 November 2017	Group Head- M&A & Strategic Financing	1,06,49,657	21	Standard Chartered Bank (Managing Director)
3	Nangalia Ram Prakash	60	B.Com,LLB, CS,CA,	29 Septmber 2011	President - Corporate Relations	1,22,43,953	36	Consultant
4	Rao BNS Prakash	52	B.E.	5 May 1988	Vice President - Operation	1,60,58,018	30	JSW Steel Coated Product Limited (Vice President)
5	Sarda Pankaj	60	CA, CS, CWA, CISA	04 Septmber 2006	Associate Vice President - Risk Management	59,46,509	35	Reliance Energy Group (Additional Vice President - F&A)
6	Shrivastava Narendra Kumar	54	MBA	1 October 2017	Associate Vice President - Odissa Project	66,88,175	3	JSW Infrastructure Ltd (Associate Vice President)
7	Tripathy Bedraj	47	B. Sc. PG Diploma in Business Administration	14 April 2017	Vice President - Steel Furniture Business	1,18,19,915	20	Godrej and Boyce (Godrej Interio) (Associate Vice President - Advertising & Sales Promotion)

Notes:

1. 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 as per income tax rules and Company's Contribution to Provident Fund.But does not include Acturial Valudation of Leave Encashment, Company's Contribution to Gratuity Fund.
2. 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.
3. The nature of employment in all cases is contractual.

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 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 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 2017-18 (Excluding ESOP perquisite) (₹ in crores)	% Increase in Remuneration in the Financial Year 2017-18	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	49.58	10%	793:1	Profit before tax (before exceptional items) increased by 42% in financial year 2017-18
2.	Seshagiri Rao MVS Joint Managing Director & Group CFO	5.22	10%	84:1	
3.	Dr. Vinod Nowal Dy. Managing Director	3.85	10%	62:1	
4.	Jayant Acharya Director (Commercial & Marketing)	3.28	8%	52:1	
5.	Rajeev Pai Chief Financial Officer	1.69	8%	N.A.	
6.	Lancy Varghese Company Secretary	0.68	14.3%	N.A.	

(ii) The median remuneration of employees of the Company during the financial year was ₹ 6.25 lakhs.

(iii) In the Financial year, there was an increase of 9.46% in the median remuneration of employees;

(iv) There were 11,619 permanent employees on the rolls of Company as on 31 March 2018;

(v) Relation between average increased in remuneration and company performance: - The Profit before Tax (before exceptional items) for the financial year ended 31 March 2018 increased by 42% whereas the increase in median remuneration was 9.46%. 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 increased by 283% from ₹ 33.99 crores to ₹ 96.14 crores which includes the profit linked commission to Chairman & Managing Director of ₹ 37.67 crores (Previous Year ₹ 8.67 crores) and ESOP perquisite of ₹ 31.84 Crores. (Previous Year ₹ 1.17 crores) on exercise of ESOP by key managerial personnel. Increase in Key Managerial Personnel remuneration excluding the profit linked commission to Chairman & Managing Director and ESOP perquisite on exercise of ESOP by key managerial personnel is 10%. (From ₹ 24.15 crores in 2016-17 to ₹ 26.63 crores in 2017-18). Whereas the Profit before Tax before exceptional items increased by 42% to ₹ 7309 crores in 2017-18 (₹ 5131 crores in 2016-17). Remuneration of the Key Managerial Personnel as % of Profit before tax (before exceptional items) is 1.32%.

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

Date	**Market Price ₹**	**Face value of Share ₹**	**EPS in ₹**	**P/E Ratio**	**Market Capitalisation ₹ crores**	**% Change**
28 March 2018	288.05	1	19.25	14.96	69,312	
31 March 2017	188.20	1	14.89	12.64	45,492	52.36%

The Company has made initial public offer in the year 1995 for ₹ 10/- per share at par. Subsequent to sub-division of equity shares on 06/01/2017, the face value of share of the Company was reduced from ₹ 10/- to ₹ 1/-. The market price of the Company share as on March 28, 2018 is ₹ 288.05.

(vii) Average percentage increase made in the salaries of employees other than the managerial personnel in FY 2017-18 was 10.34%.

(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 2017-18

(Pursuant to 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 organisation 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 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 31.03.2018, 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. A brief profile of the Directors is available on the Company's website www.jsw.in.

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 16 (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 or Chairperson of more than 5 committees (as specified in Regulation 26 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 31.03.2018, the attendance record of the Directors at the Board Meetings held during financial year 2017-18 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) 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
Executive Directors	Mr. Sajjan Jindal	Chairman & Managing Director	15.03.1994	8	7	Yes	2	-	-	NA
	Mr. Seshagiri Rao M.V.S.	Jt. Managing Director & Group CFO	06.04.1999	8	8	Yes	1	-	-	NA
	Dr. Vinod Nowal	Dy. Managing Director	30.04.2007	8	6	Yes	1	-	-	NA
	Mr. Jayant Acharya	Director (Commercial & Marketing)	07.05.2009	8	8	Yes	2	-	-	NA
Independent Non-Executive	Dr. Vijay Kelkar	Director	20.01.2010	8	5	No	4	1	2	-
	Mr. K. Vijayaraghavan	Director	16.06.2008	8	8	Yes	-	-	-	-
	Mr. Malay Mukherjee	Director	29.07.2015	8	8	Yes	1	-	1	-
	Dr. (Mrs.) Punita Kumar Sinha	Director	28.10.2012	8	7	Yes	8	2	5	-
	Mr. Haigreve Khaitan	Director	30.09.2015	8	4	Yes	8	3	5	-
	Mr. Seturaman Mahalingam	Director	27.07.2016	8	7	Yes	7	2	4	-
Part of the year										
Nominee Director	Mr. Hiromu Oka (Ceased to be Director w.e.f. 17.05.2017)	Nominee of JFE Steel Corporation, Japan (Equity Investor & Foreign Collaborator	27.10.2016	0*	0*	NA#	-	-	-	-
	Mr. Hiroyuki Ogawa	-do-	17.05.2017	8*	8*	Yes	-	-	-	-
	Mr. Naveen Raj Singh (Ceased to be Director w.e.f. 20.04.2017)	Nominee of KSIIDC (Equity Investor)	20.09.2016	0*	0*	NA#	-	-	-	-
	Mrs. Hemalatha P IAS, (Ceased to be Director w.e.f. 11.09.2017)	-do-	20.04.2017	4*	0*	No	-	-	-	-
	Mr. Jayaram N, IAS	-do-	31.10.2017	4*	1*	NA#	12	2	1	-

Notes:

1. During the Financial Year 2017-18, eight Board Meetings were held and the gap between two meetings did not exceed four months. Board Meetings were held on 17.05.2017, 29.06.2017, 31.07.2017, 01.08.2017, 31.10.2017, 10.01.2018, 31.01.2018 & 05.03.2018.

2. * No. of Board Meetings indicated is with reference to date of join/cessation of the Director.

3. ** 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.

4. # 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/Debenture 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-relations-steel.

2.7 Meetings of Independent Directors:

The Independent Directors of the Company meet as and when required 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 21.03 2018, *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 Lead Independent Director:

Mr. K. Vijayaraghavan is the Lead Independent Director appointed by the Board in its meeting held on 31.01.2017.

2.9 Familiarisation programme 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 familiarisation programmes imparted to Independent Directors is disclosed on the Company's website, http:// www.jsw.in/investors/ investor-relations-steel.

2.10 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. K. Vijayaraghavan 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 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.

Eight meetings of the Audit Committee were held during the financial year 2017-18, as against the minimum requirement of four meetings. The Committee meetings were held on 16.05.2017, 29.06.2017, 31.07.2017, 20.09.2017, 30.10.2017, 15.12.2017, 30.01.2018 and 21.03.2018.

The composition of the Committee as at 31.03.2018, 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. K. Vijayaraghavan Chairman	Non-Executive Independent Director	8/8
2.	Mr. Malay Mukherjee Member	Non-Executive Independent Director	8/8
3.	Mr. Mahalingam Seturaman Member	Non-Executive Independent Director	8/8

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. K. Vijayaraghavan, the Chairman of the Audit Committee was present at the last Annual General Meeting held on 29.06.2017.

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.

One meeting of Nomination and Remuneration Committee was held on 17.05.2017.

The composition of the Nomination & Remuneration Committee as at 31.03.2018 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	1/1
2.	Mr. Sajjan Jindal Member	Executive Director	0/1
3.	Mr. K. Vijayaraghavan Member	Non-Executive Independent Director	1/1
4.	Mr. Mahalingam Seturaman Member	Non-Executive Independent Director	1/1

Dr. Vijay Kelkar, Chairman of Nomination & Remuneration Committee was unable to attend the last Annual General Meeting held on 29.06.2017 due to some pressing commitments.

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.

v. Retain, motivate and promote talent and to ensure long-term sustainability of talented employees.

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

The Whole-time Directors compensation is based on the appraisal system wherein their individual goals are linked to the organisational goals. The whole-time Directors 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 Executive Directors 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 and 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 01.04.2017 to 31.03.2018 are as follows:

Directors	Commission Paid/Payable (2017-18) (₹ in lakhs)	Sitting Fees @ ₹20,000 per meeting (₹ in lakhs)	Additional Commission Paid/Payable (2017-18) (₹ in lakhs)	Total (₹ in lakhs)
Mr. Kannan Vijayaraghavan	39.00	6.00	5.00	50.00
Dr. Vijay Kelkar	38.00	1.60	5.00	44.60
Mr. Pankaj Kumar Pandey*/ Mr. Naveen Raj Singh*/ Mrs. P. Hemalatha*/ Mr. N. Jayaram (KSIIDC Nominee Director)	26.96#	-	5.00#	31.96#
Mr. N. Jayaram (KSIIDC Nominee Director)	-	0.20	-	0.20
Mr. Kyoichi Kameyama/ Mr. Hiromu Oka/ Mr. Hiroyuki Ogawa (JFE Steel Corporation Nominee Director)	38.00#	2.20#	5.00#	45.20#
Dr. (Mrs.) Punita Kumar Sinha	38.00	3.80	5.00	46.80
Mr. Malay Mukerjee	38.50	5.00	5.00	48.50
Mr. Haigreve Khaitan	34.00	0.80	5.00	39.80
Mr. Seturaman Mahalingam	38.50	4.60	3.40	46.50
Mr. Uday M. Chitale *	-	-	1.60	1.60
Total	**290.96**	**24.20**	**40.00**	**355.16**

*Ceased to be director.
Payable to the respective Institutions/Companies they represent.

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

The details of Remuneration paid/payable to the Whole-time Directors for the financial year 2017-18 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	10.73	1.18	37.67	49.58	From 07.07.2017 to 06.07.2022	NA
Mr. Seshagiri Rao M.V.S. Jt. Managing Director & Group CFO	5.00	16.10	-	21.10	From 06.04.2017 to 05.04.2020	3 months from either side or salary in lieu thereof.
Dr. Vinod Nowal Dy. Managing Director	3.68	8.56	-	12.25	From 30.04.2017 to 29.04.2022	3 months from either side or salary in lieu thereof.
Mr. Jayant Acharya Director (Commercial & Marketing)	3.14	7.71	-	10.85	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.

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 2017-18 on 20.09.2017 and on 21.03.2018. 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	Dr. (Mrs.) Punita Kumar Sinha Member	Non-Executive Independent Director	2/2
3	Mr. Mahalingam Seturaman Member	Non-Executive Independent Director	2/2

Mr. Lancy Varghese, 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

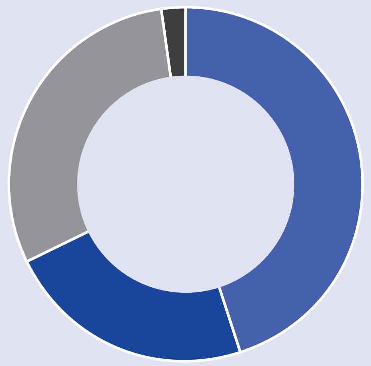
Investor Grievance Redressal

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

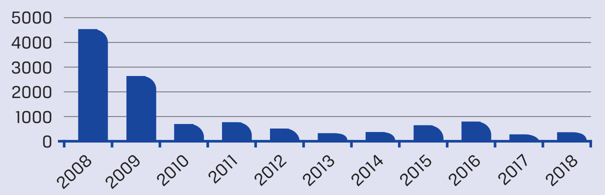
No. of Shareholders' Complaints received during the year ended 31.03.2018	:	361
Number of complaints not solved to the satisfaction of Shareholders	:	0
No. of pending Complaints as on 31.03.2018	:	0

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.

CATEGORY OF COMPLAINTS



NO. OF COMPLAINTS RECEIVED



Note: Complaints pertaining to the years subsequent to 2007-08 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 2007-08 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:

1. 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 twice during the financial year 2017-18 on 01.08.2017 and 15.12.2017. The composition of the Committee as on 31.03.2018 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. Malay Mukherjee Chairman	Non-Executive Independent Director	2/2
2	Mr. Seshagiri Rao M.V.S., Member	Executive Director	0/2
3	Dr. Vinod Nowal, Member	Executive Director	2/2
4	Mr. Jayant Acharya Member	Executive Director	2/2
5	Dr. (Mrs.) Punita Kumar Sinha, Member	Non-Executive Independent Director	2/2
6	Mr. K. Vijayaraghavan, Member	Non-Executive Independent Director	2/2

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

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

ii. Locational Committees namely (a) Corporate Locational Committee (b) Vijayanagar Locational Committee (c) Dolvi Locational Committee and (d) Salem Locational Committee to further review risk assessment at Location 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 finalised 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. 2. To review new strategic initiatives	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 4. Mr. Hiroyuki Ogawa, Member Nominee Director (JFE Steel Corporation)	4 Meetings were held on 16.05.2017, 30.07.2017, 30.10.2017 & 30.01.2018

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. 2. Responsible for the policies created for or linked to the 9 key principles of the 'National Voluntary Guidelines on the Social, Environmental and Economic Responsibilities of Business'. 3. Review the progress of initiatives under the purview of business responsibility (sustainability) policies mentioned above. 4. Review business responsibility reporting disclosures on a pre-decided frequency (monthly, quarterly, bi- annually). 5. Review the progress of business responsibility initiatives at JSW Steel. 6. Review the annual business responsibility report and present it to the Board for approval.	1. Mr. Malay Mukherjee (Chairman) DIN No. 02861065 Non-Executive Independent Director Tel. No. +911141032905 malayumauk@googlemail.com 2. Mr. Seshagiri Rao M.V.S. (Member) DIN No. 00029136 Executive Director Tel. No. 42861000 seshagiri.rao@jsw.in 3. Dr. Vinod Nowal (Member) DIN No. 00046144 Executive Director, Tel No. 42861000 vinod.nowal@jsw.in 4. Mr. Jayant Acharya (Member), DIN No. 00106543 Executive Director, Tel No. 42861000 jayant.acharya@jsw.in 5. Mr. K. Vijayaraghavan (Member) DIN No. 00544730 Non-Executive Independent Director, Tel No. 040 - 30160232 vijay@sathguru.com 6. Dr. (Mrs.) Punita Kumar Sinha (Member) DIN No. 05229262 Non-Executive Independent Director Tel. No. 091-9833363533 punitakumarsinha@gmail.com	2 Meetings were held on 16.05.2017 & 15.12.2017.

3. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

Terms of reference of the Committee	Composition	Frequency of Meetings
1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy), which shall indicate a list of CSR projects or programmes which a Company plans to undertake falling within the purview of the Schedule VII of the Companies Act, 2013, as may be amended. 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. 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. 4. To monitor the CSR policy of the Company from time to time; and 5. To institute a transparent monitoring mechanism for implementation of the CSR Projects or programmes or activities under taken by the Company.	1. Dr. Vijay Kelkar (Chairman) Non-Executive Independent Director 2. Mr. Seshagiri Rao M.V.S. (Member) Executive Director 3. Dr. Vinod Nowal (Member) Executive Director 4. Mr. Jayant Acharya (Member) Executive Director 5. Dr. (Mrs.) Punita Kumar Sinha (Member) Non-Executive Independent Director 6. Mr. K. Vijayaraghavan (Member) Non-Executive Independent Director 7. Mr. N. Jayaram IAS (Member) Nominee Director (KSIIDC)	2 meetings were held on 20.09.2017 and 21.03.2018

4. HEDGING POLICY REVIEW COMMITTEE:

Terms of reference of the Committee	Composition	Frequency of Meetings
1. To take protective measures to hedge forex losses. 2. To decide on all matters related to commodities hedging and to take measures to hedge commodity prices fluctuations.	1. Dr. (Mrs.) Punita Kumar Sinha (Chairperson) Non-Executive Independent Director 2. Mr. Seshagiri Rao M.V.S., (Member) Executive Director 3. Dr. Vijay Kelkar, (Member) Non-Executive Independent Director 4. Mr. Seturaman Mahalingam, (Member) Non-Executive Independent Director	Four meetings were held on 29.06.2017, 20.09.2017, 15.12.2017 & 09.03.2018

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. 2. To approve investments and dealings with any monies of the Company upon such security or without security in such manner as the committee may deem fit, and from time to time to vary or realise such investments within the frame work of the guidelines laid down by the Board. 3. To open new Branch Offices of the Company, to declare the same as such and to authorise personnel by way of Power of Attorney or otherwise, to register the aforesaid branches and to deal with various authorities such as the Central Excise, Profession Tax, Commercial Tax, State & Central Sales Tax, VAT Authorities and other Local Authorities. 4. To make loans to Individuals/ Bodies Corporate and/or to place deposits with other Companies/ firms upon such security or without security in such manner as the committee may deem fit within the limits approved by the Board. 5. To open Current Account(s), Collection Account(s), Operation Account(s), or any other Account(s) with Banks and also to close such accounts, which the 'said Committee' may consider necessary and expedient.	1. Mr. Seshagiri Rao M.V.S. (Chairman) Executive Director 2. Dr. Vinod Nowal, (Member) Executive Director 3. Mr. Jayant Acharya, (Member) Executive Director	Need based. Meetings were held on 05.04.2017, 28.04.2017, 18.05.2017, 29.06.2017, 24.07.2017, 02.08.2017, 11.09.2017, 15.09.2017, 13.10.2017, 01.11.2017, 27.11.2017, 11.12.2017, 11.01.2018, 23.01.2018, 07.02.2018, 15.02.2018,12.03.2018, 21.03.2018 and 26.03.2018

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. 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. 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. 4. To make necessary amendments to the JSW Steel Employees Welfare Trust Deed, if need be. 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.	1. Mr. Malay Mukherjee (Chairman) Non-Executive Independent Director 2. Mr. Seshagiri Rao M.V.S Executive Director 3. Mr. K. Vijayaraghavan Non-Executive Independent Director 4. Mr. Seturaman Mahalingam Non-Executive Independent Director	Need based. Meeting was held on 16.05.2017

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
23rd AGM	29.06.2017	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 NCD with convertible warrant upto ₹ 4000 crores and/or Specified Securities for an aggregate amount not exceeding ₹ 4,000 crores to QIB. 3. Authority to the Board of Directors for issue and allotment of Foreign Currency Denominated Bonds/ GDRs/ ADRs/ Warrants and/or other convertible instruments aggregating up to US$1 billion..
22nd AGM	26.07.2016	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. 3. Authority to the Board of Directors for issue and allotment of Foreign Currency Denominated Bonds aggregating up to US$2 billion.. 4. Authority to the Board of Directors to give any loan, guarantee or provide security to any person or other body corporate and to acquire securities of any other Body Corporates upto a maximum aggregate amount of ₹ 15,000 crores. 5. Increase in borrowing powers of the Board to upto ₹ 60,000 crores. 6. Consent to hypothecate/mortgage and/or charge all or any part of the movable and/or immovable properties of the Company.
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) Special Resolutions passed through Postal Ballot during 2017-18:

No special resolution was passed through Postal Ballot during the financial year 2017-18. None of the Business proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

9. Disclosures:

i. Related Party Transactions: All transactions entered into with Related Parties as defined under the Companies Act, 2013, 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 disclosures as required by the Indian Accounting Standard (Ind AS 24) 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.

ii. The Hon'ble Adjudicating Officer of the Securities and Exchange Board of India had passed an order bearing No. RA/DPS/141/2017 dated 31.08.2017 against the Company imposing a penalty of ₹ 2,50,000 (Rupees Two Lakh Fifty Thousand) for non-redressal of an investor grievance in a speedy manner. An appeal before the SEBI Appellate Tribunal (SAT) against the abovementioned order was filed on 16.10.2017 by the Company. The Company also without any admission of guilt/wrongdoing on the part of the Company of violation of Circular No. CIR/OIAE/1/2014, dated 18.12.2014, filed an application under the SEBI (Settlement of Administrative and Civil Proceedings) Regulations for settling the order of the Adjudicating Officer, SEBI dated 31.08.2017, by paying an amount of ₹2,75,000 as settlement amount and ₹56,750/- as legal charges in the matter. SEBI has in principle agreed to accept the terms of the settlement and the Company has paid the settlement amount. Pursuant to the acceptance of the Company's settlement application by SEBI, SAT has disposed of the Company's appeal.

iii. The Company has laid down procedures to inform Board members about the risk assessment and minimisation 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 victimisation 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 along with 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. **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.

vii. **Compliance with Indian Accounting Standards**: The Company has followed Indian Accounting Standards ("Ind AS") in the preparation of the Financial Statements for accounting periods beginning on or after 01.04.2016, as per the roadmap announced by Ministry of Corporate Affairs Companies. 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 intimated to the Stock Exchanges immediately after they are approved by the Board. Quarterly financial results were sent to the Shareholders' through e-mail.

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 2017-18 were published in The Financial Express and Navshakti Newspapers as detailed below:

Quarter (FY 2017-18)	Date of Board Meeting	Date of publication
1	01.08.2017	02.08.2017
2	31.10.2017	01.11.2017
3	31.01.2018	01.02.2018

c) **Monthly production figures and other press releases:** To provide information to Investors, monthly production figures and other press releases are sent to the Stock Exchanges as well as displayed on the Company's website before it is released to the media.

d) **Website:** The Company's website www.jsw.in contains a separate dedicated Section "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, polices, 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:** The Company arranged 4 Conference Calls with Analysts on 17.05.2017, 01.08.2017, 31.10.2017 & 31.01.2018. The presentation for the aforesaid were uploaded on the Company's website www.jsw.in before the Conference Call. The Presentations broadly covered the operational and financial performance of the Company and industry outlook. The same are available on the Company's website.

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. BSE also mandated XBRL submissions for Financial Results, Shareholding Pattern, Corporate Governance Report, Reconciliation of Share Capital Audit Report & Voting Results. All the data relating to financial results, various quarterly/ half yearly /annual submissions/disclosure documents etc., have been filed Electronically/ XBRL mode 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 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.

11. General Shareholders Information:

i. Annual General Meeting:

Date and Time:	24.07.2018 at 11.00 a.m.
Venue:	Y B Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021, Maharashtra
Dates of Book closure:	10.07.2018 to 12.07.2018 (both days inclusive
Dividend Payment Date:	27.07. 2018

ii. Financial Calendar 2018-19:

First quarterly results:	July 2018
Second quarterly results:	October 2018
Third quarterly results:	January 2019
Annual results for the year ending on 31.03.2018:	May 2019
Annual General Meeting for the Year 2018:	July 2019

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 Pvt. Ltd.,

iv. Corporate Identity Number (CIN):

The CIN of the Company allotted by 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.	10.34% Secured Redeemable Non-convertible Debentures	₹ 10 lakhs each
2.	10.60% Secured Redeemable Non-convertible Debentures	₹ 10 lakhs each
3.	10.60% Secured Redeemable Non-convertible Debentures	₹ 10 lakhs each
4.	10.02% Secured Redeemable Non-convertible Debentures	₹ 10 lakhs each
5.	10.02% Secured Redeemable Non-convertible Debentures	₹ 10 lakhs each
6.	10.40% Secured Redeemable Non-convertible Debentures	₹ 10 lakhs each
7.	10.50% Secured Redeemable Non-convertible Debentures.	₹ 10 lakhs each
8.	10.60% Secured Redeemable Non-convertible Debentures.	₹ 10 lakhs each
9.	9.65% Secured Redeemable Non-convertible Debentures.	₹ 10 lakhs each
10.	9.72% 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 2017-18 and 2018-19.

The 4.75% Fixed Rate Senior Unsecured Foreign Currency Denominated Notes due 2019 (FCNs) aggregating to US$500 million and the 5.25% Fixed Rate Senior Unsecured Foreign Currency Denominated Notes due 2022 (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 one time Listing fees has been paid by the Company to the SGX.

vi. Stock Code:

BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
Equity	**Preference**	**Debentures**	**Equity**	**Preference**	**Debentures**
500228	700085 (10% Cumulative Redeemable Preference Shares) 717502 (0.01% Cumulative Redeemable Preference Shares)	949242 949396 950815 950816 950820 951446 951447 946501 948841 946364	JSW STEEL	JSWSTEEL P1 (10% Cumulative Redeemable Preference Shares) JSWSTEEL P2 (0.01% Cumulative Redeemable Preference Shares)	(N.A.)

ISIN No. for Dematerialisation of listed Shares and Debentures:

Equity :	**INE019A01038**
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 INE019A07324 – 10.40% NCDs of ₹ 10 lakhs each INE019A07340 – 10.50% NCDs of ₹ 10 lakhs each INE019A07357 – 10.60% NCDs of ₹ 10 lakhs each INE019A07399 – 9.65% NCDs of ₹ 10 lakhs each INE019A07407 – 9.72% NCDs of ₹ 10 lakhs each INE019A07183 – 10.60% NCDs of ₹ 10 lakhs each INE019A07241 – 10.34% NCDs of ₹ 10 lakhs each INE019A07167 – 10.60% NCDs of ₹ 10 lakhs each
FCNs:	XS1133588233 XS1586341981

Debenture Trustees:

IDBI Trusteeship Services Limited

Asian Building, Ground Floor, 17th R. Kamani Marg, Ballard Estate, Mumbai - 400 001.

Axis Trustee Services Limited

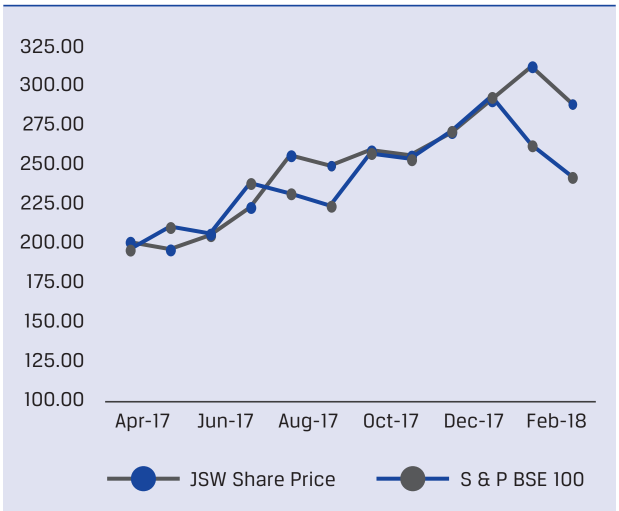
2nd Floor, Axis House, Bombay Dyeing Mills Compound Pandurang Budhkar Marg, Worli, Mumbai 400 025.

vii. Market Price Data:

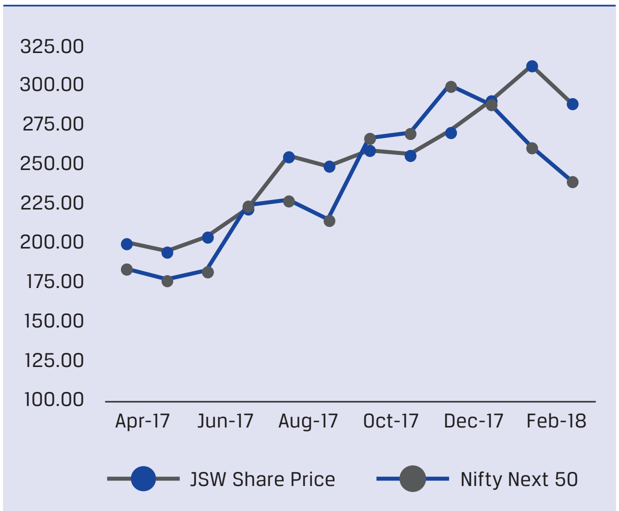
The monthly high/low market price of the shares and the quantities traded during the year 2017-18 on BSE Limited and National Stock Exchange of India Limited are as under:

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-17	207.00	185.35	1,05,10,767	207.00	185.20	11,25,52,188
May-17	209.35	184.30	1,59,64,478	209.45	184.10	15,88,80,473
Jun-17	208.85	189.45	1,19,89,586	208.80	189.30	11,03,20,197
Jul-17	221.90	203.50	83,87,286	221.95	203.50	9,15,20,056
Aug-17	260.65	215.20	80,50,775	260.30	215.20	9,73,45,345
Sep-17	271.80	229.25	1,04,08,136	271.80	229.50	9,11,47,312
Oct-17	269.50	244.95	74,27,366	269.65	244.25	6,70,14,803
Nov-17	277.00	253.25	70,05,717	274.50	253.10	5,40,88,347
Dec-17	275.40	237.90	36,89,833	275.60	237.60	5,05,50,274
Jan-18	300.00	261.70	81,82,606	300.45	261.70	9,33,36,937
Feb-18	320.50	275.00	1,04,60,325	320.45	265.60	12,86,91,745
Mar-18	318.00	275.00	92,78,770	317.80	276.35	10,48,87,606

viii. Performance of Share Price in comparison to S&P BSE 100:



ix. Performance of Share Price in comparison to Nifty Next 50:



x. Percentage Change in comparison to broad based indices – Sensex and Nifty as on 31.03.2018:

Financial Year	JSW Share Price (%)	Sensex (%)	JSW Share Price (%)	Nifty (%)
2017-18	53.05	11.30	53.25	10.24
2016-17	46.28	16.88	46.52	33.92
2015-16	41.08	-9.36	41.55	-3.50
2014-15	-12.35	24.88	-12.50	26.65
2013-14	154.39	118.00	154.09	117.97
2012-13	85.03	108.23	85.24	104.00
2011-12	86.09	89.50	86.01	93.66

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 January 7, 2010 made it mandatory to furnish a copy of PAN Card in the following cases for transmission of shares in physical form:

a) Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.

b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder.

c) Transposition of shares in case of change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

The Board has delegated the authority for approving transfers, transmissions etc. of the Company's securities to the Share/Debenture Transfer Committee. The decisions of Share/ Debenture Transfer Committee are placed at the next Board Meeting. The Company obtains from a Company Secretary in Practice, a half yearly certificate of compliance with the share transfer formalities as required under the 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 31.03.2018 is given below:

Sl. No.	No. of Equity Shares Category (Shares)	No. of Shareholders No. of Holders	% of Shareholders % to Holders	No. of Shares held No. of Shares	% of Shareholding % to Equity
1	1 - 500	569296	93.72	43653380	1.81
2	501 - 1000	19383	3.19	15160365	0.63
3	1001 - 2000	9755	1.61	13833931	0.57
4	2001 - 3000	3925	0.65	9515896	0.39
5	3001 - 4000	1148	0.19	4058669	0.17
6	4001 - 5000	857	0.14	3971041	0.16
7	5001 - 10000	1386	0.23	9833025	0.41
8	10001 - 20000	613	0.10	8679958	0.36
9	20001 and above	1053	0.17	2308514175	95.50
	TOTAL	**607416**	**100.00**	**2417220440**	**100.00**

xiv. Shareholding Pattern:

Category	As on 31.03.2018			As on 31.03.2017		
	No. of Holders	No. of Shares	% of holding	No. of Holders	No. of Shares	% of holding
Promoters	42	1009155180	41.75	42	1006102180	41.62
Promoters Trust	6	600	0.00	0	0	0.00
NRI	9266	30865014	1.28	9530	32172918	1.33
FII	542	480062536	19.86	470	482348965	19.95
OCB	2	9660	0.00	3	10660	0.00
FBC	3	362584730	15.00	3	362584730	15.00
IFI	7	8369980	0.35	7	7415017	0.31
IMF	86	58562246	2.42	91	25827246	1.07
Banks	29	240117	0.01	31	287711	0.01
Employees	744	381242	0.02	1419	409045	0.02
Bodies Corporate	2473	199207352	8.24	2755	204949113	8.48
Public	588499	225104609	9.31	691875	260909824	10.79
Trust	19	313622	0.01	18	14422090	0.60
HUF	5679	19305731	0.80	6152	19745261	0.82
Employees Welfare Trust	1	10988860	0.45	1	40	0.00
NBFC	15	25845	0.00	15	34930	0.00
I E P F	1	12027406	0.50	0	0	0.00
A I F	1	15000	0.00	0	0	0.00
Transit A/C	1	710	0.00	1	710	0.00
Total	**607416**	**2417220440**	**100.00**	**712413**	**2417220440**	**100.00**

xv. Top 10 Shareholders as on 31.03.2018:

Sl. No.	Name	Shares	%
1	JFE STEEL INTERNATIONAL EUROPE B.V.	362583070	15.00
2	JSW TECHNO PROJECTS MANAGEMENT LTD	229326950	9.49
3	JSW HOLDINGS LIMITED	177306230	7.34
4	VIVIDH FINVEST PRIVATE LIMITED	140726690	5.82
5	SAHYOG HOLDINGS PRIVATE LIMITED	110597360	4.58
6	JSW POWER TRADING COMPANY LIMITED	70038350	2.90
7	VIRTUOUS TRADECORP PRIVATE LIMITED	60368250	2.50
8	DANTA ENTERPRISES PRIVATE LIMITED	60368250	2.50
9	GAGANDEEP CREDIT CAPITAL PVT LTD	45982650	1.90
10	NALWA SONS INVESTMENTS LTD	45486370	1.88

xvi. Geographical Distribution of Shareholders as on 31.03.2018:

Sl. No.	City	Physical Holders			Electronic Holders			Total Shareholders		
		Cases	Shares	%	Cases	Shares	%	Cases	Shares	%
1	AGRA	1283	89690	0.00	1968	234606	0.01	3251	324296	0.01
2	AHMEDABAD	7248	741910	0.03	22208	153095480	6.33	29456	153837390	6.36
3	BENGALURU	5069	5351790	0.22	13377	21016519	0.87	18446	26368309	1.09
4	KOLKATA	7599	851360	0.04	15303	5700042	0.24	22902	6551402	0.27
5	CHANDIGARH	1322	121480	0.01	1959	330978	0.01	3281	452458	0.02
6	CHENNAI	4336	578850	0.02	9865	15035827	0.62	14201	15614677	0.65
7	COIMBATORE	3319	1039110	0.04	3326	1512068	0.06	6645	2551178	0.11
8	GANDHI NAGAR	2491	164050	0.01	8341	736530	0.03	10832	900580	0.04
9	GHAZIABAD	932	92200	0.00	2434	323213	0.01	3366	415413	0.02
10	HISSAR	1278	238530	0.01	1183	46216168	1.91	2461	46454698	1.92
11	HOWRAH	1048	122510	0.01	2359	375231	0.02	3407	497741	0.02
12	HYDERABAD	2969	351640	0.01	8232	2030866	0.08	11201	2382506	0.10
13	INDORE	1472	129080	0.01	3544	510268	0.02	5016	639348	0.03
14	JAIPUR	2871	239770	0.01	7740	1811713	0.07	10611	2051483	0.08
15	JAMNAGAR	1215	95230	0.00	2844	288705	0.01	4059	383935	0.02
16	KANPUR	2134	198320	0.01	3680	644645	0.03	5814	842965	0.03
17	LUCKNOW	1558	118950	0.00	2917	347052	0.01	4475	466002	0.02
18	MEHSANA	1691	96560	0.00	3717	417733	0.02	5408	514293	0.02
19	MUMBAI	21635	3802470	0.16	61626	2006972399	83.03	83261	2010774869	83.19
20	NEW DELHI	15989	1941570	0.08	26284	40825612	1.69	42273	42767182	1.77
21	PATNA	922	84730	0.00	2033	274642	0.01	2955	359372	0.01
22	PUNE	2964	325540	0.01	9759	4310589	0.18	12723	4636129	0.19
23	RAJKOT	1810	141690	0.01	6497	938245	0.04	8307	1079935	0.04
24	SURAT	2646	207970	0.01	10186	1356688	0.06	12832	1564658	0.06
25	THANE	1889	266540	0.01	8178	1245595	0.05	10067	1512135	0.06
26	VADODARA	3734	282460	0.01	10051	1438902	0.06	13785	1721362	0.07
27	OTHERS	85872	10940558	0.45	170509	80615566	3.34	256381	91556124	3.79
	TOTAL:	**187296**	**28614558**	**1.18**	**420120**	**2388605882**	**98.82**	**607416**	**2417220440**	**100.00**

xvii. Corporate Benefits to Shareholders:

a) Dividend declared for the last eight years:

Financial Year	Dividend Declaration Date	Dividend Rate (%)
2016-17	29.06.2017	225.00
2015-16	26.07.2016	75.00
2014-15	28.07.2015	110.00
2013-14	31.07.2014	110.00
2012-13	30.07.2013	100.00
2011-12	25.07.2012	75.00
2010-11	25.07.2011	122.50
2009-10	29.06.2010	95.00

b) Unclaimed Dividends:

The Ministry of Corporate Affairs ('MCA') has notified the provisions of Section 124 of the Companies Act, 2013 ('Act, 2013) and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF RULES") w.e.f. 07.09.2016.

Under Section 124 (5) of the Companies Act, 2013, dividends that are unclaimed/un-paid for a period of seven years, are to be transferred statutorily to the Investor Education and Protection Fund (IEPF) administered by the Central Government. 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 2009-10 to the IEPF. The Members of the Company who have not yet encashed their dividend warrant(s) for the FY 2010-11 and thereafter, may write to the Company's R&T Agent immediately.

Pursuant to Section 124 (5) of the Companies Act, 2013, 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 31.03.2018	Due for transfer to IEPF
2010-2011	25.07.2011	122.50%	262,03,256.00	31.08.2018
2011-2012	25.07.2012	75%	142,48,265.00	31.08.2019
2012-2013	30.07.2013	100%	226,09,071.00	06.09.2020
2013-2014	31.07.2014	110%	236,28,446.00	07.09.2021
2014-2015	28.07.2015	110%	242,76,900.66	04.09.2022
2015-2016	26.07.2016	75%	182,14,844.00	05.09.2023
2016-2017	29.06.2017	225%	523,32,369.00	05.08.2024

Members who have not encashed 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) Transfer of Shares to Investor Education and Protection Fund:

Pursuant to the provisions of the Companies Act, 2013 read with the second proviso to Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, transfer and refund) Rules, 2016 ("the rules"), all shares in respect of which dividend has not been en-cashed or claimed by the shareholders for seven consecutive years (seven years period completed by October 2017) or more should be transferred by the Company to the Demat Accounts opened with National Securities Depository Limited (NSDL) or Central Depository Services Limited (CDSL) by Investor Education and Protection Fund (IEPF) Authority by 31st October 2017.

Accordingly, 1,20,27,406 equity shares pertaining to 1,08,072 folios in respect of which dividend has been not been paid or claimed for seven consecutive years or more by shareholders, has been transferred to the designated demat account of the IEPF Authority maintained with CDSL through SBI Cap Securities during 01.12.2017 to 16.12.2017.

Refund process guidelines to facilitate the Claimants refund by IEPF Authority:

1) Any person, whose shares, unclaimed dividend, matured deposits, matured debentures, application money due for refund, or interest thereon, sale proceeds of fractional shares, redemption proceeds of preference shares, etc. has been transferred to the IEPF, may claim the shares under proviso to sub-section (6) of Section 124 or apply for refund under clause (a) of sub-section (3) of Section 125 or under proviso to sub-section (3) of Section 125, as the case may be, to the Authority by making an application in Form IEPF- 5 available online on website www.iepf.gov.in along with fee, as decided by the Authority from time to time, in consultation with the Central Government, under his own signature.

2) The claimant shall after making an application online in Form IEPF-5 under rule (1) send the same duly signed by him along with requisite documents as enumerated in Form IEPF-5 to the concerned Company at its Registered Office for verification of his claim.

3) The Company shall within fifteen days of receipt of claim form, send a verification report to the IEPF Authority in the format specified by the Authority along with all documents submitted by the claimant.

4) After verification of the entitlement of the claimant-(a) to the amount claimed, the Authority and then the Drawing and Disbursement Officer of the Authority shall present a bill to the Pay and Accounts Office for e-payment as per the guidelines. (b) to the shares claimed, the Authority shall issue a refund sanction order with the approval of the Competent Authority and shall either credit the shares which are lying with depository participant in IEPF suspense account (name of the Company) to the demat account of the claimant to the extent of the claimant's entitlement or in case of the physical certificates, if any, cancel the duplicate certificate and transfer the shares in favour of the claimant.

d) Unclaimed shares:

As per Clause 5A(II) of the erstwhile Listing Agreement, the Company after sending three reminders on June 23, 2011, August 25, 2011 and October 31, 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 a 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

(Number of Equity shares disclosed in the table below are after sub-division of equity shares of ₹ 10/- face value into 10 equity shares of ₹ 1/- face value):

Description	Number of Share Holders	Number of Equity Shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 01.04.2017	50738	6561410
Number of Shareholders who approached issuer for transfer of shares from suspense account during the year ended 31.3.2018	290	72980
Number of shareholders to whom shares were transferred from suspense account during the year ended 31.3.2018	290	72980
Unclaimed Shares Transferred to IEPF on 16.12.2017	36467	4715140
Aggregate number of shareholders and the outstanding shares in the suspense account lying as at year ended 31.3.2018	13981	1773290

JSW Steel Ltd. – Preference Shares Unclaimed Suspense Account:

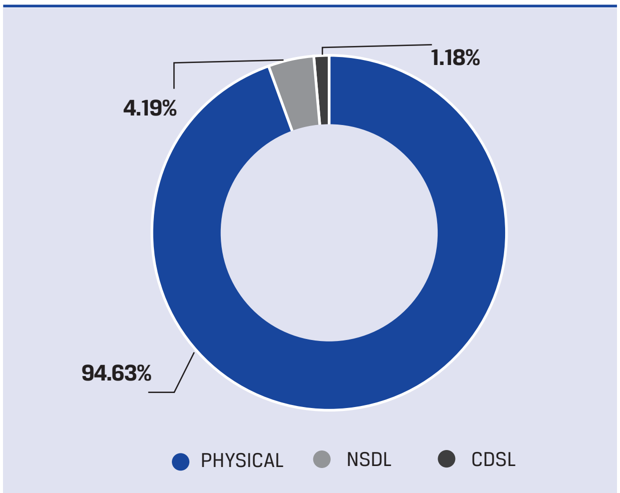
Description	Number of Share Holders	Number of Equity Shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 01.04.2017	25161	2710355
Number of Shareholders who approached issuer for transfer of shares from suspense account during the year ended 31.3.2018	103	8985
Number of shareholders to whom shares were transferred from suspense account during the year ended 31.3.2018	103	8985
Aggregate number of shareholders and the outstanding shares in the suspense account lying as at year ended 31.3.2018	25058	2701370

The voting rights on the shares outstanding in the suspense accounts as on 31 March 2018 shall remain frozen till the rightful owner of such shares claims the shares.

e) **De-materialisation 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. 238,86,05,882 Equity Shares aggregating to 98.82% of the total Equity Capital is held in dematerialised form as on 31.03.2018 of which 94.63% (228,73,30,729 Equity Shares) of total equity capital is held in NSDL & 4.19% (10,12,75,153 Equity Shares) of total equity capital is held in CDSL as on 31.3.2018.

DEMATERIALISATION OF SHARES



f) **Physical Share Purchase Scheme:**

Having regard to the difficulties experienced by the shareholders in disposing off their shares held in physical form and to mitigate the hardship caused to them, the Company has in consultation with Karvy Computershare Private Limited framed a scheme for purchase of Equity Shares in physical mode at the prevailing market price.

The Resident Indian Shareholder holding shares in physical segment, interested in the Scheme may lodge/send the application form along with enclosures to Karvy Computershare Private Limited, Hyderabad.

The Equity Share 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.

g) **National Electronic Clearing Service (NECS):**

As per the directive from Securities and Exchange Board of India dated March 21, 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 Depositary Participant (DP), at the earliest.

h) 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 an 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.

i) 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'

j) 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 31.3.2018.

k) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

A comprehensive financial and commodity risk management programme 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.

l) Registered Office:

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

m) Plant Locations:

Vijayanagar: P.O. Vidyanagar, Toranagallu Village, Sandur Taluk, Dist. Bellary, Karnataka - 583 275

Dolvi: 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.

n) 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 - 67161500
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 e-mail 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.

xviii. Non-Compliance of any Requirement of Corporate Governance:
There are no instances of non-compliance of any requirement of Corporate Governance Report as mentioned in sub-paras (2) to (10) of Para (C) of Schedule V. The Company has been regularly submitting the quarterly compliance report to the Stock Exchanges as required under Regulation 27 of the SEBI (LODR) Regulations 2015.

xix. 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 2015 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: Quarterly financial results are sent to the Shareholders' through e-mail. The Quarterly, Half Yearly, Nine Monthly and Annual 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.

iii. Modified Opinion in Auditors Report: The Company's financial statement for the financial year 2017-18 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.

12. 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.

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 (known as the "JSWSL Code of Conduct to Regulate, Monitor and Report Trading by Insiders") 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 Code 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 20.01.2010 has approved a Formal Human Rights Policy for adoption by the Company and all its Subsidiaries as part of its global personnel policies, in line with the practice followed internationally by Companies of Repute. A few minor changes were made to the policy by the Board in its meeting held on 28.01.2013 to bring it in line with the requirements of Business responsibility reporting. JSW's policy on human rights applies to all its businesses processes and is a 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, programmes 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 Schedule V (E) of the SEBI (LODR) Regulations which is annexed herewith.

Declaration Affirming Compliance of Code of Conduct

As provided under 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 31.03.2018.

For **JSW Steel Limited**

Place: Mumbai
Date: 16 May 2018

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

Independent Auditor's Report on compliance with the conditions of Corporate Governance

as per the provisions of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of JSW Steel Limited
JSW Centre, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051.

1. The Corporate Governance Report prepared by JSW Steel Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock Exchanges and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Directors Register as on 31 March 2018 and verified that at least one women director was on the Board during the year;

iv. Obtained and read the minutes of the following meetings held from 1 April 2017 to 31 March 2018:

(a) Board of Directors meeting;

(b) Audit committee;

(c) Annual General meeting;

(d) Nomination and remuneration committee;

(e) Stakeholders Relationship Committee;

(f) Independent directors meeting (only attendance records provided); and

(g) Risk management committee;

v. Obtained necessary representations and declarations from the directors of the Company including the independent directors; and

vi. Performed necessary inquiries with the management and also obtained necessary specific representations from the management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, that we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31 March 2018, referred to in paragraph 1 above.

Other matters and Restriction on Use

9. This report 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.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vikram Mehta
Partner
Membership Number: 105938

Place of Signature: Mumbai
Date: 16 May, 2018

Financial Statements

Independent Auditor's Report

To the Members of JSW Steel Limited

Report on the standalone Ind AS financial statements

We have audited the accompanying standalone Ind AS financial statements of JSW Steel Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

Management's Responsibility for the standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS 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. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 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 standalone Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The Ind AS financial statements of the Company for the year ended 31 March 2017, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 17, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on 31 March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this 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 Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note No. 45 to the standalone Ind AS 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.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vikram Mehta**
Partner
Membership No. 105938

Place of Signature: Mumbai
Date: 16 May 2018

Annexure 1

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" 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) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company except the following:

	Total Number of Cases	As at 31 March 2018 (₹ in Crore)	
		Gross Block	Net Block
Land located at Maharashtra	12	9	9

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, 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. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of its products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales- tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of statue	Nature of Dues	Amount (₹ In Crores)*	Period	Forum
The Central Excise Act, 1944	Excise Duty	0.04	2004-2005	Supreme Court of India
		109	1995-2015	High Court
		406	1997-2016	Central Excise Service Tax Appellate Tribunal (CESTAT)
		46	1998-2018	Asst. Commissioner/ Commissioner
The Custom Act, 1962	Custom Duty	2	2010-2011	Supreme Court of India
		419	1995-2016	Central Excise Service Tax Appellate Tribunal (CESTAT)
		20	2014-2017	Commissioner
The Tamil Nadu Value Added Tax Act, 2006	VAT	1	2006-2012	Asst. Commissioner

Name of statue	Nature of Dues	Amount (₹ In Crores)*	Period	Forum
The Karnataka Value Added Tax Act, 2003	VAT	1	2006-2008	Asst. Commissioner
The Central Sales Tax Act, 1956	CST	29	2011-2012	High Court
		33	2012-2013	Commissioner
Chapter V of the Finance Act, 1994	Service Tax	3	2002-2004	High Court
		145	2004-2017	Central Excise Service Tax Appellate Tribunal (CESTAT)
		33	2008-2018	Deputy Commissioner / Commissioner
Income Tax Act, 1961	Income Tax	74	2007-2012	Income Tax Appellate Tribunal (ITAT)

* Net of amounts paid under protest

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) In our opinion and according to information and explanations given by the management, monies raised by the Company by way of debt instruments in the nature of foreign currency bonds and term loans were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in fixed deposits. The Company has not raised monies by way of initial public offer or further public offer.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vikram Mehta**
Partner
Membership No. 105938

Place of Signature: Mumbai
Date: 16 May 2018

Annexure 2

Annexure 2 to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of JSW Steel Limited

Report on the Internal Financial Controls 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 March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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 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 the 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 with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these standalone Ind AS financial statements 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 over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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 internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these standalone Ind AS financial statements

A Company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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 with reference to these standalone Ind AS financial statements 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 With Reference to these standalone Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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 with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2018, 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 issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vikram Mehta**
Partner
Membership No. 105938

Place of Signature: Mumbai
Date: 16 May 2018

Balance Sheet

as at 31 March 2018

₹ in crores

		Notes	As at 31 March 2018	As at 31 March 2017
I	**Assets**			
	Non-current assets			
	(a) Property, plant and equipment	4	49,503	50,215
	(b) Capital work-in-progress	5	3,071	2,745
	(c) Intangible assets	6	65	51
	(d) Intangible assets under development		321	282
	(e) Investments in subsidiaries, associates and joint ventures	7	3,848	3,772
	(f) Financial assets			
	(i) Investments	8	1,030	978
	(ii) Loans	9	5,165	2,771
	(iii) Other financial assets	10	746	648
	(g) Current tax assets (net)		250	303
	(h) Other non-current assets	11	2,299	1,396
	Total non-current assets		**66,298**	**63,161**
	Current assets			
	(a) Inventories	12	10,082	9,270
	(b) Financial assets			
	(i) Investments	13	-	300
	(ii) Trade receivables	14	4,692	3,948
	(iii) Cash and cash equivalents	15	451	712
	(iv) Bank balances other than (iii) above	16	150	315
	(v) Loans	9	158	121
	(vi) Derivative Assets	17	147	434
	(vii) Other financial assets	10	503	328
	(c) Other current assets	11	3,070	2,370
	Total current assets		**19,253**	**17,798**
	Total Assets		**85,551**	**80,959**
II	**Equity And Liabilities**			
	Equity			
	(a) Equity share capital	18	302	301
	(b) Other equity	19	27,605	23,797
	Total equity		**27,907**	**24,098**
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	20	29,551	28,358
	(ii) Other financial liabilities	21	698	969
	(b) Provisions	22	115	74
	(c) Deferred tax liabilities (net)	23	2,071	1,329
	(d) Other non-current liabilities	24	4	3
	Total non-current liabilities		**32,439**	**30,733**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	25	2,172	4,875
	(ii) Trade payables	26	13,988	11,604
	(iii) Derivative Liabilities	27	90	382
	(iv) Other financial liabilities	28	7,111	8,112
	(b) Provisions	22	111	132
	(c) Other current liabilities	29	1,381	989
	(d) Current tax liabilities (net)		352	34
	Total current liabilities		**25,205**	**26,128**
	Total liabilities		**57,644**	**56,861**
	Total equity and liabilities		**85,551**	**80,959**

See accompanying notes to the Standalone Financial Statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Reg. No. 324982E/E300003

per **Vikram Mehta**
Partner
Membership No. 105938

Place: Mumbai
Date: 16 May 2018

For and on behalf of the Board of Directors

Sajjan Jindal
Chairman & Managing Director
DIN 00017762

Lancy Varghese
Company Secretary
ICSI Membership No. FCS 9407

Rajeev Pai
Chief Financial Officer

Seshagiri Rao M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

Statement of Profit and Loss

for the year ended 31 March 2018

₹ in crores

		Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
I	**Revenue from operations**	30	66,234	56,913
II	**Other income**	31	213	255
III	**Total income (I + II)**		**66,447**	**57,168**
IV	**Expenses**			
	Cost of materials consumed		35,995	28,400
	Purchases of stock-in-trade		1,063	945
	Changes in inventories of finished goods and work-in-progress	32	412	(1,390)
	Employee benefits expense	33	1,260	1,168
	Finance costs	34	3,591	3,643
	Depreciation and amortisation expense	35	3,054	3,025
	Excise duty expense		1,259	4,623
	Other expenses	36	12,504	11,623
	Total expenses		**59,138**	**52,037**
V	**Profit before exceptional items and tax (III-IV)**		7,309	5,131
VI	**Exceptional items**	50	234	-
VII	**Profit before tax (V-VI)**		7,075	5,131
VIII	**Tax expense / (benefit)**	23		
	Current tax		1,578	(53)
	Deferred tax		872	1,607
			2,450	**1,554**
IX	**Profit for the year (VII-VIII)**		**4,625**	**3,577**
X	**Other comprehensive income**			
A	i) Items that will not be reclassified to profit or loss			
	(a) Re-measurements of the defined benefit plans	41	(3)	(16)
	(b) Equity instruments through other comprehensive income		82	(63)
	ii) Income tax relating to items that will not be reclassified to profit or loss		1	6
	Total (A)		**80**	**(73)**
B	i) Items that will be reclassified to profit or loss			
	(a) The effective portion of gains and loss on hedging instruments		(341)	300
	(b) Changes in Foreign Currency Monetary Item translation difference account (FCMITDA)		(33)	297
	ii) Income tax relating to items that will be reclassified to profit or loss		130	(207)
	Total (B)		**(244)**	**390**
	Total Other comprehensive income / (loss) (A+B)		(164)	317
XI	**Total comprehensive income (IX + X)**		**4,461**	**3,894**
XII	Earnings per equity share of ₹ 1 each	38		
	Basic (in ₹)		19.24	14.89
	Diluted (in ₹)		19.14	14.80

See accompanying notes to the Standalone Financial Statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Reg. No. 324982E/E300003

per **Vikram Mehta**
Partner
Membership No. 105938

Place: Mumbai
Date: 16 May 2018

For and on behalf of the Board of Directors

Sajjan Jindal
Chairman & Managing Director
DIN 00017762

Lancy Varghese
Company Secretary
ICSI Membership No. FCS 9407

Rajeev Pai
Chief Financial Officer

Seshagiri Rao M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

Statement of Changes in Equity

for the year ended 31 March 2018

A. Equity share capital

₹ in crores

As at 01 April 2016	Movement during the year	As at 31 March 2017	Movement during the year	As at 31 March 2018
301	@	301	@@	**302**

@ = 0.43 crores
@@ = 0.32 crores

B. Other equity

₹ in crores

Particulars	Reserves and surplus							Items of Other Comprehensive Income/(Loss) (OCI)			Total
	Capital reserve	Securities premium reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Equity settled share based payment reserve	General reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	FCMITDA	
Opening balance as at 01 April 2016	**3,585**	**5,417**	**10**	**433**	**(11)**	**-**	**10,417**	**416**	**40**	**(198)**	**20,109**
Profit for the year	-	-	-	-	3,577	-	-				3,577
Other comprehensive income for the year, net of income tax	-	-	-	-	(10)	-	-	(63)	196	194	317
Dividend including dividend distribution tax	-	-	-	-	(218)	-	-	-	-	-	(218)
Impact of ESOP trust consolidation	-	-	-	-	(1)	-	-	-	-	-	(1)
Recognition of share-based payments	-	-	-	-	-	13	-				13
Closing balance as at 31 March 2017	**3,585**	**5,417**	**10**	**433**	**3,337**	**13**	**10,417**	**353**	**236**	**(4)**	**23,797**
Profit for the year	-	-	-	-	4,625	-	-	-	-	-	4,625
Other comprehensive income for the year, net of income tax	-	-	-	-	(2)	-	-	82	(223)	(21)	(164)
Dividend including dividend distribution tax	-	-	-	-	(655)	-	-	-	-	-	(655)
Impact of ESOP trust consolidation	-	-	-	-	(26)	-	-	-	-	-	(26)
Recognition of share-based payments	-	-	-	-	-	28	-	-	-	-	28
Transfer to Capital redemption reserve	-	-	139	-	-	-	(139)	-	-	-	-
Transfer from Debenture redemption reserve	-	-	-	(292)	292	-	-	-	-	-	-
Closing balance as at 31 March 2018	**3,585**	**5,417**	**149**	**141**	**7,571**	**41**	**10,278**	**435**	**13**	**(25)**	**27,605**

See accompanying notes to the Standalone Financial Statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Reg. No. 324982E/E300003

per **Vikram Mehta**
Partner
Membership No. 105938

Place: Mumbai
Date: 16 May 2018

For and on behalf of the Board of Directors

Sajjan Jindal
Chairman & Managing Director
DIN 00017762

Lancy Varghese
Company Secretary
ICSI Membership No. FCS 9407

Rajeev Pai
Chief Financial Officer

Seshagiri Rao M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

Statement of Cash Flows

for the year ended 31 March 2018

₹ in crores

	For the year ended 31 March 2018		For the year ended 31 March 2017	
Cash flow from operating activities				
Net profit before tax		**7,075**		**5,131**
Adjustments for:				
Depreciation and amortisation expenses	3,054		3,025	
Loss on sale of property, plant & equipment (net)	124		134	
Gain on sale of financial investments designated as FVTPL	(16)		(6)	
Interest income	(176)		(216)	
Gain arising of financial instruments designated as FVTPL	(9)		(9)	
Loss arising from Financial instruments designated as FVTPL	30		-	
Dividend income	(5)		(18)	
Interest expense	3,442		3,522	
Share based payment expense	28		13	
Export obligation deferred income amortisation	(67)		(61)	
Unrealised exchange gain/(loss)	44		(77)	
Allowance for doubtful debts, loans & advances	381		37	
Government grant income (Fair value gain on deferred government loan)	(53)		-	
		6,777		6,344
Operating profit before working capital changes		**13,852**		**11,475**
Adjustments for:				
(Increase) in inventories	(812)		(2,529)	
(Increase) in trade receivables	(661)		(1,437)	
(Increase) in other assets	(1,339)		(589)	
Increase trade payable and other liabilities	2,325		1,639	
Increase in provisions	16		25	
		(471)		**(2,891)**
Cash flow from operations		**13,381**		**8,584**
Income taxes paid (net of refund received)		(1,207)		(23)
Net cash generated from operating activities (A)		**12,174**		**8,561**
Cash flow from investing activities				
Purchase of property, plant and equipment, intangible assets including under development		(3,776)		(3,952)
Proceeds from sale of property, plant & equipment		7		25
Investment in subsidiaries and joint ventures including advances		(175)		(524)
Purchase of current investments		(7,804)		(2,784)
Sale of current investments		8,120		2,490
Bank deposits not considered as cash and cash equivalents (net)		169		(184)
Loans to related parties		(2,858)		(1,494)
Interest received		178		121
Dividend received		5		18
Net cash used in investing activities (B)		**(6,134)**		**(6,284)**
Cash flow from financing activities				
Proceeds from sale of treasury shares		49		57
Payment for purchase of treasury shares		(76)		(55)
Proceeds from non-current borrowings		5,571		3,995
Repayment of non-current borrowings		(4,774)		(4,802)
Proceeds from/Repayment of current borrowings (net)		(2,703)		2,809
Repayment of finance lease obligation		(296)		(322)
Interest paid		(3,417)		(3,494)
Dividend paid (including corporate dividend tax)		(655)		(218)
Net cash used in financing activities (C)		**(6,301)**		**(2,030)**
Net increase in cash and cash equivalents (A+B+C)		**(261)**		**247**
Cash and cash equivalents - opening balances		**712**		**465**
Cash and cash equivalents - closing balances (note 15)		**451**		**712**

Notes:

1. The cash flow statement is prepared using the 'indirect method' set out in IND AS 7 – Statement of Cash Flows.
2. The Company has acquired property, plant and equipment of ₹ 22 crores (previous year ₹ 1,092 crores) on finance lease.

Statement of Cash Flows

for the year ended 31 March 2018 (Continued)

Reconciliations part of cash flows

₹ in crores

Particulars	1 April 2017	Cash flows (net)	Foreign exchange (Gain) /Loss	Changes in fair values	New leases	Other	31 March 2018
Borrowings other than finance lease obligation (including Current maturities of long-term borrowing included in other financial liabilities note 28)	28,541	797	89	(52)	-	52	29,427
Finance Lease Obligations (including Current maturities)	4,857	(296)	-	-	22	(1)	4,582
Borrowings (Current)	4,875	(2,703)	-	-	-	-	2,172

Particulars	1 April 2016	Cash flows (net)	Foreign exchange (Gain)/Loss	Changes in fair values	New leases	Other	31 March 2017
Borrowings other than finance lease obligation (including Current maturities of long-term borrowing included in other financial liabilities note 28)	29,500	(807)	(247)	-	-	95	28,541
Finance Lease Obligations (including Current maturities)	4,088	(322)	-	-	1,092	(1)	4,857
Borrowings (Current)	2,070	2,809	(4)	-	-	-	4,875

Other comprises of Upfront Fees Amortisation and Interest Cost accrual on preference shares

See accompanying notes to the Standalone Financial Statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Reg. No. 324982E/E300003

per **Vikram Mehta**
Partner
Membership No. 105938

Place: Mumbai
Date: 16 May 2018

For and on behalf of the Board of Directors

Sajjan Jindal
Chairman & Managing Director
DIN 00017762

Lancy Varghese
Company Secretary
ICSI Membership No. FCS 9407

Rajeev Pai
Chief Financial Officer

Seshagiri Rao M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

1. General Information

JSW Steel Limited ('the Company') is primarily engaged in the business of manufacture and sale of Iron and Steel Products.

The Company is an integrated manufacturer of diverse range of steel products with its manufacturing facilities located at Vijaynagar Works in Karnataka, Dolvi Works in Maharashtra and Salem works in Tamil Nadu.

JSW Steel Limited is a public limited Company incorporated in India on 15 March 1994 under the Companies Act, 1956 and listed on the Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is JSW Centre, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.

2. Significant Accounting policies

I. Statement of compliance

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2018, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements').

These financial statements are approved for issue by the Board of Directors on May 16, 2018

II. Basis of preparation and presentation

The Standalone Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting year, as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statement is presented in INR and all values are rounded to the nearest crores except when otherwise stated.

Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle. it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

- it is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

III. Revenue recognition

Sale of Products

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes/GST and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer. Sale of products is presented gross of manufacturing taxes like excise duty wherever applicable. Export incentives are recognised as income as per the terms of the scheme in respect of the exports made and included as part of export turnover.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

IV. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight-line basis over the lease term.

The Company as a lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Standalone balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the years in which they are incurred.

Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the year in which they are incurred.

Arrangements in the nature of lease

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 17 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 17 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

V. Foreign currencies

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the year in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below the policy on hedge accounting in 2 (XVIII) (B) (g));
- exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognised in the financial statements for the year ended 31 March, 2016 prepared under previous GAAP, are capitalised as a 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 year / upto the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as 'Foreign currency monetary item translation difference account' net of tax effect thereon, where applicable.

VI. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the year in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

VII. Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the years in which the Company recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

The benefit of a government loan at a below-market rate of interest and effect of this favorable interest is treated as a government grant. The Loan or assistance is initially recognised at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognised to the income statement immediately on fulfillment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

VIII. Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting year. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the year of a plan amendment or when the Company recognises corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

IX. Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 39.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

The Company has created an Employee Benefit Trust for providing share-based payment to its employees. The Company uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Company from the market, for giving shares to employees. The Company treats Trust as its extension and shared held by the Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from Equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting year are satisfied with treasury shares.

X. Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961

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Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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 deferred tax 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 probable that future economic benefit associated with it will flow to the Company.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they are relating to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

XI. Property, plant and equipment

The cost of property, plant and equipment 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, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed. Revenue generated from production during the trial period is capitalised.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

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Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of 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.

Class of assets	Years
Plant and equipment	8 to 40 years
Work-rolls (shown under Plant and equipment)	1-5 years

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Freehold land and leasehold land where the lease is convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

XII. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Class of assets	Years
Computer Software & Licenses	3-5 years

The Company has elected to continue with carrying value of all its intangible assets recognised ason transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

XIII. Mining Assets

Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment indicators at least annually.

The Company measures its exploration and evaluation assets at cost and classifies as Property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

Acquisition costs - costs associated with acquisition of licenses and rights to explore, including related professional fees.

General exploration costs – costs of surveys and studies, rights of access to properties to conduct those studies (e.g. costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

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Costs of exploration drilling and equipping exploration – Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered.

Stripping cost

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

Production stripping costs are incurred to extract the ore in the form of inventories and/or to improve access to an additional component of an ore body or deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realised in the form of inventories.

Such costs are presented within mining assets. After initial recognition, stripping activity assets are carried at cost less accumulated amortisation and impairment. The expected useful life of the identified component of the ore body is used to depreciate or amortise the stripping asset.

Site restoration, rehabilitation and environmental costs:

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised. The provision for decommissioning assets is based on the current estimates of the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate. A corresponding provision is created on the liability side. The capitalised asset is charged to profit or loss over the life of the asset through depreciation over the life of the operation and the provision is increased each period via unwinding the discount on the provision. Management estimates are based on local legislation and/or other agreements. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology. Details of such provisions are set out in note 22.

XIV. Impairment of Property, plant and equipment and intangible assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

XV. Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress include cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

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XVI. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

XVII. Investment in subsidiaries, associates and joint ventures

Investment in subsidiaries, associates and joint ventures are shown at cost. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

XVIII. Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

A. Financial assets

a) Recognition and initial measurement

A financial asset is initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

b) Classification of financial assets

On initial recognition, a financial asset is measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is

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reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any gains and losses arising on remeasurement recognised in statement of profit or loss. The net gain or loss recognised in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognised when:

- The Company's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

c) **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

d) **Impairment**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous year, but determines at

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the end of a reporting year that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous year, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet

e) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the 'Other income' line item.

B. Financial liabilities and equity instruments

a) Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both,

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which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the Statement of Profit and Loss. For Liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

Other financial liabilities:

The Company enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for import of raw materials and property, plant and equipment. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements for raw materials are recognised as Acceptances (under trade payables) and arrangements for property, plant and equipment are recognised as other financial liabilities. Interest borne by the Company on such arrangements is accounted as finance cost. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

d) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, commodity price and foreign exchange rate risks, including foreign exchange forward contracts, commodity forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting year. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge item.

e) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting year following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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to the Standalone Financial Statements as at and for the year ended 31 March 2018

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

f) **Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

g) **Hedge accounting**

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency, interest rate and commodity risk, as either cash flow hedge, fair value hedge. Hedges of foreign currency risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to hedged risk.

(i) **Fair value hedges**

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognised in profit or loss in the line item relating to the hedged item.

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to the Standalone Financial Statements as at and for the year ended 31 March 2018

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. For fair value hedges relating to items carried at amortised cost, the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

(ii) Cash flow hedges

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the years when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

XIX. Cash and cash equivalents:

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalent consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

XX. Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax 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 treasury shares, 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 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 including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

3. Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the policies outlined in all notes under Section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year.

A) Key sources of estimation uncertainty

i) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

ii) Impairment of investments in subsidiaries, joint-ventures and associates

Determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have anticipated the future commodity prices, capacity utilisation of plants, operating margins, mineable resources and availability of infrastructure of mines, discount rates and other factors of the underlying businesses / operations of the investee companies as more fully described in note 51. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

iii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

iv) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

vi) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

B) Critical accounting judgements

i) Control over JSW Realty & Infrastructure Private Limited (RIPL)

RIPL has developed a residential township in Vijaynagar, Karnataka on the land taken on lease from the Company for a year of 30 years and provides individual housing units on rent to the employees of the Company or other group companies. RIPL is not allowed to sub-let or assign its rights under the arrangement without prior written consent of the Company. Though the Company does not hold any ownership interest in RIPL, the Company has concluded that the Company has practical ability to direct the relevant activities of RIPL unilaterally, considering RIPL's dependency on the Company for funding significant portion of its operation through subscription to 73.57% of preference share capital amounting to ₹ 199 crore issued by RIPL and significant portion of RIPL's activities.

ii) Control over Dolvi Minerals & Metals Private Limited (DMMPL) and Dolvi Coke Private Limited (DCPL)

DMMPL is an investment Company and is setting up recovery type coke oven plant and by-product plant ('Coke Plant') through its wholly owned subsidiary DCPL. Although, the Company owns only 40% of ownership interest, the Company has concluded that the Company has practical ability to direct the relevant activities of DMMPL unilaterally, considering

- the relevant activities of DCPL are directed through the long-term take or pay arrangement entered into between the Company and DCPL,
- Significant portion of DMMPL and DCPL activities either involve or are conducted on behalf of the Company, and
- Return from Company's involvement with DMMPL and in turn with DCPL is disproportionately greater than it voting rights considering the take or pay arrangement is at cost plus fixed margin basis.

iii) Separating payments of lease from the other payments

If an arrangement contains a lease, the parties to the arrangement shall apply the requirements of Ind AS 17 to the lease element. Therefore, the Company is required to separate payments and other consideration required by the arrangement into those for the lease and for other elements on the basis of their relative fair values.

However, Management has concluded that it is impracticable to separate both the elements reliably

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and has recognised an asset and a liability at an amount equal to the carrying value of the specified asset in the books of the lessor. Subsequently, the liability has been reduced as payments are made and an imputed finance charges on the liability recognised using the Company's incremental borrowing rate of interest over the tenure of the arrangement. The total payments less payments made towards lease obligation and imputed finance charges have been considered to be the consideration for elements other than lease.

In case of arrangements which are identified to be in the nature of finance lease, the management concluded that it is impracticable to derive the relative fair values of lease and other elements of the arrangement and has accordingly determined the consideration for elements other than lease as a residual post appropriation of lease payments derived based on lessee's incremental borrowing rate of interest on the lease obligation corresponding to the respective gross asset values in the books of lessor.

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

4. Property, plant and equipment

₹ in crores

Particulars	Freehold land	Leasehold land	Buildings (Owned)	Buildings (On finance lease)	Plant and equipment (Owned)	Plant and equipment (On finance lease)	Furniture and fixtures	Vehicles and aircrafts	Office equipment	Total
Cost/deemed cost										
At 1 April 2016	**929**	**168**	**5,756**	**157**	**37,510**	**4,562**	**70**	**119**	**33**	**49,304**
Additions	22	-	531	21	5,194	1,071	8	9	15	6,871
Deductions	-	-	-		248	-	-	5	@	253
Other adjustments (refer note c)	-	-	-		22	-	-	-	-	22
At 31 March 2017	**951**	**168**	**6,287**	**178**	**42,478**	**5,633**	**78**	**123**	**48**	**55,944**
Additions	18	*	271	2	2,032	20	30	19	11	2,403
Deductions	-	-	#		172	-	-	7	^	179
Other adjustments (refer note c)	-	-	-		42	-	-	-	-	42
At 31 March 2018	**969**	**168**	**6,558**	**180**	**44,380**	**5,653**	**108**	**135**	**59**	**58,210**
Accumulated depreciation										
At 1 April 2016	**-**	**-**	**255**	**27**	**2,218**	**269**	**16**	**13**	**9**	**2,807**
Depreciation	-	-	281	27	2,258	401	11	14	10	3,002
Deductions	-	-	-		92	-	@@	2	**	94
Other adjustments	-	-	-		14	-	-	-	-	14
At 31 March 2017	**-**	**-**	**536**	**54**	**4,398**	**670**	**27**	**25**	**19**	**5,729**
Depreciation	-	1	292	27	2,278	393	13	14	8	3,026
Deductions	-	-	##		45	-	-	3	^^	48
At 31 March 2018	**-**	**1**	**828**	**81**	**6,631**	**1,063**	**40**	**36**	**27**	**8,707**
Net book value										
At 31 March 2018	**969**	**167**	**5,730**	**99**	**37,749**	**4,590**	**68**	**99**	**32**	**49,503**
At 31 March 2017	**951**	**168**	**5,751**	**124**	**38,080**	**4,963**	**51**	**98**	**29**	**50,215**

Notes:

₹ in crores

Description		As at 31 March 2018	As at 31 March 2017
a) Freehold land which is yet to be registered in the Company's name	Acre	19	27
	Deemed cost	9	13
b) Freehold land and buildings which has been/agreed to be hypothecated/mortgaged to lenders of related parties	Deemed cost	288	270
c) Other adjustments comprises:			
Borrowing cost	₹ in crores	23	26
Foreign exchange loss / (gain)	₹ in crores	19	(4)

d) For details of assets given on operating lease, refer note 48.

e) For details of assets given on finance lease, refer note 49.

f) Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in Note 20 and Note 25.

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

g) Property, plant and equipment includes proportionate share (50%) of assets under joint operation as below:

₹ in crores

Particulars	Buildings (Owned)	Plant and Equipment (Owned)
Cost/deemed cost		
At 1 April 2016	**459**	**7**
Additions	6	-
At 31 March 2017	**465**	**7**
Additions	-	-
At 31 March 2018	**465**	**7**
Accumulated depreciation		
At 1 April 2016	**15**	**#**
Depreciation	15	1
At 31 March 2017	**30**	**1**
Depreciation	16	1
At 31 March 2018	**46**	**2**
Net book value		
At 31 March 2018	**419**	**5**
At 31 March 2017	**435**	**6**

₹ 0.38 crore

h) @ ₹ 0.31 crore * ₹ 0.08 crore # ₹ 0.28 crore ^ ₹ 0.01 crore @@ ₹ 0.08 crore

** ₹ 0.32 crore ## ₹ 0.04 crore ^^ ₹ 0.01 crore

5. Capital work-in-progress includes exchange fluctuation Loss of ₹ 54 crores (previous year gain ₹ 41 crores) and borrowing cost of ₹ 50 crores (previous year ₹ 48 crores).

6. Intangible assets

₹ in crores

Particulars	Computer software	License fees	Mining Assets	Total
Cost/deemed Cost				
At 1 April 2016	**61**	**22**	**-**	**83**
Additions	12	-	-	12
At 31 March 2017	**73**	**22**	**-**	**95**
Additions	20	4	18	42
At 31 March 2018	**93**	**26**	**18**	**137**
Accumulated amortisation				
At 1 April 2016	**17**	**4**	**-**	**21**
Amortisation	19	4	-	23
At 31 March 2017	**36**	**8**	**-**	**44**
Amortisation	20	7	1	28
At 31 March 2018	**56**	**15**	**1**	**72**
Net book value				
At 31 March 2018	**37**	**11**	**17**	**65**
At 31 March 2017	37	14	-	51

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

7. Investments in subsidiaries, associates and joint ventures

	Particulars	Paid-up value	As at 31 March 2018		As at 31 March 2017	
			No. of shares	₹ in crores	No. of shares	₹ in crores
A	**Investment in equity instruments**					
	Unquoted					
	Subsidiaries (at cost or deemed cost)					
	Amba River Coke Limited (refer note a)	₹ 10 each	93,18,98,670	932	93,18,98,670	932
	JSW Bengal Steel Limited	₹ 10 each	44,79,15,000	445	44,29,15,000	440
	JSW Jharkhand Steel Limited	₹ 10 each	8,37,85,953	84	8,00,11,053	80
	JSW Natural Resources Limited	USD 10 each	13,65,500	4	13,65,500	4
	JSW Steel Processing Centres Limited	₹ 10 each	5,00,00,000	50	5,00,00,000	50
	JSW Steel(Netherlands) B.V.	Euro 1 each	7,07,625	4	7,07,625	4
	Periama Holding LLC	0.1% Equity Interest in the capital	NA	##	NA	##
	JSW Steel Coated Products Limited	₹ 10 each	5,00,50,000	1,314	5,00,50,000	1,314
	Arima Holdings Limited	USD 100 each	50,390	***	50,390	***
	Erebus Limited	USD 100 each	2,15,420	###	2,15,420	###
	Nippon Ispat Singapore (Pte) Limited	SGD 1 each	7,84,502	-	7,84,502	-
	Peddar Realty Private Limited	₹ 10 each	10,000	57	10,000	57
	Lakeland Securities Limited	USD 100 each	351	@@	351	@@
	JSW Steel (Salav) Limited (refer note b)	₹ 10 each	1,33,48,57,243	424	1,33,34,57,243	424
	JSW Steel UK Limited	GBP 1 each	5,55,200	3	5,55,200	3
	JSW Industrial Gases Private Limited (formerly known as Jindal Praxair Oxygen Private Limited (JPOCPL)	₹ 10 each	9,20,83,826	267	9,20,83,826	267
	Dolvi Minerals & Metals Private Limited (refer note c)	₹ 10 each	4,00,00,000	40	4,00,00,000	40
	JSW Steel Utkal Limited	₹ 10 each	5,00,000	@@@	-	-
	Joint ventures (at cost or deemed cost)					
	Gourangdih Coal Limited	₹ 10 each	24,50,000	2	24,50,000	2
	JSW MI Service Centre Private Limited	₹ 10 each	6,65,00,000	67	4,28,39,800	43
	JSW Severfield Structures Limited	₹ 10 each	16,04,37,940	160	11,54,37,940	115
	Rohne Coal Company Private Limited	₹ 10 each	4,90,000	""	4,90,000	""
	JSW Vallabh Tinplate Private Limited	₹ 10 each	2,50,19,600	30	2,50,19,600	30
	Vijayanagar Minerals Private Limited	₹ 10 each	4,000	@	4,000	@
B	**Investment in limited liability partnership firm**					
	Unquoted subsidiary (at cost or deemed cost)					
	Inversiones Eroush Limitada (unquoted)	5% Equity Interest in the capital	NA	^^^	NA	^^^
	Total			**3,884**		**3,807**
	Less: Aggregate amount of provision for impairment in the value of investments			(36)		(35)
				3,848		**3,772**
	Unquoted					
	Aggregate carrying value			3,848		3,772

*** ₹ 0.25 crore ### ₹ 0.27 crore @@ ₹ 0.22 crore "" ₹ 0.49 crore ^^^ ₹ 0.01 crore @ ₹ 40,000 ## $1 @@@ ₹ 0.50 crore

Note:

(a) 304,373,882 shares (as at 31 March 2017 304,373,882 shares) are pledged to the subsidiary's banker.

(b) 400,605,365 shares (as at 31 March 2017 400,605,365 shares) are pledged to the subsidiary's banker.

(c) 40,000,000 shares (as at 31 March 2017 40,000,000 shares) are pledged to the subsidiary's banker.

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8. Investments (non-current)

	Particulars	Paid-up value	As at 31 March 2018		As at 31 March 2017	
			No. of shares	₹ in crores	No. of shares	₹ in crores
A	**Investment in equity instruments**					
	Quoted - Others					
	(at fair value through OCI)					
	Fully paid-up					
	JSW Energy Limited	₹ 10 each	9,14,74,090	666	9,14,74,090	574
	Unquoted Others					
	(at fair value through OCI)					
	Toshiba JSW Power Systems Private Limited	₹ 10 each	1,10,00,000	-	1,10,00,000	11
	MJSJ Coal Limited	₹ 10 each	1,04,61,000	9	1,04,61,000	9
	SICOM Limited	₹ 10 each	6,00,000	5	6,00,000	5
	Kalyani Mukand Limited	₹ 1 each	4,80,000	$	4,80,000	$
	Ispat Profiles India Limited	₹ 1 each	15,00,000	$	15,00,000	$
				14		**25**
B	**Investments in preference shares**	**Terms**				
	Unquoted - (at fair value through profit or loss)					
	Subsidiaries					
	JSW Steel (Netherlands) B.V.	5% redeemable, non-cumulative of Euro 1 each	3,99,00,250	254	3,99,00,250	290
	JSW Steel (Salav) Limited	0% redeemable, non-cumulative of ₹ 10 each	2,31,34,494	6	2,31,34,494	5
	JSW Realty & Infrastructure Private Limited	10% redeemable, non-cumulative of ₹ 100 each	1,99,15,000	82	1,99,15,000	75
	Joint ventures					
	Rohne Coal Company Private Limited	1% non-cumulative of ₹ 10 each	2,36,42,580	-	2,36,42,580	1
	Rohne Coal Company Private Limited	1% Series-A non-cumulative of ₹ 10 each	71,52,530	7	71,52,530	7
	Rohne Coal Company Private Limited	1% Series-B non-cumulative of ₹ 10 each	11,43,486	1	641,286	1
				350		**379**
C	**Investments in Government securities (unquoted - Others) (at amortised cost)**					
	National Savings Certificates (Pledged with commercial tax department)			^^		^^
				1,030		978
	Quoted					
	Aggregate book value			666		574
	Aggregate market value			666		574
	Unquoted					
	Aggregate carrying value			364		405
	Investments at cost			^^		^^
	Investments at fair value through other comprehensive income			680		599
	Investments at fair value through profit and loss			350		379

^^ ₹ 0.07 crore $ ₹ 1

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

9. Loans (Unsecured)

₹ in crores

Particulars	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
Loans				
to related parties*	5,400	4	2,682	5
to other body corporate	9	-	9	-
Security deposits	288	154	141	116
Less: Allowance for doubtful loans (Considered doubtful)	(532)	-	(61)	-
Total	**5,165**	**158**	**2,771**	**121**
Note:				
Considered good	5,165	158	2,771	121
Considered doubtful, provided:				
Loans and advances to other body corporate	9	-	9	-
Loans and advances to related parties	523	-	52	-

*for business purpose

Details of loans and advances in the nature of loans to subsidiaries:

₹ in crores

Name of Company	As at 31 March 2018		As at 31 March 2017	
	Maximum amount outstanding during the year	Amount outstanding	Maximum amount outstanding during the year	Amount outstanding
JSW Steel (Netherlands) B.V.	527	525	155	151
JSW Natural Resources Limited	190	115	100	95
Inversiones Eroush Limitada	694	694	675	660
Periama Holdings, LLC	3,988	3,988	5,073	1,551
JSW Steel UK Limited	10	10	-	-
Arima Holding Ltd.	#	#	-	-
Lakeland Securities Limited	#	#	-	-
Erebus Limited	#	#	-	-

₹ 0.13 crores

10. Others financial assets (Unsecured)

₹ in crores

Particulars	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
Export benefits and entitlements	1	53	2	105
Insurance claim receivable	43	-	43	-
Advance towards equity share capital / preference shares	121	-	24	-
Government grant income receivable	-	234	-	-
Interest receivable on loans to related parties	581	-	579	-
Indirect tax recoverable	-	184	-	191
Others	-	32	#	32
Total	**746**	**503**	**648**	**328**

₹ 0.07 crore

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

11. Other assets (Unsecured)

₹ in crores

Particulars	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
Capital advances	933	-	238	-
Less: Allowance for doubtful advances	(3)	-	(3)	-
Other Advances				
Advance to suppliers	174	1,679	152	1,354
Export benefits and entitlements	56	106	66	191
Security deposits	33	51	32	69
Indirect tax balances/recoverable/credits	1,185	1,159	940	661
Prepayments and others	46	75	39	105
Less: Allowance for doubtful advances	(125)	-	(68)	(10)
Total	**2,299**	**3,070**	**1,396**	**2,370**
Other Assets constitute:				
Capital advances				
Considered good	930	-	235	-
Considered doubtful, provided	3	-	3	-
Other Advances				
Considered good	1,369	3,070	1,161	2,370
Considered doubtful, provided				
Advances to suppliers	121	-	61	9
Prepayment and others	2	-	7	1
Indirect tax balances/recoverable/credits	2	-	-	-

12. Inventories

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Raw materials (at cost)	4,918	3,590
Work-in-progress (at cost)	690	747
Semi-finished/ finished goods (at cost or net realisable value)	2,826	3,702
Production consumables and stores and spares (at cost)	1,648	1,231
Total	**10,082**	**9,270**

Inventories have been pledged as security against certain bank borrowings, details relating to which has been described in note 20 and note 25.

Details of Stock-in-transit

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Raw materials	1,867	960
Production consumables and stores and spares	189	55
Total	**2,056**	**1,015**

13. Investments (Current)

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Mutual funds (Quoted)	-	300
Total	**-**	**300**
Quoted		
Aggregate book value	-	300
Aggregate market value	-	300

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to the Standalone Financial Statements as at and for the year ended 31 March 2018

14. Trade receivables

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Secured, considered good	88	160
Unsecured, considered good	4,604	3,788
Doubtful	78	6
	4,770	**3,954**
Less: Allowance for doubtful debts	(78)	(6)
Total	**4,692**	**3,948**

Ageing of receivables that are past due

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
60-90 days	149	129
90-180 days	58	37
>180 days	393	204
Total	**600**	**370**

The credit period on sales of goods ranges from 7 to 60 days with or without security.

Before accepting any new customer, the Company uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed once a year.

The Company does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Trade receivables have been given as collateral towards borrowings details relating to which has been described in note 20 and note 25.

15. Cash and cash equivalents

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Balances with Banks		
In current accounts	188	354
In term deposit Accounts with maturity less than 3 months at inception	262	357
In margin money with maturity less than 3 months at inception	-	1
Cheques on hand	-	#
Cash on hand	@	^
Total	**451**	**712**

₹ 0.01 crore @ ₹ 0.46 crore ^ ₹ 0.27 crore

16. Bank balance other than cash and cash equivalents

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Earmarked balances in current accounts	26	21
Balances with Banks		
In term deposit accounts		
with maturity more than 3 months but less than 12 months at inception	122	293
with maturity more than 12 months at inception	1	#
In margin money	1	1
Total	**150**	**315**

₹ 0.04 crore

Earmarked bank balances are restricted in use and it relates to unclaimed dividend and balances with banks held as margin money for security against the guarantees.

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to the Standalone Financial Statements as at and for the year ended 31 March 2018

17. Derivative Assets

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Forward contract	82	152
Commodity contract	8	263
Interest rate swap	37	17
Currency option	20	2
Total	**147**	**434**

18. Equity share capital

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Share capital	**Number of Shares**		**Amount (₹ in crores)**	
(a) Authorised				
Equity shares of the par value of ₹ 1 each	60,15,00,00,000	60,15,00,00,000	6,015	6,015
(b) Issued and subscribed				
(i) Outstanding at the beginning of the year, fully paid-up	2,41,72,20,440	2,41,72,20,440	242	242
(ii) Less: Treasury shares held under ESOP Trust (refer note below)	(10,988,860)	(1,42,35,750)	(1)	(2)
(iii) Outstanding at the end of the year, fully paid-up	**2,40,62,31,580**	**2,40,29,84,690**	**241**	**240**
(c) Equity shares forfeited (amount originally paid-up)			61	61
Total			**302**	**301**

Movement in treasury shares

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Shares of ₹ 1 each fully paid-up held under ESOP Trust	**Number of shares**		**Amount (₹ in crores)**	
Equity shares as at 1 April	1,42,35,750	1,84,88,170	2	2
Changes during the year	(32,46,890)	(42,52,420)	@	#
Equity shares as at 31 March	1,09,88,860	1,42,35,750	1	2

@ ₹ 0.32 crore # ₹ 0.42 crore

a) 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.

b) SHAREHOLDERS HOLDING MORE THAN 5% SHARE IN THE Company ARE SET OUT BELOW

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	% of shares	No. of Shares	% of shares
Equity shares				
JFE Steel International Europe BV	36,25,83,070	15.00%	36,25,83,070	15.00%
JSW Holdings Limited	17,73,06,230	7.34%	17,57,94,230	7.27%
Vividh Finvest Private Limited (Formerly Vividh Consultancy & Advisory Services Private Limited)	14,07,26,690	5.82%	13,98,66,690	5.79%
JSW Techno Projects Management Ltd	22,93,26,950	9.49%	22,93,26,950	9.49%

c) NOTE FOR SHARES HELD UNDER ESOP TRUST:

For the details of shares reserved for issue under the Employee Stock Ownership Plan (ESOP) of the Company (refer note 39).

d) SHARES ALLOTTED AS FULLY PAID-UP PURSUANT TO CONTRACTS WITHOUT PAYMENT BEING RECEIVED IN CASH DURING THE YEAR OF FIVE YEARS IMMEDIATELY PRECEDING THE DATE OF THE BALANCE SHEET ARE AS UNDER:

186,048,440 Equity shares fully paid-up to the shareholders of the erstwhile JSW Ispat Steel Limited pursuant to a Composite Scheme of Amalgamation and Arrangement was sanctioned by the Hon'ble Bombay High Court vide its Order dated 3 May 2013. The scheme was effective from 1 July 2012 being the appointed date. The Record Date fixed by the Company for the aforesaid allotments was 12 June 2013.

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to the Standalone Financial Statements as at and for the year ended 31 March 2018

19. Other equity

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
General reserve	10,278	10,417
Retained Earnings	7,571	3,337
Other Comprehensive Income:		
Equity instruments through other comprehensive income	435	353
Effective portion of cash flow hedges	13	236
Foreign currency monetary item translation difference account (FCMITDA)	(25)	(4)
Other Reserves		
Equity settled share based payment reserve	41	13
Capital reserve	3,585	3,585
Capital redemption reserve	149	10
Securities premium reserve	5,417	5,417
Debenture redemption reserve	141	433
Total	**27,605**	**23,797**

(i) General reserve

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10.00% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserves for that year.

Consequent to introduction of Companies Act, 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit or loss to the General reserves.

(ii) Debenture redemption reserve

The Indian Companies Act requires companies that issue debentures to create a debenture redemption reserve (DRR) from annual profits until such debentures are redeemed. Companies are required to maintain 25% as a reserve of outstanding redeemable debentures. Accordingly, the Company creates DRR at 25% in the penultimate year to the year in which the repayment obligation arises on the Company. The amounts credited to the debenture redemption reserve will not be utilised except to redeem debentures.

(iii) Effective portion of cash flow hedges

Effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

(iv) Foreign currency monetary item translation difference account (FCMITDA)

The Company has continued with the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the standalone financial statements prepared under previous GAAP for the year ended 31 March 2016. The reserve pertains to exchange differences relating to long-term foreign currency monetary items in so far as they do not relate to acquisition of depreciable capital assets, which are accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and amortised in the Statement of Profit and Loss over the balance Year of such long-term foreign currency monetary item.

(v) Equity settled share based payment reserve

The Company offers ESOP, under which options to subscribe for the Company's share have been granted to certain employees and senior management. The share based payment reserve is used to recognise the value of equity settled share based payments provided as part of the ESOP scheme.

(vi) Capital reserve

Reserve is primarily created on amalgamation as per statutory requirement.

(vii) Capital redemption reserve

Reserve is created for redemption of preference shares as per statutory requirement.

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

20. Borrowings

₹ in crores

Particulars	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
Bonds (unsecured)	6,504	-	3,242	-
Debentures (secured)	3,141	563	3,703	1,648
Term loans				
Secured	9,309	1,748	10,320	697
Unsecured	6,242	1,459	6,109	2,271
Deferred government loans	65	18	73	11
Other Loans				
Finance Lease obligations	4,223	359	4,520	337
Preference Shares (unsecured)	195	383	537	140
	29,679	**4,530**	**28,504**	**5,104**
Unamortised upfront fees on borrowing	(128)	(72)	(146)	(64)
	29,551	**4,458**	**28,358**	**5,040**
Less: Amount clubbed under Other financial liabilities (note 28)	-	(4,458)	-	(5,040)
Total	**29,551**	**-**	**28,358**	**-**

₹ in crores

As at 31 March 2018		As at 31 March 2017		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
A. Bonds/Debentures					
Bonds (Unsecured)					
3,252	-	-	-	5.25% Repayable on 13 April 2022	-
3,252	-	3,242	-	4.75% Repayable on 12 November 2019	-
6,504	**-**	**3,242**	**-**		
Debentures (secured)					
1,000	-	1,000	-	10.02% secured NCDs of ₹ 10,00,000 each are redeemable in two tranches a. ₹ 500 crores on 19 July 2023 b. ₹ 500 crores on 20 May 2023	First *pari passu* charge on 3.8 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
1,000	-	1,000	-	10.34% secured NCDs of ₹ 10,00,000 each are redeemable in three tranches a. ₹ 330 crores on 18 January 2022 b. ₹ 330 crores on 18 January 2023 c. ₹ 340 crores on 18 January 2024	First *pari passu* charge on property, plant and equipment related to 2.8 mtpa expansion project located at Vijayanagar Works, Karnataka and a flat at Vasind, Maharashtra.
400	-	400	-	9.72% secured NCDs of ₹ 10,00,000 each are redeemable on 23 December 2019.	First *pari passu* charge on 3.2 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.

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to the Standalone Financial Statements as at and for the year ended 31 March 2018

₹ in crores

As at 31 March 2018		As at 31 March 2017		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
250	-	250	-	10.40% secured NCDs of ₹ 10,00,000 each are redeemable on 19 August 2019 (with Put option excercisable on 19 August 2017).	First *pari passu* charge on 3.2 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
425	-	425	-	10.60% secured NCDs of ₹ 10,00,000 each are redeemable on 19 August 2019.	First *pari passu* charge on 3.2 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	300	300	-	9.665% secured NCDs of ₹ 10,00,000 each are redeemable on 23 December 2018.	First *pari passu* charge on 3.2 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	175	175	-	10.50% secured NCDs of ₹ 10,00,000 each are redeemable on 19 August 2018.	First *pari passu* charge on 3.2 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	-	-	167	10.25% secured NCDs of ₹ 3,33,333 each are redeemable in 1 equal annual instalment on 17 February 2018.	First *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.
-	-	-	300	9.62% secured NCDs of ₹ 10,00,000 each are redeemable on 23 December 2017.	First *pari passu* charge on 3.2 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	-	-	200	10.20% secured NCDs of ₹ 10,00,000 each are redeemable on 11 September 2017.	First *pari passu* charge on 3.8 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	-	-	500	10.20% secured NCDs of ₹ 10,00,000 each are redeemable on 5 September 2017.	First *pari passu* charge on 3.8 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.

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₹ in crores

As at 31 March 2018		As at 31 March 2017		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
-	-	-	175	10.40% secured NCDs of ₹ 10,00,000 each are redeemable on 19 August 2017.	First *pari passu* charge on 3.2 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
44	44	88	44	10.60% secured NCDs of ₹ 7,50,000 each are redeemable as 4 half yearly instalments of ₹ 21.875 crores each from 2 August 2018 to 2 February 2020.	First *pari passu* charge by way of legal mortgage on land situated in the State of Gujarat. First *pari passu* charge by way of equitable mortgage on property, plant and equipment of the new 5 mtpa Hot Strip Mill at Vijayanagar Works, Karnataka.
22	44	65	44	10.60% secured NCDs of ₹ 6,25,000 each are redeemable as 3 half yearly instalments of ₹ 21.875 crores each from 2 July 2018 to 2 July 2019.	First *pari passu* charge by way of legal mortgage on land situated in the State of Gujarat. First *pari passu* charge by way of equitable mortgage on property, plant and equipment of the new 5 mtpa Hot Strip Mill at Vijayanagar Works, Karnataka
-	-	-	125	10.10% secured NCDs of ₹ 2,50,000 each are redeemable as 4 quarterly instalments of ₹ 31.25 crores each from 15 June 2017 to 15 March 2018.	First *pari passu* charge on all immovable properties and movable assets both present and future located at Salem Works in the State of Tamil Nadu.
-	-	-	93	10.10% secured NCDs of ₹ 1,87,500 each are redeemable as 3 quarterly instalments of ₹ 31.25 crores each from 04 May 2017 to 4 November 2017.	First *pari passu* charge on all immovable properties and movable assets both present and future located at Salem Works in the State of Tamil Nadu.
3,141	**563**	**3,703**	**1,648**		
B. Term loans					
Rupee term loans from Banks (Secured)				**Weighted average interest rate as on 31 March 2018 is 8.82%**	
712	38	750	-	8 Quarterly instalments of ₹ 18.75 crores each from 31 October 2018 - 31 July 2020 16 Quarterly instalments of ₹ 37.50 crores each from 31 October 2020 – 31 July 2024	First charge on property, plant and equipment situated at Dolvi works, Maharashtra.
875	100	975	25	7 Quarterly instalment of ₹ 25 crore each from 30 June 2018 - 31 December 2019 16 Quarterly instalment of ₹ 50 crore each from 31 March 2020 – 31 December 2023	First charge on 3.2 mtpa expansion property, plant and equipment situated at Vijayanagar Works Karnataka.

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to the Standalone Financial Statements as at and for the year ended 31 March 2018

₹ in crores

As at 31 March 2018		As at 31 March 2017		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
1,094	62	1,106	113	10 Quarterly instalments of ₹ 15.625 crores each from 30 April 2018 – 31 July 2020 04 Quarterly instalments of ₹ 62.50 crores each from 31 October 2020 – 31 July 2021 08 Quarterly instalments of ₹ 93.75 crores each from 31 October 2021 – 31 July 2023	First charge on property, plant and equipment situated at Dolvi works, Maharashtra.
962	75	1,037	50	3 quarterly instalments of ₹ 12.5 crores each from 30 June 2018 – 31 December 2018 12 quarterly instalments of ₹ 37.5 crores each from 31 March 2019 – 31 December 2021 4 quarterly instalments of ₹ 43.75 crores each from 31 March 2022 – 31 December 2022 2 quarterly instalments of ₹ 187.5 crores each from 31 March 2023 – 30 June 2023	First *pari passu* charge on 3.8 mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka.
1,600	150	1,750	100	2 Quarterly instalments of ₹ 25 crore each from 30 June 2018 – 30 September 2018 10 Quarterly instalments of ₹ 50 crore each from 31 December 2018 – 31 March 2021 4 Quarterly instalments of ₹ 125 crore each from 30 June 2021 – 31 March 2022 2 Quarterly instalments of ₹ 350 crore each from 30 June 2022- 30 September 2022.	First charge on property, plant and equipment situated at Dolvi works, Maharashtra.
650	150	800	50	12 quarterly instalments of ₹ 37.5 crores each from 30 June 2018 – 31 March 2018 4 quarterly instalments of ₹ 43.75 crores each from 30 June 2021 – 31 March 2022 2 quarterly instalments of ₹ 87.5 crores each from 30 June 2022 – 30 September 2022.	First *pari passu* charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka.

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₹ in crores

As at 31 March 2018		As at 31 March 2017		Terms of Repayments	Security
Non-current	**Current**	**Non-current**	**Current**		
1,094	192	1,286	192	14 quarterly instalments of ₹ 48 crores each from 30 June 2018 – 30 September 2021 9 quarterly instalments of ₹ 64 crores each from 31 December 2021 – 31 December 2023 1 quarterly instalments of ₹ 38.35 crores each on 31 December 2024.	First charge on entire movable and immovable property, plant and equipment situated at Dolvi works, Maharashtra (excluding those specifically charged and equipment/ machinery procured out of proceeds of ECA/ ECB/ FCL) both present and future.
213	50	313	-	21 Quarterly instalments of ₹ 12.5 crores each from 30 June 2018 – 30 June 2023.	First charge on property, plant and equipment situated at Dolvi works, Maharashtra.
340	75	415	55	₹ 15 crores on 30 June 2018 4 quarterly instalments of ₹ 20 crores each from 30 September 2018 – 30 June 2019 4 quarterly instalments of ₹ 35 crores each from 30 September 2019 – 30 June 2020 4 quarterly instalments of ₹ 45 crores each from 30 September 2020 – 30 June 2021	First charge on 3.2 mtpa expansion property, plant and equipment (other than assets specifically carved out) situated at Vijayanagar Works Karnataka.
425	75	500	-	20 quarterly instalments of ₹ 25 crores each from 3 September 2018 – 1 June 2023	First charge on 3.2 mtpa expansion property, plant and equipment situated at Vijayanagar Works Karnataka.
675	712	1,388	112	₹ 37.50 crores on 30 June 2018 4 quarterly instalments of ₹ 225 crores each from 30 September 2018 – 30 June 2019 4 quarterly instalments of ₹ 37.50 crores each from 30 September 2019 – 30 June 2020 2 quarterly instalments of ₹ 150 crores each from 30 September 2020 – 31 December 2020	First charge on 3.2 mtpa expansion property, plant and equipment (other than assets specifically carved out) situated at Vijayanagar Works Karnataka.
450	38	-	-	4 quarterly instalments of ₹ 9.375 crores each from 30 June 2018-31 March 2019. 8 quarterly instalments of ₹ 18.75 crores each from 30 June 2019 – 31 March 2021 12 quarterly instalments of ₹ 25 crores each from 30 June 2021 – 31 March 2024	First *pari passu* charge on 3.8 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.

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₹ in crores

As at 31 March 2018		As at 31 March 2017		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
219	31	-	-	16 quarterly instalments of ₹ 15.625 crores each from 31 December 2018 – 1 June 2023	First *pari passu* charge on 3.8 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
9,309	**1,748**	**10,320**	**697**		
Rupee term loans from Banks (Unsecured)				**Weighted average interest rate as on 31 March 2018 is 8.64%**	
-	250	250	-	2 quarterly instalments of ₹ 125 crores each from 30 June 2018 to 30 September 2018	
-	400	-	-	₹ 150 crores on 31 July 2018 and ₹ 250 crores 31 December 2018	
-	250	-	-	₹ 50 crores each from 15 November 2018 ₹ 200 crores each from 15 December 2018	
-	**900**	**250**	**-**		
Foreign currency term loans from Banks (Unsecured)				**Weighted average interest rate as on 31 March 2018 is 4.11%**	
634	188	819	187	7 half yearly instalments of ₹ 54.10 crores each from 31 May 2018 to 31 March 2021. 11 half yearly instalments of ₹ 34.57 crores each from 30 April 2018 to 30 April 2023 12 half yearly instalments of ₹ 5.26 crores each from 18 September 2018 to 18 March 2024.	-
62	12	74	12	12 half yearly instalments of ₹ 6.19 crores each from 28 August 2018 to 28 February 2024	-
116	19	131	18	12 half yearly instalments of ₹ 2.93 crores each from 31 July 2018 to 31 January 2024. 13 half yearly instalments of ₹ 1.04 crores each from 30 April 2018 to 30 April 2024 16 semi annual instalments of ₹ 1.97 crores each from 25 September 2018 to 25 March 2026 16 semi annual instalments of ₹ 1.96 crores each from 25 September 2018 to 25 March 2026. 17 semi annual installments of ₹ 1.375 crores each from 25 June 2018 to 25 June 2026.	-

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₹ in crores

As at 31 March 2018		As at 31 March 2017		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
58	12	69	12	12 half yearly instalments of ₹ 5.80 crores each from 30 September 2018 to 31 March 2024	-
1,626	-	1,621	-	Repayable on 20 March 2020	-
361	73	423	71	11 half yearly instalments of ₹ 15.91 crores each from 19 July 2018 to 19 July 2023 and 1 half yearly instalment of ₹ 15.90 crores on 19 January 2024. 11 half yearly instalments of ₹ 20.72 crores each from 19 July 2018 to 19 July 2023 and 1 half yearly instalment of ₹ 15.74 crores on 19 January 2024.	-
198	34	227	33	13 equal semi annual instalments of ₹ 5.59 crores each from 09 July 2018 to 9 July 2024 and 1 semi annual instalment of ₹ 4.92 crores on 09 January 2025 13 equal semi annual instalments of ₹ 11.22 crores each from 09 July 2018 to 9 July 2024 and 1 semi annual instalment of ₹ 8.13 crores on 09 January 2025	-
313	9	321	9	13 equal semi annual instalments of ₹ 2.97 crores each from 25 September 2018 to 25 September 2024 and 1 semi annual instalment of ₹ 2.51 crores on 25 March 2025 3 equal annual instalments of ₹ 86.73 from 13 August 2019 to 13 August 2021 14 equal semi annual instalments of ₹ 1.46 crores each from 25 September 2018 to 25 March 2025	-
-	85	80	80	1 yearly instalment of ₹ 84.72 crores on 26 July 2018.	
-	-	-	363	1 half yearly instalments on 28 August 2017.	-
-	-	-	1,459	Repayable on 26 June 2017	-
48	10	49	8	12 equal semi annual instalments of ₹ 4.82 crores each from 15 June 2018 to 15 December 2023.	-
463	98	560	-	Repayable in three tranches a. ₹ 98.26 crores on 27 April 2018 b. ₹ 224.59 crores on 27 April 2020 c. ₹ 238.62 crores on 27 April 2021	-

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₹ in crores

As at 31 March 2018		As at 31 March 2017		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
66	8	60	7	18 semi annual instalments of ₹ 4.132 crores each from 31 July 2018 to 31 January 2027	-
976	-	973	-	3 equal instalments of ₹ 325.22 crores each on 02 April 2020, 21 September 2020 and 21 March 2021	-
85	11	95	12	16 semi annual instalments of ₹ 4.07 crores each from 30 July 2018 to 31 January 2026 16 semi annual instalments of ₹ 1.904 crores each from 30 August 2018 to 28 February 2026	-
586	-	357	-	Repayable in three tranches a. ₹ 325 crores on 21 February 2022 b. ₹ 33 crores on 6 March 2022 c. ₹ 228 crores on 6 July 2022	-
650	-	-	-	4 annual instalments of ₹ 162.61 crores from 12 October 2021 to 12 November 2024	-
6,242	**559**	**5,859**	**2,271**		
Total term loan-Unsecured					
6,242	**1,459**	**6,109**	**2,271**		
C. Deferred government loans (Unsecured)					
65	18	73	11	42 varying monthly instalments starting from 30 April 2018 to 31 August 2021.	-
D. Financial lease obligations					
4,223	359	4,520	337	Varying monthly instalments from 8 to 15 years (refer note 49)	-
E. Preference Shares (Unsecured)					
-	140	140	140	10% CPRS Redeemable at par in 2 equal quarterly instalments starting from 15 June 2018	-
195	243	397	-	0.01% CPRS Redeemable at par in 8 quarterly instalments starting from 15 June 2018	-
195	**383**	**537**	**140**		
F. Unamortised upfront fees on borrowing					
(128)	**(72)**	**(146)**	**(64)**	**-**	**-**
Total ₹ in crores					
29,551	**4,458**	**28,358**	**5,040**	**-**	

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

21. Other financial liabilities (Non-current)

₹ in crores

Particulars	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
Rent and other deposits	27	88	69	-
Retention money for capital projects	29	250	14	237
Allowance for financial guarantees	642	-	886	-
Other Payables	-	-	-	84
	698	**338**	**969**	**321**
Less: Amount clubbed under Other financial liabilities (refer note 28)	-	(338)	-	(321)
Total	**698**	**-**	**969**	**-**

Movements in allowances for financial guarantees

₹ in crores

Particulars	Amount
As at 1 April 2016	**958**
Allowances for guarantees	(52)
Exchange fluctuations	(20)
As at 31 March 2017	**886**
Decrease in allowances for guarantees	(237)
Exchange fluctuations	(7)
As at 31 March 2018	**642**

22. Provisions

₹ in crores

Particulars	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
Provision for employee benefits				
Provision for compensated absences (refer note 41)	81	12	74	10
Provision for gratuity (refer note 41)	32	99	-	122
Other provisions				
Mine closure provision	2	-	-	-
Total	**115**	**111**	**74**	**132**

23. Income tax

Indian companies are subject to Indian income tax on a standalone basis. Entity is assessed to tax on taxable profits determined for each fiscal year beginning on 1 April and ending on 31 March. For each fiscal year, the entity profit or loss is subject to the higher of the regular income tax payable or the Minimum Alternative Tax ('MAT').

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income Tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, deduction for tax holidays, the set-off of tax losses and depreciation carried forward and retirement benefit costs. Statutory income tax is charged at 30% plus a surcharge and education cess. MAT is assessed on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. MAT for the fiscal year 2017-18 is 21.34%. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a period of fifteen years succeeding the fiscal year in which MAT credit arises subject to the limits prescribed.

In the financial Budget 2018, Education Cess has increased from 3% to 4% thereby increasing the corporate tax rates from 34.61% to 34.94%. for financial year 2018-19 onwards.

There are various tax exemptions or tax holidays available to companies in India. The most important to the Company is deduction in respect of profit and gains from industrial undertaking like Captive Power Plants ('CPP') and infrastructural facilities like Railway Sliding and Water Supply System. The tax holiday in respect of entire profit of above industrial undertaking and facilities are available for 10 consecutive years out of 15/20 years from the year in which operation of the infrastructural facility begins. However, such entity would continue to be subject to the Minimum Alternative tax ('MAT').

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

A. Income tax expense

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current tax:		
Current tax (MAT)	1,598	-
Tax refund / reversal pertaining to earlier years	(20)	(53)
	1,578	**(53)**
Deferred tax:		
Deferred tax	2,397	1,577
MAT credit entitlement	(1,598)	-
(Restoration)/reversal of MAT credit entitlement	20	(109)
Provision/(reversal) due to change in tax rate from 34.61% to 34.94%	39	
Tax provision/(reversal) for earlier years	14	139
Total deferred tax	**872**	**1,607**
Total tax expense	**2,450**	**1,554**

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before tax	7,075	5,131
Enacted tax rate in India	34.61%	34.61%
Expected income tax expense at statutory tax rate	**2,448**	**1,776**
Expenses not deductible in determining taxable profit	154	17
Income exempt from taxation	(228)	(135)
Tax allowances and concession	(1)	(81)
Minimum alternate tax	-	(109)
Provision/(reversal) due to change in tax rate from 34.61% to 34.94%	63	86
Tax provision/(reversal) for earlier years	14	-
Tax expense for the year	**2,450**	**1,554**
Effective income tax rate	**34.63%**	**30.30%**

There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters (refer note 45).

B. Deferred tax liabilities (net)

Significant components of deferred tax assets/(liabilities) recognised in the financial statements are as follows:

₹ in crores

Deferred tax balance in relation to	As at 31 March 2017	Recognised / reversed through profit and loss	Recognised in / reclassified from other comprehensive income	As at 31 March 2018
Property, plant and equipment	(9,514)	(307)	-	(9,821)
Carried forward business loss/ unabsorbed depreciation	3,249	(2,135)	-	1,114
Cash flow hedges / FCMITDA	(123)	-	130	7
Provisions for employee benefit / loans and advances and guarantees	292	112	1	405
Finance Lease obligation	1,784	43	-	1,827
Others	238	(163)	-	74
MAT credit entitlement(net of reversal)	2,745	1,578	-	4,323
Total	**(1,329)**	**(872)**	**131**	**(2,071)**

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

₹ in crores

Deferred tax balance in relation to	As at 31 March 2016	Recognised / reversed through profit and loss	Recognised in / reclassified from other comprehensive income	As at 31 March 2017
Property, plant and equipment	(8,411)	(1,103)	-	(9,514)
Carried forward business loss/ unabsorbed depreciation	2,804	445	-	3,249
Cash flow hedges / FCMITDA	84	-	(207)	(123)
Provisions for employee benefit / loans and advances and guarantees	1,683	(1,396)	6	292
Finance Lease obligation	1,376	408	-	1,784
Others	308	(70)	-	238
MAT credit entitlement(net of reversal)	2,636	109	-	2,745
Total	**480**	**(1,607)**	**(201)**	**(1,329)**

The Company expects to utilise the MAT credit within a period of 15 years.

Deferred tax asset on long-term capital losses of ₹ 203 crores expiring in fiscal year 2021-22 has not been recognised in the absence of reasonable certainty of its utilisation.

24. Other liabilities (Non-current)

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Employees Car Deposits	4	3
Total	**4**	**3**

25. Borrowings (current)

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Loan repayable on demand		
Working capital loans from banks (secured)		
Rupee loan	157	51
Foreign currency loan	96	-
Foreign currency loan from bank (unsecured)	662	103
Rupee loans from banks (unsecured)	24	405
Commercial papers (unsecured)	1,233	4,316
Total	**2,172**	**4,875**

Borrowing have been drawn at following rate of interest

Particulars	Rates of interest
Cash Credit	8.45% p.a. to 9.45% p.a.
CP	7.12% p.a. to 7.25% p.a.
EPC	8.30% p.a.
PCFC	2.30% p.a. to 3.25% p.a.

Working capital loans of ₹ 253 crores (31 March 2017 ₹ 51 crores) are secured by:

i) *pari passu* first charge by way of hypothecation of stocks of raw materials, finished goods, work-in-process, consumables (stores and spares) and book debts / receivables of the Company, both present and future.

ii) *pari passu* second charge on movable properties and immovable properties forming part of the property, plant and equipments of the Company, both present and future except such properties as may be specifically excluded.

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

26. Trade payables

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Acceptances	8,098	8,415
Other than acceptances	5,890	3,189
Total	**13,988**	**11,604**

Acceptances include credit availed by the Company from banks for payment to suppliers for raw materials purchased by the Company. The arrangements are interest-bearing and are payable within one year.

Payables Other than acceptances are normally settled within 1 to 180 days.

Disclosure pertaining to micro, small and medium enterprises (as per information available with the Company):

₹ in crores

Description	As at 31 March 2018	As at 31 March 2017
Principal amount due outstanding as at end of year	10	1
Interest due on (1) above and unpaid as at end of year	@	#
Interest paid to the supplier	-	-
Payments made to the supplier beyond the appointed day during the year	-	-
Interest due and payable for the year of delay	-	-
Interest accrued and remaining unpaid as at end of year	-	-
Amount of further interest remaining due and payable in succeeding year	1	1

@ ₹ 0.28 Crore # ₹ 0.13 Crore

27. Derivative Liabilities

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Forward contract	42	237
Commodity contract	45	39
Interest rate swap	2	#
Currency option	1	106
Total	**90**	**382**

₹ 0.19 Crore

28. Other financial liabilities (Current)

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Current maturities of long-term debt (refer note 20)	4,099	4,703
Current maturities of finance lease obligations (refer note 20)	359	337
Current dues of other long-term liabilities(refer note 21)	338	321
Payables for capital projects		
Acceptances	670	1,015
Other than acceptances	508	661
Interest accrued but not due on borrowings	374	351
Payables to employees	152	138
Unclaimed matured debentures and accrued interest thereon	#	#
Unclaimed dividends	23	18
Unclaimed amount of sale proceeds of fractional shares	3	3
Others	585	565
Total	**7,111**	**8,112**

₹ 0.38 Crore

Acceptances include credit availed by the Company from Banks for payment to suppliers for capital items. The arrangements are interest-bearing and are payable within one year.

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

29. Other current liabilities

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Advances from customers	280	260
Statutory liabilities	934	609
Export obligation deferred income *	167	120
Total	**1,381**	**989**

*Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme and Special Economic Zone (SEZ) scheme on purchase of property, plant and equipments accounted for as government grant and being amortised over the useful life of such assets.

30. Revenue from operations

₹ in crores

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products			
Domestic turnover		53,380	45,322
Export turnover		11,666	10,922
	A	**65,046**	**56,244**
Other operating revenues			
Government grant income (including gain on prepayment of deferred government loan)		1,001	511
Miscellaneous income		187	158
	B	**1,188**	**669**
Total	**A+B**	**66,234**	**56,913**

Product-wise turnover

Particulars	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Tonnes	₹ in crores	Tonnes	₹ in crores
MS slabs	360,187	1,133	212,350	621
Hot rolled coils/steel plates/sheets*	8,549,548	33,336	8,450,648	29,903
Galvanised coils/sheets	473,098	2,361	474,109	2,054
Cold rolled coils/sheets	2,145,068	9,588	2,048,189	8,232
Steel billets & blooms	542,900	1,779	527,085	1,489
Long rolled products	3,551,250	13,623	3,061,745	10,709
Others	-	3,226	-	3,236
Total		**65,046**		**56,244**

* Includes Hot rolled coils converted into SAW Pipes on Jobwork basis – Sales – 89,820 tonnes (previous year: 1,76,254 tonnes) Value – ₹ 429 crores (previous year: ₹ 758 crores)

The Company's unit at Dolvi in the State of Maharashtra was 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. The Government of Maharashtra vide its notification dated 14 February 2018 has announced the Industrial promotion Subsidy (IPS) schemes would be continued in the GST regime with the incentives being determined based on the State GST in place of the erstwhile VAT. However, the process of disbursing the incentives has not been notified yet. The Company believes that the process of disbursement of incentives would continue to remain unchanged and accordingly has recognised the government grant of ₹ 544 crores for the year.

The Company's unit at Vijayanagar in the State of Karnataka was eligible for a deferral of VAT collected on sale of finished goods under The State Industrial policy 2009-14. The Government of Karnataka vide its notification dated 13 March 2018 has announced that the incentives schemes would be continued in the GST regime with the incentives being determined based on the SGST rate in place of the erstwhile VAT rate. Accordingly, the Company has recognised the government grant of ₹ 277 crores for the year.

Revenue from operations for periods up to 30 June 2017 includes excise duty, which is discontinued with effect from 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 year ended 31 March 2018 is not comparable to the year ended 31 March 2017.

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

31. Other income

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest Income earned on financial assets that are not designated as FVTPL		
Loans to related parties	105	129
Bank deposits	20	28
Other Interest income	51	59
Dividend income from non-current investments designated as FVTOCI	5	18
Gain on sale of current investments designated as FVTPL	16	6
Fair value gain arising from financial instruments designated as FVTPL	9	9
Guarantees/Standby letter of credit commission	7	6
Total	**213**	**255**

32. Changes in inventories of finished goods and work-in-progress

₹ in crores

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
Opening stock:			
Semi-finished /finished goods		3,702	2,327
Work-in-progress		747	588
	A	**4,449**	**2,915**
Closing stock:			
Semi-finished /finished goods		2,826	3,702
Work-in-progress		690	747
	B	**3,516**	**4,449**
	C (A-B)	**933**	**(1,534)**
Excise duty on stock of finished goods (net)	D	(521)	144
	C-D	**412**	**(1,390)**

33. Employee benefits expense

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries and wages	1,091	1,009
Contribution to provident and other funds (refer note 41)	73	76
Expenses on employees stock ownership plan	26	12
Staff welfare expenses	70	71
Total	**1,260**	**1,168**

34. Finance costs

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest		
Bonds and Debentures	810	968
Others	1,960	1,847
Dividend on redeemable preference shares	72	71
Interest on finance lease obligations	587	622
Unwinding of interest on financial liabilities carried at amortised cost	12	14
Exchange differences regarded as an adjustment to borrowing costs	22	-
Other borrowing costs	105	121
Interest on Income Tax	23	-
Total	**3,591**	**3,643**

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

35. Depreciation and amortisation expense

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of property, plant and equipment	3,026	3,002
Amortisation of intangible assets	28	23
Total	**3,054**	**3,025**

36. Other expenses

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Stores and spares consumed	2,636	2,364
Power and fuel	4,771	4,097
Rent	31	38
Repairs and maintenance		
Plant and machinery	1,107	1,083
Buildings	25	20
Others	14	17
Insurance	52	71
Rates and taxes	44	72
Carriage and freight	1,930	2,045
Jobwork and processing charges	810	692
Commission on sales	41	33
Net loss/ (gain) on foreign currency transactions and translation #	88	493
Donations and contributions	3	-
CSR Expenditure	53	43
Miscellaneous expenses	601	420
Bad debts/ advance written-off	-	1
Less: Allowances made in earlier years	-	(1)
Allowances for doubtful debts, loans and advances (net)	144	1
Fair value Loss arising from financial instruments designated as FVTPL	30	-
Loss on sale of property, plant and equipment (net)	124	134
Write off of investment loan & Advances	-	5,243
Less: Provision for impairment/loss allowances recognised in earlier years	-	(5,243)
Total	**12,504**	**11,623**

including hedging cost of ₹ 223 crores (previous year ₹ 316 crores)

Note:

a) Auditors remuneration (excluding tax) included in miscellaneous expenses:

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
As audit fees (including limited reviews)	5	5
For tax audit fees	#	1
For certification & other services	1	4
Out of pocket expenses	@	*
Total	**6**	**10**

₹ 0.46 Crore @ ₹ 0.06 Crore * ₹ 0.09 Crore

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

b) Corporate Social Responsibility (CSR)

The Company has incurred an amount of ₹ 53 Crores (31 March 2017 ₹ 43 Crore) towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 and is included in other expenses

₹ in crores

Particulars	For the year ended 31 March 2018		For the year ended 31 March 2017	
	In- Cash	Yet to be Paid in Cash	In- Cash	Yet to be Paid in Cash
(a) Gross amount required to be spend by the Company during the year	35	-	37	-
(b) Amount spend on:				
(i) Construction / acquisition of assets	-	-	-	-
(ii) On purposes other than (i) above (for CSR projects)	44	9	43	@

@ ₹ 0.30 crore

37. Research and development activities

Details of expenditure incurred in respect of research and development activities under taken during the year is as follows

Particulars	For the year Ended 31 March 2018	For the year Ended 31 March 2017
Manufacturing and other expenditure	25	18
Depreciation expenses	12	11
Capital expenditure (including capital work-in-progress)	16	1

38. Earnings per share (EPS)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit/(Loss) attributable to equity shareholders (₹ in crores) (A)	4,625	3,577
Weighted average number of equity shares for basic EPS (B)	**2,40,41,52,929**	**2,40,25,84,542**
Effect of dilution:		
Weighted average number of treasury shares held through ESOP trust	1,30,67,511	1,46,35,898
Weighted average number of equity shares adjusted for the effect of dilution (C)	**2,41,72,20,440**	**2,41,72,20,440**
Basic EPS (Amount in ₹) (A/B)	19.24	14.89
Diluted EPS (Amount in ₹) (A/C)	19.14	14.80

39. Employee share based payment plans

ESOP SCHEME 2012

The Company offered equity based share option scheme for permanent employees of the Company and its subsidiaries in the grade of L8 and above including any director except to any employee who is a promoter or a director who either himself or through relatives or through anybody directly or indirectly holds more than 10% of the outstanding equity shares of the Company.

The grant is determined as percentage of Total Fixed Pay. The grant was at such price as determined by the ESOP Committee and be specified in the Grant. The option shall not be transferable and can be exercised only by the employees of the Company.

The Employees Stock Ownership Plan was effective from 26 July 2012. The eligible employees could exercise the option anytime between the vesting period till 30 September 2017.

The number of options granted to each eligible employee is determined by dividing the Award Value (amount equivalent to percentage of Annual Fix Pay) by the Fair Value of option provided. The Fair Value of option on the date of each grant is determined by using Black Scholes model.

The details of an employee share based payments plan operated through a trust for ESOP 2012 are as follows:

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Option series	Options granted	Options vested	Grant date	Vesting period	Exercise price	Fair value at grant date	Method of settlement
Initial grant - 26 July 2012	31,357,440	26,318,680	26 July 2012	30 Sep 2013 till 30 Sep 2017	70	36.81	Equity
1st Subsequent grant - 26 July 2012	16,024,800	12,430,410	26 July 2012	30 Sep 2014 till 30 Sep 2017	70	33.23	Equity

ESOP SCHEME 2016

The Board of Directors of the Company at its meeting held on 29 January 2016, formulated the JSWSL EMPLOYEES STOCK OWNERSHIP PLAN 2016 ('ESOP Plan'). At the said meeting, the Board authorised the ESOP Committee for the superintendence of the ESOP Plan.

During the year, ESOP 2016 is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the Company and it's subsidiaries in India.

Three grants would be made under ESOP plan 2016 to eligible employees on the rolls of the Company as at 1 April 2016, 1 April 2017 and 1 April 2018.

The maximum value and share options that can be awarded to eligible employees is calculated by reference to certain percentage of individuals fixed salary compensation. 50% of the grant would vest at the end of the third year and 50% of the grant would vest at the end of the fourth year with a vesting condition that the employee is in continuous employment with the Company till the date of vesting.

The exercise price would be determined by the ESOP committee as a certain discount to the primary market price on the date of grant.

A total of 28,687,000 options would be available for grant to the eligible employees of the Company and a total of 3,163,000 options would be available for grant to the eligible employees of the Indian subsidiaries of the Company under the ESOP Plan.

These options are equity settled and are accounted for in accordance with the requirement applying to equity settled transactions.

The details of an employee share based payments plan operated through a trust for ESOP 2016 are as follows:

Option series	Options granted	Options vested	Grant date	Vesting period	Exercise price	Fair value at grant date	Method of settlement
1st Grant- 17 May 2016	68,04,820	NIL	17 May 2016	17 May 2016 till 31 March 2019 (for 50% of the grant) and 17 May 2016 to 31 March 2020 (for remaining 50% of the grant)	103.65	67.48	Equity
2nd Grant- 16 May 2017	47,00,461	NIL	16 May 2017	16 May 2017 till 31 March, 2020 for 50% of the options granted and upto 31 March, 2021 for remaining 50% of the options granted	161.36	104.04	Equity

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

The outstanding position as at 31 March 2018 is summarised below:

Particulars	ESOP 2012		ESOP 2016	
	Initial Grant (Junior Manager & Above)	1st Subsequent Grant (Junior Manager & Above)	1st Grant (L-16 and above Grade)	2nd Grant (L-16 and above Grade)
Date of grant	26 July 2012	26 July 2012	17 May 2016	16 May 2017
Share Price on date of grant	66.97	66.97	129.56	201.70
Outstanding as on 1 April 2016	55,54,480	68,99,410	-	-
Granted during the period	-	-	68,04,820	-
Forfeited/Lapsed during the period	14,200	69,990	2,24,650	-
Exercised during the period	24,98,180	40,28,540	-	-
Outstanding as on 31 March 2017	30,42,100	28,00,880	65,80,170	-
Transfer in	28,120	18,320	-	-
Transfer Out	-	-	-	-
Granted during the period	-	-	-	47,00,461
Forfeited during the period	-	-	1,26,640	70,405
Lapsed during the period	83,450	60,530	-	-
Exercised during the period	29,86,770	27,58,670	-	-
Outstanding as on 31 March 2018	-	-	64,53,530	46,30,056
Vesting Period	30 September 2013 till 30 September 2017	30 September 2014 till 30 September 2017	17 May 2016 till 31 March 2019 (for 50% of the grant) and 17 May 2016 to 31 March 2020 (for remaining 50% of the grant)	16 May 2017 till 31 March, 2020 for 50% of the options granted and upto 31 March, 2021 for remaining 50% of the options granted
Weighted average remaining contract life	-	-	30 months	42 months
Exercise price	70	70	103.65	161.36
Weighted average share price on exercise date	230.40	235.34	Not applicable	Not applicable
A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are:	The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are:	The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are:	The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are:
Weighted-average values of share price	Not applicable	Not applicable	Not applicable	Not applicable
Weighted-average exercise price	70	70	Not applicable	Not applicable
Expected volatility	Volatility was calculated using standard deviation of daily change in stock price. The volatility used for valuation is 61.58%	Volatility was calculated using standard deviation of daily change in stock price. The volatility used for valuation is 60.79%	Volatility was calculated using standard deviation of daily change in stock price. The volatility used for valuation is 39.23 % for options with 3 year vesting and 39.62 % with 4 years vesting	Volatility was calculated using standard deviation of daily change in stock price. The volatility used for valuation is 39.23 % for options with 3 year vesting and 39.62 % with 4 years vesting

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

Particulars	ESOP 2012		ESOP 2016	
	Initial Grant (Junior Manager & Above)	1st Subsequent Grant (Junior Manager & Above)	1st Grant (L-16 and above Grade)	2nd Grant (L-16 and above Grade)
Expected option life	The expected option life is assumed to be the full term of the option program.	The expected option life is assumed to be the full term of the option program.	The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2	The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2
Expected dividends	₹ 0.75 per share	₹ 0.75 per share	₹ 1.10 per share	₹ 0.75 per share
Risk-free interest rate	Zero Coupon sovereign bond yields were utilised with maturity equal to expected term of option.	Zero Coupon sovereign bond yields were utilised with maturity equal to expected term of option.	Zero coupon sovereign bond yields were utilised with maturity equal to expected term of the option	Zero coupon sovereign bond yields were utilised with maturity equal to expected term of the option
	The rate used for calculation is 8.03%	The rate used for calculation is 7.99%	The rate used for calculation is 7.36% (for 3 years vesting) & 7.44%(for 4 years vesting)	The rate used for calculation is 6.87% (for 3 years vesting) & 6.96%(for 4 years vesting)
The method used and the assumptions made to incorporate the effects of expected early exercise	Black-Scholes Options pricing model	Black-Scholes Options pricing model	Black-Scholes Options pricing model	Black-Scholes Options pricing model
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	The following factors have been considered: (a) Share price (b) Exercise prices (c) Historical volatility (d) Expected option life (e) Dividend Yield		The following factors have been considered: (a) Share price (b) Exercise prices (c) Historical volatility (d) Expected option life (e) Dividend Yield	

Split of shares adjustment:

The number of shares options granted, number of option vested, exercise price, fair value of grant etc. has been adjusted to reflect the sub-division of face value of equity shares of the Company in previous year.

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40. Segment reporting

The Company is in the business of manufacturing steel products having similar economic characteristics, primarily with operations in India and regularly reviewed by the Chief Operating Decision Maker for assessment of Company's performance and resource allocation.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below

a) Revenue from operations

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Domestic	54,568	45,991
Export	11,666	10,922
Total	**66,234**	**56,913**

Revenue from operations have been allocated on the basis of location of customers.

b) Non-current assets

All non-current assets other than financial instruments of the Company are located in India.

c) Customer contributing more than 10% of Revenue

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
JSW Steel Coated Products Limited	9,793	6,767

41. Employee benefits

a) Defined contribution plan

The Company operates defined contribution retirement benefit plans for all qualifying employees. The assets of the plans are held separately from those of the Company in funds under the control of trustees.

Company's contribution to provident fund & family pension scheme recognised in statement of profit and loss of ₹ 42 crores (31 March 2017: ₹ 39 crores) (included in note 33).

b) Defined benefit plans

The Company sponsors funded defined benefit plans for all qualifying employees. The level of benefits provided depends on the member's length of service and salary at retirement age.

The gratuity plan is covered by The Payment of Gratuity Act, 1972. Under the gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 58, 60 and 62, without any payment ceiling. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

The fund has the form of a trust and it is governed by the Board of trustees. The Board of trustees is responsible for the administration of the plan assets and for defining the investment strategy.

Under the compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

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Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in Government securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the value of the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2018 by M/S. K. A. Pandit, Consultants & Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(i) **Gratuity (funded):**

₹ in crores

	Current Year	Previous Year
a) Liability recognised in the balance sheet		
i) Present value of obligation		
Opening balance	**175**	**143**
Service cost	13	11
Interest cost	13	12
Actuarial loss on obligation	3	17
Benefits paid	(7)	(7)
Liability in	*	2
Liability transfer	(1)	(3)
Closing balance	**196**	**175**
Less:		
ii) Fair value of plan assets		
Opening balance	**53**	**50**
Expected return on plan assets less loss on investments	4	4
Actuarial (loss)/gain on plan assets	*	*
Employers' contribution	13	4
Asset transfer	*	*
Benefits paid	(5)	(5)
Closing balance	**65**	**53**
Amount recognised in balance sheet(refer note 22)	**131**	**122**
b) Expenses during the year		
Service cost	13	11
Interest cost	13	12
Expected return on plan assets	(4)	(4)
Component of defined benefit cost recognised in statement of profit and loss	**22**	**19**
Remeasurement of net defined benefit liability		
- Actuarial (gain)/loss on defined benefit obligation	3	17
- Return on plan assets (excluding interest income)	*	(1)
Component of defined benefit cost recognised in other comprehensive income	**3**	**16**
Total	**25**	**35**

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	Current Year	Previous Year
c) Actual return on plan assets	4	5
d) Break up of plan assets:		
(i) ICICI Prudential Life Insurance Co. Limited		
Balanced fund	2	4
Debt fund	*	1
Short-term debt fund	*	*
(ii) HDFC Standard Life Insurance Co. Limited		
Defensive managed fund	*	*
Secure managed fund	6	6
Stable managed fund	*	*
(iii) SBI Life Insurance Co. Limited – Cap assured fund	48	33
(iv) LIC of India – Insurer managed fund	9	9
(v) Asset Fund Transfer		
Total	**65**	**53**

* represents amounts below ₹ 50 lakhs

e) Principal actuarial assumptions:

Particulars	Valuation as at 31 March 2018	Valuation as at 31 March 2017
Discount rate	7.85%	7.52%
Expected rate(s) of salary increase	6% p.a.	6% p.a.
Expected return on plan assets	7.85%	7.52%
Attrition rate	2% p.a.	2% p.a.
Mortality rate during employment	Indian assured lives mortality (2006-2008)	

f) Experience adjustments:

₹ in crores

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Defined benefit obligation	196	175	143	126	90
Plan assets	65	53	50	40	40
Surplus / (deficit)	(131)	(122)	(93)	(85)	(50)
Experience adjustments on plan liabilities – Loss/(gain)	3	17	3	23	4
Experience adjustments on plan assets – Gain/(loss)	*	*	*	*	(1)

* represents amounts below ₹ 50 lakhs

g) The Company expects to contribute ₹ 32 crores (previous year ₹ 29 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.

The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plan is as follows:

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₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Defined benefit obligation	196	175
Plan assets	65	53
- net liability/(asset) arising from defined benefit obligation	**131**	**122**

Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year, while holding all other assumptions constant.

₹ in crores

Particulars	As at 31 March 2018		As at 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(16)	18	(15)	17
Future salary growth (1% movement)	18	(16)	17	(15)
Attrition rate (1% movement)	3	(3)	2	(2)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Fund Allocation	73.27%	9.25%	3.98%	13.49%
Category of assets average percentage allocation fund wise:	**SBI**	**HDFC**	**ICICI**	**LIC**
Government securities	-	34.22%	23.66%	20%
Debt	86.77%	60.22%	52.58%	Balance invested in approved investments as specified in schedule 1 of IRDA guidelines
Equity	7.23%	0.16%	15.83%	
Others	6.00%	5.40%	7.94%	

Maturity analysis of projected benefit obligation

₹ in crores

Particulars	Less than a year	Between 1 to 5 years	Over 5 years	Total
As at 31 March 2018				
Projected benefit payable	15	56	398	469
As at 31 March 2017				
Projected benefit payable	12	41	366	419

Each year an Asset-Liability-Matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles.

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(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.

As per Ind AS 19 on 'Employee Benefits', employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. According to the defined benefit obligation of interest rate guarantee on exempted provident fund in respect of employees of the Company as at 31 March 2018 is 8.55% 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	As at 31 March 2018	As at 31 March 2017
Discount rate	7.85%	7.52%
Rate of return on assets	8.88%	8.70%
Guaranteed rate of return	8.55%	8.65%

(iii) **Compensated Absenses**

Particulars	As at 31 March 2018	As at 31 March 2017
Present value of unfunded obligation (₹ in crores)	92	85
Expense recognised in Statement of profit and loss (₹ in crores)	17	21
Discount rate (p.a)	7.85%	7.52%
Salary escalation rate (p.a)	6.00%	6.00%

42. Financial Instruments

42.1 Capital risk management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt, divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments.

Particulars	As at 31 March 2018	As at 31 March 2017
Long-term borrowings	29,551	28,358
Current maturities of long-term debt and finance lease obligations	4,458	5,040
Short-term borrowings	2,172	4,875
Less: Cash and cash equivalent	(451)	(712)
Less: Bank balances other than cash and cash equivalents	(150)	(315)
Less: Current investments	-	(300)
Net debt	**35,580**	**36,946**
Total equity	**27,907**	**24,098**
Gearing ratio	**1.27**	**1.53**

(i) Equity includes all capital and reserves of the Company that are managed as capital.

(ii) Debt is defined as long and Short-term borrowings (excluding derivatives and financial guarantee contracts), as described in notes 20 and 25.

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42.2 Categories of financial instruments

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31 March 2018

₹ in crores

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Total carrying value	Total fair value
Financial assets					
Investments	@	680	350	1,030	1,030
Trade receivables	4,692	-	-	4,692	4,692
Cash and cash equivalents	451	-	-	451	451
Bank balances other than cash and cash equivalents	150	-	-	150	150
Loans	5,323	-	-	5,323	5,323
Derivative Assets	-	-	147	147	147
Other financial assets	1,249	-	-	1,249	1,249
Total	**11,865**	**680**	**497**	**13,042**	**13,042**
Financial liabilities					
Long-term Borrowings #	34,009	-	-	34,009	34,709
Short-term Borrowings	2,172	-	-	2,172	2,172
Trade payables	13,988	-	-	13,988	13,988
Derivative liabilities	-	-	90	90	90
Other financial liabilities	3,351	-	-	3,351	3,352
Total	**53,520**	**-**	**90**	**53,610**	**54,311**

including current maturities of long-term debt and finance lease obligations
@ ₹ 0.07 Crore

As at 31 March 2017

₹ in crores

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Total carrying value	Total fair value
Financial assets					
Investments	@	598	680	1,278	1,278
Trade receivables	3,948	-	-	3,948	3,948
Cash and cash equivalents	712	-	-	712	712
Bank balances other than cash and cash equivalents	315	-	-	315	315
Loans	2,892	-	-	2,892	2,891
Derivative Assets	-	-	434	434	434
Other financial assets	976	-	-	976	976
Total	**8,843**	**598**	**1,114**	**10,555**	**10,554**
Financial liabilities					
Long-term borrowings #	33,398	-	-	33,398	33,480
Short-term borrowings	4,875	-	-	4,875	4,875
Trade payables	11,604	-	-	11,604	11,604
Derivative liabilities	-	-	382	382	382
Other financial liabilities	4,041	-	-	4,041	4,039
Total	**53,918**	**-**	**382**	**54,300**	**54,380**

including current maturities of long-term debt and finance lease obligations
@ ₹ 0.07 Crore

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42.3 Financial risk management

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

42.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

42.5 Foreign currency risk management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency. In order to hedge exchange rate risk, the Company has a policy to hedge cash flows up to a specific tenure using forward exchange contracts and options. At any point in time, the Company hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months. In respect of imports and other payables, the Company hedges its payables as when the exposure arises. Short-term exposures are hedged progressively based on their maturity.

All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates.

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The carrying amounts of the Company's monetary assets and monetary liabilities at the end of the reporting year are as follows:

Currency exposure as at 31 March 2018

₹ in crores

Particulars	USD	EURO	INR	JPY	Other	Total
Financial assets						
Non-current investments	-	254	776	-	-	1,030
Current investments	-	-	-	-	-	-
Loans	4,807	-	506	-	10	5,323
Trade receivables	124	97	4,471	-	-	4,692
Cash and cash equivalents	-	-	451	-	-	451
Bank balances other than cash and cash equivalents	-	-	150	-	-	150
Derivative assets	147	-	-	-	-	147
Other financial assets	701	-	548	-	-	1,249
Total financial assets	**5,770**	**351**	**6,911**	**-**	**10**	**13,042**
Financial liabilities						
Long-term borrowings	12,281	110	16,911	249	-	29,551
Short-term borrowings	758	-	1,414	-	-	2,172
Trade payables	10,457	21	3,454	54	2	13,988
Derivative liabilities	86	4	-	-	-	90
Other financial liabilities	1,973	85	5,600	143	8	7,809
Total financial liabilities	**25,555**	**220**	**27,379**	**446**	**10**	**53,610**

Currency exposure as at 31 March 2017

₹ in crores

Particulars	USD	EURO	INR	JPY	Other	Total
Financial assets						
Non-current investments	-	290	688	-	-	978
Current investments	-	-	300	-	-	300
Loans	2,410	-	482	-	-	2,892
Trade receivables	444	129	3,375	-	-	3,948
Cash and cash equivalents	@	-	712			712
Bank balances other than cash and cash equivalents	-	-	315	-	-	315
Derivative Assets	434	-	-	-	-	434
Other financial assets	633	1	342	-	-	976
Total financial assets	**3,921**	**420**	**6,214**	**-**	**-**	**10,555**
Financial liabilities						
Long-term borrowings	8,520	104	19,376	358	-	28,358
Short-term borrowings	103	-	4,772	-	-	4,875
Trade payables	8,573	8	3,023	#	*	11,604
Derivative liabilities	382	-	-	-	-	382
Other financial liabilities	4,149	129	4,649	147	7	9,081
Total financial liabilities	**21,727**	**241**	**31,820**	**505**	**7**	**54,300**

@ ₹ 0.04 Crore # ₹ 0.03 Crore * ₹ 0.06 Crore

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

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₹ in crores

Particulars	Increase		Decrease	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Receivable				
USD/INR	57	36	(57)	(36)
Payable				
USD/INR	99	82	(99)	(82)

The forward exchange contracts entered into by the Company and outstanding are as under:

As at	Nature	No. of Contracts	Type	US$ Equivalent (Millions)	INR Equivalent (crores)	MTM (₹ in crores)
31 March 2018	Assets	42	Buy	463	3,015	20
		37	Sell	443	2,879	25
	Liabilities	60	Buy	670	4,358	(24)
		31	Sell	339	2,205	(17)
31 March 2017	Assets	0	Buy	-	-	-
		55	Sell	472	3,058	137
	Liabilities	91	Buy	770	4,992	(233)
		13	Sell	55	354	(3)

Currency options to hedge against fluctuations in changes in exchange rate:

As at	Nature	No. of Contracts	US$ equivalent (Million)	INR equivalent (Crores)	MTM of Option (₹ in crores)
31 March 2018	Assets	25	471	3,063	20
	Liabilities	3	61	397	(1)
31 March 2017	Assets	2	60	389	2
	Liabilities	32	743	4,816	(106)

Unhedged currency risk position:

I) Amounts receivable in foreign currency

	As at 31 March 2018		As at 31 March 2017	
	US$ equivalent (Millions)	INR Equivalent (crores)	US$ equivalent (Millions)	INR Equivalent (crores)
Trade receivables	34	221	88	573
Balances with banks				
- in Fixed deposit account	-	-	-	-
- in Current account	-	-	0.01	#
Advances/Loans to subsidiaries	848	5,518	4,461	2,989

₹ 0.05 Crore

II) Amounts payable in foreign currency

	As at 31 March 2018		As at 31 March 2017	
	US$ equivalent (Millions)	INR Equivalent (crores)	US$ equivalent (Millions)	INR Equivalent (crores)
Loans payable	2,134	13,881	1,731	11,224
Acceptances	-	-	-	-
Trade payables	8	52	0.56	4
Payable for capital projects	79	514	98	637
Interest accrued but not due on borrowings	32	206	22	137
Other provisions	99	642	136	884

42.6 Commodity price risk:

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its steel products. Market forces generally determine prices for the steel products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its steel products.

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The Company is subject to fluctuations in prices for the purchase of iron ore, coking coal, ferro alloys, zinc, scrap and other raw material inputs. The Company purchased primarily all of its iron ore and coal requirements at prevailing market rates during the year ended 31 March 2018.

The Company aims to sell the products at prevailing market prices. Similarly the Company procures key raw materials like iron ore and coal based on prevailing market rates as the selling prices of steel prices and the prices of input raw materials move in the same direction.

Commodity hedging is used primarily as a risk management tool to secure the future cash flows in case of volatility by entering into commodity forward contracts.

Hedging commodity is based on its procurement schedule and price risk. Commodity hedging is undertaken as a risk offsetting exercise and, depending upon market conditions hedges, may extend beyond the financial year. The Company is presently hedging maximum up to 25 % of its consumption.

The following table details the Company's sensitivity to a 5% movement in the input price of iron ore and coking coal. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit or equity where the commodity prices decrease by 5% and vice-versa.

₹ in crores

Commodity	Increase for the year ended		Decrease for the year ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Iron ore lumps/fines	598	342	(598)	(342)
Coal/Coke	1,027	745	(1,027)	(745)

The commodity forward and option contracts entered into by the Company and outstanding at the year-end are as under:

As at	Nature	No. of Contracts	Commodity Name	Quantity (Iron Ore, Coking Coal - MT) (Brent Crude - Mio Barrels)	US$ Equivalent of notional value (Millions)	INR equivalent (Crores)	MTM of Commodity contract (₹ in crores)
31 March 2018	Assets	5	BRENT CRUDE	1,68,750	10	68	6
		3	IRON ORE	1,16,000	7	47	1
	Liabilities	44	IRON ORE	13,46,000	92	601	(43)
31 March 2017	Assets	4	BRENT CRUDE	66,996	3	23	1
		32	IRON ORE	9,72,000	33	214	228
	Liabilities	13	BRENT CRUDE	1,66,500	9	61	(3)
		4	COKING COAL	1,80,000	35	229	(26)
		8	IRON ORE	1,71,000	13	86	(4)

42.7 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Company hedges up to 20% of interest risk in US dollars. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible bonds and Short-term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

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The following table provides a break-up of the Company's fixed and floating rate borrowings:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Fixed rate borrowings	17,349	15,036
Floating rate borrowings	16,860	18,572
Total borrowings	**34,209**	**33,608**
Total Net borrowings	34,009	33,398
Add: Upfront fees	200	210
Total borrowings	**34,209**	**33,608**

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, after the impact of hedge accounting, assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2018 would decrease / increase by ₹ 145 crores (for the year ended 31 March 2017: decrease/ increase by ₹ 179 crores). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings

The following table details the nominal amounts and remaining terms of interest rate swap contracts outstanding at the year-end.

As at	Nature	No. of Contracts	US$ Equivalent of notional value (Millions)	MTM of IRS (₹ in crores)
31 March 2018	Assets	14	237	37
	Liabilities	5	128	(2)
31 March 2017	Assets	5	90	17
	Liabilities	2	20	(#)

₹ 0.19 Crore

42.8 Credit risk management:

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans, other financial assets, financial guarantees and derivative financial instruments.

Moreover, given the diverse nature of the Company's business trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer (other than the Group Companies) accounted for 10% or more of the trade receivables in any of the years presented. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties.

Movements in allowances for bad and doubtful debts

₹ in crores

Particulars	Amount
As at 1 April 2016	**6**
Additional Allowance	-
As at 31 March 2017	**6**
Additional Allowance	72
As at 31 March 2018	**78**

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to the Standalone Financial Statements as at and for the year ended 31 March 2018

For current investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for Company's mutual fund and bond investments. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 13,042 crore as at 31 March 2018 and ₹ 10,555 crore as at 31 March 2017, being the total carrying value of trade receivables, balances with bank, bank deposits, Current investments and other financial assets.

In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. The Company based on past experiences does not expect any material loss on its receivables and hence no provision is deemed necessary on account of ECL.

The credit quality of the Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The Company uses simplified approach for impairment of financial assets. If credit risk has not increased significantly, 12-month expected credit loss is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime expected credit loss is used. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.

42.9 Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for Short-term operational needs as well as for long-term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and Short-term investments provide liquidity in the short-term and long-term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment Years and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting year. The contractual maturity is based on the earliest date on which the Company may be required to pay.

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to the Standalone Financial Statements as at and for the year ended 31 March 2018

Liquidity exposure as at 31 March 2018

₹ in crores

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Non-current investments	-	#	1,030	1,030
Current investments	-	-	-	-
Loans	158	4,996	169	5,323
Trade receivables	4,692	-	-	4,692
Cash and cash equivalents	451	-	-	451
Bank balances other than cash and cash equivalents	150	-	-	150
Derivative assets	147	-	-	147
Other financial assets	271	978	-	1,249
Total financial assets	**5,869**	**5,974**	**1,199**	**13,042**
Financial liabilities				
Long-term borrowings	-	24,350	5,201	29,551
Short-term borrowings	2,172	-	-	2,172
Trade payables	13,988	-	-	13,988
Derivative liabilities	90	-	-	90
Other financial liabilities	7,080	716	13	7,809
Total financial liabilities	**23,330**	**25,066**	**5,214**	**53,610**
Interest payout liability	1,560	4,777	304	6,641

₹ 0.08 Crore

Liquidity exposure as at 31 March 2017

₹ in crores

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Non-current investments	-	-	978	978
Current investments	300	-	-	300
Loans	121	2,719	52	2,892
Trade receivables	3,948	-	-	3,948
Cash and cash equivalents	712	-	-	712
Bank balances other than cash and cash equivalents	315	-	-	315
Derivative Assets	434	-	-	434
Other financialassets	328	624	24	976
Total financial assets	**6,158**	**3,343**	**1,054**	**10,555**
Financial liabilities				
Long-term borrowings	-	22,610	5,748	28,358
Short-term borrowings	4,875	-	-	4,875
Trade payables	11,604	-	-	11,604
Derivative Liabilities	382	-	-	382
Other financial liabilities	8,112	941	28	9,081
Total financial liabilities	**24,973**	**23,551**	**5,776**	**54,300**
Interest payout liability	1,823	6,516	449	8,788

The amount of guarantees/standby letter of credit given on behalf of subsidiaries included in Note 46 represents the maximum amount the Company could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting year, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

Collateral

The Company has pledged part of its trade receivables, Short-term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Company. There is obligation to return the securities to the Company once these banking facilities are surrendered. (Refer note 20 and 25).

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43. Level-wise disclosure of financial instruments

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017	Level	Valuation techniques and key inputs
Quoted investments in equity shares measured at FVTOCI	666	574	1	Quoted bid prices in an active market
Unquoted investments in equity shares measured at FVTOCI	9	9	3	Net Asset value of share arrived has been considered as fair value
Unquoted investments in equity shares measured at FVTOCI	5	16	3	Cost is approximate estimate of fair value,
Quoted investments in Mutual Fund measured at FVPTL	-	300	1	Quoted bid prices in an active market
Non-current investments in unquoted preference shares measured at FVTPL	350	379	3	Discounted cash flow - Future cash flows are based on terms of Preference Shares discounted at a rate that reflects market risks
Derivative Assets	147	434	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Derivative Liabilities	90	382		

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities (other than those specifically disclosed) are considered to be the same as their fair values, due to their Short-term nature.

Sensitivity Analysis of Level 3:

Particulars	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Investments in unquoted Preference shares	DCF method	Discounting Rate of 9.1 %	0.50%	0.50% Increase (decrease) in the discount would decrease (increase) the fair value by ₹4 crores (₹ 4 crores)

Reconciliation of Level 3 fair value measurement

₹ in crores

Particulars	Amount
Balance as at 1 April 2016	**739**
Additions made during the period	1
Allowance for loss	(343)
Gain recognised in the statement of profit and loss	7
Balance as at 31 March 2017	**404**
Additions made during the period	-
Allowance for loss	(48)
Gain recognised in the statement of profit and loss	7
Balance as at 31 March 2018	**364**

Details of Financial assets/ liabilities measured at amortised cost but fair value disclosed in category wise

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017	Level	Valuation techniques and key inputs
Loans				Discounted cash flow on observable Future cash flows are based on terms of discounted at a rate that reflects market risks
Carrying value	5,323	2,892	2	
Fair value	5,323	2,891		
Long-term Borrowing				Discounted cash flow on observable Future cash flows are based on terms of discounted at a rate that reflects market risks
Carrying value	34,009	33,398	2	
Fair value	34,709	33,480		

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

44. Related party disclosures

A Relationships

1 Subsidiaries

JSW Steel (Netherlands) B.V.
JSW Steel (UK) Limited
JSW Steel Service Centre (UK) Limited (ceased w.e.f. 18.10.2016)
JSW Steel Holding (USA) Inc. (ceased w.e.f. 28.03.2017)
JSW Steel (USA) Inc.
Periama Holdings, LLC (w.e.f. 23.01.2017)
Periama Holdings, LLC (ceased w.e.f. 16.03.2017)
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 Eurosh Limitada
Santa Fe Mining
Santa Fe Puerto S.A.
JSW Natural Resources Limited
JSW Natural Resources Mozambique Limitada
JSW ADMS Carvo Lda
JSW Steel East Africa Limited (ceased w.e.f. 08.04.2016)
Nippon Ispat Singapore (PTE) Limited
Erebus Limited
Arima Holding Limited
Lakeland Securities Limited
JSW Steel Processing Centres Limited
JSW Bengal Steel Limited
JSW Natural Resources India Limited
JSW Energy (Bengal) Limited
JSW Natural Resource Bengal Limited
Barbil Beneficiation Company Limited (ceased w.e.f. 27.01.2017)
Barbil Iron Ore Company Limited (ceased w.e.f. 19.10.2016)
JSW Jharkhand Steel Limited
Amba River Coke Limited
JSW Steel Coated Products Limited
Peddar Realty Private Limited
JSW Steel (Salav) Limited
Dolvi Minerals & Metals Private Limited
Dolvi Coke Projects Limited
JSW Industrial Gases Private Limited (w.e.f. 16.08.2016)(formerly JSW Praxair Oxygen Private Limited)
JSW Realty & Infrastructure Private Limited
JSW Steel Italy S.R.L.(w.e.f. 30.01.2017)
JSW Utkal Steel Limited (w.e.f. 16.11.2017)
Hasaud Steel Limited (w.e.f. 13.02.2018)
Creixent Special Steels Limited (w.e.f. 27.02.2018)
Milloret Steel Limited (w.e.f. 08.03.2018)

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

2 Associate

JSW Industrial Gases Private Limited (ceased w.e.f. 15.08.2016)(formerly JSW Praxair Oxygen Private Limited)

3 Joint Ventures

Vijayanagar Minerals Private Limited
Rohne Coal Company Private Limited
JSW Severfield Structures Limited
Gourangdih Coal Limited
GEO Steel LLC
JSW Structural Metal Decking Limited
JSW MI Steel Service Centre Private Limited
JSW Vallabh Tin Plate Private Limited
Accialtalia S.p.A. (w.e.f. 30.11.2016)

4 Key Management Personnel

Mr. Sajjan Jindal
Mr. Seshagiri Rao M.V.S.
Dr. Vinod Nowal
Mr. Jayant Acharya
Mr. Rajeev Pai
Mr. Lancy Varghese

5 Other Related Parties

JSW Energy Limited
Raj West Power Limited
JSW Power Trading Company Limited*
Himachal Baspa Power Company Limited
Jindal Stainless Limited
JSL Architecture Limited
JSL Lifestyle Limited
Jindal Saw Limited
Jindal Saw USA LLC
Jindal Tubular (India) Limited
Jindal Fittings Limited
Jindal Steel & Power Limited
M/s. Shadeed Iron & Steel Co. LLC
Jindal Power Limited
India Flysafe Aviation Limited
JSW Infrastructure Limited
JSW Jaigarh Port Limited
South West Port Limited
JSW Dharamatar Port Private Limited
JSW Paradip Terminal Private Limited
JSW Cement Limited
South West Mining Limited
JSW Projects Limited
JSW IP Holdings Private Limited
JSOFT Solutions Limited
Reynold Traders Private Limited
JSW Techno Projects Management Limited
JSW Global Business Solutions Limited (formerly Sapphire Technologies Limited)
Jindal Industries Private Limited
JSW Foundation
Jindal Technologies & Management Services Private Limited
Epsilon Carbon Private Limited (formerly AVH Private Limited)
JSW International Trade Corp PTE Limited

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Heal Institute Private Limited (ceased w.e.f. 19.10.2016)
Jindal Education Trust
JSW Paints Private Limited
Toshiba JSW Power System Private Limited
MJSJ Coal Limited
O P Jindal Foundation
JSW Bengaluru Football Club Private Limited
Jindal Rail Infrastructure Limited
Khaitan & Company#
Vinar Systems Private Limited ##

6 Post-Employment Benefit Entity

JSW Steel EPF Trust
Jindal Steel Group Gratuity Trust
JSW Steel Limited Employee Gratuity Fund

* amalgamated with JSW Green Energy Limited during the year.
\# Mr. Haigreve Khaitan is a partner in Khaitan & Company.
\## Mr. Haigreve Khaitan is a director in Vinar Systems Private Limited.

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B. Transactions with Related Parties for year ended

₹ in crores

Particulars	Subsidiaries		Associate		Joint Ventures		Other Related Parties		Total	
	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
Purchase of goods/ power & fuel/ services										
Amba River Coke Limited	4,405	4,125	-	-	-	-	-	-	4,405	4,125
JSW Energy Limited	-	-	-	-	-	-	2,015	1,974	2,015	1,974
JSW International Tradecorp PTE Limited	-	-	-	-	-	-	16,369	6,027	16,369	6,027
Others	1,078	752	-	53	30	21	1,559	1,334	2,667	2,160
Total	**5,483**	**4,877**	**-**	**53**	**30**	**21**	**19,943**	**9,335**	**25,456**	**14,286**
Reimbursement of expenses incurred on our behalf by										
JSW Steel (Salav) Limited	2	-	-	-	-	-	-	-	2	-
JSW Energy Limited	-	-	-	-	-	-	3	2	3	2
JSW Global Business Solutions Limited	-	-	-	-	-	-	-	3	-	3
Others	*	*	-	-	-	-	*	*	*	1
Total	**3**	*****	**-**	**-**	**-**	**-**	**3**	**5**	**6**	**6**
Sales of goods / power & fuel										
Amba River Coke Limited	1,286	1,409	-	-	-	-	-	-	1,286	1,409
JSW Steel Coated Products Limited	9,793	6,767	-	-	-	-	-	-	9,793	6,767
Others	36	321	-	3	547	425	2,225	1,205	2,808	1,954
Total	**11,115**	**8,497**	**-**	**3**	**547**	**425**	**2,225**	**1,205**	**13,887**	**10,130**
Other income/ interest income/ dividend income										
JSW Steel Holding (USA) Inc.	-	46	-	-	-	-	-	-	-	46
Inversiones Eurosh Limitada	-	40	-	-	-	-	-	-	-	40
JSW Steel Coated Products Limited	32	6	-	-	-	-	-	-	32	6
Amba River Coke Limited	58	21	-	-	-	-	-	-	58	21
JSW Steel (Salav) Limited	25	24	-	-	-	-	-	-	25	24
JSW Energy Limited	-	-	-	-	-	-	5	22	5	22
Others	5	16	-	11	3	5	25	15	33	47
Total	**120**	**153**	**-**	**11**	**3**	**5**	**30**	**37**	**153**	**206**
Purchase of assets										
JSW Severfield Structures Limited	-	-	-	-	136	45	-	-	136	45
Jindal Steel & Power Limited	-	-	-	-	-	-	25	47	25	47
JSW Cement Limited	-	-	-	-	-	-	47	22	47	22
Others	2	7	-	-	-	-	6	14	8	21
Total	**2**	**7**	**-**	**-**	**136**	**45**	**78**	**83**	**216**	**135**

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B. Transactions with Related Parties for year ended

₹ in crores

Particulars	Subsidiaries		Associate		Joint Ventures		Other Related Parties		Total	
	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
Advance given/(received back)										
JSW Steel (Salav) Limited	-	66	-	-	-	-	-	-	-	66
JSW Global Business Solutions Limited	-	-	-	-	-	-	-	28	-	28
India Flysafe Aviation Limited	-	-					214	-	214	-
Others	(2)	(3)	-	-	-	-	-	-	(2)	(3)
Total	**(2)**	**63**	**-**	**-**	**-**	**-**	**214**	**28**	**212**	**91**
Lease deposit received										
JSW Paints Private Limited	-	-	-	-	-	-	-	4	-	4
Epsilon Carbon Private Limited	-	-	-	-	-	-	-	2	-	2
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6**	**-**	**6**
Lease and other advances refunded										
JSW Infrastructure Limited	-	-	-	-	-	-	48	47	48	47
Total	**-**	**-**	**-**	**-**	**-**	**-**	**48**	**47**	**48**	**47**
Loan given										
JSW Steel (Netherlands) B.V.	374	94	-	-	-	-	-	-	374	94
Periama Holdings, LLC	2,419	-	-	-	-	-	-	-	2,419	-
JSW Steel Holding (USA) Inc.	-	1,350	-	-	-	-	-	-	-	1,350
Others	65	50	-	-	-	-	-	-	65	50
Total	**2,858**	**1,494**	**-**	**-**	**-**	**-**	**-**	**-**	**2,858**	**1,494**
Provision for loans and advances made during the year										
JSW Steel (Netherlands) B.V.	22	-	-	-	-	-	-	-	22	-
Inversiones Eurosh Limitada	197	-	-	-	-	-	-	-	197	-
Total	**219**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**219**	**-**
Donation/ CSR expenses										
JSW Foundation	-	-	-	-	-	-	11	3	11	3
Total	**-**	**-**	**-**	**-**	**-**	**-**	**11**	**3**	**11**	**3**
Recovery of expenses incurred by us on their behalf										
JSW Steel Coated Products Limited	68	51	-	-	-	-	-	-	68	51
Amba River Coke Limited	26	75	-	-	-	-	-	-	26	75
Dolvi Coke Projects Limited	57	*	-	-	-	-	-	-	57	*
Others	24	5	-	-	3	3	36	25	63	33
Total	**175**	**131**	**-**	**-**	**3**	**3**	**36**	**25**	**214**	**160**

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B. Transactions with Related Parties for year ended

₹ in crores

Particulars	Subsidiaries		Associate		Joint Ventures		Other Related Parties		Total	
	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
Investments / share application money given during the period										
JSW Steel (Salav) Limited	-	250	-	-	-	-	-	-	-	250
JSW Industrial Gases Private Limited	-	240	-	-	-	-	-	-	-	240
JSW Severfield Structures Limited	-	-	-	-	45	-	-	-	45	-
Others	10	9	-	-	1	24	-	-	11	33
Total	**10**	**499**	**-**	**-**	**46**	**24**	**-**	**-**	**56**	**523**
Interest expenses										
Amba River Coke Limited	-	5	-	-	-	-	-	-	-	5
JSW Steel Coated Products Limited	-	20	-	-	-	-	-	-	-	20
JSW Industrial Gases Private Limited	-	-	-	-	-	-	-	-	-	-
JSW Energy Limited	-	-	-	-	-	-	*	-	*	-
Total	**-**	**25**	**-**	**-**	**-**	**-**	*****	**-**	*****	**25**
Guarantees and collaterals provided by the Company on behalf:										
JSW Steel (Netherlands) B.V.	-	741	-	-	-	-	-	-	-	741
JSW Steel (UK) Limited	-	62	-	-	-	-	-	-	-	62
Total	**-**	**803**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**803**
Guarantees and collaterals released										
JSW Steel (Netherlands) B.V.	195	-	-	-	-	-	-	-	195	-
JSW Steel Holding (USA) Inc.	-	660	-	-	-	-	-	-	-	660
Periama Holdings, LLC	258	-	-	-	-	-	-	-	258	-
Total	**453**	**660**	**-**	**-**	**-**	**-**	**-**	**-**	**453**	**660**
Adjustment of receivable/(payable)										
Dolvi Coke Projects Limited	113	77	-	-	-	-	-	-	113	77
Total	**113**	**77**	**-**	**-**	**-**	**-**	**-**	**-**	**113**	**77**
Finance lease interest cost										
Amba River Coke Limited	299	316	-	-	-	-	-	-	299	316
JSW Steel (Salav) Limited	74	79	-	-	-	-	-	-	74	79
JSW Projects Limited	-	-	-	-	-	-	177	197	177	197
JSW Techno Projects Management Limited	-	-	-	-	-	-	25	13	25	13
Total	**373**	**395**	**-**	**-**	**-**	**-**	**202**	**210**	**575**	**605**

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B. Transactions with Related Parties for year ended

₹ in crores

Particulars	Subsidiaries		Associate		Joint Ventures		Other Related Parties		Total	
	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
Finance lease obligations repayment										
Amba River Coke Limited	44	82	-	-	-	-	-	-	44	82
JSW Steel (Salav) Limited	53	48	-	-	-	-	-	-	53	48
JSW Projects Limited	-	-	-	-	-	-	183	176	183	176
JSW Techno Projects Management Limited	-	-	-	-	-	-	4	2	4	2
Total	**97**	**130**	**-**	**-**	**-**	**-**	**187**	**178**	**284**	**308**

*Less than ₹ 50 lakhs

Notes:

1. The Company makes monthly contributions to provident fund managed by JSW Steel EPF Trust for qualifying Vijayanagar employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Company contributed ₹ 17 crores (FY 2016-17: ₹ 17 crores).

2. The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (JSW Steel Group Gratuity Trust and JSW Steel Limited Employee Gratuity Fund). During the year, the Company contributed ₹ 13 crores (FY 2016-17: ₹ 2 crores).

3. In view of the uncertainty involved in collectability, revenue as interest income of ₹ 298 crores has not been recognised on loan provided to certain overseas subsidiaries.

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Compensation to key management personnel

₹ in crores

Nature of transaction	FY 2017-18	FY 2016-17
Short-term employee benefits	96	34
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
Total compensation to key management personnel	**96**	**34**

Notes:

1. As the future liability for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

2. The Company has accrued ₹ 2 crores (FY 2016-17: ₹ 1 crores) in respect of employee stock options granted to Key Managerial Personnel. The same has not been considered as managerial remuneration of the current year as defined under Section 2(78) of the Companies Act, 2013 as the options have not been exercised.

Terms and conditions

Sales:

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Sales transactions are based on prevailing price lists and memorandum of understanding signed with related parties. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

Purchases:

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Purchase transactions are based on normal commercial terms and conditions and market rates.

Loans to overseas subsidiaries:

The Company had given loans to subsidiaries for general corporate purposes. The loan balances as at 31 March, 2018 was ₹ 5,404 crores (As on 31 March, 2017: ₹ 2,689 crores). These loans are unsecured and carry an interest rate ranging from LIBOR + 400-530 basis points and repayable within a period of three years.

Guarantees to Subsidiaries:

Guarantees provided to the lenders of the subsidiaries are for availing term loans and working capital facilities from the lender banks.

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

C. Amount due to/ from related parties

₹ in crores

Particulars	Subsidiaries		Associate		Joint Ventures		Other Related Parties		Total	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Party's Name										
Trade payables										
JSW Energy Limited	-	-	-	-	-	-	155	334	155	334
JSW International Trade Corp PTE Limited	-	-	-	-	-	-	2,010	451	2,010	451
Others	60	129	-	-	*	*	249	163	309	292
Total	**60**	**129**	**-**	**-**	*****	*****	**2,414**	**948**	**2,474**	**1,077**
Advance received from customers										
JSW Saw Limited	-	-	-	-	-	-	-	*	-	*
JSW Jaigarh Port Limited	-	-	-	-	-	-	25	-	25	-
JSW Power Trading Company Limited	-	-	-	-	-	-	-	*	-	*
Jindal Saw USA LLC	-	-	-	-	-	-	*	*	*	*
JSW Industries Private Limited	-	-	-	-	-	-	-	*	-	*
Others	-	-	-	-	*	*	2	*	2	*
Total	**-**	**-**	**-**	**-**	*****	*****	**27**	**1**	**27**	**2**
Lease & other deposit received										
Amba River Coke Limited	6	6	-	-	-	-	-	-	6	6
JSW Severfield Structures Limited	-	-	-	-	13	12	-	-	13	12
JSW Energy Limited	-	-	-	-	-	-	11	11	11	11
Jindal Saw Limited	-	-	-	-	-	-	5	5	5	5
Others	4	4	-	-	-	-	11	11	15	15
Total	**10**	**10**	**-**	**-**	**13**	**12**	**27**	**27**	**50**	**49**
Lease & other deposit given										
JSW Energy Limited	-	-	-	-	-	-	*	*	*	*
Total	**-**	**-**	**-**	**-**	**-**	**-**	*****	*****	*****	*****
Trade receivables										
JSW Steel Coated Products Limited	447	318	-	-	-	-	-	-	447	318
JSW Steel Italy S.R.L.	-	130	-	-	-	-	-	-	-	130
Peddar Realty Private Limited	155	-	-	-	-	-	-	-	155	-
JSW Vallabh Tin Plate Private Limited	-	-	-	-	57	68	-	-	57	68
Others	9	11	-	-	12	23	141	81	162	115
Total	**611**	**459**	**-**	**-**	**69**	**91**	**141**	**81**	**821**	**631**

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

C. Amount due to/ from related parties

₹ in crores

Particulars	Subsidiaries		Associate		Joint Ventures		Other Related Parties		Total	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Share application money given										
JSW Jharkhand Steel Limited	1	*	-	-	-	-	-	-	1	*
Gourangdih Coal Limited	-	-	-	-	*	*	-	-	*	*
JSW MI Steel Service Centre Private Limited	-	-	-	-	-	24	-	-	-	24
Others	*	-	-	-	-	*	-	-	*	*
Total	**1**	*****	**-**	**-**	*****	**24**	**-**	**-**	**1**	**24**
Capital / revenue advance										
Amba River Coke Limited	369	196	-	-	-	-	-	-	369	196
JSW Steel (Salav) Limited	244	151	-	-	-	-	-	-	244	151
JSW Cement Limited	-	-	-	-	-	-	38	73	38	73
India Flysafe Aviation Limited	-	-	-	-	-	-	214	-	214	-
Others	37	38	-	-	28	18	110	102	175	158
Total	**650**	**385**	**-**	**-**	**28**	**18**	**362**	**175**	**1,040**	**578**
Loan and advances given										
Inversiones Eroush Limitada	694	660	-	-	-	-	-	-	694	660
JSW Steel Holding (USA)Inc.	-	1,551	-	-	-	-	-	-	-	1,551
Periama Holdings, LLC	3,988	-	-	-	-	-	-	-	3,988	-
Others	722	478	-	-	*	*	*	*	722	478
Total	**5,404**	**2,689**	**-**	**-**	*****	*****	*****	*****	**5,404**	**2,689**
Interest receivable										
Inversiones Eroush Limitada	181	180	-	-	-	-	-	-	181	180
Periama Holdings, LLC	372	371	-	-	-	-	-	-	372	371
Others	28	28	-	-	-	-	-	-	28	28
Total	**581**	**579**	**-**	**-**	**-**	**-**	**-**	**-**	**581**	**579**
Allowances for loans and advances given										
JSW Steel (Netherlands) B.V.	322	52	-	-	-	-	-	-	322	52
Inversiones Eroush Limitada	197	-	-	-	-	-	-	-	197	-
Others	4	3	-	-	-	-	-	-	4	3
Total	**523**	**55**	**-**	**-**	**-**	**-**	**-**	**-**	**523**	**55**

Notes
to the Standalone Financial Statements as at and for the year ended 31 March 2018

C. Amount due to/ from related parties

₹ in crores

Particulars	Subsidiaries		Associate		Joint Ventures		Other Related Parties		Total	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Investments held by the Company										
Amba River Coke Limited	932	932	-	-	-	-	-	-	932	932
JSW Steel Coated Products Limited	1,314	1,314	-	-	-	-	-	-	1,314	1,314
JSW Energy Limited	-	-	-	-	-	-	666	574	666	574
Others	1,722	1,741	-	-	268	199	9	20	1,999	1,960
Total	**3,968**	**3,987**	**-**	**-**	**268**	**199**	**675**	**594**	**4,911**	**4,780**
Loans/ advances/ deposits taken										
Dolvi Coke Projects Limited	-	-	-	-	-	-	-	-	-	-
JSW Infrastructure Limited	-	-	-	-	-	-	51	87	51	87
Total	**-**	**-**	**-**	**-**	**-**	**-**	**51**	**87**	**51**	**87**
Guarantees and collaterals provided by the Company on behalf:										
JSW Steel (Netherlands) B.V.	644	1,615	-	-	-	-	-	-	644	1,615
Periama Holdings, LLC	1,626	3,177	-	-	-	-	-	-	1,626	3,177
Others	212	386	-	-	-	-	-	-	212	386
Less: Loss allowance against aforesaid	(642)	(886)	-	-	-	-	-	-	(642)	(886)
Total	**1,840**	**4,292**	**-**	**-**	**-**	**-**	**-**	**-**	**1,840**	**4,292**
Finance lease obligations										
Amba River Coke Limited	2,112	2,138	-	-	-	-	-	-	2,112	2,138
JSW Steel (Salav) Limited	690	739	-	-	-	-	-	-	690	739
JSW Projects Limited	-	-	-	-	-	-	1,484	1,666	1,484	1,666
JSW Techno Projects Management Limited	-	-	-	-	-	-	173	177	173	177
Total	**2,802**	**2,877**	**-**	**-**	**-**	**-**	**1,657**	**1,843**	**4,459**	**4,720**

*Less than ₹ 50 lakhs

Notes:

The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (JSW Steel Group Gratuity Trust and JSW Steel Limited Employee Gratuity Fund). As on 31 March 2018, the fair value of plan assets was as ₹ 65 crores (31 March 2017: ₹ 53 crores).

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

45. Contingent liabilities:

(i) Disputed claims/levies (excluding interest, if any) in respect of:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Excise Duty	414	307
Custom Duty	514	575
Income Tax	18	169
Sales Tax/ VAT/ Special Entry tax	156	156
Service Tax	593	457
Miscellaneous	#	#
Levies by local authorities	320	10
Claims by suppliers and other parties	42	94
Total	**2,057**	**1,768**

₹ 0.05 crore

a) Excise duty cases includes disputes pertaining to availment of CENVAT credit, valuation methodologies, classification of gases under chapter heading.

b) Customs duty cases includes disputes pertaining to import of Iron ore fines and lumps under wrong heading, utilisation of SHIS licences for clearance of imported equipment, payment of customs duty on Steam Coal through Krishnapatnam Port and anti-dumping duty on Met Coke used in Corex.

c) Sales Tax/ VAT/ Special Entry tax cases includes disputes pertaining to demand of special entry tax in Karnataka and demand of cess by department of transport in Goa.

d) Service Tax cases includes disputes pertaining to availment of service tax credit on ineligible services, KKC amount paid but no credit not availed, denial of credit distributed as an ISD, service tax on railway freight not taken as per prescribed documents.

e) Income Tax cases includes disputes pertaining to deduction u/s 80-IA and other matters.

f) Levies by local authorities cases includes disputes pertaining to uninterrupted power charges by Karnataka Power Transmission Company Ltd., payment of water charges, belated payment surcharge, enhanced compensation and claims for the set off of renewable power obligations against the power generated in its captive power plants.

g) Miscellaneous cases includes provident fund relating to contractors.

h) Claims by Suppliers and other parties includes quality claims issues raised by suppliers and others.

i) There are several other cases which has been determined as remote by the Company and hence not been disclosed above.

(ii) Forest Development Tax/Fee:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Claims related to Forest Development Tax/Fee	1,799	1,300
Amount paid under protest	919	726

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) on iron ore on the ground that the State does not have jurisdiction to legislate in the field of major minerals which is a central subject, 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 ₹ 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 ₹ 1,043 crores and treated it as a contingent liability.

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

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 ₹ 756 crores (including paid under protest - ₹ 255 crores) pertaining to the private lease operators & NMDC and treated it as contingent liability.

46. Financial guarantees

The Company has issued financial guarantees to banks on behalf of and in respect of loan facilities availed by its group companies.

Refer below for details of financial guarantees issued:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Guarantees	638	1,992
Standby letter of credit facility	1,717	3,060
Less: Loss allowance against aforesaid	(642)	(886)
Total	**1,713**	**4,166**

47. Commitments

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	9,801	4,517

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 year. Such export obligations at year end aggregate to

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Export promotion capital goods scheme	4,455	2,450

48. Operating lease

a) As lessor:

i. The Company has entered into lease arrangements, for renting the following:

Category of Asset	Area	Period
Land at Vijayanagar	717 acres	8 months to 30 years
Land at Dolvi along with certain buildings	218 acres	3 years to 20 years
Land at Palwal	6 acres	15 years
Office Premises	1,885 sq. feet	24 months
Office Premises	33,930 sq. feet	5 years
Houses	14,11,027 sq. feet (2,279 Houses)	120 months

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

The agreements are renewable & cancellable by mutual consent of both parties. The rent paid on above is based on mutually agreed rates.

ii. Disclosure in respect of assets (building) given on operating lease:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Gross carrying amount of assets	360	181
Accumulated depreciation	12	30
Depreciation for the year	5	2

b) As lessee:

(i) Lease rentals charged to profit and loss for right to use following assets are:

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Office premises, residential flats etc.	22	29
Total:	**22**	**29**

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.

Lease rentals charged to profit and loss for right to use these assets are

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Property, plant and equipment	9	9
Total	**9**	**9**

Future minimum rentals payable under non-cancellable operating leases are as follows:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Not later than one year	6	6
Later than one year but not later than five years	11	17
Later than five years	-	-
Total	**17**	**23**

49. The Company has evaluated certain arrangements for purchase or processing of raw materials based on facts and circumstances existing at the date of transition to Ind AS and have identified them in the nature of lease as the fufilment of the arrangements depend upon a specific asset and the Company has committed to obtain substantially all the production capacity of the asset. After separating lease payments from the other elements in these arrangements, the Company has recognised plant and equipment and building as Assets taken under finance leases (refer note 4). In the arrangements for processing of raw materials, the Company also has an option to purchase the said assets at the end of the lease term.

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

The minimum lease payments and the present value of minimum lease payments as at 31 March 2018 in respect of aforesaid plant and equipment acquired under the finance leases are as follows:

₹ in crores

	As at 31 March 2018		As at 31 March 2017	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than 1 year	916	362	934	337
Later than one year but not later than five years	3,864	2,142	3,621	1,761
Later than five years	3,111	2,078	3,634	2,760
Total	**7,891**	**4,582**	**8,189**	**4,858**
Less: Future finance charges	3,309		3,331	
Total:	**4,582**		**4,858**	

50. During the year a subsidiary of the Company has surrendered one of its iron ore mine 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 ₹ 234 crores which has been disclosed as an exceptional item.

51. In assessing the carrying amounts of Investments in and loans / advances (net of impairment loss / loss allowance) to certain subsidiaries and a Joint Venture and financial guarantees to certain subsidiaries (listed below), the Company considered various factors as detailed there against and concluded they are recoverable.

(a) Investments aggregating to ₹ 259 crores (₹ 295 crores as at 31 March 2017) in equity and preference shares of NBV, loans of ₹ 209 crores (₹ 105 crores as at 31 March 2017), ₹ 4,361 crores (₹ 1,922 crores as at 31 March 2017) and ₹ 678 crores (₹ 840 crores as at 31 March 2017) to JSW Steel (Netherlands) B.V., Periama Holdings LLC and JSW Panama Holdings Corporation respectively and the financial guarantees of ₹ 1,626 crores (₹ 3,177 crores as at 31 March 2017) and ₹ 85 crores (₹ 199 crores as at 31 March 2017) on behalf of PHL and JSU respectively – Estimate of values of the businesses and assets by independent external valuers based on cash flow projections/implied multiple approach. In making the said projections, reliance has been placed on estimates of future prices of iron ore and coal, mineable resources, and assumptions relating to operational performance including significant improvement in capacity utilisation and margins based on forecasts of demand in local markets, and availability of infrastructure facilities for mines.

(b) Equity shares of JSW Steel Bengal Limited, a subsidiary (carrying amount: ₹ 442 crores (₹ 438 crores as at 31 March 2017)) - 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.

(c) Equity shares of JSW Jharkhand Steel Limited, a subsidiary (carrying amount: ₹ 84 crores as at 31 March 2018; ₹ 80 crores as at 31 March 2017) - Evaluation of the status of its integrated Steel Complex to be implemented in phases at Ranchi, Jharkhand 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.

(d) Equity shares of Peddar Realty Private Limited (PRPL) (carrying amount of investments: ₹ 24 crores as at 31 March 2018; ₹ 24 crores as at 31 March 2017, and loans of ₹ 155 crores as at 31 March 2018; ₹ 157 crores as at 31 March 2017) -Valuation by an independent valuer of the residential complex in which PRPL holds interest.

(e) Investment of ₹ 4 crores (₹ 4 crores as at 31 March 2017) and loan of ₹ 137 crores (₹ 117 crores as at 31 March 2017) 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.

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

(f) Equity shares of JSW Severfield Structures Limited, a joint venture (carrying amount: ₹ 160 crores as at 31 March 2018; ₹ 115 crores as at 31 March 2017) - 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.

52. Previous year figures have been re-grouped /re-classified wherever necessary.

53. Subsequent Events

On 16 May 2018 the board of directors recommended a final dividend of ₹ 3.20 per equity share (total dividend ₹ 774 crores) be paid to shareholders for financial year 2017-18, which is subject to approval by the shareholders at the Annual General Meeting to be held on 24 July 2018.

54. Standards issued but not yet effective

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers' (New Revenue Standard), which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'. The core principle of the New Revenue Standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Some of the key changes introduced by the New Revenue Standard include additional guidance for multiple-element arrangements, measurement approaches for variable consideration, adjustments for time value of money etc. Significant additional disclosures in relation to revenue are also prescribed. The New Revenue Standard also provides two broad alternative transition options – Retrospective Method and Cumulative Effect Method – with certain practical expedients available under the Retrospective Method. The Company is in the process of evaluating the impact of the New Revenue Standard on the present and future arrangements and shall determine the appropriate transition option once the said evaluation has been completed.

Also Appendix B to Ind AS 21, foreign currency transactions and advance consideration was notified along with the same notification which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Company is in the process of evaluating the effect of amendment on its financial statements.

Other amendments

Following amendments to other Ind ASs which are issued but are not effective in FY 2017-18

a) Amendments to Ind AS 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112.

b) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses.

c) Transfers of Investment Property — Amendments to Ind AS 40.

d) Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice.

The Company is in the process of evaluating the effect of these amendments on the financial statements.

Notes

to the Standalone Financial Statements as at and for the year ended 31 March 2018

55. Additional information

A) C.I.F. value of imports:

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
- Capital goods	557	527
- Raw materials (including power and fuel)	19,837	14,814
- Stores & spare parts	683	1,065

B) Expenditure in foreign currency:

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest and finance charges	877	748
Ocean freight	550	378
Technical know-how	19	14
Commission on sales	31	25
Legal & professional fees	6	9
Others	57	15

C) Earnings in foreign currency:

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
F.O.B. value of exports	10,938	10,051
Interest income	-	98

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Reg. No. 324982E/E300003

per **Vikram Mehta**
Partner
Membership No. 105938

Place: Mumbai
Date: 16 May 2018

For and on behalf of the Board of Directors

Sajjan Jindal
Chairman & Managing Director
DIN 00017762

Lancy Varghese
Company Secretary
ICSI Membership No. FCS 9407

Rajeev Pai
Chief Financial Officer

Seshagiri Rao M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

Independent Auditor's Report

To the Members of JSW Steel Limited

Report on the consolidated Ind AS financial statements

We have audited the accompanying consolidated Ind AS financial statements of JSW Steel Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its joint ventures, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Joint Ventures in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint ventures 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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, issued by the Institute of Chartered Accountants of India, as 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated Ind AS 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 joint ventures as at 31 March 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 40 subsidiaries, whose financial statements include total assets of ₹ 16,500 crore and net assets of ₹ 191 crore as at 31 March 2018, and total revenues of ₹ 8,720 crore and net cash outflows of ₹ 113 crore for the year ended on that date. These financial statement and other financial information have been audited by other auditors, whose reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 56 crore for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statements, in respect of 7 joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of such other auditors.

Certain of these subsidiaries and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 4 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ Nil and net assets of ₹ (-) 3 crore as at 31 March 2018, and total revenues of ₹ Nil and net cash inflows of ₹ 0.03 crore for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 14 Crores for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statements, in respect of 2 joint ventures, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and joint ventures and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

(c) The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 17, 2017.

Our opinion above on the consolidated Ind AS 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 and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act,

Independent Auditor's Report

read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint ventures incorporated in India, none of the directors of the Group's companies, its joint ventures incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and joint ventures incorporated in India, refer to our separate report in "Annexure 1" to this 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its joint ventures– Refer Note 43 to the consolidated Ind AS financial statements;

ii. The Group, its joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31 March 2018.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint ventures incorporated in India during the year ended 31 March 2018.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vikram Mehta**
Partner
Membership No. 105938

Place of Signature: Mumbai
Date: 16 May 2018

Annexure 1

Annexure 1 to the Independent Auditor's Report of even date on the consolidated Ind AS financial statements of JSW Steel Limited

Report on the Internal Financial Controls 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 Ind AS financial statements of JSW Steel Limited as of and for the year ended 31 March 2018, 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 and joint ventures, 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, its subsidiary companies and joint ventures, 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 Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, 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 with reference to these consolidated Ind AS financial statements 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 over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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 auditors 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 internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these consolidated Ind AS financial statements

A Company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements 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 with reference to these consolidated Ind AS financial statements 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 With Reference to these consolidated Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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 with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to these 13 subsidiary companies and 7 jointly joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and joint ventures incorporated in India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vikram Mehta**
Partner
Membership No. 105938

Place of Signature: Mumbai
Date: 16 May 2018

Consolidated Balance Sheet
as at 31 March 2018

₹ in crores

	Notes	As at 31 March 2018	As at 31 March 2017
I Assets			
(1) Non-current assets			
(a) Property, plant and equipment	4	57,054	57,786
(b) Capital work-in-progress	5	5,629	4,081
(c) Goodwill	6	707	872
(d) Other intangible assets	7	87	72
(e) Intangible assets under development		321	282
(f) Investments in joint ventures	8	360	252
(g) Financial assets			
(i) Investments	9	797	814
(ii) Loans	10	378	121
(iii) Other financial assets	11	293	252
(h) Current tax assets (net)		271	305
(i) Deferred tax assets (net)	23	48	84
(j) Other non-current assets	12	2,881	1,892
Total non-current assets		**68,826**	**66,813**
(2) Current assets			
(a) Inventories	13	12,594	11,395
(b) Financial assets			
(i) Investments	14	312	300
(ii) Trade receivables	15	4,704	4,149
(iii) Cash and cash equivalents	16(a)	582	917
(iv) Bank balances other than (iii) above	16(b)	481	568
(v) Loans	10	230	174
(vi) Derivative assets	17	151	491
(vii) Other financial assets	11	530	285
(c) Current tax assets (net)		6	18
(d) Other current assets	12	3,599	2,968
(e) Assets classified as held for sale		3	11
Total current assets		**23,192**	**21,276**
Total Assets		**92,018**	**88,089**
II Equity And Liabilities			
(1) Equity			
(a) Equity share capital	18	302	301
(b) Other equity	19	27,696	22,346
Equity attributable to owners of the Company		**27,998**	**22,647**
Non-controlling interests		(464)	(246)
Total equity		**27,534**	**22,401**
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	31,723	32,416
(ii) Other financial liabilities	21	919	486
(b) Provisions	22	138	97
(c) Deferred tax liabilities (net)	23	2,604	3,074
(d) Other non-current liabilities	24	136	55
Total non-current liabilities		**35,520**	**36,128**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	2,177	4,881
(ii) Trade payables	26	15,944	13,348
(iii) Derivative Liabilities	27	96	418
(iv) Other financial liabilities	28	8,615	9,457
(b) Other current liabilities	29	1,564	1,209
(c) Provisions	22	184	202
(d) Current tax liabilities (net)		384	45
Total current liabilities		**28,964**	**29,560**
Total liabilities		**64,484**	**65,688**
TOTAL – EQUITY AND LIABILITIES		**92,018**	**88,089**

See accompanying notes to the Consolidated Financial Statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Reg. No. 324982E/E300003

per **Vikram Mehta**
Partner
Membership No. 105938

For and on behalf of the Board of Directors

Sajjan Jindal
Chairman & Managing Director
DIN 00017762

Lancy Varghese
Company Secretary
ICSI Membership No. FCS 9407

Rajeev Pai
Chief Financial Officer

Seshagiri Rao M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

Place: Mumbai
Date: 16 May 2018

Consolidated Statement of Profit and Loss

for the year ended 31 March 2018

₹ in crores

		Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
I	**Revenue from operations**	30	71,503	60,536
II	**Other income**	31	167	152
III	**Total income (I + II)**		**71,670**	**60,688**
IV	**Expenses**			
	Cost of materials consumed		38,779	29,749
	Purchases of stock-in-trade		2	-
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	244	(1,486)
	Employee benefits expense	33	1,843	1,700
	Finance costs	34	3,701	3,768
	Depreciation and amortisation expense	35	3,387	3,430
	Excise duty expense		1,278	4,932
	Other expenses	36	14,563	13,467
	Total expenses		**63,797**	**55,560**
V	**Profit before exceptional items and tax (III - IV)**		**7,873**	**5,128**
VI	**Exceptional items**	47	264	-
VII	**Profit before tax (V - VI)**		**7,609**	**5,128**
VIII	**Tax expense/(benefit)**	23		
	Current tax		1,826	152
	Deferred tax		(288)	1,522
			1,538	**1,674**
IX	**Profit for the year (VII - VIII)**		**6,071**	**3,454**
X	**Share of (loss) / profit from an associate**		-	(9)
XI	**Share of profit / (loss) from joint ventures (net)**		42	22
XII	**Total Profit for the year (IX + X + XI)**		**6,113**	**3,467**
XIII	**Other comprehensive income / (loss)**			
A	i) Items that will not be reclassified to profit or loss			
	(a) Re-measurements losses of the defined benefit plans	40	(5)	(20)
	(b) Equity instruments through other comprehensive income		92	(68)
	ii) Income tax relating to items that will not be reclassified to profit or loss		2	7
	Total (A)		**89**	**(81)**
B	i) Items that will be reclassified to profit or loss			
	(a) The effective portion of gain/(loss) on hedging instruments		(401)	347
	(b) Changes in Foreign currency monetary item translation difference account (FCMITDA)		(33)	297
	(c) Foreign currency translation reserve (FCTR)		9	30
	ii) Income tax relating to items that will be reclassified to profit or loss		150	(223)
	Total (B)		**(275)**	**451**
	Total Other comprehensive income/(loss) (A+B)		**(186)**	**370**
XIV	**Total comprehensive income/(loss) (XII + XIII)**		**5,927**	**3,837**
	Total Profit/(loss) for the year attributable to:			
	- Owners of the Company		6,214	3,523
	- Non-controlling interests		(101)	(56)
			6,113	**3,467**
	Other comprehensive income/(loss) for the year attributable to:			
	- Owners of the Company		(184)	365
	- Non-controlling interests		(2)	5
			(186)	**370**
	Total comprehensive income/(loss) for the year attributable to:			
	- Owners of the Company		6,030	3,888
	- Non-controlling interests		(103)	(51)
			5,927	**3,837**
XV	**Earnings per equity share of ₹ 1 each**	37		
	Basic (in ₹)		25.85	14.66
	Diluted (in ₹)		25.71	14.58

See accompanying notes to the Consolidated Financial Statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Reg. No. 324982E/E300003

per **Vikram Mehta**
Partner
Membership No. 105938

Place: Mumbai
Date: 16 May 2018

For and on behalf of the Board of Directors

Sajjan Jindal
Chairman & Managing Director
DIN 00017762

Lancy Varghese
Company Secretary
ICSI Membership No. FCS 9407

Rajeev Pai
Chief Financial Officer

Seshagiri Rao M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

Consolidated Statement of Changes in Equity
for the year ended 31 March 2018

A. Equity share capital

₹ in crores

As at 1 April 2016	Movement during 2016-17	As at 31 March 2017	Movement during 2017-18	As at 31 March 2018
301	@	301	@@	302

@ = 0.43 crores
@@ = 0.32 crores

B. Other equity

₹ in crores

Particulars	Reserves and surplus								Other comprehensive income/(loss)				Attributable to owners of the parent	Non-controlling interest	Total
	Capital reserve	Securities premium reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Equity settled share based payment reserve	General reserve	Capital reserve on bargain purchase	FCTR	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	FCMITDA			
Balance as at 1 April 2016	3,585	5,417	10	433	(1,555)	-	10,420	610	(557)	454	46	(198)	18,665	(195)	18,470
Profit for the year	-	-	-	-	3,523	-	-	-	-	-	-	-	3,523	(56)	3,467
Other comprehensive income for the year, net of income tax (refer note 23)	-	-	-	-	(13)	-	-	-	25	(68)	227	194	365	5	370
Dividends including dividend distribution tax	-	-	-	-	(218)	-	-	-	-	-	-	-	(218)	-	(218)
Impact of ESOP trust consolidation	-	-	-	-	(1)	-	-	-	-	-	-	-	(1)	-	(1)
Recognition of share-based payments	-	-	-	-	-	13	-	-	-	-	-	-	13	-	13
Others	-	-	-	-	(1)	-	-	(5)	5	-	-	-	(1)	-	(1)
Balance as at 31 March 2017	3,585	5,417	10	433	1,735	13	10,420	605	(527)	386	273	(4)	22,346	(246)	22,100
Profit for the year	-	-	-	-	6,214	-	-	-	-	-	-	-	6,214	(101)	6,113
Other comprehensive income for the year, net of income tax (refer note 23)	-	-	-	-	(2)	-	-	-	10	92	(263)	(21)	(184)	(2)	(186)
Dividend including dividend distribution tax	-	-	-	-	(655)	-	-	-	-	-	-	-	(655)	-	(655)
Impact of ESOP trust consolidation	-	-	-	-	(27)	-	-	-	-	-	-	-	(27)	-	(27)
Recognition of share-based payments	-	-	-	-	-	28	-	-	-	-	-	-	28	-	28
Transfer between the reserves	-	-	139	(292)	292	-	(139)	-	-	-	-	-	-	-	-
Acquisition of NCI	-	-	-	-	(30)	-	-	-	-	-	-	-	(30)	(165)	(195)
Equity component of compound financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	35	35
Share application money pending allotment	-	-	-	-	-	-	-	-	-	-	-	-	-	15	15
Others	-	-	-	-	1	-	-	4	(1)	-	-	-	4	-	4
Balance as at 31 March 2018	3,585	5,417	149	141	7,528	41	10,281	609	(518)	478	10	(25)	27,696	(464)	27,232

See accompanying notes to the Consolidated Financial Statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Reg. No. 324982E/E300003

per **Vikram Mehta**
Partner
Membership No. 105938

Place: Mumbai
Date: 16 May 2018

For and on behalf of the Board of Directors

Sajjan Jindal
Chairman & Managing Director
DIN 00017762

Seshagiri Rao M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

Lancy Varghese
Company Secretary
ICSI Membership No. FCS 9407

Rajeev Pai
Chief Financial Officer

Consolidated Statement of Cash Flows

for the year ended 31 March 2018

₹ in crores

	For the year ended 31 March 2018		For the year ended 31 March 2017	
A. Cash flow from operating activities				
Net profit before tax		**7,609**		**5,128**
Adjustments for:				
Depreciation and amortisation expense	3,387		3,430	
Loss on sale of property, plant and equipment	122		134	
Gain on sale of current investments designated as FVTPL	(19)		(6)	
Export obligation deferred income amortisation	(68)		(82)	
Fair value gain on deferral sales tax / VAT Loan	(53)		-	
Interest income	(120)		(96)	
Dividend income	(5)		(20)	
Interest expense	3,500		3,546	
Unrealised exchange gains / (loss)	31		(119)	
Fair value gain on financial instruments designated as FVTPL	(3)		(15)	
Share based payment expense	28		13	
Fair value loss on financial instrument designated as FVTPL	111		-	
Allowances for doubtful receivable and advances	136		1	
Impairment of property plant and equipment, goodwill and investments	264		80	
		7,311		**6,866**
Operating profit before working capital changes		**14,920**		**11,994**
Adjustments for:				
Increase in inventories	(1,199)		(3,065)	
Increase in trade receivables	(640)		(1,352)	
Increase in other assets	(1,793)		(1,027)	
Increase in trade payable and other liabilities	2,514		1,561	
Increase in provisions	17		14	
		(1,101)		**(3,869)**
Cash flow from operations		**13,819**		**8,125**
Income taxes paid (net of refund received)		(1,440)		(237)
Net cash generated from operating activities		**12,379**		**7,888**
B. Cash flow from investing activities				
Payments for property, plant and equipment and intangibles (including capital advances)		(4,736)		(4,435)
Proceeds from sale of property, plant and equipment		60		45
Net cash outflow for acquisition of a subsidiary / acquisition of NCI		(315)		(110)
Investment in joint ventures		(46)		(37)
Purchase of current investments		(8,111)		(2,784)
Sale of current investments		8,120		2,490
Bank deposits not considered as cash and cash equivalents (net)		373		(381)
Interest received		121		98
Dividend received		5		20
Net cash used in investing activities		**(4,529)**		**(5,094)**
C. Cash flow from financing activities				
Proceeds of sale of treasury shares		49		57
Payment for purchase of treasury shares		(76)		(55)
Proceeds from issue of non-convertible preference share capital		-		50
Proceeds from non-current borrowings		6,209		4,560
Repayment of non-current borrowings		(7,298)		(5,890)
Proceeds from / repayment of current borrowings (net)		(2,703)		2,541
Repayment of finance lease obligations		(200)		(186)
Interest paid		(3,511)		(3,569)

Consolidated Statement of Cash Flows
for the year ended 31 March 2018 (Continued)

₹ in crores

	For the year ended 31 March 2018		For the year ended 31 March 2017	
Dividend paid (including corporate dividend tax)		(655)		(218)
Net cash used in financing activities		**(8,185)**		**(2,710)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)		**(335)**		**84**
Cash and cash equivalents at the beginning of year		**917**		**833**
Add: Translation adjustment in cash and cash equivalents		@		@
Cash and cash equivalents at the end of year		**582**		**917**

@ - ₹ (0.22) crores (previous year – ₹ 0.45 crores)

Reconciliations forming part of cash flow statement

₹ in crores

Particulars	1 April 2017	Cash flows (net)	Foreign exchange difference	Changes in fair values	New leases	Others	31 March 2018
Borrowings (non-current) other than finance lease obligations (including current maturities of long-term borrowing included in other financial liabilities note 28)	36,472	(1,089)	93	(52)	-	11	35,435
Finance Lease Obligations (including Current maturities)	1,981	(200)	-	-	-	-	1,781
Borrowings (Current)	4,881	(2,703)	(1)	-	-	-	2,177

₹ in crores

Particulars	1 April 2016	Cash flows (net)	Foreign exchange difference	Changes in fair values	New leases	Others	31 March 2017
Borrowings (non-current) other than finance lease obligation (including current maturities of long-term borrowing included in other financial liabilities note 28)	37,975	(1,330)	(340)	-	-	167	36,472
Finance Lease Obligations (including Current maturities)	1,887	(186)	-	-	280	-	1,981
Borrowings (Current)	2,343	2,541	(3)	-	-	-	4,881

Other comprises of upfront fees amortisation and interest cost accrual on preference shares.

Notes:

1. The cash flow statement is prepared using the 'indirect method' set out in IND AS 7 - Statement of Cash Flows.
2. The group has acquired property, plant and equipment of Nil crores (previous year ₹ 280 crores) on finance lease.

See accompanying notes to the Consolidated Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Reg. No. 324982E/E300003

Sajjan Jindal
Chairman & Managing Director
DIN 00017762

per **Vikram Mehta**
Partner
Membership No. 105938

Lancy Varghese
Company Secretary
ICSI Membership No. FCS 9407

Rajeev Pai
Chief Financial Officer

Seshagiri Rao M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

Place: Mumbai
Date: 16 May 2018

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

1. General Information

JSW Steel Limited ('the Company' or 'the Parent') is primarily engaged in the business of manufacture and sale of Iron and Steel Products.

The Parent and its subsidiaries (together referred to as 'the Group') are manufacturer of diverse range of steel products with is manufacturing facilities located in states of Karnataka, Maharashtra and Tamil Nadu in India and also in the United States of America.

JSW Steel Limited is a public limited Company incorporated in India on 15th March, 1994 under the Companies Act, 1956 and listed on the Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is JSW Centre, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.

2. Significant Accounting policies

I. Statement of compliance

Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 16 May 2018.

Accordingly, the Company has prepared these Consolidated Financial Statements which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended 31 March 2018 and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as 'Consolidated Financial Statements' or 'financial statements').

II. Basis of preparation and presentation

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, that are quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statement is presented in INR and all values are rounded to the nearest crores except when otherwise stated.

Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle. it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria

- it is expected to be settled in the Company's normal operating cycle;

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to the Consolidated Financial Statements as at and for the year ended 31 March 2018

- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

III. Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee;
- is exposed to, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

IV. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of bargain purchase, before recognising gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method.

V. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 2(VI) below.

VI. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate

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to the Consolidated Financial Statements as at and for the year ended 31 March 2018

or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

VII. Revenue recognition

Sale of goods

Revenue is measured at the fair value of the consideration received or receivable. The Group recognises revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes/GST and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when significant risks and rewards of ownership pass to the customer. Sale of products is presented gross of manufacturing taxes like excise duty wherever applicable. Export incentives are recognised as income as per the terms of the scheme in respect of the exports made and included as part of turnover.

Revenue from sale of by-products are included in revenue.

Revenue from sale of power is recognised when delivered and measured based on the bilateral contractual arrangements.

Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentives payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract cost incurred that it is probable will be recoverable. 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 immediately.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

VIII. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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to the Consolidated Financial Statements as at and for the year ended 31 March 2018

The Group as a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight-line basis over the lease term.

The Group as a lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Arrangements in the nature of lease

The Group enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Group applies the requirements of Ind AS 17 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 17 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

IX. Foreign currencies

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below the policy on hedge accounting in 2 (XX) (B)(g));
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items; and
- exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognised in the financial statements for the year ended 31 March 2016 prepared under previous GAAP, are capitalised as a 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

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exchange difference is amortised over the maturity period / upto the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as 'Foreign currency monetary item translation difference account' net of tax effect thereon, where applicable.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Goodwill, capital reserve on bargain purchase and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

X. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

The Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

XI. Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Consolidated Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated Statement of profit and loss over the expected useful lives of the assets concerned.

The benefit of a government loan at a below-market rate of interest and effect of this favourable interest is treated as a government grant. The Loan or assistance is initially recognised at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognised to the income statement immediately on fulfilment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

XII. Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment or when the Company

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recognises corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

1. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
2. net interest expense or income; and
3. remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

XIII. Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 38.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

The Company has created an Employee Benefit Trust for providing share-based payment to its employees. The Company uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Company from the market, for giving shares to employees. The Company treats Trust as its extension and shared held by the Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from Equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Share options exercised during the reporting period are satisfied with treasury shares.

XIV. Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary

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difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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 deferred tax asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Group.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they are relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

XV. Property, plant and equipment

The cost of property, plant and equipment 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, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed. Revenue generated from production during the trial period is capitalised.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

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The Group has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets located in India, 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.

Class of assets	Years
Plant and machinery	8 to 40 years
Work-rolls	1 to 5 years

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on estimate of their specific useful lives.

Freehold land and leasehold land where the lease is convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Depreciation on the property, plant and equipment 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:

Class of assets	Years
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

XVI. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Class of assets	Years
Computer software	3 to 5 years
Licenses	Over the period of license

The Group has elected to continue with carrying value of all its intangible assets recognised as on transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

XVII. Mining Assets

Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment indicators at least annually.

The Company measures its exploration and evaluation assets at cost and classifies as Property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

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Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

Acquisition costs – costs associated with acquisition of licenses and rights to explore, including related professional fees. General exploration costs - costs of surveys and studies, rights of access to properties to conduct those studies (e.g. costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

Costs of exploration drilling and equipping exploration – Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered.

Stripping cost

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

Production stripping costs are incurred to extract the ore in the form of inventories and/or to improve access to an additional component of an ore body or deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realised in the form of inventories.

Such costs are presented within mining assets. After initial recognition, stripping activity assets are carried at cost less accumulated amortisation and impairment. The expected useful life of the identified component of the ore body is used to depreciate or amortise the stripping asset.

Site restoration, rehabilitation and environmental costs:

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised The provision for decommissioning assets is based on the current estimates of the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate. A corresponding provision is created on the liability side. The capitalised asset is charged to profit or loss over the life of the asset through depreciation over the life of the operation and the provision is increased each period via unwinding the discount on the provision. Management estimates are based on local legislation and/or other agreements. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology. Details of such provisions are set out in note 22.

XVIII. Impairment of Property, plant and equipment and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss, unless the

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relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent of revaluation reserve.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

XIX. Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

XX. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

XXI. Financial Instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Consolidated Statement of Profit and Loss.

A. Financial assets

a) Recognition and initial measurement

A financial asset is initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

b) Classification of financial assets

On initial recognition, a financial asset is classified to be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both the of the following conditions and is not recognised at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

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- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Consolidated Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Consolidated Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognised in consolidated statement of profit or loss. The net gain or loss recognised in consolidated statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognised when:

- The Group's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

c) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive

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income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

d) **Impairment**

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, The Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, The Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

e) **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the 'Other income' line item.

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B. Financial liabilities and equity instruments

a) **Classification as debt or equity**

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

c) **Financial liabilities**

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Consolidated Statement of Profit and Loss. The net gain or loss recognised in Consolidated Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the Consolidated Statement of Profit and Loss. For liabilities designated at FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Consolidated Statement of Profit and Loss.

Other financial liabilities:

The Group enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for import of raw materials and property, plant and equipment. The banks and financial institutions are subsequently repaid by the Group at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements for raw materials are recognised as Acceptances (under trade payables) and arrangements for property, plant and equipment are recognised as other financial liabilities. Interest borne by the Group on such arrangements is accounted as finance cost. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities:

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial

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liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

d) **Derivative financial instruments**

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate, commodity price and foreign exchange rate risks, including foreign exchange forward contracts, commodity foreign exchange options, forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Consolidated Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Consolidated Statement of Profit and Loss depends on the nature of the hedge item.

e) **Reclassification of financial assets**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in Consolidated Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Consolidated Statement of Profit and Loss at the reclassification date.

f) **Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

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If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

g) **Hedge accounting**

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency, interest rate and commodity risk, as either cash flow hedge, fair value hedge or hedges of net investments in foreign operations. Hedges of foreign currency risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to hedged risk.

(i) **Fair value hedges**

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. For fair value hedges relating to items carried at amortised cost, the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

(ii) **Cash flow hedges**

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recosnised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(iii) **Hedges of net investments in a foreign operation**

Hedges of net investments in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gains or losses relating to the ineffective portion are recognised immediately in the profit or loss.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation

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reserve are reclassified to Consolidated Statement of Profit and Loss on the disposal of the foreign operation.

XXII. Cash and cash equivalents:

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

XXIII. Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax 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 treasury shares, 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 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 including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

3. Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the policies outlined in all notes under Section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

A) Key sources of estimation uncertainty

i) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

ii) Impairment of property plant and equipment

Determining whether the property, plant and equipment are impaired requires an estimate in the value in use of plant and equipment. The value in use calculation requires the Management to estimate the future cash flows expected to arise from the property, plant and equipment and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.

iii) Impairment of investments in joint ventures and associate

Determining whether the investments in joint ventures and associate are impaired requires an estimate in the value in use of investments. In considering the value in use, the Management have anticipated the future commodity prices, capacity utilisation of plants, operating margins, mineable resources and availability of infrastructure of mines, discount rates and other factors of the underlying businesses / operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

iv) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

v) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 41.

Notes

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vi) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

vii) Goodwill

Determining whether the goodwill acquired in business combinations are impaired, requires an estimate of recoverable amount of the Group's cash Generating unit (or groups of cash generating units). In considering the recoverable value of cash generating unit, the management have anticipated the future benefits to arise from commodity prices, capacity utilisation of plants, mineable resources and availability of infrastructure of mines, discount rates and other factors of the underlying unit. If the recoverable amount of cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any Impairment loss for goodwill is recognised directly in the consolidated statement of profit and loss.

B) Critical accounting judgements

i) Control over JSW Realty & Infrastructure Private Limited (RIPL)

RIPL has developed a residential township in Vijayanagar, Karnataka on the land taken on lease from the Company for a period of 30 years and provides individual housing units on rent to the employees of the Company or other group companies. RIPL is not allowed to sub-let or assign its rights under the arrangement without prior written consent of the Company. Though the Company does not hold any ownership interest in RIPL, the Company has concluded that it has practical ability to direct the relevant activities of RIPL unilaterally, considering RIPL's dependency on the Company for funding significant portion of its operation through subscription to 73.57% of preference share capital amounting to ₹ 199 crore issued by RIPL and significant portion of RIPL's activities either involve or are conducted on behalf of the Company on the land provided on long-term lease by the Company.

ii) Control over Dolvi Minerals & Metals Private Limited (DMMPL) and Dolvi Coke Private Limited (DCPL)

DMMPL is an investment Company and is setting up 3 MTPA recovery type coke oven plant and by-product plant ('Coke Plant') through its wholly owned subsidiary DCPL. Although, the Company owns only 40% of ownership interest, the Company has concluded that it has practical ability to direct the relevant activities of DMMPL unilaterally, considering

- the relevant activities of DCPL are directed through the long-term take or pay arrangement entered into between the Company and DCPL,
- significant portion of DMMPL and DCPL activities either involve or are conducted on behalf of the Company, and
- return from Company's involvement with DMMPL and in turn with DCPL is disproportionately greater than it voting rights considering the take or pay arrangement.

iii) Assessment of control over JSW Projects Limited (JSWPL)

JSWPL operates Direct Reduced Iron Processing Plant (DRI), Coal Dry Quenching Plant (CDQ) and two thermal power plants. Although the long-term take or pay arrangements entered into by the Company with JSWPL for processing of DRI and CDQ have been identified to be the arrangements in the nature of lease, the Company has concluded that it does not have any ownership interest, voting right or representation in the Board of Directors of JSWPL to direct its relevant activities unilaterally and accordingly it is not controlled by the Company.

iv) Arrangements in the nature of lease

The Company has entered into long-term arrangements with third parties to facilitate continuous supply of gases to its steel plant at Vijaynagar. These arrangements involve setting up of gas plants by the vendor/ supplier in the Company's premises to supply minimum specified gas quantities to the Company on take or pay basis. Based on assessment of the terms of the arrangements, review of past trends and confirmations received from the counter parties, the Company has concluded that these arrangements are not in the nature of lease considering more than insignificant amount of output from these plants are being also supplied by the vendor / suppliers to third parties on consistent basis.

Notes

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v) **Separating payments of lease from the other payments**

If an arrangement contains a lease, the parties to the arrangement shall apply the requirements of Ind AS 17 to the lease element. Therefore, the Company is required to separate payments and other consideration required by the arrangement into those for the lease and for other elements on the basis of their relative fair values.

However, the Company has concluded that it is impracticable to separate both the elements reliably and has recognised an asset and a liability at an amount equal to the carrying value of the specified asset in the books of the lessor. Subsequently, the liability has been reduced as payments are made and an imputed finance charges on the liability recognised using the Company's incremental borrowing rate of interest over the tenure of the arrangement, where it is impracticable to determine the interest rate implicit in the lease. The total payments less payments made towards lease obligation and imputed finance charges have been considered to be the consideration for elements other than lease.

In case of arrangements which are identified to be in the nature of finance lease, the Company concluded that it is impracticable to derive the relative fair values of lease and other elements of the arrangement and has accordingly determined the consideration for elements other than lease as a residual post appropriation of lease payments derived based on lessee's incremental borrowing rate of interest on the lease obligation corresponding to the respective gross asset values in the books of lessor.

in the nature of finance lease, the Company concluded that it is impracticable to derive the relative fair values of lease and other elements of the arrangement and has accordingly determined the consideration for elements other than lease as a residual post appropriation of lease payments derived based on lessee's incremental borrowing rate of interest on the lease obligation corresponding to the respective gross asset values in the books of lessor.

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

4. Property, plant and equipment

₹ in crores

Particulars	Freehold land	Leasehold land	Buildings (owned)	Buildings (on finance lease)	Plant and equipments (owned)	Plant and equipments (on finance lease)	Furniture and fixtures	Vehicles and aircrafts	Office equipments	Mining development and projects	Total
Cost / deemed cost											
At 1 April 2016	**1,381**	**709**	**7,661**	**-**	**46,131**	**2,502**	**81**	**125**	**41**	**913**	**59,544**
Additions	22	1	557	9	5,292	270	8	11	16	1	6,187
Acquired pursuant to business combinations	@	-	3	-	159	-	@@	@@@	@@@@	-	162
Deductions	1	-	18	-	244	-	-	5	#	-	268
Other adjustments (refer note e below)	-	-	-	-	22	-	-	-	-	-	22
Assets transfer to held for sale	-	-	-	-	(89)	-	-	-	-	-	(89)
Translation reserve	-	$	(43)	-	(95)	-	(1)	$$	(1)	(27)	(167)
At 31 March 2017	**1,402**	**710**	**8,160**	**9**	**51,176**	**2,772**	**88**	**131**	**56**	**887**	**65,391**
Additions	24	2	275	-	2,392	-	31	22	13	51	2,810
Deductions	-	1	2	-	327	-	##	9	###	-	339
Other adjustments (refer note e below)	-	-	-	-	42	-	-	-	-	-	42
Translation reserve	$$$	-	21	-	16	-	-	$$$$	$$$$	4	41
At 31 March 2018	**1,426**	**711**	**8,454**	**9**	**53,299**	**2,772**	**119**	**144**	**69**	**942**	**67,945**
Accumulated depreciation and impairment											
At 1 April 2016	**4**	**7**	**436**	**-**	**3,296**	**151**	**17**	**15**	**10**	**510**	**4,446**
Depreciation	-	9	363	&	2,842	167	10	15	10	-	3,416
Disposals	-	-	1	-	85	-	-	3	*	-	89
Other adjustments	-	-	-	-	14	-	-	-	-	-	14
Assets transfer to held for sale	-	-	-	-	(78)	-	-	-	-	-	(78)
Translation reserve	^	^^	(5)	-	(87)	-	^^^	^^^^	-	(12)	(104)
At 31 March 2017	**4**	**16**	**793**	**&**	**5,902**	**318**	**27**	**27**	**20**	**498**	**7,605**
Depreciation	-	9	369	1	2,689	169	20	15	9	77	3,358
Disposals	-	**	-	-	152	-	***	4	****	-	156
Impairment	-	-	-	-	76	-	-	-	-	-	76
Translation reserve	^^^^^	-	1	-	5	-	^^^^^^	-	^^^^^^^	2	8
At 31 March 2018	**4**	**25**	**1,163**	**1**	**8,520**	**487**	**47**	**38**	**29**	**577**	**10,891**

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

₹ in crores

Particulars	Freehold land	Leasehold land	Buildings (owned)	Buildings (on finance lease)	Plant and equipments (owned)	Plant and equipments (on finance lease)	Furniture and fixtures	Vehicles and aircrafts	Office equipments	Mining development and projects	Total
Net book value											
At 31 March 2018	1,422	686	7,291	8	44,779	2,285	72	106	40	365	57,054
At 31 March 2017	1,398	694	7,367	9	45,274	2,454	61	104	36	389	57,786

@ - ₹ 0.13 crores; @@ - ₹ 0.07 crores; @@@ - ₹ 0.06 crores and @@@@ - ₹ 0.01 crores
# - ₹ 0.41 crores; ## - ₹ 0.35 crores and ### - ₹ 0.03 crores
$ - ₹ 0.01 crores; $$ - ₹ (0.05) crores; $$$ - ₹ 0.46 crores; $$$$ - ₹ 0.01 crores and $$$$$ - ₹ (0.04) crores
& - ₹ 0.36 crores
* - ₹ 0.40 crores; ** - ₹ 0.30 crores; *** - ₹ 0.09 crores and **** - ₹ 0.03 crores
^ - ₹ (0.08) crores; ^^ - ₹ 0.02 crores; ^^^ - ₹ 0.16 crores; ^^^^ - ₹ 0.03 crores; ^^^^^ - ₹ 0.01 crores; ^^^^^^ - ₹ 0.29 crores; and ^^^^^^^ - ₹ (0.01) crores

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

Notes:

₹ in crores

Description			As at 31 March 2018	As at 31 March 2017
a)	Freehold land which is yet to be registered in the name group entities	Acre	29	206
		Deemed cost	19	82
b)	Freehold land and buildings which has been/agreed to be hypothecated/mortgaged to lenders of related parties	Deemed cost	64	43
c)	Leasehold land which is yet to be registered in the name of group entities	Acre	21	454
		Deemed cost	14	287
		Carrying amount	13	279
d)	Buildings include roads not owned by the Group	Deemed cost	-	2
		Carrying amount	-	1
e)	Other adjustments comprises:			
	Borrowing cost		23	26
	Foreign exchange loss / (gain)		19	(4)

f) For details of assets given on operating lease, (refer note 45).

g) For details of assets given on finance lease, (refer note 46).

h) Certain property, plant and equipments are pledged against borrowings, the details relating to which have been described in Note 20 and 25.

i) Property, plant and equipments includes proportionate share (50%) of assets under joint operation as below:

₹ in crores

Particulars	Buildings (Owned)	Plant and Equipment (Owned)
Cost/deemed cost		
At 31 March 2016	**459**	**7**
Additions	6	-
At 31 March 2017	**465**	**7**
Additions	-	-
At 31 March 2018	**465**	**7**
Accumulated depreciation		
At 31 March 2016	**15**	**@**
Depreciation expense	15	@
At 31 March 2017	**30**	**1**
Depreciation expense	16	@
At 31 March 2018	**46**	**1**
Net book value		
At 31 March 2018	**419**	**6**
At 31 March 2017	**435**	**6**

@@ - ₹ 0.38 crores

5. Capital work-in-progress includes exchange fluctuation of ₹ 57 crores (previous year ₹ 41 crores) and borrowing cost of ₹ 78 crores (previous year ₹ 128 crores).

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

6. Goodwill

₹in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Cost / deemed cost		
Balance at the beginning of the year	**1,637**	**1,673**
Translation reserve	5	(36)
Balance at the end of the year (a)	**1,642**	**1,637**
Accumulated amortisation and impairment		
Balance at the beginning of the year	**765**	**718**
Impairment (refer note 47)	166	64
Translation reserve	4	(17)
Balance at the end of the year (b)	**935**	**765**
Net book value (a-b)	**707**	**872**

Allocation of goodwill to Cash Generating Units (CGU's)

₹ in crores

CGU	As at 31 March 2018	As at 31 March 2017
Coal mines at West Virginia, USA	229	229
Iron ore mines at Chile	443	608
Others	35	35
Total	**707**	**872**

Alawest coal mines at West Virginia, USA

The recoverable amount of Alawest coal mines is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering the mining lease concession period, and a post-tax discount rate of 13.7% per annum.

Cash flow projections during the budget period are based on estimated coal extraction schedule and future prices of coal determined based on the average of coal prices published in various analyst reports. The projections do not consider growth rate in the coal prices from the year 2024-25 onwards.

Considering past trend of movement in coal prices, the management believes that the following changes in these key estimates would result into carrying amount exceeding the recoverable amount:

a) Decrease in coal prices by 1% would result into carrying amount exceeding the recoverable amount by ₹26 crores.

b) Decrease in extraction schedule by 5% would result into carrying amount exceeding the recoverable amount by ₹34 crores.

Iron ore mines at Chile (Bellavista and Vinita):

The recoverable amount of Bellavista iron ore mine is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering the mining lease concession period, and a post-tax discount rate of 14.8% per annum. Recoverable amount of Vinita mine has been determined through implied multiple of Bellavista reserve.

Cash flow projections during the budget period are based on estimated iron ore extraction schedule and future prices of iron ore determined based on the average of iron ore prices published in various analyst reports. The projections do not consider growth rate in the iron ore production schedule and iron ore prices from the year 2023-24 onwards.

Considering past trend of movement in iron ore prices, the management believes that the following changes in these key estimates would result into carrying amount exceeding the recoverable amount.

a) Decrease in iron ore prices by 1% would result into carrying amount exceeding the recoverable amount by ₹12 crores.

b) Decrease in extraction schedule by 5% would result into carrying amount exceeding the recoverable amount by ₹128 crores.

Notes

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7. Other Intangible assets

₹ in crores

Particulars	Computer software	Licences	Mining concession	Port concession	Total
Cost / deemed cost					
At 1 April 2016	**69**	**34**	**5**	**1**	**109**
Additions	13	-	-	-	13
Translation reserve	-	(2)	@	@@	(2)
At 31 March 2017	**82**	**32**	**5**	**1**	**120**
Additions	23	4	18	-	45
Translation reserve	-	@@@	@@@@	-	@@@@@
At 31 March 2018	**105**	**36**	**23**	**1**	**165**
Accumulated amortisation and impairment					
At 1 April 2016	**19**	**4**	**-**	**-**	**23**
Amortisation	21	4	-	-	25
At 31 March 2017	**40**	**8**	**-**	**-**	**48**
Amortisation	22	6	1	-	29
Translation reserve	-	1	-	-	1
At 31 March 2018	**62**	**15**	**1**	**-**	**78**
Net book value					
At 31 March 2018	**43**	**21**	**22**	**1**	**87**
At 31 March 2017	**42**	**24**	**5**	**1**	**72**

@- ₹ (0.11) crores; @@ - ₹ 0.02 crores; @@@ - ₹ 0.29 crores; @@@@ - ₹ 0.02 crores; @@@@@ - ₹ 0.31 crores

8. Investments in joint ventures

Particulars	Paid-up value	As at 31 March 2018		As at 31 March 2017	
		No. of shares	₹ in crores	No. of shares	₹ in crores
Investment in equity shares accounted for using equity method					
Joint ventures					
Gourangdih Coal Limited					
Equity shares	₹ 10 each	2,450,000	2	2,450,000	2
Add: Share of profit/(loss) (net)			@		@
			2		**2**
JSW MI Service Centre Private Limited					
Equity shares	₹ 10 each	66,500,000	67	42,839,800	43
Add: Share of profit/(loss) (net)			7		2
			74		**45**
JSW Severfield Structures Limited					
Equity shares	₹ 10 each	160,437,940	160	115,437,940	115
Add: Share of profit/(loss) (net)			(79)		(84)
			81		**31**
Rohne Coal Company Private Limited					
Equity shares	₹ 10 each	490,000	@@	490,000	@@
Add: Share of profit/(loss) (net)			@@@		@@@
			-		**-**
JSW Vallabh Tinplate Private Limited					
Equity shares	₹ 10 each	25,019,600	30	25,019,600	30
Add: Share of profit/(loss) (net)			1		2
			31		**32**
Vijayanagar Minerals Private Limited					
Equity shares	₹ 10 each	4,000	@@@@	4,000	@@@@
Add: Share of profit/(loss) (net)			2		2
			2		**2**

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Particulars	Paid-up value	As at 31 March 2018		As at 31 March 2017	
		No. of shares	₹ in crores	No. of shares	₹ in crores
Accialtalia S.P.A.					
Equity shares	Euro 3 each	17,675	12	17,675	12
Add: Share of profit/(loss) (net)			(12)		@@@@@
			-		**12**
Geo Steel LLC					
Investment			26		26
Add: Share of profit/(loss) (net)			144		102
			170		**128**
Total			**360**		**252**
Unquoted					
Aggregate book value			360		252

@ - ₹ 0.13 crores (previous year 0.12 crores)
@@ - ₹ 0.49 crores
@@@ - ₹ (0.49) crores
@@@@ - ₹ 40,000/-
@@@@@ - ₹ (0.22) crores

9. Investments (non-current)

	Particulars	Paid-up value	As at 31 March 2018		As at 31 March 2017	
			No. of shares	₹ in crores	No. of shares	₹ in crores
A	**Investment in equity instruments**					
	Fully paid-up					
	Quoted					
	(at fair value through other comprehensive income)					
	JSW Energy Limited	₹ 10 each	10,16,05,500	740	10,16,05,500	637
	Unquoted					
	(at fair value through other comprehensive income)					
	Tarapur Environment Protection Society	₹ 100 each	2,44,885	4	2,44,885	4
	Toshiba JSW Power Systems Private Limited	₹ 10 each	1,10,00,000	-	1,10,00,000	11
	MJSJ Coal Limited	₹ 10 each	1,04,61,000	9	1,04,61,000	9
	SICOM Limited	₹ 10 each	6,00,000	5	6,00,000	5
	Kalyani Mukand Limited	₹ 1 each	4,80,000	$	4,80,000	$
	Ispat Profiles India Limited	₹ 1 each	15,00,000	$	15,00,000	$
B	**Investments in preference shares**					
	Fully paid-up					
	Unquoted					
	(at fair value through profit or loss)					
	Joint ventures					
	Rohne Coal Company Private Limited					
	1% non-cumulative preference shares	₹ 10 each	2,36,42,580	-	2,36,42,580	1
	1% Series-A non-cumulative preference shares	₹ 10 each	71,52,530	7	71,52,530	7
	1% Series-B non-cumulative preference shares	₹ 10 each	11,26,686	1	6,41,286	1

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	Particulars	Paid-up value	As at 31 March 2018		As at 31 March 2017	
			No. of shares	₹ in crores	No. of shares	₹ in crores
	Others					
	JSW Investments Private Limited					
	8% Non-Cumulative Non-Convertible Preference shares #	₹ 10 each	10,00,00,000	41	10,00,00,000	151
C	**Investments in government securities**					
	(unquoted- Others) (at amortised cost)					
	National Savings Certificates					
	(pledged with commercial tax department)			@		@@
	Total			**807**		**826**
	Less: Aggregate amount of provision for impairment in the value of investments			(10)		(12)
	Total			**797**		**814**
	Quoted					
	Aggregate book value			740		637
	Aggregate market value			740		637
	Unquoted					
	Aggregate book value			57		177
	Investment at cost/deemed cost			@		@@
	Investment at fair value through other comprehensive income			758		666
	Investment at fair value through profit and loss			39		148

$ ₹1, @ - ₹ 0.15 crores, @@ - ₹ 0.13 crores

Terms of Preference shares have been changed during the year from '8% Cumulative Optionally Convertible Preference Shares' (originally due for maturity in January 2019) to '8% Non-Cumulative Non-Convertible Redeemable Preference Shares' (due for maturity in January 2029) with retrospective effect from the allotment date.

10. Loans (Unsecured)

₹ in crores

Particulars	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
Loans				
to related parties	59	61	5	1
to other body corporates	20	12	9	-
Security deposits	309	157	116	173
Less: Allowance for doubtful loans	(10)	-	(9)	-
Total	**378**	**230**	**121**	**174**
Note:				
Considered good	378	230	121	174
Considered doubtful, provided:				
Loans to other body corporates	9	-	9	-
Others	1	-	-	-

Notes

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11. Others financial assets (Unsecured)

₹ in crores

Particulars	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
Export benefits and entitlements	1	57	67	39
Insurance claim receivable	45	-	44	-
Advance towards equity and preference shares	121	-	24	-
Receivable for coal block development expenditure	117	-	117	-
Government grant income receivable	-	234	-	-
Indirect tax balances/ recoverable /credits	-	184	-	191
Others	11	131	-	130
Less: Allowance for doubtful advances	(2)	(76)	-	(75)
Total	**293**	**530**	**252**	**285**
Notes:				
Considered good	293	530	252	285
Considered doubtful, provided	2	76	-	75

12. Other assets (Unsecured)

₹ in crores

Particulars	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
Capital advances	1,186	-	497	-
Less: Allowances for doubtful advances	(9)	-	(9)	-
(A)	**1,177**	**-**	**488**	**-**
Other advances				
Advances to suppliers	174	1,133	152	1,080
Export benefits and entitlements	81	161	-	356
Advance coal royalty	46	-	60	-
Royalty for mining companies	23	-	35	-
Security deposits	34	51	32	69
Indirect tax balances/ recoverable /credits	1,322	2,150	1,058	1,323
Prepayments and others	146	104	133	151
Less: Allowances for doubtful advances	(122)	-	(66)	(11)
(B)	**1,704**	**3,599**	**1,404**	**2,968**
Total (A+B)	**2,881**	**3,599**	**1,892**	**2,968**
Notes:				
Capital advances				
Considered good	1,177	-	488	-
Considered doubtful	9	-	9	-
Other advances				
Considered good	1,704	3,599	1,404	2,968
Considered doubtful, provided				
Advance to suppliers	121	-	62	10
Security deposits	-	-	1	-
Others	1	-	3	1

Notes

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13. Inventories

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Raw materials (at cost)	6,263	4,703
Work-in-progress (at cost)	773	775
Semi-finished/ finished goods (at cost or net realisable value)	3,700	4,499
Production consumables and stores and spares (at cost)	1,858	1,418
Total	**12,594**	**11,395**
Notes:		
Details of stock-in-transit		
Raw materials	2,232	1,084
Semi-finished / finished goods	-	3
Production consumables and stores and spares	191	57
Total	**2,423**	**1,144**

Inventories have been pledged as security against certain bank borrowings, the details relating to which has been described in note 20 and 25.

14. Investments (Current)

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Mutual funds (Quoted)	312	300
Total	**312**	**300**
Quoted		
Aggregate book value	312	300
Aggregate market value	312	300

15. Trade receivables

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Secured, considered good	88	160
Unsecured, considered good	4,616	3,989
Doubtful	96	33
	4,800	**4,182**
Allowance for doubtful debts	(96)	(33)
Total	**4,704**	**4,149**

Ageing of receivables that are past due but not impaired

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
60 – 90 days	150	146
>90 <180 days	61	38
>180 days	241	210
Total	**452**	**394**

The credit period on sales of goods ranges from 7 to 60 days with or without security.

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed once a year.

Trade receivable have been given as collateral towards borrowings, the details relating to which has been described in notes 20 and 25.

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

16. (a) Cash and cash equivalents

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Balances with banks		
In current accounts	237	404
In term deposit accounts with maturity less than 3 months at inception	344	513
Cheques on hand	-	#
Cash on hand	1	@
Total	**582**	**917**

- ₹ 0.01 crores
@ - ₹ 0.44 crores

16. (b) Bank balance other than cash and cash equivalents

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Earmarked balances In current account	26	21
Balance with banks		
In term deposit accounts		
with maturity more than 3 months but less than 12 months at inception	146	534
with maturity more than 12 months at inception	20	6
In margin money	289	7
Total	**481**	**568**

Earmarked bank balance are restricted in use and it relates to unclaimed dividend.
Balance with banks held as margin money for security against the guarantee.

17. Derivative Assets

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Forward contract	84	209
Commodity contract	9	263
Interest rate swaps	37	17
Currency options	21	2
Total	**151**	**491**

18. Equity share capital

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Share capital	**Number of Shares**		**Amount (₹ in crores)**	
(a) Authorised				
Equity shares of the par value of ₹ 1 each	60,15,00,00,000	60,15,00,00,000	6,015	6,015
(b) Issued and subscribed				
(i) Outstanding at the beginning of the year, fully paid-up	2,41,72,20,440	2,41,72,20,440	242	242
(ii) Less: Treasury shares held under ESOP Trust	(1,09,88,860)	(1,42,35,750)	(1)	(2)
(iii) Outstanding at the end of the year, fully paid-up	2,40,62,31,580	2,40,29,84,690	241	240
(c) Equity shares forfeited (amount originally paid-up)			61	61
Total			**302**	**301**

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

Movement in treasury shares

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Shares of ₹1 each fully paid-up held under ESOP Trust	**Number of shares**		**Amount (₹ in crores)**	
Equity shares as at 1 April	1,42,35,750	1,84,88,170	2	2
Changes during the year	(32,46,890)	(42,52,420)	@	@
Equity shares as at 31 March	1,09,88,860	1,42,35,750	1	2

@ - ₹ (0.32) crores (previous year – ₹ (0.43) crores)

a) 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.

b) SHAREHOLDERS HOLDING MORE THAN 5% SHARE IN THE Company ARE SET OUT BELOW

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	% of shares	No. of Shares	% of shares
Equity shares				
JFE Steel International Europe BV	36,25,83,070	15.00%	36,25,83,070	15.00%
JSW Holdings Limited	17,73,06,230	7.34%	17,57,94,230	7.27%
Vividh Finvest Private Limited (formerly known as Vividh Consultancy and Advisory Services Private Limited)	14,07,26,690	5.82%	13,98,66,690	5.79%
JSW Techno Projects Management Limited	22,93,26,950	9.49%	22,93,26,950	9.49%

c) NOTE FOR SHARES HELD UNDER ESOP TRUST:

For the details of shares reserved for issue under the employee stock ownership plan (ESOP) of the Company. (refer note 38)

d) SHARES ALLOTTED AS FULLY PAID-UP PURSUANT TO CONTRACTS WITHOUT PAYMENT BEING RECEIVED IN CASH DURING THE PERIOD OF FIVE YEARS IMMEDIATELY PRECEDING THE DATE OF THE BALANCE SHEET ARE AS UNDER

186,048,440 Equity shares fully paid-up to the shareholders of the erstwhile JSW Ispat Steel Limited pursuant to a Composite Scheme of Amalgamation and Arrangement was sanctioned by the Hon'ble Bombay High Court vide its Order dated 3 May 2013. The scheme was effective from 1 July 2012 being the appointed date. The Record Date fixed by the Company for the aforesaid allotments was 12 June 2013.

19. Other equity

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
General reserve (refer note (i) below)	10,281	10,420
Retained earnings	7,528	1,735
Other comprehensive income		
Equity instruments through other comprehensive income	478	386
Effective portion of cash flow hedges (refer note (ii) below)	10	273
Foreign currency translation reserve (refer note (iii) below)	(518)	(527)
Foreign currency monetary item translation difference account (FCMITDA) (refer note (iv) below)	(25)	(4)
Other reserves		
Capital reserve (refer note (v) below)	3,585	3,585
Capital redemption reserve (refer note (vi) below)	149	10
Capital reserve on bargain purchase	609	605
Securities premium reserve	5,417	5,417
Debenture redemption reserve (refer note (vii) below)	141	433
Equity settled share based payment reserve (refer note (viii) below)	41	13
Total	**27,696**	**22,346**

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

(i) General reserve

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10.0% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year.

Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit or loss account to the General reserves.

(ii) Effective portion of cash flow hedges

Effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policy.

(iii) Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Currency Units) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gains and losses on hedging instruments that are designated as hedging instruments for hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

(iv) Foreign currency monetary item translation difference account (FCMITDA)

The Group has continued with the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the consolidated financial statements prepared under previous GAAP for the year ended 31 March, 2016. The reserve pertains to exchange differences relating to long-term foreign currency monetary items in so far as they do not relate to acquisition of depreciable capital assets, which are accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and amortised in the Statement of Profit and Loss over the balance period of such long-term foreign currency monetary items.

(v) Capital reserve

Reserve is created primarily on amalgamation as per statutory requirement.

(vi) Capital redemption reserve

Reserve is created on redemption of preference shares as per statutory requirement.

(vii) Debenture redemption reserve

The Indian Companies Act requires companies that issue debentures to create a debenture redemption reserve (DRR) from annual profits until such debentures are redeemed. Companies are required to maintain 25% as a reserve of outstanding redeemable debentures. Accordingly, the Company creates DRR at 25% in the penultimate year to the year in which the repayment obligation arises on the Company. The amounts credited to the debenture redemption reserve will not be utilised except to redeem debentures.

(viii) Equity settled share based payment reserve

The Group offers ESOP under which options to subscribe for the Company's share have been granted to certain employees and senior management. The share based payment reserve is used to recognise the value of equity settled share based payments provided as part of the ESOP scheme.

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

20. Borrowings

₹ in crores

Particulars	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
Bonds (unsecured)	6,504	-	3,242	-
Debentures (secured)	4,141	563	4,703	1,648
Term loans:				
Secured	12,905	2,815	16,084	1,414
Unsecured	6,475	1,570	6,109	2,692
Deferred government loans	77	21	88	15
Other loans:				
Finance lease obligations	1,560	221	1,781	200
Preference shares (unsecured)	208	383	595	140
Unamortised upfront fees on borrowing	(147)	(80)	(186)	(72)
Total	**31,723**	**5,493**	**32,416**	**6,037**
Less: Amount clubbed under Other financial liabilities (refer note 28)	-	(5,493)	-	(6,037)
Total	**31,723**	**-**	**32,416**	**-**

Details of security and terms of repayment

₹ in crores

As at 31 March 2018		As at 31 March 2017		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
Bonds (Unsecured)					
3,252	-	3,242	-	5.25% Repayable on 12 November 2019	
3,252	-	-	-	4.75% Repayable on 13 April 2022	
6,504	**-**	**3,242**	**-**		
Debentures (secured)					
1,000	-	1,000	-	10.02% secured NCDs of ₹ 10,00,000 each are redeemable in two tranches: a. ₹ 500 crores on 19 July 2023 b. ₹ 500 crores on 20 May 2023	First *pari passu* charge on 3.8 mtpa property, plant and equipment located at Vijayanagar Works, Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
180	-	180	-	8.75% Secured NCDs of ₹ 10,00,000 each is redeemable on 10 February 2022.	Secured/to be secured by way of first ranking charge on all movable and immovable property, plant and equipment both present and future and on lease hold rights over immovable property of pellet project situated at Village JuiBapuji, Taluka Alibaug, District Raigad, Maharashtra.
120	-	120	-	8.65% Secured NCDs of ₹ 10,00,000 each aggregating ₹ 120 crores is redeemable on 12 May 2020.	Secured by way of first ranking charge on all movable and immovable property, plant and equipment both present and future and on lease hold rights over immovable propoerty of pellet project situated at Village JuiBapuji, Taluka Alibaug, District Raigad, Maharashtra.

Notes

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₹ in crores

As at 31 March 2018		As at 31 March 2017		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
1,000	-	1,000	-	10.34% secured NCDs of ₹ 10,00,000 each are redeemable in three tranches: a) ₹ 330 crores on 18 January 2022 b) ₹ 330 crores on 18 January 2023 c) ₹ 340 crores on 18 January 2024	First *pari passu* charge on property, plant and equipment related to 2.8 mtpa expansion project located at Vijayanagar Works, Karnataka and a flat at Vasind, Maharashtra.
400	-	400	-	9.72% secured NCDs of ₹ 10,00,000 each are redeemable on 23 December 2019.	First *pari passu* charge on 3.2 mtpa property, plant and equipment located at Vijayanagar Works, Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
700	-	700	-	Secured zero coupon NCDs shall be redeemed at a premium of 12.15% p.a. accrued quarterly on 22 October 2019.	Secured by way of pledge of 40,000,000 equity shares of a subsidiary, held by JSW Steel Limited.
250	-	250	-	10.40% secured NCDs of ₹ 10,00,000 each are redeemable on 19 August 2019.	First *pari passu* charge on 3.2 mtpa property, plant and equipment located at Vijayanagar Works, Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
425	-	425	-	10.60% secured NCDs of ₹ 10,00,000 each are redeemable on 19 August 2019.	First *pari passu* charge on 3.2 mtpa property, plant and equipment located at Vijayanagar Works, Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	300	300	-	9.665% secured NCDs of ₹ 10,00,000 each are redeemable on 23 December 2018.	First *pari passu* charge on 3.2 mtpa property, plant and equipment located at Vijayanagar Works, Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	175	175	-	10.50% secured NCDs of ₹ 10,00,000 each are redeemable on 19 August 2018.	First *pari passu* charge on 3.2 mtpa property, plant and equipment located at Vijayanagar Works, Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	-	-	167	10.25% secured NCDs of ₹ 3,33,333 each are redeemed on 17 February 2018.	*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.

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to the Consolidated Financial Statements as at and for the year ended 31 March 2018

₹ in crores

As at 31 March 2018		As at 31 March 2017		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
-	-	-	300	9.62% secured NCDs of ₹ 10,00,000 each are redeemed on 23 December 2017.	First *pari passu* charge on 3.2 mtpa property, plant and equipment located at Vijayanagar Works, Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	-	-	200	10.20% secured NCDs of ₹ 10,00,000 each are redeemed on 11 September 2017.	First *pari passu* charge on 3.8 mtpa property, plant and equipment located at Vijayanagar Works, Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	-	-	500	10.20% secured NCDs of ₹ 10,00,000 each are redeemed on 5 September 2017.	First *pari passu* charge on 3.8 mtpa property, plant and equipment located at Vijayanagar Works, Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	-	-	175	10.40% secured NCDs of ₹ 10,00,000 each are redeemed on 19 August 2017.	First *pari passu* charge on 3.2 mtpa property, plant and equipment located at Vijayanagar Works, Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
44	44	88	44	10.60% secured NCDs of ₹ 7,50,000 each are redeemable in 4 half yearly instalments of ₹21.875 crores each from 2 August 2018 to 2 August 2020.	*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 property, plant and equipment of the new 5 mtpa Hot Strip Mill at Vijayanagar Works, Karnataka.
22	44	65	44	10.60% secured NCDs of ₹ 6,25,000 each are redeemable in 3 half yearly instalments of ₹21.875 crores each from 2 July 2018 to 2 July 2019.	*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 property, plant and equipment of the new 5 mtpa Hot Strip Mill at Vijayanagar Works, Karnataka.
-	-	-	125	10.10% secured NCDs of ₹ 2,50,000 each are redeemed on 15 March 2018.	*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.
-	-	-	93	10.10% secured NCDs of ₹ 1,87,500 each are redeemed on 4 November 2017.	*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.
4,141	**563**	**4,703**	**1,648**		

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₹ in crores

As at 31 March 2018		As at 31 March 2017		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
Term loans - secured				**Weighted average interest rate as on 31 March 2018 is 8.18%**	
712	38	750	-	8 Quarterly instalments of ₹ 18.75 crores each from 31 October 2018 – 31 July 2020. 16 Quarterly instalments of ₹ 37.50 crores each from 31 October 2020 – 31 July 2024.	First charge on property, plant and equipment situated at Dolvi works, Maharashtra.
875	100	975	25	7 Quarterly instalment of ₹ 25 crore each from 30 June 2018 – 31 December 2019. 16 Quarterly instalment of ₹ 50 crore each from 31 March 2020 – 31 December 2023.	First charge on 3.2 mtpa expansion property, plant and equipment situated at Vijayanagar Works Karnataka.
1,094	62	1,106	113	10 Quarterly instalments of ₹ 15.625 crores each from 30 April 2018 – 31 July 2020 4 Quarterly instalments of ₹ 62.50 crores each from 31 October 2020 – 31 July 2021 8 Quarterly instalments of ₹ 93.75 crores each from 31 October 2021 – 31 July 2023	First charge on property, plant and equipment situated at Dolvi works, Maharashtra.
962	75	1,037	50	3 quarterly instalments of ₹ 12.5 crores each from 30 July 2018 – 31 December 2018 12 quarterly instalments of ₹ 37.5 crores each from 31 March 2019 – 31 December 2021 4 quarterly instalments of ₹ 43.75 crores each from 31 March 2022 – 31 December 2022 2 quarterly instalments of ₹ 187.5 crores each from 31 March 2023 – 30 June 2023	First *pari passu* charge on 3.8 mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka.
1,600	150	1,750	100	2 Quarterly instalments of ₹ 25 crore each from 30 June 2018 – 30 September 2018 10 Quarterly instalments of ₹ 50 crore each from 31 December 2018 – 31 March 2021 4 Quarterly instalments of ₹ 125 crore each from 30 June 2021 – 31 March 2022 2 Quarterly instalments of ₹ 350 crore each from 30 June 2022- 30 September 2022.	First charge on property, plant and equipment situated at Dolvi works, Maharashtra.

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₹ in crores

As at 31 March 2018		As at 31 March 2017		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
650	150	800	50	12 quarterly instalments of ₹ 37.5 crores each from 30 June 2018 – 31 March 2021 4 quarterly instalments of ₹ 43.75 crores each from 30 June 2021 – 31 March 2022 2 quarterly instalments of ₹ 87.5 crores each from 30 June 2022 – 30 September 2022.	First *pari passu* charge on 3.8 mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka.
1,094	192	1,286	192	14 quarterly instalments of ₹ 48 crores each from 30 June 2018 – 30 September 2021 9 quarterly instalments of ₹ 64 crores each from 31 December 2021 – 31 December 2023 1 quarterly instalment of ₹ 38.35 crores each on 31 December 2024.	First charge on entire movable and immovable property, plant and equipment situated at Dolvi works, Maharashtra (excluding those specifically charged and equipment/machinery procured out of proceeds of ECA/ ECB/ FCL) both present and future.
213	50	313	-	21 Quarterly instalments of ₹ 12.5 crores each from 30 June 2018 – 30 June 2023.	First charge on property, plant and equipment situated at Dolvi works, Maharashtra.
340	75	415	55	₹ 15 crores on 30 June 2018 4 quarterly instalments of ₹ 20 crores each from 30 September 2018 – 30 June 2019 4 quarterly instalments of ₹ 35 crores each from 30 September 2019 – 30 June 2020 4 quarterly instalments of ₹ 45 crores each from 30 September 2020 – 30 June 2021	First charge on 3.2 mtpa expansion property, plant and equipment (other than assets specifically carved out) situated at Vijayanagar Works, Karnataka
425	75	500	-	20 quarterly instalments of ₹ 25 crores each from 3 September 2018 – 1 June 2023	First charge on 3.2 mtpa expansion property, plant and equipment situated at Vijayanagar Works, Karnataka
675	712	1,388	112	₹ 37.50 crores on 30 June 2018 4 quarterly instalments of ₹ 225 crores each from 30 September 2018- 30 June 2019 4 quarterly instalments of ₹ 37.50 crores each from 30 September 2019- 30 June 2020 2 quarterly instalments of ₹ 150 crores each from 30 September 2020- 31 December 2020	First charge on 3.2 mtpa expansion property, plant and equipment (other than assets specifically carved out) situated at Vijayanagar Works, Karnataka

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₹ in crores

As at 31 March 2018		As at 31 March 2017		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
450	38	-	-	4 quarterly instalments of ₹ 9.375 crores each from 30 June 2018-31 March 2019 8 quarterly instalments of ₹ 18.75 crores each from 30 June 2019-31 March 2021 12 quarterly instalments of ₹ 25 crores each from 30 June 2021-31 March 2024	First *pari passu* charge on 3.8 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
219	31	-	-	16 quarterly instalments of ₹ 15.625 crores each from 31 December 2018 to 30 September 2022	First *pari passu* charge on 3.8 mtpa property, plant and equipment located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
650	100	750	100	Repayable in 10 quarterly instalments of ₹ 25 crores each from 30 June 2018 to 30 September 2020 12 quarterly instalments of ₹ 30 crores each from 31 December 2020 to 30 September 2023 4 quarterly instalments of ₹ 35 crores each from 31 December 2023 to 30 September 2024	First charge on entire immovable and movable property, plant and equipment of the respective entity both present and future
77	35	81	18	Repayable in equal monthly instalment in 10 Years	Secured by way of equitable mortgage by deposit of title deeds of project assets and by way of mortgage of Phase III of JSW township at Basapur village site, extention of mortgage of phase I & II of housing colony at torangallu, assignment of receivables from the property financed and comfort letter from the parent for loan repayment.
213	58	271	118	16 quarterly instalments of ₹ 14.57 from 30 July 2018 to 31 March 2022. 4 quarterly instalments of ₹ 9.65 crores from 30 June 2022 to 31 March 2023.	First ranking charge / mortgage / collateral on all movable and immovable property, plant and equipment both present and future and on lease hold rights over immovable property of coke oven project situated at Village JuiBapuji, Taluka Alibag, District Raigad, Maharashtra.
300	86	386	86	18 quarterly instalments of ₹ 21.428 crores from 30 June 2018 to 30 September 2022.	First ranking charge / mortgage / security interest on all movable and immovable property, plant and equipment both present and future and on lease hold rights over immovable property of pellet project situated at Village JuiBapuji Taluka Ali bag, District Raigad, Maharashtra.

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₹ in crores

As at 31 March 2018		As at 31 March 2017		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
553	85	638	85	4 quarterly instalments of ₹21.25 crore each from 30 April 2018 to 31 January 2019. 4 quarterly instalments of ₹23.91 crore each from 30 April 2019 to 31 January 2020. 12 quarterly instalments of ₹26.56 crore each from 30 April 2020 to 31 January 2023. 2 quarterly instalments of ₹69.06 crore each from 30 April 2023 to 31 July 2023.	First charge by way of legal mortgage on 2400sq. feet land at Toranagallu village in the state of Karnataka. First charge on the entire property, plant and equipment of the Company situated at Vasind, Tarapur and Kalmeshwar both present and future.
260	-	-	-	7 equal six-monthly instalments of principal payable from 31 July 2019 to 31 July 2022.	First pari-passu charge over all of the property, plant and equipment (other than specifically carved out assets) consisting of land and building with all other erections and structures thereon as well as plant and machineries along with spares tools and accessories both present and future.
-	-	73	145	Prepaid on 17 April 2017	Secured by all assets of the Company
134	79	212	-	₹ 35 crores on 24 May 2018 ₹ 178 crores is repayable in 16 quarterly instalments of ₹ 11 crores from 30 June 2018 to 31 March 2022.	First ranking charge / mortgage on all movable and immovable property, plant and equipment both present and future and on lease hold rights over immovable property of coke oven project situated at Village JuiBapuji, Taluka Alibag, District Raigad, Maharashtra.
312	104	415	52	Repayable in 3 instalments USD 16 mio (equivalent ₹ 104.07 crores) in March 2019. USD 24 mio each (equivalent ₹ 156.11 crores) in March 2020 and March 2021	Secured by CRM 1 assets at Vijayanagar both present and future.
867	434	2,594	-	3 equal annual instalments of USD 66.67 mio each (equivalent ₹ 433.64 crores) from October 2018 to October 2020.	Secured through an unconditional and irrevocable standby letter of credit to the bank based on the guarantee by JSW Steel Limited, India.
-	-	259	-	Prepaid on 17 April 2017	Secured by a guarantee issued by ultimate parent JSW Steel Limited. The loan is further secured by second charge on assets of Company's 90% subsidiary.
-	85	85	113	3 quarterly instalments of USD 4.375 mio	Secured by first charge on all the assets of the respective entity.

Notes

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₹ in crores

As at 31 March 2018		As at 31 March 2017		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
3	1	-	-	42 varing instalments commencing from April 2018 to September 2021	Secured against equipments for its Preparation plant
227	-	-	-	28 equal quarterly instalment of USD 1.25 mio (equivalent ₹ 8.13 crore) each from 30 September 2019 to 30 June 2026.	First *pari-passu* charge on 1.5 MTPA coke oven plant at Dolvi
12,905	**2,815**	**16,084**	**1,414**	**Total secured**	
Term loans – unsecured				**Weighted average interest rate as on 31 March 2018- 4.66%**	
-	250	250	-	2 quarterly instalments of ₹ 125 crores each from 30 June 2018 to 30 September 2018	
-	400	-	-	₹ 150 crores on 31 July 2018 and ₹250 crores 31 December 2018	
-	250	-	-	₹ 50 crores on 15 November 2018, ₹ 200 crores each from 15 December 2018	
-	75	-	-	3 monthly instalments of ₹ 25 crore each from 15 October 2018 to 15 December 2018	
634	188	819	187	7 half yearly instalments of ₹ 54.10 crores each from 31 May 2018 to 31 March 2021. 11 half yearly instalments of ₹ 34.57 crores each from 30 April 2018 to 30 April 2023 12 half yearly instalments of ₹ 5.26 crores each from 18 September 2018 to 18 March 2024.	
62	12	74	12	12 half yearly instalments of ₹ 6.19 crores each from 28 August 2018 to 28 February 2024	
116	19	131	18	12 half yearly instalments of ₹ 2.93 crores each from 31 July 2018 to 31 January 2024. 13 half yearly instalments of ₹ 1.04 crores each from 30 April 2018 to 30 April 2024 16 semi-annual instalments of ₹1.97 crores each from 25 September 2018 to 25 March 2026 16 semi-annual instalments of ₹1.96 crores each from 25 September 2018 to 25 March 2026. 17 semi-annual instalments of ₹1.375 crores each from 25 June 2018 to 25 June 2026.	

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

₹ in crores

As at 31 March 2018		As at 31 March 2017		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
58	12	69	12	12 half yearly instalments of ₹ 5.80 crores each from 30 September 2018 to 31 March 2024	
1,626	-	1,621	-	Repayable on 20 March 2020	
361	73	423	71	11 half yearly instalments of ₹ 15.91 crores each from 19 July 2018 to 19 July 2023 and 1 half yearly instalment of ₹ 15.90 crores on 19 January 2024. 3.39% 11 half yearly instalments of ₹ 20.72 crores each from 19 July 2018 to 19 July 2023 and 1 half yearly instalment of ₹ 15.74 crores on 19 January 2024.	
198	34	227	33	13 equal semi-annual instalments of ₹ 5.59 crores each from 9 July 2018 to 9 July 2024 and 1 semi-annual instalment of ₹ 4.92 crores on 9 January 2025 13 equal semi-annual instalments of ₹ 11.22 crores each from 9 July 2018 to 9 July 2024 and 1 semi-annual instalment of ₹ 8.13 crores on 9 January 2025	
313	9	321	9	13 equal semi-annual instalments of ₹2.97 crores each from 25 September 2018 to 25 September 2024 and 1 semi-annual instalment of ₹ 2.51 crores on 25 March 2025 3 equal annual instalments of ₹ 86.73 from 13 August 2019 to 13 August 2021 14 equal semi-annual instalments of ₹ 1.46 crores each from 25 September 2018 to 25 March 2025	
-	85	80	80	1 yearly instalment of ₹ 85 crores on 26 July 2018.	
-	-	-	363	Repaid on 28 August 2017.	
-	-	-	1,459	Repaid on 26 June 2017	
48	10	49	8	12 equal semi-annual instalments of ₹ 4.82 crores each from 15 June 2018 to 15 December 2023.	

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

₹ in crores

As at 31 March 2018		As at 31 March 2017		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
463	98	560	-	Repayable in 3 tranches: a) ₹ 98 crores on 27 April 2018 b) ₹ 225 crores on 27 April 2020 c) ₹ 238 crores on 27 April 2021	
66	8	60	7	18 semi-annual instalments of ₹4.132 crores each from 31 July 2018 to 31 January 2027	
976	-	973	-	3 equal instalments of ₹ 325.22 crores each on 2 April 2020, 21 September 2020 and 21 March 2021	
586	-	357	-	Repayable in 3 tranches: a) ₹ 325 crores on 21 February 2022 b) ₹ 33 crores on 6 March 2022 c) ₹ 228 crores on 3 July 2022	
650	-	-	-	4 annual instalments of ₹162.61 crores from 12.10.2021 to 12.11.2024	
85	11	95	12	16 semi-annual instalments of ₹4.07 crores each from 30 July 2018 to 31 January 2026 16 semi-annual instalments of ₹1.904 crores each from 30 August 2018 to 28 February 2026	
33	-	-	-	Repayable in 3 equal annual repayments of $1.67 million (equivalent ₹ 11 crores each) from 28 March 2023 to 28 March 2025	
194	34	-	421	Repayable in 3 tranches: USD 5 mio is repayable on 9 March 2019 USD 5 mio is repayable on 9 March 2020 USD 25 mio is repayable on 9 March 2021	
6	2	-	-	5 equal annual instalments of USD 0.24 mio each	
6,475	**1,570**	**6,109**	**2,692**	**Total unsecured**	

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

₹ in crores

As at 31 March 2018		As at 31 March 2017		Terms of Repayments	Security
Non-current	Current	Non-current	Current		
Deferred government loans (unsecured)					
65	18	73	12	42 varying monthly instalments starting from 30 April 2018 to 31 August 2021.	
1	1	2	2	5 equal annual instalments till June 2019	
11	2	13	1	6 equal annual instalments starting after 12 years of disbursement till July 2031	
77	**21**	**88**	**15**	**Total**	
Finance lease obligations					
1,560	**221**	**1,781**	**200**	Refer note 46	
Preference shares (unsecured)					
-	140	140	140	10% CRPS, Redeemable at par in 2 quarterly instalments starting from 15 June 2018	
195	243	397	-	0.01% CRPS, Redeemable at par in 8 quarterly instalments starting from 15 June 2018	
13	-	58	-	10% non-cumulative, Redeemable at their face value after 15 years from the date of allotment at 20% per annum pn or before 31 March of each year starting from the 16th year and ending on or before 31 March of the 20th year.	
208	**383**	**595**	**140**		

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

21. Other financial liabilities (Non-current)

₹ in crores

Particulars	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
Rent and other deposits	22	98	63	-
Retention money for capital projects	30	378	14	283
Premium on redemption of debentures	355	-	236	-
Acceptance for capital projects	505	-	169	-
Other payables	7	-	4	105
Total	**919**	**476**	**486**	**388**
Less: Amount clubbed under Other financial liabilities (refer note 28)	-	(476)	-	(388)
Total	**919**	**-**	**486**	**-**

Acceptance for capital projects include credit availed by the group from banks for payment to suppliers for capital items purchased by the Group and these arrangements are interest-bearing.

22. Provisions

₹ in crores

Particulars	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
Provision for employee benefits				
Provision for compensated absences (refer note 40)	87	33	80	30
Provision for gratuity (refer note 40)	36	139	4	161
Other provisions				
Provision for contingency	2	-	2	-
Mine closure provision	12	-	9	-
Others	1	12	2	11
Total	**138**	**184**	**97**	**202**

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Provision for contingency		
Balance as at the beginning of the year	2	15
Utilisation during the year	-	(13)
Balance as at the end of the year	**2**	**2**
Mine closure provision		
Balance as at the beginning of the year	9	10
Created during the year	3	-
Movement on account of exchange rate variation	-	(1)
Balance as at the end of the year	**12**	**9**
Others		
Balance as at the beginning of the year	13	13
Movement during the year	-	-
Balance as at the end of the year	**13**	**13**

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

23. Income tax

India

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on 1 April and ending on 31 March. For each fiscal year, the respective entities profit or loss is subject to the higher of the regular income tax payable or the Minimum Alternative Tax ('MAT').

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income Tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, deduction for tax holidays, the set-off of tax losses and depreciation carried forward and retirement benefit costs. Statutory income tax is charged at 30% plus a surcharge and education cess. MAT is assessed on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. MAT for the fiscal year 2017-18 is 21.34%. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a period of fifteen years succeeding the fiscal year in which MAT credit arises subject to the limits prescribed.

In the Financial Budget 2018, Education Cess has been increased from 3% to 4% thereby increasing the corporate tax rates from 34.61% to 34.94% from financial year onwards.

There are various tax exemptions or tax holidays available to companies in India. The most important to the components of the Group is:

Deductions in respect of profits and gain from industrial undertaking like Captive Power Plants ('CPP') and infrastructural facilities like Railway Sliding and Water Supply System.

The tax holiday in respect of entire profit of above industrial undertaking and facilities are available for 10 consecutive years out of 15/20 years from the year in operation of the infrastructural facility begins.

United States of America (USA)

Some of the subsidiaries of the Group are a C corporation for federal tax purposes and files a consolidated tax return. The subsidiaries records income taxes pursuant to the liability method and the applicable tax rate is 21%.

a) Income tax expense/(benefit)

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current tax		
Current tax	1,846	210
Tax reversal pertaining to earlier years	(20)	(58)
Total	**1,826**	**152**
Deferred tax		
Deferred tax	1,348	1,685
MAT credit entitlement	(1,656)	(54)
(Restoration)/reversal of MAT credit entitlement	20	(109)
Total	**(288)**	**1,522**

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current tax		
India	1,826	152
Total	**1,826**	**152**
Deferred tax		
India	1,068	1,593
United States of America	(1,356)	(68)
Others	-	(3)
Total	**(288)**	**1,522**

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before tax	7,609	5,128
Enacted tax rate in India	34.608%	34.608%
Expected income tax expense at statutory tax rate	**2,634**	**1,775**
Expenses not deductible in determining taxable profits	175	40
Income exempt from taxation	(232)	(138)
Tax holiday and similar concessions	(9)	(100)
Effect of different tax rates of subsidiaries in other jurisdictions	120	85
Effect on opening deferred taxes resulting from tax rate changes (refer note below)	(572)	-
Minimum alternate tax	-	(109)
Deferred tax assets not recognised	(51)	70
Dividend distribution tax	46	(16)
Effect of recognition of deferred tax assets on unused tax losses (refer note below)	(729)	-
Others	156	67
Total	**1,538**	**1,674**
Effective tax rate	**20.22%**	**32.65%**

There are certain income-tax related legal proceedings which are pending against the Group. Potential liabilities, if any have been adequately provided for, and the Group does not currently estimate any probable material incremental tax liabilities in respect of these matters (refer note 43).

In view of the improving operational performance of components based in the United States of America (USA), the Group during the year ended 31 March 2018 has recognised a deferred tax asset amount to ₹ 729 crores on the unused tax losses to the extent the components has sufficient taxable temporary differences.

Pursuant to the enactment of Tax Cuts and Jobs Act by the USA on 22 December 2017, the corporate income tax rate for components of Group based in USA has been reduced to 21% resulting in a reversal of deferred tax liabilities amounting to ₹ 572 crores during the year.

b) Deferred tax assets / (liabilities)

The following is the analysis of deferred tax assets / (liabilities) balances presented in the balance sheet:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred tax liabilities	(2,604)	(3,074)
Deferred tax assets	48	84
Total	**(2,556)**	**(2,990)**

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

Significant component of deferred tax assets / (liabilities) and movement during the year are as under:

₹ in crores

Deferred tax balance in relation to	As at 31 March 2017	Acquired pursuant to business combination	For the year ended 31 March 2018			As at 31 March 2018
			Recognised / reversed through profit and loss	Recognised in / reclassified from OCI	Others	
Property, plant and equipment	(11,325)	-	562	-	1	(10,762)
Carried forward business loss/ unabsorbed depreciation	4,300	-	(1,984)	-	5	2,321
Expense deductible on payment basis	325	-	116	2	-	443
Minimum alternate tax (MAT) credit	2,837	-	1,636	-	-	4,473
Cashflow hedges / FCMITDA	(142)	-	11	150	-	19
Finance lease obligations	744	-	(32)	-	-	712
Others	271	-	(21)	-	(12)	238
Total	**(2,990)**	**-**	**288**	**152**	**(6)**	**(2,556)**

₹ in crores

Deferred tax balance in relation to	As at 1 April 2016	Acquired pursuant to business combination	For the year ended 31 March 2017			As at 31 March 2017
			Recognised / reversed through profit and loss	Recognised in / reclassified from OCI	Others	
Property, plant and equipment	(10,158)	(42)	(1,154)	-	29	(11,325)
Carried forward business loss/ unabsorbed depreciation	3,565	-	735	-	-	4,300
Expense deductible on payment basis	1,708	-	(1,390)	7	-	325
Minimum alternate tax (MAT) credit	2,674	-	163	-	-	2,837
Cashflow hedges / FCMITDA	81	-	-	(223)	-	(142)
Finance lease obligations	572	-	172	-	-	744
Others	318	2	(48)	-	(1)	271
Total	**(1,240)**	**(40)**	**(1,522)**	**(216)**	**28**	**(2,990)**

The Group offsets deferred tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and relates to income taxes levied by the same tax authority.

Deferred tax assets on carry forward business loss/ unabsorbed depreciation have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax asset at respective entities.

The deferred tax liabilities on temporary differences associated with investment in subsidiaries which have not been recognised aggregate to ₹ 216 crores (31 March 2017: ₹ 146 crores), where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group expects to utilise the MAT credit within a period of 15 years.

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

Expiry schedule of losses on which deferred tax assets is not recognised is as under

₹ in crores

Expiry of losses (as per local tax laws)	2018-19	2019-20	2020-21	2021-22	2022-23	Beyond 5 years	Indefinite	Total
I. Business losses	64	70	76	76	83	308	303	980
II. Unabsorbed depreciation	-	-	-	-	-	-	60	60
III. Long-term capital losses	-	-	-	203	3	-	-	206
IV. Short-term capital losses	-	-	-	-	@	-	-	@
Total	**64**	**70**	**76**	**279**	**86**	**308**	**363**	**1,246**

@ - ₹ 0.07 crores

24. Other non-current liabilities

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Deposits for township property	13	17
Share warrants	14	14
Export obligation deferred income*	101	21
Other payables	8	3
Total	**136**	**55**

* Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme and Special Economic Zone (SEZ) scheme on purchase of property, plant and equipment accounted for as government grant and being amortised over the useful life of such assets.

25. Borrowings (current)

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Loan repayable on demand		
Working capital loans from banks (secured)		
Rupee loans	162	57
Foreign currency loans	96	-
Foreign currency loans from bank (unsecured)	662	103
Rupee term loans from banks (unsecured)	24	405
Commercial papers (unsecured)	1,233	4,316
Total	**2,177**	**4,881**

Borrowing have been drawn at following rate of interest

Particulars	Rates of interest
Working capital loans from banks	8.45% p.a. to 9.45% p.a.
Commercial Papers	7.12% p.a. to 7.25% p.a.
EPC	8.30% p.a.
PCFC	2.30% p.a. to 3.25% p.a

Working capital loans of ₹ 258 crores (31 March 2017 – ₹ 57 crores) are secured by:

i) *pari passu* first charge by way of hypothecation of stocks of raw materials, finished goods, work-in-process, consumables (stores and spares) and book debts / receivables of the Company and the respective subsidiary, both present and future.

ii) *pari passu* second charge on movable properties and immovable properties forming part of the property, plant and equipment of the Company and the respective subsidiary, both present and future except such properties as may be specifically excluded.

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

26. Trade payables

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Acceptances	9,033	9,502
Other than acceptances	6,911	3,846
Total	**15,944**	**13,348**

Acceptances include credit availed by the Group from banks for payment to suppliers for raw materials purchased by the Group. The arrangements are interest-bearing and are payable within one year.

Other than acceptances payables are normally settled with 1 to 180 days.

27. Derivative Liabilities

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Forward contract	45	273
Commodity contract	45	39
Interest rate swaps	5	@
Currency options	1	106
Total	**96**	**418**

@ - ₹ 0.19 crores

28. Other financial liabilities (Current)

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Current maturities of long-term borrowings (refer note 20)	5,272	5,837
Current maturities of finance lease obligations (refer note 20)	221	200
Current dues of other financial liabilities (refer note 21)	476	388
Payables for capital projects		
Acceptances	716	1,015
Other than acceptances	633	771
Interest accrued but not due on borrowings	431	437
Payables to employees	152	138
Unclaimed matured debentures and accrued interest thereon	@	@
Unclaimed dividends	23	18
Unclaimed amount of sale proceeds of fractional shares	3	3
Others (includes forward contract payable, dharmada payable etc.)	688	650
Total	**8,615**	**9,457**

@ - ₹ 0.38 crores

Acceptance includes credit availed by the group from banks for payment to suppliers for capital items. The arrangements are interest-bearing and are payable within one year.

29. Other current liabilities

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Advances from customers	370	377
Statutory liabilities	1,012	670
Export obligation deferred income *	167	156
Others	15	6
Total	**1,564**	**1,209**

* Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme and Special Economic Zone (SEZ) scheme on purchase of property, plant and equipment accounted for as government grant and being amortised over the useful life of such assets.

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

30. Revenue from operations

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products (a)	**70,091**	**59,560**
Other operating revenues		
Government grant income (including gain on prepayment of deferred government loan)	1,157	778
Miscellaneous income	255	198
Total (b)	**1,412**	**976**
Total (a+b)	**71,503**	**60,536**

(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 year ended 31 March 2018 is not comparable to the year ended 31 March 2017.

(ii) 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. The Government of Maharashtra vide its notification dated 14 February 2018 has announced that the Industrial promotion Subsidy (IPS) schemes would be continued in the GST regime with the incentives being determined based on the State GST in place of the erstwhile VAT. However, the process of disbursing the incentives has not been notified yet. The Group believes that the process of disbursement of incentives would continue to remain unchanged and accordingly has recognised the government grant of ₹ 620 crores for the year ended 31 March 2018.

(iii) The Group's unit at Vijayanagar in the State of Karnataka is eligible for VAT/CST incentive on sale of finished goods under Industrial policy 2009-14. The Government of Karnataka vide its notification dated 13 March 2018 has announced that the incentives schemes would be continued in the GST regime with the incentives being determined based on the SGST rate in place of the erstwhile VAT rate. Since the Group has started receiving the grant during the quarter, the Group has recognised an amount of ₹ 277 crores as government grant income for the year ended 31 March 2018 including an amount of ₹ 104 crores in relation to earlier years.

31. Other income

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income earned on financial assets that are not designated as FVTPL		
Loans to related parties	15	5
Bank deposits	47	42
Others	58	50
Dividend income from non-current investments designated as FVTOCI	5	20
Gain on sale of current investments designated as FVTPL	19	6
Fair value gain on financial instruments designated as FVTPL	3	9
Miscellaneous income (insurance claim received, rent income etc.)	20	20
Total	**167**	**152**

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to the Consolidated Financial Statements as at and for the year ended 31 March 2018

32. Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in crores

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
Opening stock:			
Semi-finished/ finished goods/ stock-in-trade		4,499	3,017
Work-in-progress		775	616
Total	**A**	**5,274**	**3,633**
Closing stock			
Semi-finished/ finished goods/ stock-in-trade		3,700	4,499
Work-in-progress		773	775
Total	**B**	**4,473**	**5,274**
Total	**C (A-B)**	**801**	**(1,641)**
Excise duty on stock of finished goods (net)	**D**	(557)	155
Total	**C+D**	**244**	**(1,486)**

33. Employee benefits expense

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	1,587	1,462
Contribution to provident and other funds (refer note 40(a) and 40(b))	91	92
Gratuity expense	6	6
Employee stock option scheme	27	13
Staff welfare expenses	132	127
Total	**1,843**	**1,700**

34. Finance costs

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense		
on bonds and debentures	837	997
others	2,363	2,260
Dividend on redeemable preference shares	72	71
Interest on finance lease obligations	214	227
Unwinding of interest on financial liabilities carried at amortised cost	14	14
Exchange differences regarded as an adjustment to borrowing costs	22	-
Other borrowing costs	156	199
Interest on income tax	23	-
Total	**3,701**	**3,768**

35. Depreciation and amortisation expense

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of property, plant and equipment	3,358	3,405
Amortisation of intangible assets	29	25
Total	**3,387**	**3,430**

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to the Consolidated Financial Statements as at and for the year ended 31 March 2018

36. Other expenses

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Stores and spares consumed	3,033	2,724
Power and fuel	5,697	4,883
Rent	56	61
Repairs and maintenance		
Plant and equipment	1,197	1,177
Buildings	33	30
Others	57	41
Insurance	81	104
Rates and taxes	70	102
Carriage and freight	2,172	2,278
Jobwork and processing charges	769	637
Commission on sales	70	56
Net loss / (gain) on foreign currency transactions and translation #	56	559
Donations and contributions	3	-
Fair value loss on financial instruments designated as FVTPL	111	-
Miscellaneous expenses	900	680
Bad debts / advances written off	-	1
Less: Allowance made in earlier years	-	(1)
Allowance for doubtful debts and advances	136	1
Loss on sale of plant and equipment (net)	122	134
Total	**14,563**	**13,467**

including hedging cost of ₹ 250 crores (previous year ₹ 365 crores).

37. Earnings per share (EPS)

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
Profit attributable to equity shareholders (A) (₹ in crores)		6,214	3,523
Weighted average number of equity shares for basic EPS (B)		2,404,152,929	2,402,584,542
Effect of dilution:			
Weighted average number treasury shares held through ESOP trust		13,067,511	14,635,898
Weighted average number of equity shares adjusted for the effect of dilution(C)		2,417,220,440	2,417,220,440
Earnings per share of ₹1 each			
Basic (₹)	(A / B)	25.85	14.66
Diluted (₹)	(A / B)	25.71	14.58

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

38. Employee share based payment plans

ESOP SCHEME 2012

The Company offered equity based share option scheme for permanent employees of the Company and its subsidiaries in the grade of L8 and above including any director except to any employee who is a promoter or a director who either himself or through relatives or through anybody directly or indirectly holds more than 10% of the outstanding equity shares of the Company.

The grant is determined as percentage of Total Fixed Pay. The grant was at such price as determined by the ESOP Committee and be specified in the Grant. The option shall not be transferable and can be exercised only by the employees of the Company.

The Employees Stock Ownership Plan was effective from 26 July 2012. The eligible employees can exercise the option anytime between the vesting period till 30 September 2017.

The number of options granted to each eligible employees is determined by dividing the Award Value (amount equivalent to percentage of Annual Fix Pay) by the Fair Value of option provided. The Fair Value of option on the date of each grant is determined by using Black Scholes model.

The details of an employee share based payments plan operated through a trust for ESOP 2012 are as follows:

Option series	Options granted	Options vested	Grant date	Vesting period	Exercise price	Fair value at grant date	Method of settlement
Initial grant - 26 July 2012	31,357,440	26,318,680	26 July 2012	30 September 2013 till 30 September 2017	70	36.81	Equity
1st Subsequent grant - 26 July 2012	16,024,800	12,430,410	26 July 2012	30 September 2014 till 30 September 2017	70	33.23	Equity

ESOP SCHEME 2016

The Board of Directors of the Company at its meeting held on 29 January 2016, formulated the JSWSL EMPLOYEES STOCK OWNERSHIP PLAN 2016 ('ESOP Plan'). At the said meeting, the Board authorised the ESOP Committee for the superintendence of the ESOP Plan.

During the year, ESOP 2016 is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the Company and it's subsidiaries in India.

Three grants would be made under ESOP plan 2016 to eligible employees on the rolls of the Company as at 1 April 2016, 1 April 2017 and 1 April 2018.

The maximum value and share options that can be awarded to eligible employees is calculated by reference to certain percentage of individuals fixed salary compensation. 50% of the grant would vest at the end of the third year and 50% of the grant would vest at the end of the fourth year with a vesting condition that the employee is in continuous employment with the Company till the date of vesting.

The exercise price would be determined by the ESOP committee as a certain discount to the primary market price on the date of grant.

A total of 28,687,000 options would be available for grant to the eligible employees of the Company and a total of 3,163,000 options would be available for grant to the eligible employees of the Indian subsidiaries of the Company under the ESOP Plan.

These options are equity settled and are accounted for in accordance with the requirement applying to equity settled transactions.

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The details of an employee share based payments plan operated through a trust for ESOP 2016 are as follows:

Option series	Options granted	Options vested	Grant date	Vesting period	Exercise price	Fair value at grant date	Method of settlement
1st Grant- 17 May 2016	7,436,850	NIL	17 May 2016	17 May 2016 till 31 March 2019 (for 50% of the grant) and 17 May 2016 to 31 March 2020 (for remaining 50% of the grant)	103.65	67.48	Equity
2nd Grant- 16 May 2017	5,118,977	NIL	16 May 2017	16 May 2017 till 31 March, 2020 (for 50% of the grant) and 16 May 2017 to 31 March, 2021 (for remaining 50% of the grant)	161.36	104.04	Equity

The outstanding position as at 31 March 2018 is summarised below:

Particulars	ESOP 2012		ESOP 2016	
	Initial Grant (Junior Manager & Above)	1st Subsequent Grant (Junior Manager & Above)	1st Grant (L-16 and above Grade)	2nd Grant (L-16 and above Grade)
Date of grant	26 July 2012	26 July 2012	17 May 2016	16 May 2017
Share Price on date of grant	66.97	66.97	129.56	201.70
Outstanding as on 1 April 2016	**6,332,620**	**8,221,570**	**-**	**-**
Granted during the year	-	-	7,436,850	-
Transfer out	29,890	32,760	-	-
Forfeited / lapsed during the year	14,200	69,990	224,650	-
Exercised during the year	3,171,030	4,776,990	-	-
Outstanding as on 31 March 2017	**3,117,500**	**3,341,830**	**7,212,200**	**-**
Granted during the year	-	-	-	5,118,977
Transfer in	28,120	18,320	283,280	163,812
Transfer out	-	-	596,700	301,513
Forfeited / lapsed during the year	83,450	60,530	126,640	70,405
Exercised during the year	3,062,170	3,299,620	-	-
Outstanding as on 31 March 2018	**-**	**-**	**6,772,140**	**4,910,871**
Vesting Period	30 September 2013 till 30 September 2017	30 September 2014 till 30 September 2017	17 May 2016 till 31 March 2019 (for 50% of the grant) and 17 May 2016 to 31 March 2020 (for remaining 50% of the grant)	16 May 2017 till 31 March 2020 for 50% of the options granted and upto 31 March 2021 for remaining 50% of the options granted
Weighted average remaining contract life	Not Applicable	Not Applicable	30 months	42 months
Exercise Price	70	70	103.65	161.36
Weighted average share price on exercise date	231.27	234.70	Not Applicable	Not Applicable
A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are:	The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are:	The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are:	The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are:
Weighted-average values of share price	Not applicable	Not applicable	Not applicable	Not applicable
Weighted-average exercise prices	70	70	Not applicable	Not applicable

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Particulars	ESOP 2012		ESOP 2016	
	Initial Grant (Junior Manager & Above)	1st Subsequent Grant (Junior Manager & Above)	1st Grant (L-16 and above Grade)	2nd Grant (L-16 and above Grade)
Expected volatility	Volatility was calculated using standard deviation of daily change in stock price. The volatility used for valuation is 61.58%	Volatility was calculated using standard deviation of daily change in stock price. The volatility used for valuation is 60.79%	Volatility was calculated using standard deviation of daily change in stock price. The volatility used for valuation is 39.23 % for options with 3 year vesting and 39.62 % with 4 years vesting	Volatility was calculated using standard deviation of daily change in stock price. The volatility used for valuation is 39.23 % for options with 3 year vesting and 39.62 % with 4 years vesting
Expected option life	The expected option life is assumed to be the full term of the option program.	The expected option life is assumed to be the full term of the option program.	The expected option life is assumed to be midway between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2	The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2
Expected dividends	₹ 0.75 per share	₹0.75 per share	₹1.10 per share	₹0.75 per share
Risk-free interest rate	Zero Coupon sovereign bond yields were utilised with maturity equal to expected term of option. The rate used for calculation is 8.03%	Zero Coupon sovereign bond yields were utilised with maturity equal to expected term of option. The rate used for calculation is 7.99%	Zero coupon sovereign bond yields were utilised with maturity equal to expected term of the option The rate used for calculation is 7.36% (for 3 years vesting) & 7.44%(for 4 years vesting)	Zero coupon sovereign bond yields were utilised with maturity equal to expected term of the option The rate used for calculation is 6.87% (for 3 years vesting) & 6.96%(for 4 years vesting)
The method used and the assumptions made to incorporate the effects of expected early exercise;	Black-Scholes Options pricing model		Black-Scholes Options pricing model	
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	The following factors have been considered: a) Share price b) Exercise prices c) Historical volatility d) Expected option life e) Dividend Yield		The following factors have been considered: a) Share price b) Exercise prices c) Historical volatility d) Expected option life e) Dividend Yield	

Split of shares adjustment:

The number of options granted, number of options vested, exercise price, fair value of the grant etc. has been adjusted to reflect the sub-division of face value of equity shares of the Company.

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39. Segment reporting

The Group is in the business of manufacturing steel products having similar economic characteristics, primarily with operations in India and regularly reviewed by the Chief Operating Decision Maker for assessment of Group's performance and resource allocation. The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed below:

Information about geographical revenue and non-current assets

a) Revenue from operations

₹ in crores

Particulars	For the year ended 31 March 2018			For the year ended 31 March 2017		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue from operations	54,034	17,469	71,503	44,896	15,640	60,536

Revenue from operations has been allocated on the basis of location of customers.

b) Non-current assets

₹ in crores

Particulars	As at 31 March 2018			As at 31 March 2017		
	Within India	Outside India	Total	Within India	Outside India	Total
(a) Property, plant and equipment	52,558	4,496	57,054	53,317	4,469	57,786
(b) Capital work-in-progress	5,611	18	5,629	3,847	234	4,081
(c) Goodwill	28	679	707	28	844	872
(d) Other intangible assets	71	16	87	56	16	72
(e) Intangible assets under development	321	-	321	282	-	282
(f) Investment in joint ventures	190	170	360	112	140	252
(g) Other non-current assets	2,811	70	2,881	1,797	95	1,892
(h) Current tax assets (net)	271	-	271	305	-	305
(i) Financial assets			1,468			1,187
(j) Deferred tax assets (net)			48			84
Total non-current assets			**68,826**			**66,813**

Non-current assets have been allocated on the basis of their physical location.

40. Employee benefits

a) Defined contribution plan

The Group operates defined contribution retirement benefit plans for all qualifying employees. The assets of the plans are held separately from those of the Group in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

Group's contribution to provident fund and 401 (K) plan recognised in the Consolidated Statement of Profit and Loss of ₹ 59 crores (previous year: ₹ 54 crores) (included in note 33).

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b) Defined benefit plans

The Group sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by a separate Fund that is legally separated from the entity.

The gratuity plan is covered by The Payment of Gratuity Act, 1972. Under the gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 58, 60 and 62, without any payment ceiling. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

Under the Compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days.

The plans in India typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2018 by M/S. K. A. Pandit, Consultants & Actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(i) Gratuity

₹ in crores

Particulars	Current year		Previous year	
	Funded	Unfunded	Funded	Unfunded
a) Liability recognised in the balance sheet				
i) Present value of obligation				
Opening balance	**239**	**4**	**204**	**4**
Service cost	16	@	12	1
Interest cost	18	@	17	@
Actuarial loss / (gain) on obligation	5	@	20	@
Benefits paid	(11)	@	(15)	@
Experience adjustments	-	-	2	-
Acquired pursuant to business combination	-	-	1	-
Liability In	@	@	2	@
Liability transfer	(2)	(1)	(4)	-
Closing balance	**265**	**5**	**239**	**4**

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₹ in crores

Particulars	Current year		Previous year	
	Funded	Unfunded	Funded	Unfunded
Less:				
ii) Fair value of plan assets				
Opening balance	**80**	**-**	**77**	**-**
Expected return on plan assets less loss on investments	6	-	7	-
Actuarial (loss)/gain on plan assets	@	-	@	-
Acquired pursuant to business combination	-	-	@	-
Employers' contribution	18	-	7	-
Asset transfer	-	-	-	-
Benefits paid	(9)	-	(12)	-
Closing balance	**95**	**-**	**80**	**-**
Amount recognised in Balance Sheet*	**170**	**5**	**159**	**4**

*includes ₹ 0.06 crores (as at 31 March 2017 ₹ 0.94 crores) being excess of fair value of plan assets over present value of obligation disclosed under other current assets (Note-11)

@ Less than ₹ 50 lakhs

₹ in crores

Particulars	Current year		Previous year	
	Funded	Unfunded	Funded	Unfunded
b) Expenses during the year				
Service cost	16	@	12	1
Interest cost	18	@	17	@
Expected return on plan assets	(6)	-	(7)	-
Component of defined benefit cost recognised in statement of profit & loss (a)	28	1	22	1
Remeasurement of net defined benefit liability				
- Actuarial (gain)/loss on defined benefit obligation	5	@	20	@
- Return on plan assets (excluding interest income)	-	-	@	-
Component of defined benefit cost recognised in other comprehensive income (b)	5	@	20	@
Total (a+b)	**33**	**1**	**42**	**1**
c) Actual return on plan assets	6		5	
d) Break up of plan assets:				
(i) ICICI Prudential Life Insurance Co. Ltd.				
Balanced Fund	3		4	
Debt Fund	-		1	
Short-term Debt Fund	-		-	
Endowment Plan	-		-	
(ii) HDFC Standard Life Insurance Co. Ltd.				
Defensive Managed Fund	2		2	
Secure Managed Fund	23		19	
Stable Managed Fund	@		0	
(iii) SBI Life Insurance Co. Ltd. – Cap Assured Fund	48		33	
(iv) LIC of India – Insurer Managed Fund	18		19	
(v) Bajaj Allianz Fund	2		2	

@ Less than ₹ 50 lakhs

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The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets

e) Principal actuarial assumptions:

₹ in crores

Particulars	Current year		Previous year	
	Funded	Unfunded	Funded	Unfunded
Discount rate	7.51%-7.85%	7.56%-7.88%	7.20%-7.99%	7.27%-8.01%
Expected return on plan assets	7.51%-7.85%	-	7.20%-7.99%	-
Expected rate of increase in salaries	6.00%	6.00%	6.00%	6.00%
Attrition rate	2.00%	2.00%	2.00%	2.00%

Based on India's standards mortality table with modifications to reflect expected changes in mortality.

f) Experience adjustments:

₹ in crores

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Defined benefit obligation	270	243	208	183	171
Plan assets	95	80	77	67	54
Surplus / (deficit)	(175)	(163)	(131)	(116)	(117)
Experience adjustments on plan liabilities – loss/(gain)	5	20	6	33	4
Experience adjustments on plan assets – gain/(loss)	@	@	@	1	(1)

@ Less than ₹ 50 lakhs

g) The Group expects to contribute ₹ 37 crores (previous year ₹ 67 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 yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plan is as follows:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Defined benefit obligation	270	243
Plan assets	95	80
Net liability arising from defined benefit obligation	**175**	**163**

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Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

₹ in crores

Particulars	As at 31 March 2018		As at 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(20)	24	(19)	22
Future salary growth (1% movement)	24	(21)	22	(19)
Attrition rate (1% movement)	3	(3)	2	(3)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Category of assets average percentage allocation fund wise

	SBI	HDFC	ICICI	Bajaj Allianz	LIC
Government securities	-	32.86%	23.66%	52.00%	20%
Debt	86.77%	58.73%	52.58%	12.80%	Balance invested in approved investments as specified in Schedule I of IRDA guidelines
Equity	7.23%	2.12%	15.83%	18.40%	
Others	6.00%	6.29%	7.94%	16.80%	

Maturity analysis of projected benefit obligation

₹ in crores

Particulars	Less than a year	Between 1 to 5 years	Over 5 years	Total
As at 31 March 2018				
Projected benefit payable	22	83	488	593
As at 31 March 2017				
Projected benefit payable	16	64	449	529

Each year an Asset-Liability-Matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles.

(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.

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As per Ind AS 19 on 'Employee Benefits', employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. According to the defined benefit obligation of interest rate guarantee on exempted provident fund in respect of employees of the Company as at 31 March 2018 is 8.55% 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	As at 31 March 2018	As at 31 March 2017
Discount Rate (p.a.)	7.85%	7.52%
Rate of return on assets (p.a.)	8.88%	8.70%
Guaranteed rate of return (p.a.)	8.55%	8.65%

(iii) **Compensated Absenses**

Particulars	As at 31 March 2018	As at 31 March 2017
Present value of unfunded obligation (₹ in crores)	120	110
Expense recognised in Consolidated Statement of Profit and Loss (₹ in crores)	19	22
Discount rate (p.a.)	7.51%-7.88%	7.20%-8.01%
Salary escalation rate (p.a.)	6.00%	6.00%

42. Financial Instruments

A. Capital management

The Group being in a capital intensive industry, its objective is to maintain a strong credit rating healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Group's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Group has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Group is not subject to any externally imposed capital requirements.

The Group regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Group monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents.

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Long-term borrowings	31,723	32,416
Current maturities of long-term debt and finance lease obligations	5,493	6,037
Short-term borrowings	2,177	4,881
Total borrowings	**39,393**	**43,334**
Less: Cash and cash equivalent	582	917
Bank balances other than cash and cash equivalents	481	568
Current investments	312	300
Net debt	**38,018**	**41,549**
Total equity	**27,534**	**22,401**
Gearing ratio	**1.38**	**1.85**

(i) Equity includes capital and all reserves of the Group that are managed as capital.

(ii) Debt is defined as long and Short-term borrowings (excluding derivatives and financial guarantee contracts), as described in notes 20 and 25.

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B. Categories of financial instruments

As at 31 March 2018

₹ in crores

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Total carrying value	Fair value
Financial assets					
Loans	608	-	-	608	608
Other financial assets	823	-	-	823	823
Trade receivables	4,704	-	-	4,704	4,704
Cash and cash equivalents	582	-	-	582	582
Bank balances other than cash and cash equivalents	481	-	-	481	481
Derivative assets	-	-	151	151	151
Investments	-	758	351	1,109	1,109
Total financial assets	**7,198**	**758**	**502**	**8,458**	**8,458**
Financial liabilities					
Long-term borrowings*	37,216	-	-	37,216	37,677
Short-term borrowings	2,177	-	-	2,177	2,177
Trade payables	15,944	-	-	15,944	15,944
Derivative liabilities	-	-	96	96	96
Other financial liabilities	4,041	-	-	4,041	3,987
Total financial liabilities	**59,378**	**-**	**96**	**59,474**	**59,881**

As at 31 March 2017

₹ in crores

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Total carrying value	Fair value
Financial assets					
Loans	295	-	-	295	294
Other financial assets	537	-	-	537	537
Trade receivables	4,149	-	-	4,149	4,149
Cash and cash equivalents	917	-	-	917	917
Bank balances other than cash and cash equivalents	568	-	-	568	568
Derivative assets		-	491	491	491
Investments	-	666	448	1,114	1,114
Total financial assets	**6,466**	**666**	**939**	**8,071**	**8,070**
Financial liabilities					
Long-term borrowings*	38,453	-	-	38,453	38,910
Short-term borrowings	4,881	-	-	4,881	4,881
Trade payables	13,348	-	-	13,348	13,348
Derivative liabilities		-	418	418	418
Other financial liabilities	3,906	-	-	3,906	3,850
Total financial liabilities	**60,588**	**-**	**418**	**61,006**	**61,407**

* including current maturities of long-term borrowings

C. Financial risk management

The Group has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Group.

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The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

D. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivatives for speculative purposes.

E. Financial currency risk management

The Group's functional currency is Indian Rupees (INR). The Group undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Group's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Group is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Group's receivables in foreign currency. In order to hedge exchange rate risk, the Group has a policy to hedge cash flows up to a specific tenure using forward exchange contracts and hedges. At any point in time, the Group hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months. In respect of imports and other payables, the Company hedges its payables as when the exposure arises. Short-term exposures are hedged progressively based on their maturity. Long-term exposures are hedged on a case to case basis.

All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates.

The forward exchange contracts entered into by the Group and outstanding are as under:

As at	Nature	No. of Contracts	Type	US$ Equivalent (millions)	INR Equivalent (crores)	MTM (₹ in crores)
31 March 2018	Assets	49	Buy	540	3,521	21
		44	Sell	500	3,248	27
	Liabilities	63	Buy	697	4,531	(25)
		34	Sell	379	2,465	(20)
31 March 2017	Assets	-	Buy	-	-	-
		74	Sell	607	3,935	194
	Liabilities	125	Buy	883	5,721	(270)
		13	Sell	55	354	(3)

Currency options to hedge against fluctuations in changes in exchange rate:

As at	Nature	No. of Contracts	US$ Equivalent (millions)	INR Equivalent (crores)	MTM of Options (₹ in crores)
31 March 2018	Assets	26	480	3,123	21
	Liabilities	3	61	397	(1)
31 March 2017	Assets	2	60	389	2
	Liabilities	32	743	4,816	(106)

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to the Consolidated Financial Statements as at and for the year ended 31 March 2018

The carrying amounts of the Group's monetary assets and monetary liabilities at the end of the reporting period are as follows:

As at 31 March 2018

₹ in crores

Particulars	INR	USD	GBP	Euro	JPY	Others	Total
Financial assets							
Investments	1,109	-	-	-	-	-	1,109
Trade receivables	4,052	513	-	139	-	-	4,704
Cash and cash equivalents	568	11	1	2	-	-	582
Bank balances other than cash and cash equivalents	289	192	-	-	-	-	481
Loans	607	1	-	-	-	-	608
Derivative assets	-	151	-	-	-	-	151
Other financial assets	693	127	-	-	-	3	823
Total financial assets	**7,318**	**995**	**1**	**141**	**-**	**3**	**8,458**
Financial liabilities							
Borrowings	18,475	15,066	-	110	249	-	33,900
Trade payables	3,963	11,878	-	47	54	2	15,944
Derivative liabilities	-	92	-	4	-	-	96
Other financial liabilities	6,556	2,723	6	98	143	8	9,534
Total financial liabilities	**28,994**	**29,759**	**6**	**259**	**446**	**10**	**59,474**

As at 31 March 2017

₹ in crores

Particulars	INR	USD	GBP	Euro	JPY	Others	Total
Financial assets							
Investments	1,114	-	-	-	-	-	1,114
Trade receivables	3,177	690	-	282	-	-	4,149
Cash and cash equivalents	895	21	1	-	-	-	917
Bank balances other than cash and cash equivalents	568	-	-	-	-	-	568
Loans	289	6	-	-	-	-	295
Derivative assets	-	491	-	-	-	-	491
Other financial assets	528	5	3	1	-	-	537
Total financial assets	**6,571**	**1,213**	**4**	**283**	**-**	**-**	**8,071**
Financial liabilities							
Borrowings	24,602	12,233	-	104	358	-	37,297
Trade payables	3,495	9,845	-	8	-	-	13,348
Derivative liabilities	-	418	-	-	-	-	418
Other financial liabilities	5,393	4,267	-	129	147	7	9,943
Total financial liabilities	**33,490**	**26,763**	**-**	**241**	**505**	**7**	**61,006**

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

a) Amounts receivable in foreign currency on account of the following:

Particulars	As at 31 March 2018		As at 31 March 2017	
	US$ equivalent (million)	INR equivalent (crores)	US$ equivalent (million)	INR equivalent (crores)
Trade receivables	72	467	110	717
Balances with banks				
- in current account	-	-	@	@@

@ - USD 0.01 million and @@ - ₹ 0.05 crores

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b) Amounts payable in foreign currency on account of the following:

Particulars	As at 31 March 2018		As at 31 March 2017	
	US$ equivalent (million)	INR equivalent (crores)	US$ equivalent (million)	INR equivalent (crores)
Borrowings	2,254	14,614	1,764	11,435
Acceptances	12	81	104	673
Trade payables	42	272	20	128
Payables for capital projects	176	1,140	100	650
Interest accrued but not due on borrowings	33	217	21	137

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Impact on Profit / (loss) for the year for a 1% change:

₹ in crores

Particulars	Increase		Decrease	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
USD / INR	(208)	(143)	208	143
YEN / INR	(4)	(5)	4	5
EURO / INR	(1)	1	1	(1)

F. Commodity price risk:

The Group's revenue is exposed to the market risk of price fluctuations related to the sale of its steel products. Market forces generally determine prices for the steel products sold by the Group. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Group earns from the sale of its steel products.

The Group is subject to fluctuations in prices for the purchase of iron ore, coking coal, ferro alloys, zinc, scrap and other raw material inputs. The Group purchased primarily all of its iron ore and coal requirements in the open market at prevailing price during the year ended 31 March 2018.

The Group aims to sell the products at prevailing market prices. Similarly, the Group procures key raw materials like iron ore and coal based on prevailing market rates as the selling prices of steel prices and the prices of input raw materials move in the same direction.

Commodity hedging is used primarily as a risk management tool to secure the future cash flows in case of volatility by entering into commodity forward contracts.

Hedging commodity is based on its procurement schedule and price risk. Commodity hedging is undertaken as a risk offsetting exercise and, depending upon market conditions hedges, may extend beyond the financial year. The Group is presently hedging maximum up to 25 per cent of its consumption.

The following table details the Group's sensitivity to a 5% movement in the input price of iron ore and coking coal net of hedge accounting impact. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit or equity where the commodity prices decrease by 5%. For a 5% reduction in commodity prices, there would be a comparable impact on profit or equity, and the balances below would be negative.

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to the Consolidated Financial Statements as at and for the year ended 31 March 2018

Impact on Profit / (loss) for the year for a 5% change:

₹ in crores

Particulars	Increase for the year ended		Decrease for the year ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Iron ore	(554)	(382)	554	382
Coal/Coke	(1,012)	(757)	1,012	757

The commodity forward contracts entered into by the Group and outstanding at the year-end are as under:

As at	Nature	No. of Contracts	Commodity Name	Quantity (Iron Ore, Coking Coal, Zinc - MT) (Brent Crude - Mio Barrels)	US$ Equivalent of notional value (million)	INR equivalent (crores)	MTM of Commodity contract (₹ in crores)
31 March 2018	Assets	5	Brent Crude	168,750	10	68	6
		4	Iron Ore	126,000	8	51	2
		1	Zinc	1,000	3	21	@
	Liabilities	44	Iron Ore	1,346,000	92	601	(43)
31 March 2017	Assets	4	Brent Crude	66,996	3	23	1
		32	Iron Ore	972,000	33	214	228
	Liabilities	13	Brent Crude	166,500	9	61	(3)
		4	Coking Coal	180,000	35	229	(26)
		8	Iron ore	171,000	13	86	(4)

@ - ₹ 0.25 crores

G. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Group hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Group hedges up to 20% of interest risk in US dollars. The Group has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible bonds and Short-term loans. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The following table provides a break-up of the Group's fixed and floating rate borrowings:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Fixed rate borrowings	17,691	17,334
Floating rate borrowings	21,929	26,258
Total borrowings	**39,620**	**43,592**
Total borrowings	39,393	43,334
Add: Upfront fees	227	258
Total gross borrowings	**39,620**	**43,592**

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, after the impact of hedge accounting, assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

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If interest rates had been 100 basis points higher / lower and all other variables were held constant, the group's profit for the year ended 31 March 2018 would decrease / increase by ₹ 193 crores (for the year ended 31 March 2017: decrease / increase by ₹ 263 crores). This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings.

The following table detail the nominal amounts and remaining terms of interest rate swap contracts outstanding at the year-end.

As at	Nature	No. of Contracts	US$ Equivalent of notional value (Millions)	MTM of IRS (₹ in crores)
31 March 2018	Assets	14	237	37
	Liabilities	6	168	(5)
31 March 2017	Assets	5	90	17
	Liabilities	2	20	@

@ - ₹ (0.19) crores

H. Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans, other financial assets, financial guarantees and derivative financial instruments.

Moreover, given the diverse nature of the Group's business trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of the trade receivables in any of the years presented. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Group does not expect any material risk on account of non-performance by any of the Group's counterparties.

Movements in allowances for bad and doubtful debts

₹ in crores

Particulars	Amount
As at 1 April 2016	**37**
Movement during the year	(4)
As at 31 March 2017	**33**
Movement during the year	63
As at 31 March 2018	**96**

For current investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for Group's mutual fund and bond investments. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 8,458 crores as at 31 March 2018 and, ₹ 8,071 crores as at 31 March 2017, being the total carrying value of trade receivables, balances with bank, bank deposits, current investments and other financial assets.

In respect of financial guarantees provided by the Group to banks and financial institutions, the maximum exposure which the Group is exposed to is the maximum amount which the Group would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

Receivables are deemed to be past due or impaired with reference to the Group's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. The Group based on past experiences does not expect any material loss on its receivables and hence no provision is deemed necessary on account of ECL.

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The credit quality of the Group's is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The Group uses simplified approach for impairment of financial assets. If credit risk has not increased significantly, 12-month expected credit loss is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime expected credit loss is used. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Group actively seeks to recover the amounts in question and enforce compliance with credit terms.

I. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds both for Short-term operational needs as well as for long-term capital expenditure growth projects The Group generates sufficient cash flow for operations, which together with the available cash and cash equivalents and Short-term investments provide liquidity in the short-term and long-term. The Group has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the group may be required to pay.

As at 31 March 2018

₹ in crores

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Investments	312	-	797	1,109
Trade receivables	4,704	-	-	4,704
Cash and cash equivalents	582	-	-	582
Bank balances other than cash and cash equivalents	481	-	-	481
Loans	230	190	188	608
Derivative assets	151	-	-	151
Other financial assets	530	290	3	823
Total	**6,990**	**480**	**988**	**8,458**
Financial liabilities				
Long-term borrowings	-	27,906	3,817	31,723
Short-term borrowings	2,177	-	-	2,177
Trade payables	15,944	-	-	15,944
Derivative liabilities	96	-	-	96
Other financial liabilities	8,615	746	173	9,534
Total	**26,832**	**28,652**	**3,990**	**59,474**

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As at 31 March 2017

₹ in crores

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Investments	300	-	814	1,114
Trade receivables	4,149	-	-	4,149
Cash and cash equivalents	917	-	-	917
Bank balances other than cash and cash equivalents	568	-	-	568
Loans	174	68	53	295
Derivative assets	491	-	-	491
Other financial assets	285	228	24	537
Total	**6,884**	**296**	**891**	**8,071**
Financial liabilities				
Long-term borrowings	-	27,785	4,631	32,416
Short-term borrowings	4,881	-	-	4,881
Trade payables (including acceptances)	13,348	-	-	13,348
Derivative liabilities	418	-	-	418
Other financial liabilities	9,457	458	28	9,943
Total	**28,104**	**28,243**	**4,659**	**61,006**

The amount of guarantees given included in Note 43(a) represents the maximum amount the group could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting period, the group considers that it is more likely than not that such an amount will not be payable under the arrangement.

Collateral

The Group has pledged part of its trade receivables, Short-term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Group. There is obligation to return the securities to the Group once these banking facilities are surrendered (refer note 20 and 25).

J. Level-wise disclosure of financial instruments

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017	Level	Valuation techniques and key inputs
Quoted investments in the equity shares measured at FVTOCI	740	637	I	Quoted bid prices in an active market.
Quoted investments in the equity shares measured at FVTPL	312	300	I	Quoted bid prices in an active market.
Derivative assets	151	491	II	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Derivative liabilities	96	418	II	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Unquoted investments in the equity shares measured at FVOCI	13	13	III	Net asset value of share arrived has been considered as fair value.
Unquoted investments in the equity shares measured at FVTOCI	5	16	III	Cost is approximate estimate of fair value.
Non-current investments in unquoted Preference shares measured at FVTPL	49	160	III	Discounted cash flow- Future cash flows are based on terms of Preference Shares discounted at a rate that reflects market risks.

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities (other than those specifically disclosed) are considered to be the same as their fair values, due to their Short-term nature.

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Sensitivity analysis of Level III:

Particulars	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Investments in unquoted Preference shares	DCF method	Discounting Rate 8.40%	0.50%	0.50% Increase / (decrease) in the discount would decrease / (increase) the fair value by ₹ 2 crores / (₹ 2 crores)

Reconciliation of Level III fair value measurement:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Opening balance	189	179
Purchases / (sale) (net)	@@	1
Gain / (loss) recognised in the Consolidated statement of Profit and Loss	(111)	9
Gain / (loss) recognised in the Other comprehensive income	(11)	-
Closing balance	**67**	**189**

@@ - ₹ 0.49 crores

Details of financial assets / liabilities measured at amortised but fair value disclosed in category wise

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017	Level	Valuation techniques and key inputs
Long-term borrowings				Discounted cash flow method - Future cash flows are discounted by using rates which reflect market risks.
Carrying value	37,216	38,453	II	
Fair value	37,677	38,910		
Premium payable on redemption of debentures	301	182	II	Discounted cash flow method - Future cash flows are discounted by using rates which reflect market risks.
Loans – financial assets				Discounted cash flow method - Future cash flows are discounted by using rates which reflect market risks.
Carrying value	608	295	II	
Fair value	608	294		

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42. Related party disclosures

A List of related parties

1 Joint ventures

Vijayanagar Minerals Private Limited
Rohne Coal Company Private Limited
JSW Severfield Structures Limited
Gourangdih Coal Limited
Geo Steel LLC
JSW Structural Metal Decking Limited
JSW MI Steel Service Center Private Limited
JSW Vallabh Tinplate Private Limited
Accialtalia S.p.A. (w.e.f. 30 November 2016)

2 Associate

JSW Industrial Gases Private Limited (ceased w.e.f. 15 August 2016) (formerly JSW Praxair Oxygen Private Limited)

3 Key management personnel

Mr. Sajjan Jindal
Mr. Seshagiri Rao M. V. S.
Dr. Vinod Nowal
Mr. Jayant Acharya
Mr. Rajeev Pai
Mr. Lancy Varghese

4 Other related parties

JSW Energy Limited
Raj West Power Limited
JSW Power Trading Company Limited *
Himachal Baspa Power Company Limited
Jindal Stainless Limited
JSL Architecture Limited
JSL Lifestyle Limited
Jindal Saw Limited
Jindal Saw USA LLC
Jindal Tubular (India) Limited
Jindal Fittings Limited
Jindal Steel & Power Limited
M/S. Shadeed Iron & Steel Co. LLC
Jindal Power Limited
India Flysafe Aviation Limited
JSW Infrastructure Limited
JSW Jaigarh Port Limited
South West Port Limited
JSW Dharamatar Port Private Limited
JSW Paradip Terminal Private Limited
JSW Cement Limited
South West Mining Limited
JSW Projects Limited
JSW IP Holdings Private Limited
JSOFT Solutions Limited
Reynold Traders Private Limited
JSW Techno Projects Management Limited
JSW Global Business Solutions Limited (formerly Sapphire Technologies Limited)
Jindal Industries Private Limited
JSW Foundation
Jindal Technologies & Management Services Private Limited

Notes

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A List of related parties

Epsilon Carbon Private Limited (formerly AVH Private Limited)
JSW International Trade Corp PTE Limited
Heal Institute Private Limited (ceased w.e.f. 19 October 2016)
Jindal Education Trust
JSW Paints Private Limited
Toshiba JSW Power System Private Limited
MJSJ Coal Limited
O P Jindal Foundation
JSW Bengaluru Football Club Private Limited
Jindal Rail Infrastructure Limited
Khaitan & Company#
Vinar Systems Private Limited ##
St. James Investment Limited
Jindal Stainless Steelway Limited
JSW Investment Private Limited
Tranquil Homes & Holdings Private Limited
Windsor Residency Private Limited

5 Post-employment benefits entities

JSW Steel EPF Trust
JSW Steel Group Gratuity Trust
JSW Steel Limited Employee Gratuity Fund

* amalgamated with JSW Green Energy Limited during the year
# Mr. Haigreve Khaitan is a partner in Khaitan & Company
Mr. Haigreve Khaitan is a director in Vinar Systems Private Limited

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B. Transactions with Related Parties

₹ in crores

Particulars	Associates		Joint Ventures		Other Related Parties		Total	
	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
Party's Name								
Purchase of goods/ power & fuel/ services								
JSW Energy Limited	-	-	-	-	2,269	2,182	2,269	2,182
JSW International Tradecorp PTE Limited	-	-	-	-	17,972	6,659	17,972	6,659
Others	-	53	116	22	1,816	1,484	1,932	1,559
Total	**-**	**53**	**116**	**22**	**22,057**	**10,325**	**22,173**	**10,400**
Reimbursement of expenses incurred on our behalf by								
JSW Energy Limited	-	-	-	-	3	2	3	2
JSW Global Business Solutions Limited	-	-	-	-	-	3	-	3
Others	-	-	-	-	@	@	@	@
Total	**-**	**-**	**-**	**-**	**3**	**5**	**3**	**5**
Sales of goods/ power and fuel								
JSW Vallabh Tin Plate Private Limited	-	-	332	273	-	-	332	273
Jindal Saw Limited	-	-	-	-	792	71	792	71
JSW Energy Limited	-	-	-	-	412	380	412	380
Jindal Industries Private Limited	-	-	-	-	458	287	458	287
Epsilon Carbon Private Limited	-	-	-	-	319	246	319	246
Others	-	3	219	152	321	301	540	456
Total	**-**	**3**	**551**	**425**	**2,302**	**1,285**	**2,853**	**1,713**
Other income/ interest income/ dividend income								
JSW Industrial Gases Private Limited	-	11	-	-	-	-	-	11
JSW Energy Limited	-	-	-	-	6	24	6	24
JSW Projects Limited	-	-	-	-	3	6	3	6
JSW Global Business Solutions Limited	-	-	-	-	7	5	7	5
JSW Techno Projects Management Limited	-	-	-	-	13	1	13	1
India Flysafe Aviation Limited	-	-	-	-	14	-	14	-
Others	-	-	3	6	5	4	8	10
Total	**-**	**11**	**3**	**6**	**48**	**40**	**51**	**57**
Purchase of assets								
JSW Severfield Structures Limited	-	-	136	45	-	-	136	45
Jindal Steel & Power Limited	-	-	-	-	25	47	25	47
JSW Cement Limited	-	-	-	-	51	25	51	25
Others	-	-	-	-	6	13	6	13
Total	**-**	**-**	**136**	**45**	**82**	**85**	**218**	**130**

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to the Consolidated Financial Statements as at and for the year ended 31 March 2018

B. Transactions with Related Parties

₹ in crores

Particulars	Associates		Joint Ventures		Other Related Parties		Total	
	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
Advance given / (received back)								
JSW Global Business Solutions Limited	-	-	-	-	4	29	4	29
India Flysafe Aviation Limited	-	-	-	-	214	-	214	-
Others	-	-	-	-	@	@	@	@
Total	**-**	**-**	**-**	**-**	**218**	**29**	**218**	**29**
Lease deposit received								
JSW Paints Private Limited	-	-	-	-	-	4	-	4
Epsilon Carbon Private Limited	-	-	-	-	-	2	-	2
Total	**-**	**-**	**-**	**-**	**-**	**6**	**-**	**6**
Lease and other advances refunded								
JSW Infrastructure Limited	-	-	-	-	48	47	48	47
Total	**-**	**-**	**-**	**-**	**48**	**47**	**48**	**47**
Loan given received back								
JSW Projects Limited	-	-	-	-	300	-	300	-
Total	**-**	**-**	**-**	**-**	**300**	**-**	**300**	**-**
Loan given								
JSW Techno Projects Management Limited	-	-	-	-	447	-	447	-
JSW Projects Limited	-	-	-	-	300	-	300	-
Total	**-**	**-**	**-**	**-**	**747**	**-**	**747**	**-**
Donation/ CSR expenses								
JSW Foundation	-	-	-	-	11	3	11	3
Total	**-**	**-**	**-**	**-**	**11**	**3**	**11**	**3**
Recovery of expenses incurred by us on their behalf								
JSoft Solutions Limited	-	-	-	-	-	4	-	4
JSW Cement Limited	-	-	-	-	17	9	17	9
JSW Jaigarh Port Limited	-	-	-	-	5	-	5	-
JSW Infrastructure Limited	-	-	-	-	6	4	6	4
Others	-	-	3	4	7	10	10	14
Total	**-**	**-**	**3**	**4**	**35**	**27**	**38**	**31**

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

B. Transactions with Related Parties

₹ in crores

Particulars	Associates		Joint Ventures		Other Related Parties		Total	
	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
Investments / share application money given during the year								
JSW Severfield Structures Limited	-	-	45	-	-	-	45	-
JSW MI Steel Service Centre Private Limited	-	-	-	24	-	-	-	24
Acciatalia S.p.A	-	-	-	13	-	-	-	13
Others	-	-	@	1	-	-	@	1
Total	**-**	**-**	**45**	**38**	**-**	**-**	**45**	**38**
Finance lease interest cost								
JSW Projects Limited	-	-	-	-	177	197	177	197
JSW Techno Projects Management Limited	-	-	-	-	25	13	25	13
Total	**-**	**-**	**-**	**-**	**202**	**210**	**202**	**210**
Finance lease obligations repayment								
JSW Projects Limited	-	-	-	-	183	176	183	176
JSW Techno Projects Management Limited	-	-	-	-	4	2	4	2
Total	**-**	**-**	**-**	**-**	**187**	**178**	**187**	**178**

@ - less than ₹ 50 lakhs

The group has created provision of ₹ 7 crores (previous year – Nil) towards doubtful receivable from other related parties.

Notes:

1. The Group makes monthly contributions to provident fund managed by JSW Steel EPF Trust for qualifying Vijayanagar employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Group contributed ₹ 17 crores (previous year ₹ 17 crores).

2. The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees (JSW Steel Group Gratuity Trust and JSW Steel Limited Employee Gratuity Fund). During the year, the Group contributed ₹ 18 crores (previous year ₹ 6 crores.

Notes

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Compensation to key management personnel

₹ in crores

Nature of transaction	FY 2017-18	FY 2016-17
Short-term employee benefits	96	34
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
Total compensation to key management personnel	**96**	**34**

Notes:

1. As the future liability for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

2. The Company has accrued ₹ 2 crores (previous year ₹ 1 crore) in respect of employee stock options granted to Joint Managing Director & Group CFO, Deputy Managing Director and Director (Marketing & Commercial). The same has not been considered as managerial remuneration of the current year as defined under Section 2(78) of the Companies Act, 2013 as the options have not been exercised.

Terms and conditions

Sales:

The sales to related parties are in the ordinary course of business. Sales transactions are based on prevailing price lists and memorandum of understanding signed with related parties. For the year ended 31 March 2018.

Purchases:

The purchases from related parties are in the ordinary course of business. Purchase transactions are based on normal commercial terms and conditions and market rates.

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to the Consolidated Financial Statements as at and for the year ended 31 March 2018

C. Amount due to/ from related parties

₹ in crores

Particulars	Associate		Joint Ventures		Other Related Parties		Total	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Party's Name								
Trade payables								
JSW Energy Limited	-	-	-	-	184	355	184	355
JSW International Trade Corp PTE Limited	-	-	-	-	2,315	546	2,315	546
Others	-	-	7	@	301	197	308	197
Total	**-**	**-**	**7**	**@**	**2,800**	**1,098**	**2,807**	**1,098**
Notes payable								
St. James Investment Limited	-	-	-	-	-	22	-	22
Total	**-**	**-**	**-**	**-**	**-**	**22**	**-**	**22**
Advance received from customers								
JSW Energy Limited	-	-	-	-	2	-	2	-
JSW Jaigarh Port Limited	-	-	-	-	25	-	25	-
Total	**-**	**-**	**-**	**-**	**27**	**-**	**27**	**-**
Lease and other deposit received								
JSW Severfield Structures Limited	-	-	13	12	-	-	13	12
JSW Energy Limited	-	-	-	-	11	11	11	11
JSW Jaigarh Port Limited	-	-	-	-	4	4	4	4
Jindal Saw Limited	-	-	-	-	5	5	5	5
JSW Paints Private Limited	-	-	-	-	4	4	4	4
Others	-	-	-	-	4	3	4	3
Total	**-**	**-**	**13**	**12**	**28**	**27**	**41**	**39**
Trade receivables								
JSW Severfield Structures Limited	-	-	8	21	-	-	8	21
JSW Vallabh Tin Plate Private Limited	-	-	57	68	-	-	57	68
Jindal Industries Private Limited	-	-	-	-	25	-	25	-
Jindal Saw Limited	-	-	-	-	25	-	25	-
Epsilon Carbon Private Limited	-	-	-	-	74	64	74	64
Others	-	-	4	3	29	27	33	30
Total	**-**	**-**	**69**	**92**	**153**	**91**	**222**	**183**
Share application money given								
Gourangdih Coal Limited	-	-	@	@	-	-	@	@
JSW MI Steel Service Centre Private Limited	-	-	-	24	-	-	-	24
Others	-	-	-	@	-	-	-	@
Total	**-**	**-**	**@**	**24**	**-**	**-**	**@**	**24**

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C. Amount due to/ from related parties

₹ in crores

Particulars	Associate		Joint Ventures		Other Related Parties		Total	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Capital / revenue advance								
JSW Projects Limited	-	-	-	-	49	49	49	49
JSW Cement Limited	-	-	-	-	38	73	38	73
India Flysafe Aviation Limited	-	-	-	-	214	-	214	-
Others	-	-	28	24	65	60	93	84
Total	**-**	**-**	**28**	**24**	**366**	**182**	**394**	**206**
Loans and advances given								
JSW Global Business Solutions Limited	-	-	-	-	7	5	7	5
JSW Techno Projects Management Limited	-	-	-	-	112	-	112	-
Others	-	-	@	@	@	-	@	@
Total	**-**	**-**	**@**	**@**	**119**	**5**	**119**	**5**
Investments held by the Group								
JSW Investment Private Limited	-	-	-	-	41	151	41	151
JSW Severfield Structures Limited	-	-	160	115	-	-	160	115
JSW Energy Limited	-	-	-	-	740	637	740	637
Others	-	-	146	122	9	20	155	142
Total	**-**	**-**	**306**	**237**	**790**	**808**	**1,096**	**1,045**
Loans/ advances/ deposits taken								
JSW Infrastructure Limited	-	-	-	-	51	87	51	87
Total	**-**	**-**	**-**	**-**	**51**	**87**	**51**	**87**
Finance lease obligations								
JSW Projects Limited	-	-	-	-	1,484	1,666	1,484	1,666
JSW Techno Projects Management Limited	-	-	-	-	173	177	173	177
Total	**-**	**-**	**-**	**-**	**1,657**	**1,843**	**1,657**	**1,843**

@ - less than ₹ 50 lakhs

The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees (JSW Steel Group Gratuity Trust and JSW Steel Limited Employee Gratuity Fund). As on 31 March 2018, the fair value of plan assets was as ₹ 85 crores (As at 31 March 2017: ₹ 70 crores).

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to the Consolidated Financial Statements as at and for the year ended 31 March 2018

43. Contingent liabilities:

₹ in crores

Particulars		As at 31 March 2018	As at 31 March 2017
(i)	Guarantees	10	927
(ii)	Disputed claims/levies (excluding interest, if any), in respect of:		
	Excise duty	432	338
	Custom duty	798	582
	Income tax	26	176
	Sales tax / Special entry tax	271	262
	Service tax	656	513
	Miscellaneous	4	11
	Levies by local authorities	371	61
	Claim by suppliers and other parties	64	378

a) Excise duty cases includes disputes pertaining to availment of CENVAT credit, valuation methodologies, classification of gases under chapter heading.

b) Customs duty cases includes disputes pertaining to import of Iron ore fines and lumps under wrong heading, utilisation of SHIS licences for clearance of imported equipment, payment of customs duty on Steam Coal through Krishnapatnam Port and anti-dumping duty on Met Coke used in Corex.

c) Sales Tax/ VAT/ Special Entry Tax cases includes disputes pertaining to demand of special entry tax in Karnataka and demand of cess by department of transport in Goa.

d) Service Tax cases includes disputes pertaining to availment of service tax credit on ineligible services, KKC amount paid but no credit not availed, denial of credit distributed as an ISD, service tax on railway freight not taken as per prescribed documents.

e) Income Tax cases includes disputes pertaining to deduction u/s 80-IA and other matters.

f) Levies by local authorities cases includes disputes pertaining to uninterrupted power charges by Karnataka Power Transmission Company Ltd., payment of water charges, belated payment surcharge, enhanced compensation and claims for the set off of renewable power obligations against the power generated in its captive power plants.

g) Miscellaneous cases includes Provident fund relating to contractors.

h) Claims by Suppliers and other parties includes Quality Claims issues raised by suppliers and others.

i) There are several other cases which has been determined as remote by the Group and hence not been disclosed above.

(iii)	Claims related to Forest Development Tax / Fee	1,799	1,300
	Amount paid under protest	919	726

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) on iron ore on the ground that the State does not have jurisdiction to legislate in the field of major minerals which is a central subject, 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 ₹ 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 ₹ 1,043 crores and treated it as a contingent liability.

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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 the SCI has admitted the appeal and stayed the refund of FDF. Based on merits of the case duly supported by a legal opinion and a favourable order from the High Court, the Company has not recognised provision for FDF amount of ₹756 crores (including paid under protest - ₹255 crores) pertaining to the private lease operators & NMDC and treated it as contingent liability.

44. Commitments

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	12,664	6,459
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. Such export obligations at year end aggregate to	5,133	3,127
b) The Group has imported Hot Rolled Coils during the year under Advance License Scheme to utilise 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 at year end	-	4

45. Operating lease

a) As lessor:

i. The Group has entered into lease arrangements, for renting the following:

Category of Asset	Area	Period
Land at Vijaynagar	481 acres	8 months to 30 years
Land at Palwal	5,497 acres	15 years
Office Premises	1,885 sq. feet	24 months
Office Premises	33,930 sq. feet	5 years
Land at Dolvi along with certain buildings	33 acres	3 to 15 years
Land	6 acres	25 years

The agreements are renewable and cancellable by mutual consent of both parties. The rent paid on above is based on mutually agreed rates.

ii. Disclosure in respect of assets given on operating lease:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Gross carrying amount of assets	156	45
Accumulated depreciation	5	3
Depreciation for the year	3	1

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iii. The group has leased out land and other facilities under non-cancellable operating lease. Total rental income under such lease during the year amounted to ₹ 0.03 crores (previous year: ₹ 0.02 crores).

Future minimum lease rentals receivable expected under non-cancellable operating lease are as follows:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Not later than one year	@	@
Later than one year but not later than five years	@@	@@
Later than five years	@@@	@@@

@ - ₹ 0.03 crores, @@ - ₹ 0.10 crores and @@@ - ₹ 0.31 crores (previous year - ₹ 0.34 crores)

b) As lessee:

(i) Lease rentals charged to profit and loss for right to use the following assets are:

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Office premises, residential flats, plant and equipment etc	47	52

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.

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Plant and equipment	9	9

Future minimum rentals payable under non-cancellable operating leases are as follows:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Not later than one year	6	14
Later than one year but not later than five years	13	19
Later than five years	-	-
Total	**19**	**33**

(iii) One of the subsidiaries has entered into lease agreement with Government of West Bengal for obtaining the lease hold land with lease term of 99 years. The subsidiary doesn't have an option to purchase the leased land at the expiry of leased period.

46. Finance lease

As lessee:

The Group has evaluated certain arrangements for processing of raw materials based on facts and circumstances existing at the date of transition to Ind AS and have identified them in the nature of lease as the fulfilment of the arrangements depend upon a specific asset and the Group has committed to obtain substantially all the production capacity of the asset. After separating lease payments from the other elements in these arrangements, the Group has recognised plant and equipment and building as asset taken on finance lease (refer note 4). In the arrangements for processing of raw materials, the Group also has an option to purchase the said assets at the end of the lease term.

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The minimum lease payments and the present value of minimum lease payments as at 31 March 2018 in respect of aforesaid plant and equipment acquired under the finance leases are as follows:

₹ in crores

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Not later than one year	419	411	221	200
Later than one year but not later than five years	1,875	1,646	1,380	1,062
Later than five years	322	874	180	719
Total	**2,616**	**2,931**	**1,781**	**1,981**
Less: future finance charges	835	950		
Present value of minimum lease payments	1,781	1,981		

47. During the year, 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 ₹ 264 crores which has been disclosed as an exceptional item in the consolidated financial statements.

The provision of ₹264 crores includes ₹ 76 crores towards Property, Plant and Equipment, ₹ 166 crores towards Goodwill and ₹ 22 crores towards Advances.

48. In assessing the carrying amounts of Goodwill, PPE, Capital work-in-progress (CWIP), Leasehold land, Inventories and Advances aggregating to ₹ 5,777 crores relating to certain businesses (listed below), the Company considered various factors as detailed there against, and concluded that they are recoverable.

i. PPE (including CWIP) of ₹3,776 crores (₹ 3,952 crores as at 31 March 2017) relating to steel operations at USA - Estimate of values of the businesses and assets by independent external valuers based on cash flow projections. In making the projections, reliance has been placed on estimates of future prices of steel, and assumptions relating to operational performance including significant improvement in capacity utilisation and margins based on forecasts of demand in local markets.

ii. Goodwill, PPE and CWIP of ₹ 443 crores (₹ 608 crores as at 31 March 2017), ₹ 131 crores (₹ 208 crores as at 31 March 2017) and ₹ 8 crores (₹ 8 crores as at 31 March 2017) respectively relating to iron ore mines at Chile - Estimate of values of the assets by independent external valuers based on cash flow projections / implied multiple approach. In making the said projections, reliance has been placed on estimates of future prices of iron ore, mineable resources, assumptions relating to operational performance and availability of infrastructure facilities for mines.

iii. Goodwill, PPE and CWIP of ₹ 229 crores (₹ 229 crores as at 31 March 2017), ₹ 394 crores (₹ 120 crores as at 31 March 2017) and ₹ Nil crores (₹ 222 crores as at 31 March 2017) respectively relating to coal mines at West Virginia, USA - Estimate of values of the businesses and assets by independent external valuers based on cash flow projections. In making the said projections, reliance has been placed on estimates of future prices of coal, mineable resources, and assumptions relating to operational performance, and availability of infrastructure facilities for mines.

iv. Integrated Steel Complex at Salboni, Bengal [PPE ₹ 117 crores (₹ 119 crores as at 31 March 2017), CWIP ₹ 146 crores (₹ 144 crores as at 31 March 2017), leasehold land ₹ 75 crores (₹ 75 crores as at 31 March 2017) and advances ₹ 148 crores (₹ 149 crores as at 31 March 2017)] - 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.

v. Integrated Steel Complex at Ranchi, Jharkhand [PPE ₹ 45 crores (₹ 45 crores as at 31 March 2017), CWIP ₹ 31 crores (₹ 31 crores as at 31 March 2017) and Advances ₹ 1 crore (₹ 1 crore as at 31 March 2017)] - Evaluation of current status of the integrated Steel Complex to be implemented in phases at Ranchi, Jharkhand 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.

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vi. Goodwill ₹ 24 crores (₹ 24 crores as at 31 March 2017) and Inventories ₹ 121 crores (₹ 121 crores as at 31 March 2017) relating to interest in a real estate property – Valuation of the property by an independent expert.

vii. PPE ₹ 81 crores including mining development and projects ₹ 71 crores (₹ 79 crores including mining development and projects ₹ 69 crores as at 31 March 2017) and goodwill ₹ 7 crores (₹ 7 crores as at 31 March 2017) 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.

49. Research and development activities

The manufacturing and other expenses include ₹ 29 crores (previous year – ₹ 21 crores) in respect of research and development activities undertaken during the year. Depreciation expenditure includes ₹ 12 crores (previous year – ₹ 11 crores) in respect of research and development activities undertaken during the year.

50. Joint ventures

Details of the Group's material joint ventures are as follows:

Name of the Joint venture	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group		Principal activity
		31 March 2018	31 March 2017	
JSW Severfield Structures Limited	India	50%	50%	Design, fabrication and erection of structural steel works
JSW Structural Metal Decking Limited	India	33.33%	33.33%	Metal Deckings
Rohne Coal Company Private Limited	India	49%	49%	Coal mining Company
JSW MI Steel Service Center Private Limited	India	50%	50%	Steel service centre
JSW Vallabh Tinplate Private Limited	India	50%	50%	Steel plant
Vijayanagar Minerals Private Limited	India	40%	40%	Supply of iron ore
Gourangdih Coal Limited	India	50%	50%	Coal mining Company
Accialtalia S.p.A. (w.e.f. 30 November 2016)	Italy	35%	35%	Trading in steel products
Geo Steel LLC	Georgia	49%	49%	Manufacturing of TMT rebar

The above joint ventures are accounted using the equity method in these consolidated financial statements.

Summarised financial information in respect of the Group's, material joint ventures is set out below. The summarised financial information below represents amounts shown in joint ventures financial statements prepared in accordance with Indian GAAP (adjusted by the Group for equity accounting purposes).

a) Financial information of 'JSW Severfield Structures Limited'

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Current assets	419	363
Non-current assets	207	218
Current liabilities	459	468
Non-current liabilities	1	50

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The above amount of assets and liabilities include the following:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalents	@	25
Current financial liabilities (excluding trade and other payables and provisions)	74	201
Non-current financial liabilities (excluding trade and other payables and provisions)	-	46

@ - ₹ 0.27 crores

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	411	391
Profit / (loss) for the year	11	3
Other comprehensive income for the year	@	@
Total comprehensive income for the year	11	3
Dividends received from the joint venture during the year	-	-

@ - ₹ (0.10) crores (previous year – ₹ (0.09) crores)

The above profit / (loss) for the year include the following:

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation and amortisation	15	15
Interest income	3	2
Interest expense	27	37
Income tax expense (income)	@	@

@ - ₹ 0.12 crores (previous year ₹ 0.24 crores)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Net assets of the joint venture	163	63
Proportion of the Group's ownership interest in the joint venture	50%	50%
Other adjustments	-	-
Carrying amount of the Group's interest in the joint venture	81	31

b) Financial information of 'JSW MI Steel Service Center Private Limited'

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Current assets	109	193
Non-current assets	198	112
Current liabilities	40	30
Non-current liabilities	119	136

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The above amount of assets and liabilities include the following:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalents	45	103
Current financial liabilities (excluding trade and other payables and provisions)	32	17
Non-current financial liabilities (excluding trade and other payables and provisions)	119	135

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	159	50
Profit / (loss) for the year	12	@
Other comprehensive income for the year	(2)	@@
Total comprehensive income for the year	10	@@@
Dividends received from the joint venture during the year	-	-

@ - ₹ 0.24 crores; @@ - ₹ (0.04) crores; @@@ - ₹ 0.20 crores

The above profit / (loss) for the year include the following:

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation and amortisation	4	4
Interest income	7	4
Interest expense	3	2
Income tax expense (income)	3	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Net assets of the joint venture	148	138
Proportion of the Group's ownership interest in the joint venture	50%	50%
Other adjustments	-	(48)
Carrying amount of the Group's interest in the joint venture	74	45

c) **Financial information of 'JSW Vallabh Tinplate Private Limited'**

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Current assets	109	139
Non-current assets	187	197
Current liabilities	170	181
Non-current liabilities	64	91

The above amount of assets and liabilities include the following:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalents	@	@
Current financial liabilities (excluding trade and other payables and provisions)	75	73
Non-current financial liabilities (excluding trade and other payables and provisions)	63	85

@ - ₹ 0.23 crores (previous year – ₹ 0.43 crores)

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to the Consolidated Financial Statements as at and for the year ended 31 March 2018

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	551	482
Profit / (loss) for the year	(2)	(3)
Other comprehensive income for the year	@@	@@
Total comprehensive income for the year	(2)	(3)
Dividends received from the joint venture during the year	-	-

@@ - ₹ 0.17 crores (previous year ₹ (0.02 crores))

The above profit / (loss) for the year include the following:

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation and amortisation	12	13
Interest income	@	-
Interest expense	18	17
Income tax expense (income)	(1)	(1)

@ - ₹ 0.37 crores

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Net assets of the joint venture	62	64
Proportion of the Group's ownership interest in the joint venture	50%	50%
Other adjustments	-	-
Carrying amount of the Group's interest in the joint venture	31	32

d) Financial information of 'Accialtalia S.p.A.'

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Current assets	9	1,158
Non-current assets	-	19
Current liabilities	9	1,143
Non-current liabilities	-	-

The above amount of assets and liabilities include the following:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalents	1	-
Current financial liabilities (excluding trade and other payables and provisions)	-	-
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	-	-
Profit / (loss) for the year	(39)	@
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(39)	@
Dividends received from the joint venture during the year	-	-

@ - ₹ 0.41 crores

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

The above profit / (loss) for the year include the following:

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation and amortisation	-	-
Interest income	-	-
Interest expense	-	-
Income tax expense (income)	-	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Net assets of the joint venture	-	35
Proportion of the Group's ownership interest in the joint venture	35%	35%
Other adjustments	-	-
Carrying amount of the Group's interest in the joint venture	-	12

e) **Financial information of 'Geo Steel LLC'**

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Current assets	502	372
Non-current assets	142	155
Current liabilities	298	262
Non-current liabilities	-	3

The above amount of assets and liabilities include the following:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalents	141	63
Current financial liabilities (excluding trade and other payables and provisions)	44	72
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	519	326
Profit / (loss) for the year	84	41
Other comprehensive income for the year	-	-
Total comprehensive income for the year	84	41
Dividends received from the joint venture during the year	-	-

The above profit / (loss) for the year include the following:

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation and amortisation	15	16
Interest income	5	3
Interest expense	3	4
Income tax expense (income)	13	7

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Net assets of the joint venture	347	262
Proportion of the Group's ownership interest in the joint venture	49%	49%
Other adjustments	-	-
Carrying amount of the Group's interest in the joint venture	170	128

f) Aggregate information of joint ventures that are not individually material

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Aggregate carrying amount of the Group's interest in these joint ventures	4	4
Profit / (loss) from continuing operations	@	@@
Post tax profit / (loss) from continuing operations	@	@@
Other comprehensive income	-	-
Total comprehensive income	@	@@

@ - ₹ (0.08) crores; @@ ₹ (0.12) crores

51. Subsidiaries

Details of the Group's subsidiaries at the end of reporting period are as follows:

Name of the subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group		Principal activity
		31 March 2018	31 March 2017	
JSW Steel (Netherlands) B.V.	Netherlands	100%	100%	Acquisition and investment in steel related & allied businesses and trading in steel products
JSW Steel Italy S.R.L. (w.e.f. 30 January 2017)	Italy	100%	100%	Trading in steel products
JSW Steel (UK) Limited	United Kingdom	100%	100%	Investment in steel related and steel allied businesses
Periama Holdings, LLC (w.e.f 23 January 2017)	United States of America	100%	100%	Holding Company of JSW Steel (USA) Inc. and West Virginia operations
JSW Steel (USA) Inc.	United States of America	90%	90%	Manufacturing plates, pipes and double jointing
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
Periama Handling, LLC	United States of America	100%	100%	Coal loading Company

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

Name of the subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group		Principal activity
		31 March 2018	31 March 2017	
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 Eroush Limitada	Chile	100%	100%	Holding Company (LLP) of Santa Fe Mining
Santa Fe Mining	Chile	70%	70%	Mining Company
Santa Fe Puerto S.A.	Chile	70%	70%	Port Company
JSW Natural Resources Limited	Republic of Mauritius	100%	100%	Holding Company of JSW Natural Resources Mozambique Limitada and JSW Mali Resources SA
JSW Natural Resources Mozambique Limitada	Mozambique	100%	100%	Mining Company
JSW ADMS Carvao Limitada	Mozambique	100%	100%	Mining Company
JSW Steel Processing Centres Limited	India	100%	100%	Steel service center
JSW Bengal Steel Limited	India	98.68%	98.66%	Steel plant
JSW Natural Resources India Limited	India	98.68%	98.66%	Mining related Company
JSW Energy (Bengal) Limited	India	98.68%	98.66%	Power plant
JSW Natural Resource Bengal Limited	India	98.68%	98.66%	Mining related 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
Dolvi Minerals & Metals Private Limited	India	40%	40%	Trading in steel and allied products
Dolvi Coke Private Limited	India	40%	40%	Coke oven plant
JSW Realty & Infrastructure Private Limited	India	0%	0%	Construction and development of residential township
JSW Industrial Gases Private Limited (formerly known as JSW Praxair Oxygen Private Limited) (w.e.f. 16 August 2016)	India	100%	100%	Production of gaseous and liquid form of oxygen, nitrogen, argon and other products recoverable from separation of air
JSW Steel (Salav) Limited	India	100%	99.90%	Steel plant
JSW Utkal Steel Limited (w.e.f. 16 November 2017)	India	100%	-	Steel plant
Hasaud Steel Limited (w.e.f. 13 February 2018)	India	100%	-	Investment in steel related activities
Milloret Steel Limited (w.e.f. 8 March 2018)	India	100%	-	Investment in steel related activities
Creixent Special Steels Limited (w.e.f. 27 February 2018)	India	100%	-	Investment in steel related activities

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

Non-controlling interest

a) **Financial information of 'JSW Steel (USA) Inc.'**

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Non-current assets	3,776	3,952
Current assets	803	518
Non-current liabilities	3,478	3,846
Current liabilities	571	749
Equity attributable to owners of the Company	860	103
Non-controlling interest	(330)	(228)

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	1,470	925
Expenses	1,761	1,352
Profit/ (loss) for the year	651	(362)
Profit / (loss) attributable to owners of the Company	586	(326)
Profit / (loss) attributable to the non-controlling interest	65	(36)
Profit / (loss) for the year	651	(362)
Other comprehensive income attributable to owners of the Company	-	-
Other comprehensive income attributable to the non-controlling interests	-	-
Other comprehensive income for the year	-	-
Total comprehensive income attributable to the owners of the Company	586	(326)
Total comprehensive income attributable to the non-controlling interests	65	(36)
Total comprehensive income for the year	651	(362)

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Net cash inflow / (outflow) from operating activities	(229)	(581)
Net cash inflow / (outflow) from investing activities	(24)	(8)
Net cash inflow / (outflow) from financing activities	241	585
Net cash inflow / (outflow)	(12)	(4)

b) **Financial information of 'Santa Fe Mining'**

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Non-current assets	162	252
Current assets	20	1
Non-current liabilities	10	-
Current liabilities	363	332
Equity attributable to owners of the Company	(134)	(55)
Non-controlling interest	(57)	(24)

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	-	-
Expenses	111	57
Profit / (loss) for the year	(111)	(53)
Profit / (loss) attributable to owners of the Company	(78)	(37)
Profit / (loss) attributable to the non-controlling interest	(33)	(16)
Profit / (loss) for the year	(111)	(53)
Other comprehensive income attributable to owners of the Company	-	-
Other comprehensive income attributable to the non-controlling interests	-	-
Other comprehensive income for the year	-	-
Total comprehensive income attributable to the owners of the Company	(78)	(37)
Total comprehensive income attributable to the non-controlling interests	(33)	(16)
Total comprehensive income for the year	(111)	(53)

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Net cash inflow / (outflow) from operating activities	(17)	(50)
Net cash inflow / (outflow) from investing activities	(19)	-
Net cash inflow / (outflow) from financing activities	36	49
Net cash inflow / (outflow)	-	@

@ - ₹ (0.34) crores

c) **Financial information of 'JSW Realty Infrastructure & Private Limited'**

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Non-current assets	366	414
Current assets	10	11
Non-current liabilities	299	356
Current liabilities	49	89
Equity attributable to owners of the Company	-	-
Non-controlling interest	28	(20)

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	30	27
Expenses	145	29
Profit/ (loss) for the year	(91)	(11)
Profit / (loss) attributable to owners of the Company	-	-
Profit / (loss) attributable to the non-controlling interest	(91)	(11)
Profit / (loss) for the year	(91)	(11)
Other comprehensive income attributable to owners of the Company	-	-
Other comprehensive income attributable to the non-controlling interests	-	-
Other comprehensive income for the year	-	-
Total comprehensive income attributable to the owners of the Company	-	-
Total comprehensive income attributable to the non-controlling interests	(91)	(11)
Total comprehensive income for the year	(91)	(11)

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Net cash inflow / (outflow) from operating activities	39	(8)
Net cash inflow / (outflow) from investing activities	(72)	(31)
Net cash inflow / (outflow) from financing activities	34	41
Net cash inflow / (outflow)	1	2

d) **Consolidated Financial information of 'Dolvi Minerals and Metals Private Limited'**

₹ in crores

Particulars	As at 31 March 2018	As at 31 March 2017
Non-current assets	1,883	1,031
Current assets	277	250
Non-current liabilities	1,925	1,118
Current liabilities	280	127
Equity attributable to owners of the Company	(18)	16
Non-controlling interest	(27)	20

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	15	26
Expenses	19	57
Profit/ (loss) for the year	(78)	(24)
Profit / (loss) attributable to owners of the Company	(31)	(10)
Profit / (loss) attributable to the non-controlling interest	(47)	(14)
Profit / (loss) for the year	(78)	(24)
Other comprehensive income attributable to owners of the Company	@	@
Other comprehensive income attributable to the non-controlling interests	@@	@@
Other comprehensive income for the year	(1)	@@@
Total comprehensive income attributable to the owners of the Company	(32)	(9)
Total comprehensive income attributable to the non-controlling interests	(47)	(14)
Total comprehensive income for the year	(79)	(24)

@ - ₹ (0.25) crores (previous year – ₹ 0.07 crores); @@ - ₹ (0.37) crores (previous year – ₹ 0.10 crores);

@@@ - ₹ 0.17 crores

₹ in crores

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Net cash inflow / (outflow) from operating activities	(81)	(7)
Net cash inflow / (outflow) from investing activities	(205)	(282)
Net cash inflow / (outflow) from financing activities	306	(7)
Net cash inflow / (outflow)	20	(296)

52. Subsequent events

On 16 May 2018 the board of directors recommended a final dividend of ₹ 3.20 per equity share (total dividend ₹ 774 crores) be paid to shareholders for financial year 2017-18, which is subject to approval by the shareholders at the Annual General Meeting to be held on 24 July 2018.

53. Previous year figures have been re-grouped / re-classified wherever necessary.

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

54. Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Joint ventures as per Schedule III of Companies Act, 2013

₹ in crores

Name of entity in the group	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
PARENT Company								
JSW Steel Limited	64.95	17,882	79.40	4,854	87.63	(163)	79.15	4,691
SUBSIDIARIES								
INDIAN								
JSW Steel Processing Centres Limited	0.63	173	0.47	29	-	@	0.49	29
JSW Bengal Steel – Group	1.45	399	(0.15)	(9)	-	@	(0.15)	(9)
Amba River Coke Limited	6.34	1,746	3.09	189	(3.23)	6	3.29	195
JSW Steel Coated Products Limited	7.06	1,944	5.01	306	19.35	(36)	4.56	270
JSW Steel Salav Limited	2.26	621	1.01	62	-	@	1.05	62
JSW Jharkhand Steel Limited	0.28	77	(0.07)	(4)	-	@	(0.07)	(4)
Peddar Realty Private Limited	0.53	145	(0.20)	(12)	-	-	(0.20)	(12)
Dolvi Minerals and Metals Private Limited - Group	0.39	108	(0.46)	(28)	0.54	(1)	(0.49)	(29)
JSW Realty Infrastructure Private Limited	0.78	216	-	-	-	-	-	-
JSW Industrial Gases Private Limited	1.28	352	0.47	29	-	@	0.49	29
JSW Utkal Steel Limited	0.06	16	(0.03)	(2)	-	-	(0.03)	(2)
Hasaud Steel Limited	-	@	-	-	-	-	-	-
Milloret Steel Limited	-	-	-	-	-	-	-	-
Creixent Special Steels Limited	-	@	-	-	-	-	-	-
FOREIGN								
JSW Steel (Netherlands) B.V.	(2.34)	(645)	(0.41)	(25)	-	-	(0.42)	(25)
Periama Holding LLC – Group	13.39	3,686	17.00	1,039	-	-	17.53	1,039
JSW Panama Holdings Corporation - Group	2.44	672	(3.80)	(232)	-	-	(3.91)	(232)
JSW Steel UK Limited	0.51	141	(0.26)	(16)	-	-	(0.27)	(16)
JSW Natural Resources Limited - Group	0.38	105	-	@	-	-	-	@
Arima Holding Limited	-	-	-	@	-	-	-	@
Lakeland Securities Limited	-	@	-	@	-	-	-	@
Erebus Limited	-	@	-	@	-	-	-	@
Nippon Ispat Singapore (PTE) Limited	-	@	-	-	-	-	-	-
JSW Steel Italy S.R.L.	-	@	(0.13)	(8)	-	-	(0.13)	(8)

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

₹ in crores

Name of entity in the group	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
NON-CONTROLLING INTEREST IN ALL SUBSIDIARIES	(1.69)	(464)	(1.65)	(101)	1.08	(2)	(1.74)	(103)
JOINT VENTURES (investment as per the equity method)								
INDIAN								
Vijayanagar Minerals Private Limited	0.01	2	-	@	-	-	-	@
Rohne Coal Company Private Limited	-	-	-	-	-	-	-	-
JSW Severfield Structures Limited - Group	0.29	81	0.16	10	-	-	0.17	10
Gourangdih Coal Limited	0.01	2	-	@	-	-	-	@
JSW MI Steel Service Center Private Limited	0.27	74	0.08	5	-	-	0.08	5
JSW Vallabh Tinplate Private Limited	0.11	31	(0.02)	(1)	-	-	(0.02)	(1)
FOREIGN								
Geo Steel LLC	0.62	170	0.67	41	-	-	0.69	41
Accialtalia S.p.A.	-	-	(0.21)	(13)	-	-	(0.22)	(13)
Foreign currency translation reserve	-	-	-	-	(5.38)	10	0.17	10
Total	**100.00**	**27,534**	**100.00**	**6,113**	**100.00**	**(186)**	**100.00**	**5,927**

@ - Less than ₹ 50 lakhs

Note: The balances and amounts presented above are net of interCompany eliminations and consolidation adjustments.

Notes

to the Consolidated Financial Statements as at and for the year ended 31 March 2018

55. Standards issued but not yet effective

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers' (New Revenue Standard), which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'. The core principle of the New Revenue Standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Some of the key changes introduced by the New Revenue Standard include additional guidance for multiple-element arrangements, measurement approaches for variable consideration, adjustments for time value of money etc. Significant additional disclosures in relation to revenue are also prescribed. The New Revenue Standard also provides two broad alternative transition options – Retrospective Method and Cumulative Effect Method – with certain practical expedients available under the Retrospective Method. The Group is in the process of evaluating the impact of the New Revenue Standard on the present and future arrangements and shall determine the appropriate transition option once the said evaluation has been completed.

Also Appendix B to Ind AS 21, foreign currency transactions and advance consideration was notified along with the same notification which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Group is in the process of evaluating the effect of amendment on its financial statements.

Other amendments

Following amendments to other Ind ASs which are issued but are not effective in FY 2017-18

a) Amendments to Ind AS 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112.

b) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses.

c) Transfers of Investment Property — Amendments to Ind AS 40.

d) Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice.

The Group is in the process of evaluating the effect of these amendments on the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Reg. No. 324982E/E300003

per **Vikram Mehta**
Partner
Membership No. 105938

Place: Mumbai
Date: 16 May 2018

For and on behalf of the Board of Directors

Sajjan Jindal
Chairman & Managing Director
DIN 00017762

Lancy Varghese
Company Secretary
ICSI Membership No. FCS 9407

Rajeev Pai
Chief Financial Officer

Seshagiri Rao M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

Form AOC-I

(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

₹ in crores

	Name of the Subsidiary	JSW Steel (Netherlands) B.V.	JSW Steel Italy S.R.L.	JSW Steel (UK) Limited	Periama Holdings LLC	JSW Steel (USA) Inc.	Prime Coal LLC	Planck Holdings LLC	Rolling S Augering LLC	Periama Handling LLC	Caretta Minerals LLC
A	Reporting Currency	USD	EURO	GBP	USD	USD	USD	USD	USD	USD	USD
B	Exchange rate	65.04	80.62	92.28	65.04	65.04	65.04	65.04	65.04	65.04	65.04
C	Share Capital	297.93	0.16	139.23	93.34	5,223.04	0.68	483.62	28.70	26.03	527.16
D	Reserves and Surplus	(1,133.97)	(9.67)	(106.05)	(193.93)	(4,690.61)	(80.39)	(78.86)	(67.69)	(62.93)	(191.80)
E	Total Assets	371.97	2.67	140.74	5,814.30	4,598.13	0.44	588.03	0.03	-	729.23
F	Total Liabilities	1,208.01	12.18	107.56	5,914.89	4,065.70	80.15	183.27	39.02	36.90	393.87
G	Investment	192.55	-	-	1,835.56	-	-	529.50	-	-	-
H	Turnover	-	160.62	-	-	1,526.27	-	-	-	-	59.05
I	Profits / (Losses) before Taxes	(78.78)	(9.51)	(36.47)	(170.70)	(291.17)	(0.62)	(8.69)	0.32	(0.05)	(6.05)
J	Provision for Taxation	-	-	-	3.17	(119.86)	-	-	-	-	-
K	Profits / (Losses) after Taxes	(78.78)	(9.51)	(36.47)	(173.87)	(171.31)	(0.62)	(8.69)	0.32	(0.05)	(6.05)
L	Proposed Dividend	-	-	-	-	-	-	-	-	-	-
M	% of shareholding	100.00%	100.00%	100.00%	100.00%	90.00%	100.00%	100.00%	100.00%	100.00%	100.00%

₹ in crores

	Name of the Subsidiary	Lower Hutchinson Minerals LLC	Meadow Creek Minerals LLC	Keenan Minerals LLC	Hutchinson Minerals LLC	Peace Leasing LLC	R.C. Minerals LLC	Purest Energy LLC	JSW Panama holdings Corporation	Inversiones Eurosh Limitada	Santa Fe Mining
A	Reporting Currency	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
B	Exchange rate	65.04	65.04	65.04	65.04	65.04	65.04	65.04	65.04	65.04	65.04
C	Share Capital	10.54	26.43	3.50	33.22	-	50.25	80.33	0.65	0.29	12.79
D	Reserves and Surplus	(19.96)	(71.22)	(7.50)	(47.98)	(0.19)	(60.33)	(141.33)	36.38	(579.32)	(203.94)
E	Total Assets	0.09	0.13	-	0.01	-	-	-	37.04	368.89	181.62
F	Total Liabilities	9.51	44.92	4.00	14.77	0.19	10.08	61.00	0.01	947.92	372.77
G	Investment	-	-	-	-	-	-	-	0.27	8.95	-
H	Turnover	-	-	-	-	-	-	-	-	-	-
I	Profits / (Losses) before Taxes	(0.21)	0.01	-	(0.05)	-	-	-	1.19	(33.04)	(112.30)
J	Provision for Taxation	-	-	-	-	-	-	-	-	-	-
K	Profits / (Losses) after Taxes	(0.21)	0.01	-	(0.05)	-	-	-	1.19	(33.04)	(112.30)
L	Proposed Dividend	-	-	-	-	-	-	-	-	-	-
M	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	70.00%

Form AOC-I (Continued)

₹ in crores

	Name of the Subsidiary	Santa Fe Puerto S.A.	JSW Natural Resources Limited	JSW Natural Resources Mozambique Lda	JSW ADMS Carvo Lda	Nippon Ispat Singapore (PTE) Limited	Arima Holdings Limited	Erebus Limited	Lakeland Securities Limited	JSW Steel Processing Centres Limited	JSW Bengal Steel Limited
A	Reporting Currency	USD	USD	USD	USD	SGD	USD	USD	USD	INR	INR
B	Exchange rate	65.04	65.04	65.04	65.04	49.66	65.04	65.04	65.04	1.00	1.00
C	Share Capital	0.32	88.82	122.34	-	3.90	32.78	140.12	0.23	50.00	453.92
D	Reserves and Surplus	(11.64)	(37.57)	(97.77)	0.41	(8.77)	(32.92)	(140.26)	(0.37)	143.76	(6.60)
E	Total Assets	-	195.11	96.84	75.49	-	0.06	0.06	0.06	219.03	469.10
F	Total Liabilities	11.32	143.86	72.27	75.08	4.87	0.20	0.20	0.20	25.27	21.78
G	Investment	-	122.34	6.96	-	-	-	-	-	-	136.52
H	Turnover	-	-	-	-	-	-	-	-	56.35	-
I	Profits / (Losses) before Taxes	-	(6.58)	0.02	(0.03)	-	(0.06)	(0.06)	(0.06)	34.04	(7.16)
J	Provision for Taxation	-	-	-	-	-	-	-	-	12.99	0.26
K	Profits / (Losses) after Taxes	-	(6.58)	0.02	(0.03)	-	(0.06)	(0.06)	(0.06)	21.05	(7.42)
L	Proposed Dividend	-	-	-	-	-	-	-	-	150.00%	-
M	% of shareholding	70.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	98.68%

₹ in crores

	Name of the Subsidiary	JSW Natural Resources India Limited	JSW Energy (Bengal) Limited	JSW Natural Resources Bengal Limited	Amba River Coke Limited	JSW Jharkhand Steel Limited	Peddar Realty Private Limited	JSW Steel Coated Products Limited	JSW Steel (Salav) Limited	Dolvi Minerals & Metals Private Limited	Dolvi Coke Projects Limited
A	Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
B	Exchange rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
C	Share Capital	107.06	29.46	63.94	931.90	83.79	0.01	50.05	1,334.86	100.01	750.30
D	Reserves and Surplus	(4.58)	(6.01)	(3.47)	579.74	(6.82)	(34.14)	1,662.98	(961.28)	(270.49)	(14.85)
E	Total Assets	102.67	98.88	60.68	3,808.91	77.98	122.42	4,687.61	1,480.15	900.02	1,795.15
F	Total Liabilities	0.19	75.43	0.21	2,297.27	1.01	156.55	2,974.58	1,106.57	1,070.50	1,059.70
G	Investment	-	63.94	-	41.92	-	-	35.84	-	-	-
H	Turnover	-	-	-	4,668.19	-	-	12,534.01	1,323.44	14.82	-
I	Profits / (Losses) before Taxes	(0.26)	(0.10)	(0.46)	261.90	(3.60)	(11.04)	419.93	47.56	(108.85)	(2.68)
J	Provision for Taxation	-	-	-	93.12	0.01	0.52	144.89	12.60	-	0.08
K	Profits / (Losses) after Taxes	(0.26)	(0.10)	(0.46)	168.78	(3.61)	(11.56)	275.04	34.96	(108.85)	(2.76)
L	Proposed Dividend	-	-	-	-	-	-	-	-	-	-
M	% of shareholding	98.68%	98.68%	98.68%	100.00%	100.00%	100.00%	100.00%	100.00%	40.00%	40.00%

Form AOC-I (Continued)

₹ in crores

	Name of the Subsidiary	JSW Realty & Infrastructure Pvt Ltd.	JSW Industrial Gases Private Limited	JSW Utkal Steel Limited	Hasaud Steel Limited	Milloret Steel Limited	Creixent Special Steels Limited
A	Reporting Currency	INR	INR	INR	INR	INR	INR
B	Exchange rate	1.00	1.00	1.00	1.00	1.00	1.00
C	Share Capital	0.01	92.08	0.50	-	-	-
D	Reserves and Surplus	32.19	278.19	(2.03)	0.01	-	0.02
E	Total Assets	386.28	419.11	16.03	0.01	-	0.02
F	Total Liabilities	354.08	48.84	17.56	-	-	-
G	Investment	-	208.87	-	-	-	-
H	Turnover	30.40	551.85	-	-	-	-
I	Profits / (Losses) before Taxes	(84.12)	49.24	(2.03)	-	-	-
J	Provision for Taxation	5.62	16.56	-	-	-	-
K	Profits / (Losses) after Taxes	(89.74)	32.68	(2.03)	-	-	-
L	Proposed Dividend	-	135.00%	-	-	-	-
M	% of shareholding	0.00%	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.

Additional disclosure	Name of subsidiaries
Subsidiaries yet to commence operation	JSW Bengal Steel 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
	Dolvi Coke Projects Limited
	JSW Utkal Steel Limited
	Hasaud Steel Limited
	Milloret Steel Limited
	Creixent Special Steels Limited
Subsidiaries liquidated or sold during the year	None

Form AOC-I (Continued)

Part B: Associates and Joint Ventures

₹ in crores

Name of Associates/ Joint Ventures	Joint ventures								
	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	Acciaitalia S.P.A.
1. Latest audited Balance Sheet Date	31 March 2018	31 March 2018	31 March 2018	31 March 2018	31 March 2016	31 March 2018	31 March 2018	31 December 2017	31 December 2017
2. Shares of Associate/Joint Ventures held by the Company on the year end									
Number of shares	4,000	490,000	160,437,940	4,482,925	2,450,000	66,500,000	25,019,600	-	17,675
Amount of Investment	-	0.49	160.44	4.48	2.45	66.50	30.00	25.94	12.32
Extend of Holding %	40.00%	49.00%	50.00%	33.33%	50.00%	50.00%	50.00%	49.00%	35.00%
3. Description of how there is significant influence	Joint Venture Agreement								
4. Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	1.91	1.55	83.16	2.65	1.72	74.11	31.02	167.85	0.69
6. Profit / Loss for the year									
i. Considered in Consolidation	(0.07)	-	5.07	0.03	(0.01)	5.47	(1.05)	41.15	(13.18)
ii. Not Considered in Consolidation	-	(0.29)	-	-	-	-	-	-	-

Additional disclosure	Name of associates and Joint Ventures
Associates and Joint Ventures yet to commence operation	Rohne Coal Company Private Limited Gourangdih Coal Limited
Associates and Joint Ventures liquidated or sold during the year	None

For and on behalf of the Board of Directors

Sajjan Jindal
Chairman & Managing Director
DIN 00017762

Lancy Varghese
Company Secretary
ICSI Membership No. FCS 9407

Rajeev Pai
Chief Financial Officer

Seshagiri Rao M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

Place: Mumbai
Date: 16 May 2018

Financial Highlights (Standalone)

	2013-14 (IGAAP)	2014-15 (IGAAP)	2015-16 (IND-AS)	2016-17 (IND-AS)	2017-18 (IND-AS)
REVENUE ACCOUNTS (₹ in crores)					
Gross Turnover	48,527	49,658	40,354	56,244	65,046
Net Turnover	44,529	45,352	36,202	51,621	63,787
Operating EBIDTA	8,783	8,872	6,369	11,544	13,741
Depreciation and Amortization	2,726	2,785	2,847	3,025	3,054
Finance Costs	2,740	2,909	3,219	3,643	3,591
Exceptional Items	1,692	396	5,860	-	234
Profit Before Taxes	1,955	3,249	(5,239)	5,131	7,075
Provision for Taxation	621	1,082	(1,710)	1,554	2,450
Profit after Taxes	1,335	2,166	(3,530)	3,577	4,625
CAPITAL ACCOUNTS (₹ in crores)					
Net Fixed Asset	37,295	38,569	46,560	50,266	49,568
Debt*	27,184	28,134	35,658	38,273	36,181
Net Debt*	26,651	26,339	35,059	36,946	35,580
Equity Capital	242	242	240	240	241
Other Equity (Reserve & Surplus)	23,217	24,657	20,109	23,797	27,605
Shareholders' Funds	24,284	25,725	20,410	24,098	27,907
RATIOS					
Book Value Per Share (₹)	97.30	103.26	84.44	99.69	115.45
Market price Per Share (₹)	103.61	90.66	128.33	188.20	288.15
Earning per Share (Diluted) (₹)	5.39	8.82	(14.75)	14.80	19.14
Market Capitalisation (₹ in crores)	25,044	21,913	31,019	45,492	69,652
Equity Dividend per Share (₹)	1.10	1.10	0.75	2.25	3.20
Fixed Assets Turnover Ratio	1.19	1.18	0.78	1.03	1.29
Operating EBIDTA Margin	19.4%	19.2%	17.4%	22.1%	21.1%
Interest Service Coverage Ratio	2.47	3.40	2.17	3.38	4.05
Net Debt Equity Ratio	1.10	1.02	1.71	1.53	1.27
Net Debt to EBIDTA	3.03	2.97	5.50	3.20	2.59

* Excluding Acceptance

Financial Highlights (Consolidated)

	2013-14 (IGAAP)	2014-15 (IGAAP)	2015-16 (IND-AS)	2016-17 (IND-AS)	2017-18 (IND-AS)
REVENUE ACCOUNTS (₹ in crores)					
Gross Turnover	54,621	56,572	45,288	59,560	70,091
Net Turnover	50,409	52,051	40,858	54,628	68,813
Operating EBIDTA	9,165	9,402	6,401	12,174	14,794
Depreciation and Amortization	3,183	3,434	3,323	3,430	3,387
Finance Costs	3,048	3,493	3,601	3,768	3,701
Exceptional Items	1,713	47	2,125	-	264
Profit Before Taxes	1,308	2,539	(2,468)	5,128	7,609
Provision for Taxation	920	819	(1,966)	1,674	1,538
Profit after Taxes	452	1,797	(481)	3,467	6,113
CAPITAL ACCOUNTS (₹ in crores)					
Net Fixed Asset	45,484	50,591	55,185	57,858	57,141
Debt*	34,762	37,990	42,204	43,334	39,393
Net Debt*	34,014	35,808	41,184	41,549	38,019
Equity Capital	242	242	240	240	241
Other Equity (Reserve & Surplus)	20,871	21,987	18,665	22,346	27,696
Shareholders' Funds	21,938	23,054	18,771	22,401	27,534
RATIOS					
Book Value Per Share (₹)	87.60	92.21	77.65	92.67	113.91
Market price Per Share (₹)	103.61	90.66	128.33	188.20	288.15
Earning per Share (Diluted) (₹)	1.74	7.29	(1.40)	14.58	25.71
Market Capitalisation (₹ in crores)	25,044	21,913	31,019	45,492	69,652
Equity Dividend per Share (₹)	1.10	1.10	0.75	2.25	3.20
Fixed Assets Turnover Ratio	1.11	1.03	0.74	0.94	1.20
Operating EBIDTA Margin	17.9%	17.7%	15.4%	21.9%	21.1%
Interest Service Coverage Ratio	2.01	1.75	1.84	3.34	4.15
Net Debt Equity Ratio	1.54	1.55	2.18	1.85	1.38
Net Debt to EBIDTA	3.71	3.81	6.39	3.41	2.57

* Excluding Acceptance

Notes

Notes

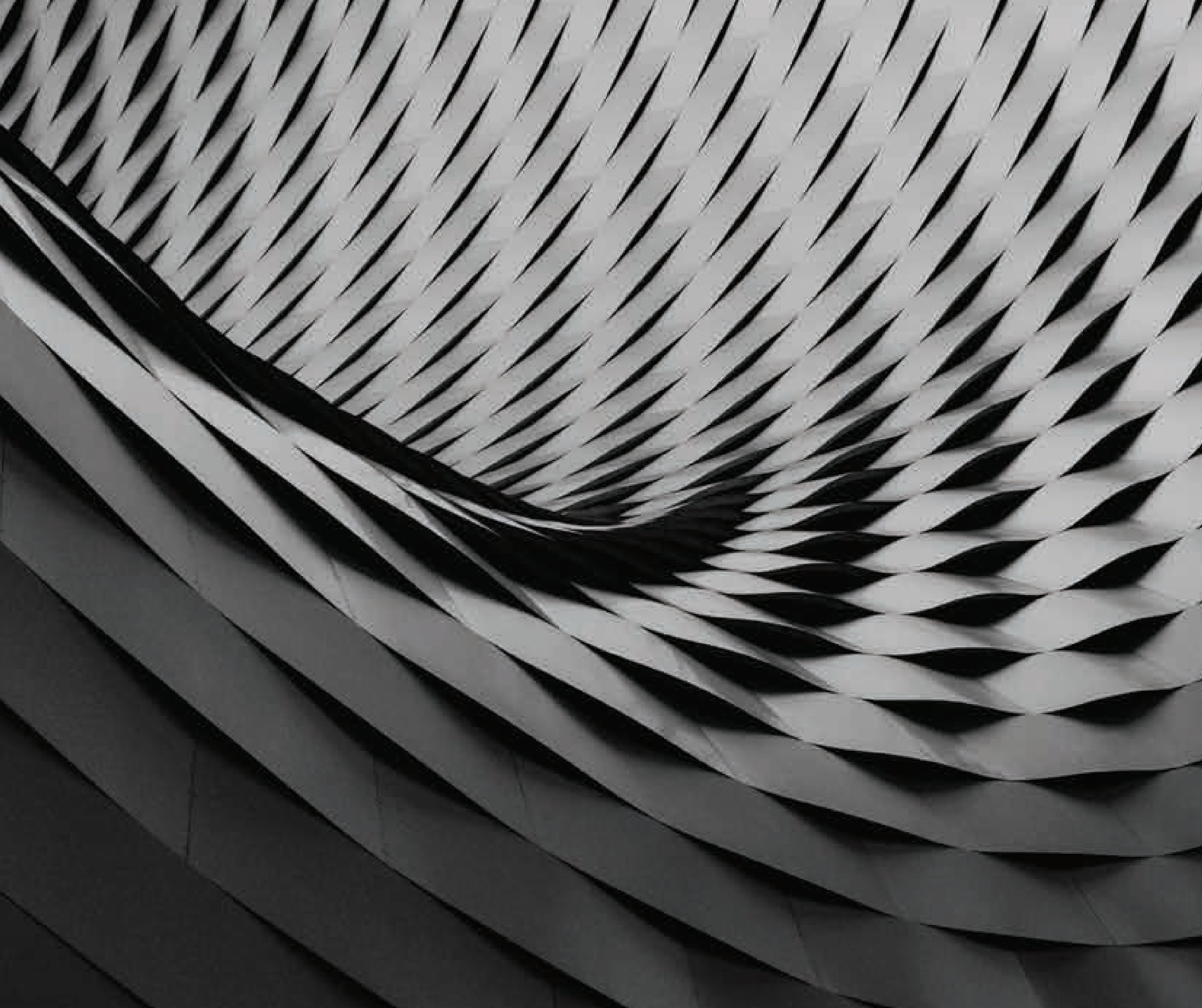







0.063
0.935


Planting trees,
conserving wildlife

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

CIN: L27102MH1994PLC152925

concept, content and design at AICL (hello@aicl.in)

www.jsw.in