

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

#### A. GENERAL INFORMATION

JSW Steel Limited, the Company was incorporated on 15 March 1994. The Company is predominantly engaged in the business of production and distribution of iron and steel products.

The consolidated financial statements of the group – (the parent company and all its subsidiaries) include financial information of other components, namely, joint ventures and associate companies.

The following components are included in the consolidation:

#### 1. SUBSIDIARY COMPANIES:

Name of the company	Country of incorporation	Shareholding at year end either directly or through subsidiaries	Nature of operations (commenced / planned)
JSW Steel (Netherlands) B.V.	Netherlands	100% (100%)	Acquisition and investment in steel related & allied businesses and trading in steel products
JSW Steel (UK) Limited	United Kingdom	100% (100%)	Investment in steel related and steel allied businesses
Argent Independent Steel (Holdings) Limited (ceased w.e.f 17.11.2015)	United Kingdom	- (100%)	Holding company of JSW Steel Service Centre (UK) Limited
JSW Steel Service Centre (UK) Limited	United Kingdom	100% (100%)	Steel service centre
JSW Steel Holding (USA) Inc.	United States of America	100% (100%)	Holding company of JSW Steel (USA) Inc. and Periana Holdings, LLC
JSW Steel (USA) Inc.	United States of America	90% (90%)	Manufacturing plates, pipes and double jointing
Periana Holdings, LLC	United States of America	100% (100%)	Holding company
Purest Energy, LLC	United States of America	100% (100%)	Holding company
Meadow Creek Minerals, LLC	United States of America	100% (100%)	Mining company
Hutchinson Minerals, LLC	United States of America	100% (100%)	Mining company
R.C. Minerals, LLC	United States of America	100% (100%)	Mining company
Keenan Minerals, LLC	United States of America	100% (100%)	Mining company
Peace Leasing, LLC	United States of America	100% (100%)	Mining company
Prime Coal, LLC	United States of America	100% (100%)	Management company
Planck Holdings, LLC	United States of America	100% (100%)	Holding company
Rolling S Augering, LLC	United States of America	100% (100%)	Mining company
Periana Handling, LLC	United States of America	100% (100%)	Coal loading company
Lower Hutchinson Minerals, LLC	United States of America	100% (100%)	Mining company
Caretta Minerals, LLC	United States of America	100% (100%)	Mining company
JSW Panama Holdings Corporation	Republic of Panama	100% (100%)	Holding company for Chile based companies and trading in iron ore
Inversiones Erroush Limitada	Chile	100% (100%)	Holding company (LLP) of Santa Fe Mining

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Name of the company	Country of incorporation	Shareholding at year end either directly or through subsidiaries	Nature of operations (commenced / planned)
Santa Fe Mining	Chile	70% (70%)	Mining company
Santa Fe Puerto S.A.	Chile	70% (70%)	Port company
JSW Natural Resources Limited	Republic of Mauritius	100% (100%)	Holding company of JSW Natural Resources Mozambique Limitada and JSW Mali Resources SA
JSW Natural Resources Mozambique Limitada	Mozambique	100% (100%)	Mining company
JSW Mali Resources SA (ceased w.e.f. 18.06.2015)	Mali	- (100%)	Mining company
JSW ADMS Carvao Limitada	Mozambique	100% (100%)	Mining company
JSW Steel East Africa Limited	Kenya	100% (100%)	Mining company
JSW Steel Processing Centres Limited	India	100% (100%)	Steel service center
JSW Bengal Steel Limited	India	98.65% (98.63%)	Steel plant
JSW Natural Resources India Limited	India	98.65% (98.63%)	Mining related company
JSW Energy (Bengal) Limited	India	98.65% (98.63%)	Power plant
JSW Natural Resource Bengal Limited	India	98.65% (98.63%)	Mining related company
Barbil Beneficiation Company Limited	India	98.65% (98.63%)	Beneficiation plant
Barbil Iron Ore Company Limited	India	98.65% (98.57%)	Mining company
JSW Jharkhand Steel Limited	India	100% (100%)	Steel plant and mining
JSW Steel Coated Products Limited	India	100% (100%)	Steel plant
Amba River Coke Limited	India	100% (100%)	Coke oven and Pellet plant
Nippon Ispat Singapore (PTE) Limited	Singapore	100% (100%)	Mining company
Erebus Limited	Mauritius	100% (100%)	Mining company
Arima Holdings Limited	Mauritius	100% (100%)	Mining company
Lakeland Securities Limited	Mauritius	100% (100%)	Mining company
Peddar Realty Private Limited	India	100% (100%)	Real estate
Everbest Steel & Mining Holdings Limited (ceased w.e.f. 4.12.2015) (w.e.f. 13.2.2015)	India	- (60%)	Mining company
JSW Steel (Salav) Limited (Formerly known as Welspun Maxsteel Limited) (w.e.f. 31.10.2014)	India	99.87% (99.85%)	Steel plant

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### 2. JOINTLY CONTROLLED ENTITIES:

Name of the company	Country of incorporation	Proportion of ownership interest at year end	Nature of operations (commenced / planned)
Vijayanagar Minerals Private Limited	India	40% (40%)	Supply of iron ore.
Rohne Coal Company Private Limited	India	49% (49%)	Coal mining company
Geo Steel LLC	Georgia	49% (49%)	Manufacturing of TMT rebar
JSW Severfield Structures Limited	India	50% (50%)	Designing, fabricating and erecting structural steel works
JSW Structural Metal Decking Limited	India	33.33% (33.33%)	Metal deckings
Gourangdih Coal Limited	India	50% (50%)	Coal mining company
JSW MI Steel Service Center Private Limited	India	50% (50%)	Steel service centre
JSW Vallabh Tinplate Private Limited (w.e.f. 7.4.2014)	India	50% (50%)	Steel plant

### 3. ASSOCIATE COMPANIES:

Name of the company	Country of incorporation	Proportion of ownership interest at year end	Nature of operations (commenced / planned)
JSW Praxair Oxygen Private Limited	India	26% (26%)	Production of gaseous and liquid form of oxygen, nitrogen, argon and other products recoverable from separation of air.
Dolvi Minerals & Metals Private Limited (w.e.f. 27.11.2014)	India	40% (40%)	Trading in steel and allied products
Dolvi Coke Projects Limited (w.e.f 4.12.2014)	India	40% (40%)	Coke oven plant

The Company has 26% stake in JSW Praxair Oxygen Private Limited (JPOPL). Though the Company is entitled to exercise joint control in respect of certain operating and financial matters as per the terms of the shareholders' agreement, on account of certain constraints, it is unable to exercise such joint control. The Company has a representation on JPOPL's Board. JPOPL has therefore been accounted for as an associate in consolidated financial statements using the equity method as per Accounting Standard (AS) - 23 "Accounting for Investments in Associates in Consolidated Financial Statements".

## B. SIGNIFICANT ACCOUNTING POLICIES

### 1.1 BASIS OF ACCOUNTING AND PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the 2013 Act").

The consolidated financial statements have been prepared on accrual basis under the historical cost convention except for the assets and liabilities acquired under the composite scheme of Amalgamation and Arrangement which are recorded at their respective fair values. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

The financial statements of the Company and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses in accordance with Accounting Standard 21 "Consolidated Financial Statements" after eliminating intra group balances, intra group transactions and resulting unrealized profits or losses, unless cost cannot be recovered. Interest of the minority shareholders in the subsidiaries' profits or losses and net worth is displayed separately in the consolidated financial statements.

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Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures". The intra-group balances, intra-group transactions and unrealized profits or losses have been eliminated to the extent of the Group's share in the entity.

The consolidated financial statements include the share of profit / loss of the associate companies which have been accounted for using equity method as per Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements". Accordingly, the share of profit/ loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments. Unrealized profits and losses resulting from transactions between the company and the associates are eliminated to the extent of the company's interest in the associate.

For the purpose of consolidation, the financial statements of the subsidiaries, joint venture companies and associates are drawn up to 31 March, 2016 which is the reporting period of the Company.

The excess of cost to the Group of its investment in the subsidiary companies, jointly controlled entities and associate companies over its share of equity or net assets is recognised as Goodwill. On the other hand, where share in equity or net assets as on the date of investment in subsidiary companies, jointly controlled entities and associate companies as on the date of investment is in excess of cost of investment of the Group, it is recognised as Capital reserve in the Consolidated financial statements under Reserves and surplus.

### 1.2 UNIFORM ACCOUNTING POLICIES

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

### 1.3 USE OF ESTIMATES

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements and the reported amounts of revenues and expenses during the year. The Management believes

that the estimates used in preparation of consolidated financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Future results could differ due to these estimates and the differences between the actual results and estimates are recognised in the periods in which the results are known/materialize.

### 1.4 INVENTORIES

Inventories are valued at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is determined by the weighted average cost method.

Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Excise duty related to finished goods stock is included under changes in inventories of finished goods, work-in-progress and stock-in-trade (refer note 23).

### 1.5 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

### 1.6 DEPRECIATION AND AMORTISATION

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets of the Company and its India subsidiaries, Jointly controlled entities and associates has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated

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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 year

Freehold land is not depreciated. Leasehold land is amortized over the period of the lease, except where the lease is convertible to freehold land under lease agreements at future dates at no additional cost.

Depreciation on the tangible fixed assets of the Company's foreign subsidiaries and jointly controlled entities has been provided on straight-line method as per the estimated useful life of such assets as follows:

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

Mining assets are amortized by the unit of production method once the mine commences commercial production. All expenditure related to unsuccessful efforts are charged to the Consolidated Statement of Profit and Loss when so established. Goodwill arising on consolidation to the extent attributable to mining concessions is also amortized on the basis described above.

Intangible assets are amortised over their estimated useful lives on straight line method as follows:

Class of assets	Years
Computer software	3 to 5 years
Licenses	Over the period of license

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

In respect of few Jointly controlled entities, depreciation is calculated on written down value basis, however the same is not material in context of the consolidated financial statements.

### 1.7 REVENUE RECOGNITION

Revenue is recognised when it is earned and no significant uncertainty exists as to its realization or collection.

#### Sale of goods

Revenue from sale of goods is recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax. Export turnover includes related export benefits.

#### Contract revenue

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Consolidated Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Consolidated Statement of Profit and Loss in the period in which such probability occurs.

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### 1.8 OTHER INCOME

Interest income is accounted on accrual basis when there is no significant uncertainty as to its realization or collection. Dividend income is accounted for, when the right to receive the income is established.

### 1.9 FIXED ASSETS (TANGIBLE/INTANGIBLE)

Tangible assets are stated at their cost of acquisition or construction except for assets acquired under the composite scheme of amalgamation and arrangement which are recorded at fair value, less accumulated depreciation and impairment losses, if any.

The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Group has adopted the provisions of para 46 / 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

In respect of mining projects, the Group capitalizes cost of acquisition of mining concessions and all costs incurred till mining reserves are proved, such as license fees, direct exploration costs and indirect incidental costs. Once the determination of mining reserves is made, the following conditions must be met in order for these costs to remain capitalized:

- i. The economic and operating viability of the project is assessed determining whether sufficient reserves exist to justify further capitalized expenditure for commercial exploration of the reserves, and
- ii. Further exploration and development activity is under way or firmly planned for the near future.

In respect of mining projects which are at different stages of prospecting and exploration, ranging from precursor activities to establishment of mining reserves, and where mining proper and other related activities to develop the property after assessment of economic and technical viability of the project have not yet commenced, related assets are carried at their original value, since impairment if any cannot be ascertained at this stage.

#### Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest. Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project is ready for its intended use.

#### Intangible assets:

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably. Intangible assets are stated at cost except for assets acquired under the composite scheme of amalgamation and arrangement which are recorded at fair value, less accumulated amortisation and impairment loss, if any.

Expenditure on Research and development (refer note 1.20) eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

### 1.10 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

#### Initial recognition

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or at rates that closely approximate the rate at the date of transaction.

#### Measurement at balance sheet date

Foreign currency monetary items outstanding at the year end (other than derivative contracts which are accounted as per note 1.23) are translated at the exchange rate prevailing as at the balance sheet date. Non-monetary items such as investments are carried at historical cost using the exchange rates on the date of the transaction-also refer note 1.12.

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated

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over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Consolidated Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to "Foreign currency translation reserve" until disposal / recovery of the net investment. The unamortised exchange difference is carried under Reserves and surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

### Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date.

### 1.11 GOVERNMENT GRANTS, SUBSIDY AND EXPORT INCENTIVES

Government grants and subsidies are recognised only when there is reasonable assurance that the conditions attached to them will be complied with and grants / subsidies will be received.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

### 1.12 INVESTMENTS

Long-term investments are carried individually at cost except for investments acquired under the composite scheme of amalgamation and arrangement which are recorded at fair value, less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

### 1.13 EMPLOYEE BENEFITS

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

Employee benefits such as salaries, performance incentives, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident fund and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense in the Consolidated

Statement of Profit and Loss in the period in which the service is rendered.

The cost of compensated absences which is expected to occur within twelve months after the end of the period in which the employee renders the related service, is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Employee benefits under defined benefit plans such as gratuity fund and compensated absences which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The Company's obligations recognised in the Consolidated Balance Sheet represents the present value of obligations as reduced by the fair value of plan assets, where applicable.

Actuarial gains and losses are recognised immediately in the Consolidated Statement of Profit and Loss.

### 1.14 EMPLOYEE SHARE BASED PAYMENTS

The Company has issued an Employee Stock Option Plan – 2012 to the Employees. Employee Stock Options are accounted under the 'Intrinsic Value Method'. Accordingly, the Company amortises the excess of market price of Share over exercise price of the Option over the vesting period specified in Employee stock option plan.

### 1.15 BORROWING COSTS

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Consolidated Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.



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### 1.16 SEGMENT REPORTING

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

### 1.17 LEASES

#### (i) Finance lease

Assets leased by the Group in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Where the Group as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

#### (ii) Operating leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

### 1.18 EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. The

weighted average number of equity shares outstanding during the year is adjusted for events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

### 1.19 TAXES ON INCOME

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of the applicable tax laws of respective jurisdictions where the entities are located.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the entity.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.



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The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Consolidated Statement of Profit and Loss.

### 1.20 RESEARCH AND DEVELOPMENT EXPENSES

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for fixed assets.

### 1.21 IMPAIRMENT

The carrying values of assets /cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Consolidated Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is an indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss.

### 1.22 PROVISIONS AND CONTINGENCIES

A provision is recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation

at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes to the consolidated financial statements. Contingent assets are not recognised in the consolidated financial statements.

### 1.23 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

Group enters into derivative financial instruments such as foreign exchange/ commodity forward and option contracts, interest rate swaps and currency options to manage its exposure to commercial risks associated with commodity price, foreign exchange and interest rate fluctuations. The Company does not enter into derivative contracts for trading or speculative purposes.

Foreign exchange forward contracts or instruments which are in substance forward exchange contracts closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations (refer note 1.10).

Group applies the hedge accounting principles set out in "Accounting Standard 30 (AS 30) - Financial Instruments: Recognition and Measurement", and accordingly designates certain derivatives as hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges). Group does not enter into derivative contracts for trading or speculative purposes.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in a "Hedging Reserve Account" under Reserves and surplus. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Statement of Profit and Loss. Amounts deferred in the Hedging Reserve Account are recycled in the Consolidated Statement of Profit and Loss in the periods when the hedged item is recognised in the Consolidated Statement of Profit and Loss, in the same line as the hedged item.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Consolidated Statement of Profit and Loss.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. In case of cash flow hedges any cumulative gain or loss deferred in the Hedging Reserve Account at that time is retained and is recognised when the forecast transaction is ultimately

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recognised in the Consolidated Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred is recognised immediately in the Consolidated Statement of Profit and Loss.

In respect of all other derivative contracts, which are not designated for hedge accounting (in terms of AS 30) and not covered under Accounting Standard (AS) 11: The Effects of Changes in Foreign Exchange Rates, the gains / losses arising from settlement and net marked to market (MTM) losses in respect of outstanding derivative contracts as at balance sheet date are recognised in the same line as the hedge item in the Consolidated Statement of Profit and Loss. The net MTM gains in respect of outstanding derivatives contracts are not recognised adopting the principles of prudence.

### 1.24 SHARE ISSUE EXPENSES

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Consolidated Statement of Profit and Loss.

### 1.25 INSURANCE CLAIMS

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

## NOTE 2 SHARE CAPITAL

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
<b>A AUTHORISED :</b>		
6,01,50,00,000 Equity shares of the par value of ₹ 10 each	6,015.00	6,015.00
3,00,00,00,000 Preference shares of the par value of ₹ 10 each	3,000.00	3,000.00
	<b>9,015.00</b>	<b>9,015.00</b>
<b>B ISSUED AND SUBSCRIBED:</b>		
24,17,22,044 Equity shares of ₹ 10 each fully paid up	241.72	241.72
27,90,34,907 10% Cumulative redeemable preference shares of ₹ 10 each fully paid up	279.03	279.03
48,54,14,604 0.01% Cumulative redeemable preference shares of ₹ 10 each fully paid up	485.41	485.41
	<b>1,006.16</b>	<b>1,006.16</b>
<b>C EQUITY SHARES FORFEITED (AMOUNT ORIGINALLY PAID-UP)</b>	61.03	61.03
	<b>1,067.19</b>	<b>1,067.19</b>

	Number of Shares		Amount (₹ in crores)	
<b>D RECONCILIATION OF NUMBER OF SHARES AND AMOUNT OUTSTANDING AT THE BEGINNING AND END OF THE YEAR :</b>				
<b>EQUITY SHARES:</b>				
Outstanding at the beginning and at the end of the year	241,722,044	241,722,044	241.72	241.72
<b>PREFERENCE SHARES:</b>				
10% Cumulative redeemable preference shares				
Outstanding at the beginning and at the end of the year	279,034,907	279,034,907	279.03	279.03
0.01% Cumulative redeemable preference shares				
Outstanding at the beginning and at the end of the year	485,414,604	485,414,604	485.41	485.41

## E RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### F RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO PREFERENCE SHARES

The Company has two classes of preference shares i.e. 10% cumulative redeemable preference shares (CRPS1) of Rs 10 each and 0.01% cumulative redeemable preference shares (CRPS2) of Rs 10 each. Each holder of CRPS1 is entitled to one vote per share, in proportion to the amount paid on CRPS1 held, only on resolutions placed before the Company which directly affect the rights attached to CRPS1. CRPS1 are redeemable at par in four equal 'quarterly installments commencing from 15 December 2017. The shares carry a right to receive 10% dividend every year till redemption. Each holder of CRPS2 is entitled to one vote per share, in proportion to the amount paid on CRPS2 held, only on resolutions placed before the Company which directly affect the rights attached to CRPS2. It carries dividend @ 0.01% p.a., when declared. CRPS2 is redeemable at par in eight quarterly installments commencing from 15th June 2018. In the event of liquidation, the preference shareholders are eligible to receive the outstanding amount including dividend after distribution of all other preferential amounts, in proportion to their shareholding. In the event of winding-up of the Company before redemption of preference shares, the holders of CRPS1 and CRPS2 will have priority over equity shares in the payment of dividend and repayment of capital.

		As at 31.03.2016	As at 31.03.2015
<b>G SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY IS SET OUT BELOW:</b>			
<b>EQUITY SHARES</b>			
JFE Steel International Europe B.V	No of Shares	36,258,307	36,258,307
	%	15.00%	15.00%
JSW Holdings Limited	No of Shares	17,368,923	17,284,923
	%	7.19%	7.15%
Vividh Consultancy and advisory Services Private Limited	No of Shares	13,885,669	13,885,669
	%	5.74%	5.74%
JSW Investment Private Limited	No of Shares	13,516,309	13,516,309
	%	5.59%	5.59%

(₹ in crores)

		As at 31.03.2016	As at 31.03.2015
<b>PREFERENCE SHARES</b>			
<b>10% Cumulative redeemable preference shares</b>			
ICICI Bank Limited	No of Shares	125,707,730	125,707,730
	%	45.05%	45.05%
IDBI Bank Limited	No of Shares	69,734,847	69,734,847
	%	24.99%	24.99%
Life Insurance Corporation of India	No of Shares	36,348,783	36,348,783
	%	13.03%	13.03%
IFCI Limited	No of Shares	21,262,362	21,262,362
	%	7.62%	7.62%
<b>0.01% Cumulative redeemable preference shares</b>			
JSW Logistics Infrastructure Private Limited	No of Shares	338,586,951	338,586,951
	%	69.75%	69.75%

**H** Shares allotted as fully paid-up pursuant to contracts without payment being received in cash during the period of five years immediate preceding the date of the Balance Sheet are as under:

- 1,86,04,844 Equity shares fully paid up to the shareholders of the erstwhile JSW Ispat Steel Limited pursuant to a composite scheme of amalgamation and arrangement.
- 48,54,14,604 0.01% Cumulative redeemable preference shares fully paid up to the shareholders of the erstwhile JSW Ispat Steel Limited pursuant to a composite scheme of amalgamation and arrangement.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 3 RESERVES AND SURPLUS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
<b>A CAPITAL RESERVE</b>		
As per last Balance Sheet	3,584.50	3,584.50
	<b>3,584.50</b>	<b>3,584.50</b>
<b>B CAPITAL REDEMPTION RESERVE</b>		
As per last Balance Sheet	9.90	9.90
	<b>9.90</b>	<b>9.90</b>
<b>C SECURITIES PREMIUM ACCOUNT</b>		
As per last Balance Sheet	5,416.63	5,416.63
	<b>5,416.63</b>	<b>5,416.63</b>
<b>D DEBENTURE REDEMPTION RESERVE</b>		
As per last Balance Sheet	130.34	66.02
Add : Transfer from surplus in Consolidated Statement of Profit and Loss	302.44	64.32
	<b>432.78</b>	<b>130.34</b>
<b>E HEDGING RESERVE</b>		
As per last Balance Sheet	24.94	353.97
Add: Effect of foreign exchange rate variation on hedging instruments outstanding at the end of the year	70.18	24.94
Less: Amount transferred to Consolidated Statement of Profit and Loss	24.94	353.97
	<b>70.18</b>	<b>24.94</b>
<b>F GENERAL RESERVE</b>		
As per last Balance Sheet	10,421.19	10,204.19
Add : Transfer from surplus in Consolidated Statement of Profit and Loss	-	217.00
	<b>10,421.19</b>	<b>10,421.19</b>
<b>G FOREIGN CURRENCY TRANSLATION RESERVE ACCOUNT</b>		
As per last Balance Sheet	(268.45)	(158.34)
Movement during the year	(204.16)	(110.11)
	<b>(472.61)</b>	<b>(268.45)</b>
<b>H CAPITAL RESERVE ON CONSOLIDATION</b>		
As per last Balance Sheet	593.59	329.70
Movement during the year	19.55	263.89
	<b>613.14</b>	<b>593.59</b>
<b>I FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT (FCMITDA)</b>		
As per last Balance Sheet	(144.70)	(40.11)
Add: Effect of foreign exchange rate variations during the year	(296.67)	(161.62)
Less: Amortisation for the year	138.30	57.03
	<b>(303.07)</b>	<b>(144.70)</b>
<b>K SURPLUS IN CONSOLIDATED STATEMENT OF PROFIT AND LOSS</b>		
As per last Balance Sheet	2,218.95	1,104.69
Add : Profit/(loss) for the year	(741.95)	1,796.57
Less : Depreciation on transition to schedule II of the Companies Act, 2013 (refer note 27(6))	118.71	47.39
Less:		
Dividend on preference shares (Re 1 per share {previous year Re 1 per share})	27.90	27.90
Proposed final dividend on equity shares (₹ 7.50 per share {previous year Rs 11 per share})	181.29	265.89
Corporate dividend tax on proposed dividend	42.59	59.81
<b>TRANSFERRED TO:</b>		
General reserve	-	217.00
Debenture redemption reserve	302.44	64.32
	<b>804.07</b>	<b>2,218.95</b>
	<b>20,576.71</b>	<b>21,986.89</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 4 LONG-TERM BORROWINGS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
	Non-current		Current (Refer note 10)	
<b>BONDS / DEBENTURES</b>				
<b>BONDS</b>				
4.75% Foreign currency bonds (unsecured)	3,316.65	3,129.54	-	-
<b>DEBENTURES (SECURED)</b>				
10.34% Non convertible debentures of ₹ 10 lacs each	1,000.00	1,000.00	-	-
10.02% Non convertible debentures of ₹ 10 lacs each	1,000.00	1,000.00	-	-
11% Non convertible debentures of ₹ 10 lacs each	1,000.00	1,000.00	-	-
10.60% Non convertible debentures of ₹ 8.75 lacs each	240.63	328.13	87.50	21.88
9.72% Non convertible debentures of ₹ 10 lacs each	400.00	400.00	-	-
10.40% Non convertible debentures of ₹ 10 lacs each	250.00	250.00	-	-
10.60% Non convertible debentures of ₹ 10 lacs each	425.00	425.00	-	-
9.66% Non convertible debentures of ₹ 10 lacs each	300.00	300.00	-	-
10.50% Non convertible debentures of ₹ 10 lacs each	175.00	175.00	-	-
10.10% Non convertible debentures of ₹ 9.375 lacs each	218.75	468.75	250.00	250.00
10.25% Non convertible debentures of ₹ 6.67 lacs each	166.67	333.33	166.67	166.67
9.62% Non convertible debentures of ₹ 10 lacs each	300.00	300.00	-	-
10.20% Non convertible debentures of ₹ 10 lacs each	200.00	200.00	-	-
10.20% Non convertible debentures of ₹ 10 lacs each	500.00	500.00	-	-
10.40% Non convertible debentures of ₹ 10 lacs each	175.00	175.00	-	-
10.55% Non convertible debentures of ₹ 10 lacs each	-	150.00	150.00	-
10.55% Non convertible debentures of ₹ 10 lacs each	-	1,000.00	1,000.00	-
10.50% Non convertible debentures of ₹ 10 lacs each	-	75.00	75.00	75.00
10.98% Non convertible debentures of ₹ 0.25 lacs each *	-	1.95	1.95	7.80
	<b>6,351.05</b>	<b>8,082.16</b>	<b>1,731.12</b>	<b>521.35</b>
<b>TERM LOANS</b>				
<b>(SECURED)</b>				
Rupee term loans from banks	10,487.18	9,732.31	761.32	713.04
Foreign currency term loans from banks	4,413.59	4,832.89	333.92	575.88
Rupee term loans from financial institutions	-	-	-	2.81
<b>(UNSECURED)</b>				
Foreign currency term loans from banks	8,121.83	7,780.69	1,453.54	1,263.57
	<b>23,022.60</b>	<b>22,345.89</b>	<b>2,548.78</b>	<b>2,555.30</b>
Other loans (unsecured)	-	4.27	-	0.02
<b>DEFERRED PAYMENT LIABILITIES</b>				
Deferred sales tax loan (unsecured)	102.92	114.77	11.74	11.21
Finance lease obligation (secured) (refer note 27(13)(a)(ii))	-	-	-	17.32
	<b>32,793.22</b>	<b>33,676.63</b>	<b>4,291.64</b>	<b>3,105.20</b>

\* Rate was 11.93% till Decemeber 2015

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 5 DEFERRED TAX LIABILITIES (NET)

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
<b>A DEFERRED TAX LIABILITY AND ASSETS (NET) CLASSIFIED ON A COMPANY WISE BASIS:</b>		
Deferred tax liability	1,420.17	3,154.71
Deferred tax assets	(274.86)	(265.28)
	<b>1,145.31</b>	<b>2,889.43</b>
<b>B DEFERRED TAX LIABILITY COMPRISES OF TIMING DIFFERENCES ON ACCOUNT OF</b>		
Difference between book balance and tax balance of fixed assets	6,442.12	5,840.83
Others	9.98	6.53
	<b>6,452.10</b>	<b>5,847.36</b>
Deferred tax assets comprises of timing differences on account of		
Expenses allowable on payment basis (under section 43B of Income Tax Act, 1961)	89.84	64.76
Provision for doubtful debts / advances	1,684.30	126.30
Business loss / Unabsorbed depreciation	3,527.60	2,762.12
Others	5.04	4.75
	<b>5,306.79</b>	<b>2,957.93</b>
<b>Net deferred tax liabilities</b>	<b>1,145.31</b>	<b>2,889.43</b>

Note: Deferred tax asset on unabsorbed depreciation and brought forward business losses has been recognised to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax, and based on long-term committed contracts with customers in respect of certain subsidiaries.

### NOTE 6 OTHER LONG-TERM LIABILITIES

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
	<b>Non-current</b>		<b>Current (Refer note 10)</b>	
Rent and other deposits	139.64	175.43	68.14	82.47
Retention money for capital projects	7.99	38.51	475.42	423.19
Acceptances on capital projects	353.99	-	-	-
Other payables	191.05	376.96	199.00	84.50
	<b>692.67</b>	<b>590.90</b>	<b>742.56</b>	<b>590.16</b>

### NOTE 7 LONG-TERM PROVISIONS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
	<b>Non current</b>		<b>Current (Refer note 10)</b>	
Provision for employee benefits:				
- Provision for compensated absences (refer note 27(10)(b) (iii))	64.70	61.32	30.26	24.34
- Provision for gratuity (refer note 27(10) (b)(i))	3.43	2.71	129.79	115.54
Provision for contingency (refer note 27 (8))	14.94	14.94	-	-
Mine closure obligation *	9.55	9.01	-	-
Other provisions	2.31	2.36	0.36	0.43
	<b>94.93</b>	<b>90.34</b>	<b>160.41</b>	<b>140.31</b>

\* Addition during the year is on account of exchange difference.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 8 SHORT-TERM BORROWINGS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
<b>SHORT-TERM BORROWINGS</b>		
Working capital loans from banks (secured)		
- Rupee loans	427.53	148.01
- Foreign currency loans	-	215.81
Foreign currency loans from banks (unsecured)	318.51	33.34
Rupee loans from banks (unsecured)	1,632.00	527.00
Commercial papers (unsecured)	-	275.00
Foreign currency loans from others (unsecured)	-	8.83
	<b>2,378.04</b>	<b>1,207.99</b>

### NOTE 9 (A) TOTAL OUTSTANDING DUES OF MICRO AND SMALL ENTERPRISES

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
Total outstanding dues of micro and small enterprises	27.00	27.06
	<b>27.00</b>	<b>27.06</b>

### NOTE 9 (B) TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO AND SMALL ENTERPRISES

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
Acceptances	9,099.89	10,887.62
Other than acceptances	3,685.45	3,337.99
	<b>12,785.34</b>	<b>14,225.61</b>

### NOTE 10 OTHER CURRENT LIABILITIES

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
Current maturities of long-term debt (refer note 4)	4,291.64	3,105.20
Current dues of other long-term liabilities (refer note 6)	742.56	590.16
Current dues of long-term employee benefits (refer note 7)	160.41	140.31
Payables for capital projects	3,248.67	3,813.87
Advances from customers	368.25	512.98
Interest accrued but not due on borrowings	496.63	474.17
Statutory liabilities (includes indirect taxes, provident fund etc.)	605.56	634.21
Unclaimed matured debentures and interest accrued thereon	0.38	0.92
Unclaimed dividends	16.37	15.86
Unclaimed amounts of sale proceeds of fractional shares	6.64	6.65
Others (includes forward contract payable, dharmada payable etc.)	237.47	143.61
	<b>10,174.59</b>	<b>9,437.94</b>

### NOTE 11 SHORT-TERM PROVISIONS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
Proposed dividend on preference shares	27.90	27.90
Proposed dividend on equity shares	181.29	265.89
Corporate dividend tax	42.59	59.81
Provision for tax (net of advance tax)	15.42	2.66
Other provisions	10.75	-
	<b>277.95</b>	<b>356.26</b>

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 12 FIXED ASSETS

(₹ in crores)														
	Gross block			Accumulated depreciation / amortisation / impairment						Net block				
	As at 01.04.2015	Acquired under composite scheme of amalgamation and arrangement / subsidiaries/ joint ventures	Additions	Deductions	Other adjustments (refer note (f) below)	Translation reserve	As at 31.03.2016	As at 01.04.2015	Acquired under composite scheme of amalgamation and arrangement / subsidiaries/ joint ventures	For the year	Deductions to reserve (refer note 27 (d))	Translation reserve 31.03.2016	As at 31.03.2016	
TANGIBLE ASSETS														
Freehold land (refer note (a) & (b) below)	1,402.18	-	5.48	-	-	1.77	1,409.43	18.48	-	3.69	-	0.09	22.26	1,387.17
	1,226.59	67.52	107.40	0.02	-	0.69	1,402.18	18.48	-	-	-	-	18.48	1,383.70
Leasehold land (refer note (c) below)	759.50	-	63.26	-	-	-	822.76	24.46	-	8.70	-	(0.01)	33.15	789.61
	462.83	296.67	-	-	-	-	759.50	10.79	7.71	-	-	(0.07)	24.46	735.04
Buildings (refer note (d) below)	8,145.66	-	917.31	6.52	0.80	69.29	9,126.54	1,570.08	-	102.56	321.83	6.52	2,011.36	7,115.18
	6,811.46	95.70	1,287.41	72.16	-	22.28	8,144.69	1,242.00	16.17	-	271.42	0.04	1,570.08	6,574.61
Plant and machinery@ (refer note (e) below)	56,800.02	-	4,644.31	28.11	812.39	328.90	62,557.51	16,069.20	-	506.89	2,790.32	27.61	19,647.44	42,910.07
	49,885.30	1,223.09	5,330.55	133.14	299.77	195.37	56,800.94	12,737.65	218.92	-	3,082.66	41.65	16,069.20	40,731.74
Furniture and fixtures	156.06	-	12.09	0.13	-	0.50	168.52	82.54	-	-	17.13	0.10	100.02	68.50
	121.08	0.41	30.79	0.19	-	(0.20)	151.89	63.51	0.18	-	16.21	0.09	82.54	69.35
Vehicles and aircrafts	201.37	-	13.28	4.26	-	0.48	210.87	84.87	-	0.17	16.34	1.87	99.84	111.03
	192.62	0.76	14.38	6.57	-	0.18	201.37	71.45	0.30	-	15.83	2.97	84.87	116.50
Office equipments	62.09	-	10.22	0.09	-	0.09	72.31	33.75	-	-	10.77	0.06	44.54	27.77
	43.42	3.18	20.83	0.96	-	(0.16)	66.31	11.33	2.59	-	7.78	0.87	33.75	32.56
Mining development and projects	887.30	-	11.62	-	-	50.52	949.44	34.82	-	486.40	1.50	-	547.24	402.20
	825.64	-	29.42	1.34	-	33.58	887.30	27.24	-	-	6.36	-	34.82	852.48
Tangible assets total (A)	68,414.18	-	5,677.57	39.11	813.19	451.55	75,317.38	17,918.20	-	1,099.71	3,166.59	36.16	22,505.85	52,811.53
	59,568.94	1,687.33	6,820.78	214.38	299.77	251.74	68,414.18	14,182.45	245.87	-	3,406.29	45.62	17,918.20	50,495.98
INTANGIBLE ASSETS - OTHERS														
Software	134.41	-	16.11	0.47	-	0.04	150.09	79.34	-	-	19.96	0.41	98.92	51.17
	121.12	-	13.40	-	-	(0.11)	134.41	59.65	-	-	19.73	-	79.34	55.07
Licence fees	47.38	-	-	-	-	(0.71)	46.67	13.38	-	-	4.21	-	17.46	29.21
	37.74	-	9.97	-	-	(0.33)	47.38	9.85	-	-	3.60	-	13.38	34.00

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)										
	Gross block				Accumulated depreciation / amortisation / impairment				Net block	
	As at 01.04.2015	Acquired under composite scheme of amalgamation and arrangement / subsidiaries/ joint ventures	Additions	Deductions	Other adjustments (refer note (f) below)	Translation reserve	As at 31.03.2016	As at 01.04.2015	Acquired under composite scheme of amalgamation and arrangement / subsidiaries/ joint ventures	As at 31.03.2016
Mining concession	4.64	-	-	-	-	0.27	4.91	-	-	4.91
	4.45	-	-	-	-	0.19	4.64	-	-	4.64
Port concession	1.23	-	-	-	-	0.07	1.30	-	-	1.30
	3.78	-	-	2.64	-	0.09	1.23	-	-	1.23
Goodwill	1.67	-	-	-	-	-	1.67	1.67	-	1.67
	-	1.67	-	-	-	-	1.67	-	-	1.67
Intangible assets total (B)	189.33	-	16.11	0.47	-	(0.33)	204.64	94.39	-	118.05
	167.09	1.67	23.37	2.64	-	(0.16)	189.33	69.50	1.67	94.94
TOTAL (A+B)	68,603.51	-	5,693.68	39.58	813.19	451.22	75,522.02	18,012.59	-	172.58
Previous year	59,736.03	1,689.00	6,844.15	217.02	299.77	251.58	68,603.51	14,251.95	247.54	18,012.59
@ Includes proportionate share										57.34
(50%) of assets jointly owned										(71.76)
Buildings	458.03	0.31	-	-	-	-	458.34	0.04	-	-
	-	-	458.03	-	-	-	458.03	-	-	0.04
Plant and machinery	32.71	-	-	-	-	-	32.71	25.46	-	-
	32.71	-	-	-	-	-	32.71	24.31	-	25.46
CAPITAL WORK-IN-PROGRESS (REFER NOTE (i) BELOW)										6,665.16
										8,066.18
INTANGIBLE ASSETS UNDER DEVELOPMENT										238.86
										199.09

Figures in bold represents current year numbers

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Notes:

- (a) Freehold land includes ₹ 103.35 crores (previous year ₹ 18.76 crores) being the cost of 195.975 acres (previous year 40.390 acres) land, which is yet to be registered in the Company's name.
- (b) Freehold land and buildings of ₹ 269.53 crores (previous year ₹ 159.03 crores) has been/agreed to be hypothecated/mortgaged to lenders of related parties
- (c) Leasehold land includes gross block ₹ 306.51 crores (previous year ₹ 306.51 crores), net block ₹ 292.63 crores (previous year ₹ 296.92 crores) being the cost of 470.707 acres (previous year 470.707 acres) land, which is yet to be registered in the Company's name.
- (d) Buildings' include roads not owned by the Company amortised over a period of five years. Gross block ₹ 6.08 crores (previous year ₹ 6.08 crores) net block ₹ 1.32 crores (previous year ₹ 1.48 crores).
- (e) Plant and machinery includes assets held for sale. Gross block ₹ 89.87 crores (previous year ₹ 89.87 crores), Net block ₹ 11.52 crores (previous year ₹ 11.52 crores)
- (f) Other adjustments comprise:
- Borrowing cost of ₹ 131.41 crore (including ₹ 1.50 crore incurred during the current year) (previous year ₹ 83.28 crore)
  - Foreign exchange loss of ₹ 681.78 crore (including ₹ 439.50 crore incurred during the current year) (previous year ₹ 216.49 crore)
- (g) For details of assets given on operating lease, refer note 27 (14)
- (h) For details of assets taken on finance lease, refer note 27 (13)
- (i) CWIP includes interest of ₹ 120.47 crores (previous year ₹ 129.02 crores) and foreign exchange loss of ₹ 436.45 crores (previous year ₹ 171.65 crores) capitalised during the year.

### NOTE 13 NON-CURRENT INVESTMENTS

(₹ in crores)				
		As at 31.03.2016	As at 31.03.2015	
(AT COST UNLESS STATED OTHERWISE)				
I) EQUITY INSTRUMENTS				
TRADE - QUOTED				
JSW Energy Limited #				
101,605,500 Equity shares of ₹ 10 each, fully paid-up		251.56		251.56
TRADE - UNQUOTED				
In associates (refer note a)				
JSW Praxair Oxygen Private Limited				
23,942,125 Equity shares of ₹ 10 each, fully paid-up	27.27		27.27	
Add: share of profit/(loss) (net)	77.71	104.98	56.00	83.27
Dolvi Minerals & Metals Private Limited				
40,000,000 Equity shares of ₹ 10 each, fully-paid up	40.00		40.00	
(40,000,000 shares are pledged to the associate's banker)				
Add: share of profit/(loss) (net)	(14.85)	25.15	(6.92)	33.08
IN JOINT VENTURES				
(interest as investor)				
MJSJ Coal Limited				
10,461,000 Equity shares of ₹ 10 each, fully paid up		10.46		10.46
Toshiba JSW Power Systems Private Limited				
11,000,000 Equity shares of ₹ 10 each, fully paid up		11.00		11.00
Other than trade - unquoted				
SICOM Limited				
600,000 Equity shares of ₹ 10 each, fully paid-up		4.88		4.88

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
Tarapur Environment Protection Society		
244,885 (previous year 29,116) Equity shares of ₹ 100 each, fully paid up	3.39	0.29
Investment in co-operative society	0.13	0.13
<b>II) PREFERENCE SHARES</b>		
<b>TRADE- UNQUOTED</b>		
In joint ventures		
Rohne Coal Company Private Limited		
6,855,359 (Previous Year 6,675,623) 1% Non-Cumulative Preference Shares of ₹ 10 each, fully paid up	6.85	6.67
Rohne Coal Company Private Limited		
24,15,890 (Previous Year Nil) Series A - 1% Non-Cumulative Preference Shares of ₹ 10 each, fully paid up	2.42	-
<b>OTHERS</b>		
JSW Realty & Infrastructure Private Limited		
19,915,000 10% Preference shares of ₹ 100 each, fully paid up	199.15	199.15
<b>III) GOVERNMENT SECURITIES (UNQUOTED)</b>		
<b>OTHERS</b>		
National savings certificates	0.11	0.11
(Pledged with commercial tax department)		
	<b>620.08</b>	<b>600.60</b>
Less: Provision for diminution in the value of investment	(1.65)	(1.65)
	<b>618.43</b>	<b>598.95</b>
<b>Note:</b>		
a) Goodwill arising at acquisition ₹ 2.16 crores (previous year ₹ 2.16 crores).		
b) <b>SUMMARY</b>		
Quoted		
Aggregate book value	251.56	251.56
Aggregate market value	706.66	1,203.51
Unquoted		
Aggregate book value (including share of profit/(loss) of associates (net))	366.87	347.39

# Includes shares acquired under the composite scheme of amalgamation and arrangement and accounted at fair value.

### NOTE 14 LONG-TERM / SHORT-TERM LOANS AND ADVANCES

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>(UNSECURED)</b>				
Capital advances	720.34	996.65	-	-
Less : Provision for doubtful advances	(8.38)	(95.58)	-	-
	<b>711.96</b>	<b>901.07</b>	<b>-</b>	<b>-</b>
Other loans and advances				
Loans and advances				
- To related parties (refer note 27(12))	-	-	41.04	53.69
- To other body corporate	9.10	9.10	-	-
Advances to suppliers	259.40	371.94	732.13	864.69
Export benefits and entitlements	79.66	82.91	121.30	265.62
Amount recoverable from ESOP trust	-	-	131.42	180.68

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Deposits				
- Security deposits	172.46	183.16	240.76	148.17
- Others	10.92	10.54	1.12	1.19
Indirect tax balances/recoverables/credits	800.18	737.64	1,254.38	1,426.32
Prepayments and others	202.14	194.09	354.11	344.64
Advance tax and tax deducted at source (net of provision for tax)	223.38	37.76	2.54	1.63
Minimum alternative tax credit entitlement	2,676.24	2,797.57	-	0.88
Advance towards equity / preference capital (refer note 27(12))	0.02	3.93	-	-
Unbilled revenue	-	-	48.98	57.04
Less : Provision for doubtful loans and advances	(88.60)	(165.61)	(79.93)	(75.43)
	<b>4,344.90</b>	<b>4,263.03</b>	<b>2,847.85</b>	<b>3,269.12</b>
	<b>5,056.86</b>	<b>5,164.10</b>	<b>2,847.85</b>	<b>3,269.12</b>
<b>LOANS AND ADVANCES CONSTITUTE:</b>				
Capital advances				
Considered good	711.96	901.07	-	-
Considered doubtful, provided	8.38	95.58	-	-
Other loans and advances				
Considered good	4,344.90	4,263.03	2,847.85	3,269.12
Considered doubtful, provided				
Loans and advances to other body corporate	9.10	9.10	-	-
Advances to suppliers	69.78	125.58	-	-
Other deposits	0.27	25.47	-	-
Prepayment and others	9.45	5.46	79.93	75.43

### NOTE 15 OTHER NON-CURRENT ASSETS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
(Unsecured, considered good)		
Cash and bank balances (refer note 19)	268.02	268.15
Unamortised borrowing costs	232.59	320.39
Insurance claim receivable	43.43	43.43
	<b>544.04</b>	<b>631.97</b>

### NOTE 16 CURRENT INVESTMENTS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
(at lower of cost and fair value ) (unquoted)		
Investment in Mutual funds	-	0.30
	<b>-</b>	<b>0.30</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 17 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
Raw materials	3,330.15	4,433.25
Work-in-progress	635.55	917.85
Semi finished/ finished goods	2,884.68	4,047.10
Traded goods	171.16	159.29
Production consumables and stores and spares	1,376.24	1,441.08
Construction materials	5.57	10.47
	<b>8,403.35</b>	<b>11,009.04</b>
<b>DETAILS OF STOCK-IN-TRANSIT INCLUDED IN ABOVE</b>		
Raw materials	818.66	521.90
Semi finished/ finished goods	0.04	-
Production consumables and stores and spares	5.98	18.06

### NOTE 18 TRADE RECEIVABLES

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
Secured - considered good		
<b>OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY WERE DUE FOR PAYMENT</b>	159.54	172.04
(refer note 27(7))		
Unsecured		
<b>OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY WERE DUE FOR PAYMENT</b>		
Considered good	71.41	52.17
Considered doubtful	<b>36.97</b>	<b>336.50</b>
Less: provision for doubtful trade receivables	(36.97)	(336.51)
	<b>71.41</b>	<b>52.16</b>
<b>OTHER RECEIVABLES</b>		
Considered good	2,570.65	2,275.55
	<b>2,801.60</b>	<b>2,499.75</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 19 CASH AND BANK BALANCES

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
	Non current (Refer note 15)		Current	
<b>CASH AND CASH EQUIVALENTS</b>				
<b>BALANCES WITH BANKS</b>				
- In current accounts	-	-	300.70	339.78
- In term deposit accounts with maturity of less than 3 months at inception	-	-	265.12	572.08
Cheques on hand	-	-	0.02	0.01
Cash on hand	-	-	1.09	1.04
	-	-	<b>566.93</b>	<b>912.91</b>
			*	*
<b>OTHER BANK BALANCES</b>				
- In current accounts	-	-	23.39	23.43
- In margin money with maturity of more than 3 months but less than 12 months at inception	-	-	2.22	3.78
<b>IN TERM DEPOSIT ACCOUNTS</b>				
- with maturity of more than 3 months but less than 12 months at inception	-	-	141.44	973.13
- with maturity of more than 12 months at inception	268.02	268.15	-	-
	<b>268.02</b>	<b>268.15</b>	<b>167.05</b>	<b>1,000.34</b>
	<b>268.02</b>	<b>268.15</b>	<b>733.98</b>	<b>1,913.25</b>
* Refer cash flow statement				
<b>EARMARKED BALANCES</b>				
In current accounts	-	-	23.39	23.43
In term deposit accounts	268.02	268.13	12.92	10.40
In margin money	-	-	2.22	3.78

### NOTE 20 OTHER CURRENT ASSETS

(₹ in crores)

	As at 31.03.2016	As at 31.03.2015
Unamortised borrowing costs and premium on forward contracts	251.57	118.04
Interest accrued on fixed deposits	3.41	7.81
	<b>254.98</b>	<b>125.85</b>

### NOTE 21 REVENUE FROM OPERATIONS

(₹ in crores)

	For the year ended 31.03.2016	For the year ended 31.03.2015
<b>(A) SALE OF PRODUCTS</b>		
Domestic turnover	39,953.21	42,690.17
Export turnover	5,533.03	13,802.28
Contract revenue	156.24	79.41
	<b>45,642.48</b>	<b>56,571.86</b>
<b>(B) OTHER OPERATING REVENUES</b>		
Carbon credits	0.16	-
Gain on prepayment of deferred value added/sales tax	494.60	602.09
Miscellaneous income	166.82	318.85
	<b>661.58</b>	<b>920.94</b>
<b>Gross revenue from operations (a+b)</b>	<b>46,304.06</b>	<b>57,492.80</b>
Less: Excise duty	4,425.18	4,521.29
<b>Net revenue from operations</b>	<b>41,878.88</b>	<b>52,971.51</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 22 OTHER INCOME

(₹ in crores)

	For the year ended 31.03.2016	For the year ended 31.03.2015
Interest income from fixed deposits etc.	38.35	28.41
Dividend income		
- from long-term investments	20.32	20.53
- from current investments	0.03	0.01
Gain on sale of current investments	2.66	2.65
Provision for doubtful debts/loans/advances written back (net)	-	16.84
Profit on sale of fixed assets (net)	-	35.78
Gain on settlement of obligation	86.89	-
Miscellaneous income (insurance claim received, rent income etc.)	19.96	7.22
	<b>168.21</b>	<b>111.44</b>

### NOTE 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

(₹ in crores)

	For the year ended 31.03.2016	For the year ended 31.03.2015
Opening stock :		
Semi finished /finished goods	4,047.04	2,716.79
Work-in-progress	917.85	589.89
Traded goods	159.29	189.83
Increase on account of composite scheme of amalgamation and arrangement / acquisition of subsidiaries		
Semi finished /finished goods	-	4.02
Work-in-progress	-	1.70
	<b>5,124.18</b>	<b>3,502.23</b>
Closing stock :		
Semi finished /finished goods	2,884.68	4,047.04
Work-in-progress	635.55	917.85
Traded goods	171.16	159.29
	<b>3,691.39</b>	<b>5,124.18</b>
	1,432.79	(1,621.95)
Excise duty on stock of finished goods (net)	(58.03)	133.74
	<b>1,374.76</b>	<b>(1,488.21)</b>

### NOTE 24 EMPLOYEE BENEFITS EXPENSE

(₹ in crores)

	For the year ended 31.03.2016	For the year ended 31.03.2015
Salaries and wages	1,366.72	1,353.30
Contribution to provident and other funds (refer note 27(10))	74.81	77.97
Gratuity (refer note 27(10)(b))	0.67	0.71
Staff welfare expenses	125.82	100.86
	<b>1,568.02</b>	<b>1,532.84</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 25 FINANCE COSTS

(₹ in crores)

	For the year ended 31.03.2016	For the year ended 31.03.2015
Interest expense	3,081.46	3,194.01
Other borrowing costs	221.22	299.02
	<b>3,302.68</b>	<b>3,493.03</b>

### NOTE 26 OTHER EXPENSES

(₹ in crores)

	For the year ended 31.03.2016	For the year ended 31.03.2015
Stores and spares consumed	2,499.21	2,613.38
Power and fuel	3,665.93	4,123.10
Rent (refer note 27(14))	55.15	58.98
Repairs and maintenance		
- Plant and machinery	1,130.38	1,123.17
- Buildings	28.68	29.80
- Others	23.36	23.55
Insurance	94.48	130.43
Rates and taxes	89.27	79.67
Carriage and freight	1,634.24	2,369.14
Jobwork and processing charges	805.49	571.99
Commission on sales	41.82	58.59
Net loss / (gain) on foreign currency transaction and translation #	722.23	513.20
Donations and contributions *	25.36	0.19
Miscellaneous expenses	587.80	610.16
Bad debts/ advance written-off	454.10	146.72
Less: Provisions made in earlier years	(454.10)	(146.72)
CSR expenses	52.86	44.98
Provision for doubtful debts/loans/advances (net)	9.70	-
Loss on sale of fixed assets (net)	21.31	-
Write-off of non-current investment	-	0.10
	<b>11,487.27</b>	<b>12,350.43</b>

# Including hedging cost i.e. amortisation of forward cover premium/discount ₹ 526.20 crores (previous year ₹ 589.64 crores )

\* Donation include ₹ 25 crores (previous year ₹ Nil) paid to Satya Electoral Trust

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 27

#### 1. CONTINGENT LIABILITIES:

- a) Bills discounted with re-course ₹ Nil (previous year ₹ 194.52 crores).
- b) Guarantees provided ₹ 129.66 crores (previous year ₹ 162.82 crores).
- c) Disputed claims/levies (excluding interest, if any), in respect of (refer note 27(8)):
  - (i) Excise duty ₹ 388.36 crores (previous year ₹ 551.43 crores);
  - (ii) Custom duty ₹ 431.10 crores (previous year ₹ 472.88 crores);
  - (iii) Income tax ₹ 180.78 crores (previous year ₹ 174.64 crores);
  - (iv) Sales tax / Special entry tax ₹ 242.30 crores (previous year ₹ 235.02 crores);
  - (v) Service tax ₹ 197.30 crores (previous year ₹ 198.36 crores);
  - (vi) Miscellaneous ₹ 0.05 crores (previous year ₹ 0.05 crores);
  - (vii) Levies by local authorities ₹ 3.04 crores (previous year ₹ 3.04 crores);
  - (viii) Claims by suppliers and other parties ₹ 150.22 crores (previous year Rs 620.00 crores).
- d) Arrears of fixed cumulative dividend on preference shares (CPRS) is ₹ 0.56 crores (previous year ₹ 0.51 crores).
- e) Claims related to Forest Development Tax ₹ 966.98 crores (previous year ₹ 909.38 crores) (including FDT amount paid under protest ₹ 665.00 crores (previous year ₹ 665.00 crores)).

In 2008, the State Government of Karnataka levied Forest Development Tax (FDT) treating iron ore as forest produce. In response to writ petitions filed by various stakeholders, the Hon'ble High Court of Karnataka granted partial relief vide judgement dated December 3, 2015. In view thereof, the State Government of Karnataka has stopped levying FDT with effect from January 29, 2016. The State Government of Karnataka has filed an appeal

before the Hon'ble Supreme Court of India against the judgement. The Hon'ble Supreme Court while hearing the petition on April 12, 2016 admitted the appeal, and granted an interim stay on refund of the FDT. The matter is posted for final arguments in the month of August 2016.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 5,832.24 crores (previous year ₹ 6,307.20 crores).

#### 3. OTHER COMMITMENTS :

- a) The Group has imported capital goods under the export promotion capital goods scheme to utilise the benefit of a zero or concessional customs duty rate. These benefits are subject to future exports within the stipulated period. Such export obligations at year end aggregate to ₹ 1,390.71 crores (previous year 656.90 crores).
- b) The Group has imported 73,707 MT of Hot Rolled Coils during the year under Advance License Scheme to utilize the benefit of a zero customs duty rate. This benefit is subject to future exports to be fulfilled over a period of 18 months. Balance export obligation to be fulfilled as on March 31, 2016 is 19,330 MT having duty liability of ₹ 6.33 crores (previous year ₹ Nil).

#### 4. EXCEPTIONAL ITEMS COMPRISE PROVISION OF:

- a) (i) ₹ 613.31 crores (previous year ₹ nil) pertaining to the carrying amount of fixed assets relating to steel operations at USA; (ii) ₹ 637.02 crores (previous year ₹ nil), ₹ 407.49 crores (previous year ₹ nil) pertaining to the carrying amounts of Goodwill and Mining Development and Projects respectively relating to iron ore mines at Chile; and (iii) Rs 62.84 crores (previous year ₹ nil), Rs 78.91 crores (previous year ₹ nil), Rs 30.12 crores (previous year ₹ nil) pertaining to the carrying amount of Goodwill, Mining Development and Projects, and other related assets respectively relating to coal mines at West Virginia, USA., which provisions are recognised based on estimate of 'recoverable amounts' of the operations / assets by independent external valuers based on the cash flow projections. In making the said projections, reliance has been placed on estimates in respect of future prices of coal and iron ore, mineable resources, and assumptions relating to operational performance including improvement in capacity utilisation of the plants and margins, and availability of infrastructure for mines.
- b) JSW Steel (USA) Inc (a subsidiary of the Company) has recognised a provision of ₹ 291.53 crores, in relation

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

to a legal dispute, during the year. A Houston, Texas jury returned a verdict on 25 March 2014 against the subsidiary, along with other co-defendants, in an antitrust lawsuit filed in the United States District Court for the Southern District of Texas. It disagreed with the judgment alongwith award for damages. The subsidiary filed an appeal with the U.S. Court of Appeals, Fifth Circuit. The Court of Appeals affirmed the judgment against the Company and reversed the judgment against the remaining defendant. The Company is in the process of filing a writ of certiorari with the U.S. Supreme Court seeking reversal of the decision of the Court of Appeals.

- c) Pursuant to the order of the Honourable Supreme Court dated 24 September 2014 regarding cancellation of the allotment of coal blocks, the Group has made an assessment of recoverable amounts of capital work in progress and fixed assets which are impacted by the said order and recognised provision of ₹ 4.19 crores (previous year ₹ 21.20 crores) considering the principle of conservatism.
  - d) The Group had made an assessment of the carrying amount of goodwill on consolidation in respect of a subsidiary, Peddar Realty Private Limited, and recognised an impairment of ₹ 25.90 crores during the previous year.
5. In respect of certain operations of the Group, following basis/assumptions/estimates are considered by the management in concluding that no further provision is presently necessary, in respect of carrying amounts of the related assets:
- a) Integrated Steel Complex at Salboni, Bengal [Capital work in progress ₹ 135.38 crores, Fixed assets ₹ 205.03 crores, and Advances ₹ 151.81 crores] - Evaluation of current status of the integrated Steel Complex (including power plant) to be implemented in phases at Salboni of district Paschim Medinipur in West Bengal, and the projections relating to the said complex considering estimates for the future prices of raw materials, foreign exchange rates, operating margins, etc. and the plans for commencing construction of the said complex.
  - b) Goodwill ₹ 87.82 crores and Inventories ₹ 162.23 crores relating to interest in a real estate property - Valuation of the property by an independent expert.
  - c) Mining development and projects, license fees, fixed assets and goodwill aggregating to ₹ 93.96 crores relating to coal mines at Mozambique - Assessment

of minable reserves by independent experts and cash flow projections based on plans to commence operations after mining lease arrangements are in place for which application has been submitted to regulatory authorities and infrastructure is developed.

- d) Joint control in structural steel works [Fixed Assets (including capital work in progress) Rs 101.96 crores] - Value in use based on estimates and assumptions relating to order book, capacity utilisation, operational performance, market prices of materials, inflation, terminal value, etc.
6. (a) Pursuant to the requirement prescribed under Schedule II to the Companies Act, 2013 the Group has, based on the external technical advice, effective 1 April 2015, identified components (significant parts) of the main asset having different useful lives as compared to the main asset and consequently revised the estimated useful lives of Plant and Machinery and Buildings. Accordingly, the depreciation charge for the year ended 31 March 2016 is lower by ₹ 548.51 crores, and an amount of ₹ 118.71 crores (net of deferred tax) being effect of componentization where the remaining useful life of the component was determined as Nil, has been adjusted against the retained earnings as per transitional provision in Note 7 (b) of Schedule II.
- (b) Effective from 1 April 2014, the Group had re-worked depreciation with reference to the estimated useful lives of fixed assets prescribed under Schedule II to the Act or useful life of fixed assets as per technical evaluation. As a result the charge for depreciation was lower by ₹ 213.72 crores for the year ended March 31, 2015. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Group had fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and had adjusted an amount of ₹ 47.39 crores (net of deferred tax) against the opening Surplus balance in the Consolidated Statement of Profit and Loss under Reserves and Surplus.
7. Trade receivables include ₹ 159.54 crores (previous year ₹ 172.04 crores) recoverable from a customer towards supply of steel. The Company recovered an amount of ₹ 12.50 crores from the customer during the year ended 31 March 2016. Pursuant to the Consent Term, filed by the Company and the customer with the Honorable Bombay High Court and adopted by the Court as its order, the receivables of the Company shall be secured by a



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

first ranking pari-passu charge over the fixed assets of the customer and shall be at par with other CDR lenders. The process of creating charge by the Company over the customer's certain fixed assets has been completed and the charge creation for the remaining fixed assets is under progress. Based on these developments, the Company is reasonably confident about the recoverability of the said amount.

8. A share purchase agreement has been entered into on 18 August, 2014 amongst JSW Steel Limited, Welspun Enterprises Limited ("the Seller") and a subsidiary of the Company, namely JSW Steel (Salav) Limited, for selling of entire shareholding in the subsidiary by the Seller to the Company ("the SPA"). Pursuant to the SPA:
- (a) if any amount realized prior to 31 March, 2017 in respect of certain assets existed as on 31 August, 2014 as identified in the SPA, the subsidiary will have to pay such amount to the Seller, and
  - (b) in respect of disputed claims/levies as on 31 August, 2014, the subsidiary is entitled to be reimbursed from

the Seller for the disputed claims / levies settled prior to 31 March, 2017. In case of disputed claims/levies relating to indirect taxes such reimbursement shall be restricted to ₹ 70 crores.

Accordingly a provision of ₹ 14.94 crores was recognised during the previous year and there is no movement in / utilization of provision during the year.

### 9. DERIVATIVES:

- a) The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the Group's strategy approved by the board of directors, which provide principles on the use of such forward contracts consistent with the group's risk management policy.

The forward exchange contracts entered into by the

group and outstanding are as under:

As at	No. of contracts	Type	US\$ equivalent (Million)	INR equivalent (crores)
31.03.2016	323	Buy	1,686.68	11,181.87
	40	Sell	217.20	1,431.97
31.03.2015	200	Buy	1,279.44	8,092.76
	147	Sell	797.78	4,993.40

- b) The Group also uses derivative contracts other than forward contracts to hedge the interest rate and currency risk on capital account. Such transactions are governed by the strategy approved by the board of directors, which provide principles on the use of these instruments, consistent with the Group's risk management policy. The Group does not use these contracts for speculative purposes.

Notional value of interest rate swaps (IRS) to hedge against fluctuations in interest rate are as under:

As at	No. of contracts	US\$ equivalent of notional value (million)	MTM of IRS (INR crores)
31.03.2016	6	65.00	(1.70)
31.03.2015	5	25.00	(4.21)

Currency options to hedge against fluctuations in exchange rate:

As at	No. of contracts	US\$ equivalent (million)	INR equivalent (INR crores)	MTM of option (INR crores)
31.03.2016	6	44.57	295.65	0.03
31.03.2015	14	153.40	960.14	2.76

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Commodity forward contracts entered into by the Group are as under:

As at	No. of contracts	Quantity (MT)	US\$ equivalent (million)	INR equivalent (INR crores)	MTM of option (INR crores)
31.03.2016	79	1,849,995	71.98	477.48	91.06
31.03.2015	-	-	-	-	-

c) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(i) Amounts receivable in foreign currency on account of the following:

	Current year		Previous year	
	US\$ equivalent (million)	INR equivalent (crores)	US\$ equivalent (million)	INR equivalent (crores)
Trade receivables	22.29	147.87	2.71	16.94
Balances with banks				
- in current account	0.01	0.04	0.01	0.04
Other receivables	0.43	2.83	-	-

(ii) Amounts payable in foreign currency on account of the following:

	Current year		Previous year	
	US\$ equivalent (million)	INR equivalent (crores)	US\$ equivalent (million)	INR equivalent (crores)
Borrowings	1,920.38	12,738.45	1,905.77	11,928.34
Advances from customer	-	-	0.04	0.23
Acceptances	20.40	135.32	203.01	1,270.68
Trade payables	280.92	1,863.40	69.85	437.17
Payables for capital projects	31.18	206.81	442.35	2,768.72
Interest accrued but not due on borrowings	127.45	845.39	17.71	110.87

### 10. EMPLOYEE BENEFITS:

#### A) DEFINED CONTRIBUTION PLAN:

The Group's contribution to provident fund is ₹ 50.97 crores (previous year ₹ 43.43 crores) and superannuation fund is ₹ 0.51 crores (previous year ₹ nil) .

#### B) DEFINED BENEFIT PLANS-

(i) Gratuity:

	(₹ in crores)			
	Current year		Previous year	
	Funded	Unfunded	Funded	Unfunded
<b>A) LIABILITY RECOGNISED IN THE BALANCE SHEET</b>				
i) Change in defined benefit obligation (DBO) during the year				
Present value of DBO at the beginning of the year	179.33	2.83	126.97	1.97
Current service cost	13.43	0.41	10.96	0.29
Interest cost	14.37	0.23	11.38	0.18
Actuarial losses	7.00	0.26	28.24	0.48
Benefits paid	(8.65)	(0.06)	(7.30)	(0.17)
Liabilities transfer in/(out)	(0.86)	0.11	9.13	0.08
Present value of DBO at the end of the year	204.62	3.78	179.33	2.83
Less:				
ii) Change in fair value of plan assets during the year				

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	Current year		Previous year	
	Funded	Unfunded	Funded	Unfunded
Plan assets at the beginning of the year	66.05		54.44	
Expected return on plan assets less loss on investments	5.35		4.27	
Actuarial gains	1.05		0.95	
Employers' contribution	10.55		0.01	
Benefits paid	(6.08)		(4.09)	
Assets transfer in/(out)	0.05		10.47	
Plan assets at the end of the year	76.97		66.05	
Amount recognised in Balance Sheet (refer note 7) *	127.65	3.78	113.28	2.83
<b>B) EXPENSES DURING THE YEAR</b>				
Current service cost	13.43	0.41	10.96	0.29
Interest cost	14.37	0.23	11.38	0.18
Expected return on plan assets	(5.35)	-	(4.27)	-
Actuarial losses	5.95	0.26	27.29	0.48
Transferred to preoperative expenses	(1.26)	-	(1.86)	-
<b>Total (included in note 24)</b>	<b>27.14</b>	<b>0.90</b>	<b>43.50</b>	<b>0.95</b>
<b>C) ACTUAL RETURN ON PLAN ASSETS</b>	4.22		5.59	
<b>D) BREAK UP OF PLAN ASSETS :</b>				
(i) ICICI Prudential Life Insurance Company Limited				
Balanced fund	3.65		3.51	
Group debt fund	4.41		7.06	
Group short term debt fund	0.17		0.59	
(ii) HDFC Standard Life Insurance Company Limited				
Defensive managed fund	1.61		1.27	
Stable managed fund	5.07		13.54	
Liquid fund II	0.07		0.04	
Secured managed fund	14.03		-	
(iii) SBI Life Insurance Company Limited – Cap assured fund	28.29		21.46	
(iv) LIC of India – Insurer managed fund	19.16		18.58	
(v) Bajaj Allianz Fund	0.51		-	
<b>E) PRINCIPAL ACTUARIAL ASSUMPTIONS</b>				
Rate of discounting	7.99% to 8.38% p.a.	7.81% to 8.30% p.a.	7.90% to 7.96% p.a.	7.94% to 9.39% p.a.
Expected return on plan assets	7.99% to 8.38% p.a.		7.90% to 7.96% p.a.	
Rate of increase in salaries	6% p.a.	6% to 9% p.a.	6% p.a.	6% to 9% p.a.
Attrition rate	2%	2%	2%	2%

\* includes ₹ 1.79 crores (previous year ₹ 2.14 crores) being excess of fair value of plan assets over present value of obligation disclosed under prepayment and others (Note 14- Short Term Loans and advances)

### F) EXPERIENCE ADJUSTMENTS:

#### (I) FUNDED

(₹ in crores)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of DBO at the end of the year	204.63	180.63	170.82	100.54	82.30
Plan assets at the end of the year	76.97	66.05	54.44	53.07	50.04
Deficit	(130.32)	(116.78)	(109.55)	(37.51)	(24.72)
Experience adjustments on plan liabilities – loss/(gain)	6.14	31.75	4.39	4.26	21.68
Experience adjustments on plan assets – gain/(loss)	(0.18)	0.67	(1.00)	(1.00)	(0.78)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### (II) UNFUNDED

(₹ in crores)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of DBO at the end of the year	3.77	1.53	(41.88)	(8.60)	(7.16)
Plan assets at the end of the year	-	-	-	-	-
Deficit	(1.11)	0.67	35.05	(1.36)	(0.38)
Experience adjustments on plan liabilities – loss/(gain)	(0.10)	1.32	1.47	(0.19)	(0.84)
Experience adjustments on plan assets – gain/(loss)	-	-	-	-	-

- G)** The Group expects to contribute ₹ 129.04 crores (previous year ₹ 85.37 crores) to its gratuity plan for the next year.
- H)** In assessing the Group's post retirement liabilities the Group monitors mortality assumptions and uses up-to-date mortality tables, the base being the Indian assured lives mortality (2006-08) ultimate.
- I)** Expected return on plan assets is based on expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.
- J)** The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- K)** The discount rate is based on the prevailing market yield of Government of India securities as at the balance sheet date for the estimated term of obligations.

#### (II) PROVIDENT FUND:

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

In keeping with the guidance on implementing Accounting Standard (AS) 15 (Revised) on "Employee Benefits" notified by the Companies (Accounting Standards) Rules, 2006, employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. Defined benefit obligation as per interest rate guaranteed on exempted provident fund in respect

of employees of the Company as at 31st March, 2016 works out to ₹ nil (previous year ₹ nil) and hence no provision is required to be provided for in the books of accounts towards the guarantee given for notified interest rates.

#### ACTUARIAL ASSUMPTIONS MADE TO DETERMINE INTEREST RATE GUARANTEE ON EXEMPT PROVIDENT FUND LIABILITIES ARE AS FOLLOWS:

Particulars	Current year	Previous year
Rate of discounting	8.38%	7.96%
Rate of return on assets	8.86%	9.02%
Guaranteed rate of return	8.80%	8.75%

#### (III) ASSUMPTIONS USED IN ACCOUNTING FOR COMPENSATED ABSENCES

Particulars	Current year	Previous year
Present value of unfunded obligation (₹ in crores) (refer note 7)	94.96	85.66
Discount rate (p.a.)	7.99% to 8.38%	7.90% to 8.09%
Salary escalation rate (p.a.)	6%	6%

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 11. SEGMENT REPORTING:

The Group is primarily engaged in the business of manufacture and sale of iron and steel products. The group has identified primary business segments, namely steel, power (used mainly for captive consumption) and others, which in the context of Accounting Standard 17 on "Segment Reporting" constitute reportable segments.

### I. INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

Particulars	Year Ended 31.03.2016					Year Ended 31.03.2015				
	Steel	Power	Others	Eliminations	Total	Steel	Power	Others	Eliminations	Total
<b>INCOME :</b>										
External sales	41,511.69	90.03	277.16	-	41,878.88	51,900.98	191.30	879.23	-	52,971.51
Inter segment sales	1,460.63	4,362.23	-	(5,822.86)	-	1,304.92	3,874.70	22.20	(5,201.82)	-
<b>Total income</b>	<b>42,972.32</b>	<b>4,452.26</b>	<b>277.16</b>	<b>(5,822.86)</b>	<b>41,878.88</b>	<b>53,205.90</b>	<b>4,066.00</b>	<b>901.43</b>	<b>(5,201.82)</b>	<b>52,971.51</b>
<b>SEGMENT RESULTS</b>										
Segment / Operating results	1,005.29	2,074.04	21.40	-	3,100.73	4,526.39	1,685.19	(107.07)	-	6,104.51
Un-allocated Items:										
Income					61.36					51.60
Finance costs					(3,302.68)					(3,493.03)
Exceptional item					(2,125.41)					(47.10)
Provision for taxation					1,524.05					(819.41)
<b>Net profit</b>					<b>(741.95)</b>					<b>1,796.57</b>
<b>OTHER INFORMATION</b>										
Segment assets	72,907.16	2,220.53	1,340.23		76,467.92	74,064.96	2,287.63	1,988.66		78,341.25
Un-allocated assets					5,826.67					7,577.91
<b>Total assets</b>					<b>82,294.59</b>					<b>85,919.16</b>
Segment liabilities	17,963.11	475.97	383.11		18,822.19	19,820.44	299.39	544.56		20,664.39
Un-allocated liabilities & provisions					41,821.72					42,103.05
<b>Total liabilities</b>					<b>60,643.91</b>					<b>62,767.44</b>
Depreciation and amortisation	3,087.57	71.16	29.19			3,322.45	65.61	46.43		
Non -cash expenditure other than depreciation and amortisation	-	-	22.21			-	-	-		
Capital expenditure	4,746.74	2.67	119.96			5,442.83	28.39	143.29		

1. Inter segment transfer of power from power segment is measured at the rate at which power is purchased from respective electricity board.
2. Inter segment transfer of gas from the steel segment is measured on the basis of fuel cost.
3. Other business segment represents cement, mining and construction activities.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### II. INFORMATION ABOUT SECONDARY SEGMENTS – GEOGRAPHICAL SEGMENT

Rs. in Crores

Particulars	Current year 31.03.2016			Previous year 31.03.2015		
	Indian entities	Foreign entities	Total	Indian entities	Foreign entities	Total
Segment revenue	40,459.42	1,419.46	41,878.88	50,125.71	2,845.80	52,971.51
Segment assets	75,282.29	7,012.30	82,294.59	76,754.72	9,164.44	85,919.16
Capital expenditure incurred	4,658.13	211.24	4,869.37	5,163.47	451.04	5,614.51

### 12. RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES:

#### (A) LIST OF RELATED PARTIES

##### 1 ASSOCIATES

JSW Praxair Oxygen Private Limited  
 Dolvi Minerals & Metals Private Limited (w.e.f. 27.11.2014)  
 Dolvi Coke Projects Limited (w.e.f. 04.12.2014)

##### 2 JOINT VENTURES

Vijayanagar Minerals Private Limited  
 Rohne Coal Company Private Limited  
 JSW Severfield Structures Limited  
 Gourangdih Coal Limited  
 Toshiba JSW Power System Private Limited  
 MJSJ Coal Limited  
 Geo Steel LLC  
 JSW Structural Metal Decking Limited  
 JSW MI Steel Service Center Private Limited  
 JSW Vallabh Tin Plate Private Limited (w.e.f. 07.04.2014)

##### 3 KEY MANAGEMENT PERSONNEL (KMP)

Mr. Sajjan Jindal  
 Mr. Seshagiri Rao M V S  
 Dr. Vinod Nowal  
 Mr. Jayant Acharya  
 Mr. Rajeev Pai  
 Mr. Lancy Varghese

##### 4 RELATIVE OF KEY MANAGEMENT PERSONNEL

Mr. Parth Jindal

##### 5 ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL AND RELATIVES OF SUCH PERSONNEL EXERCISE SIGNIFICANT INFLUENCE

JSW Energy Limited  
 Jindal Stainless Limited  
 JSW Realty & Infrastructure Private Limited  
 Jindal Saw Limited  
 Jindal Saw USA LLC  
 Jindal Steel & Power Limited  
 JSOFT Solutions Limited  
 Jindal Industries Private Limited  
 JSW Cement Limited  
 JSW Jaigarh Port Limited  
 Reynold Traders Private Limited  
 Raj West Power Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

JSW Power Trading Company Limited  
 JSW Infrastructure Limited  
 South West Port Limited  
 JSW Techno Projects Management Limited  
 JSW Global Business Solutions Limited (Formerly known as Sapphire Technologies Limited)  
 South West Mining Limited  
 JSL Architecture Limited  
 JSW Projects Limited  
 JSW Foundation  
 O P Jindal Foundation  
 Jindal Technologies & Management Services Private Limited  
 JSW Dharamatar Port Private Limited  
 Jindal Tubular (India) Limited  
 M/S Shadeed Iron & Steel Co. LLC  
 JSW Investment Private Limited  
 JSW IP Holdings Private Limited (w.e.f. 01.04.2015)  
 Epsilon Carbon Private Limited (Formerly known as AVH Private Limited)  
 JSW International Trade Corp PTE Limited  
 Heal Institute Private Limited  
 JSL Lifestyle Limited  
 Jindal Power Limited  
 Jindal Fittings Limited  
 Jindal Education Trust  
 Jindal Stainless Steelway Limited  
 Windsor Residency Private Limited  
 Ganga Ferro Alloys Private Limited  
 St. James Investment Limited

(₹ in crores)

Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key management personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
<b>B. TRANSACTIONS WITH RELATED PARTIES</b>						
<b>PARTY'S NAME</b>						
<b>PURCHASE OF GOODS / POWER AND FUEL / SERVICES</b>						
JSW Energy Limited	-	-	-	-	<b>1,203.06</b>	<b>1,203.06</b>
	-	-	-	-	1,490.76	1,490.76
JSW Projects Limited	-	-	-	-	<b>730.40</b>	<b>730.40</b>
	-	-	-	-	613.90	613.90
JSW International Tradecorp Pte Limited	-	-	-	-	<b>3,480.42</b>	<b>3,480.42</b>
	-	-	-	-	3,629.41	3,629.41
Others	<b>142.44</b>	<b>4.89</b>	-	-	<b>857.15</b>	<b>1,004.48</b>
	257.84	0.22	-	-	955.28	1,213.34
<b>Total</b>	<b>142.44</b>	<b>4.89</b>	-	-	<b>6,271.03</b>	<b>6,418.36</b>
	257.84	0.22	-	-	6,689.35	6,947.41
<b>REIMBURSEMENT OF EXPENSES INCURRED ON BEHALF OF THE GROUP</b>						
JSW Energy Limited	-	-	-	-	<b>2.16</b>	<b>2.16</b>
	-	-	-	-	2.66	2.66

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)						
Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key management personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
Others	-	-	-	-	0.29	0.29
	0.19	-	-	-	0.08	0.27
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.45</b>	<b>2.45</b>
	0.19	-	-	-	2.74	2.93
<b>SALES OF GOODS/POWER AND FUEL</b>						
Jindal Saw Limited	-	-	-	-	484.84	484.84
	-	-	-	-	658.33	658.33
JSW Energy Limited	-	-	-	-	153.03	153.03
	-	-	-	-	346.79	346.79
Jindal Industries Private Limited	-	-	-	-	609.03	609.03
	-	-	-	-	356.30	356.30
Epsilon Carbon Private Limited	-	-	-	-	275.89	275.89
	-	-	-	-	344.60	344.60
Others	12.33	165.04	-	-	267.24	444.62
	61.88	179.26	-	-	289.35	530.49
<b>Total</b>	<b>12.33</b>	<b>165.04</b>	<b>-</b>	<b>-</b>	<b>1,790.03</b>	<b>1,967.41</b>
	61.88	179.26	-	-	1,995.37	2,236.51
<b>OTHER INCOME/ INTEREST INCOME/ DIVIDEND INCOME</b>						
JSW Praxair Oxygen Private Limited	14.61	-	-	-	-	14.61
	38.16	-	-	-	-	38.16
JSW Energy Limited	-	-	-	-	25.11	25.11
	-	-	-	-	27.96	27.96
JSW Projects Limited	-	-	-	-	5.43	5.43
	-	-	-	-	15.06	15.06
Others	2.16	2.88	-	-	6.04	11.08
	-	0.11	-	-	7.75	7.85
<b>Total</b>	<b>16.77</b>	<b>2.88</b>	<b>-</b>	<b>-</b>	<b>36.57</b>	<b>56.22</b>
	38.16	0.11	-	-	50.77	89.03
<b>PURCHASE OF ASSETS</b>						
JSW Severfield Structures Limited	-	68.76	-	-	-	68.76
	-	99.19	-	-	-	99.19
Jindal Steel & Power Limited	-	-	-	-	109.86	109.86
	-	-	-	-	106.75	106.75
Others	-	-	-	-	8.70	8.70
	-	-	-	-	25.46	25.46
<b>Total</b>	<b>-</b>	<b>68.76</b>	<b>-</b>	<b>-</b>	<b>118.56</b>	<b>187.32</b>
	-	99.19	-	-	132.21	231.40
<b>SALE OF FIXED ASSETS</b>						
JSW Cement Limited	-	-	-	-	-	-
	-	-	-	-	117.81	117.81
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	-	-	-	-	117.81	117.81
<b>DONATION/ CSR EXPENSES</b>						
O.P. Jindal Foundation	-	-	-	-	-	-
	-	-	-	-	0.17	0.17



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key management personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
JSW Foundation	-	-	-	-	3.60	3.60
	-	-	-	-	1.83	1.83
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.60</b>	<b>3.60</b>
	-	-	-	-	2.00	2.00
<b>RECOVERY OF EXPENSES INCURRED BY THE GROUP ON BEHALF OF OTHERS</b>						
JSW Energy Limited	-	-	-	-	2.22	2.22
	-	-	-	-	1.18	1.18
JSW Cement Limited	-	-	-	-	7.03	7.03
	-	-	-	-	0.53	0.53
JSW Global Business Solutions Limited	-	-	-	-	0.70	0.70
	-	-	-	-	0.64	0.64
JSW Power Trading Company Limited	-	-	-	-	1.08	1.08
	-	-	-	-	0.61	0.61
JSW Infrastructure Limited	-	-	-	-	1.73	1.73
	-	-	-	-	0.10	0.10
Others	0.57	1.50	-	-	3.88	5.95
	0.04	0.29	-	-	1.74	2.07
<b>Total</b>	<b>0.57</b>	<b>1.50</b>	<b>-</b>	<b>-</b>	<b>16.64</b>	<b>18.71</b>
	0.04	0.29	-	-	4.80	5.13
<b>INVESTMENTS / SHARE APPLICATION MONEY GIVEN DURING THE YEAR</b>						
Dolvi Minerals & Metals Private Limited	-	-	-	-	-	-
	40.00	-	-	-	-	40.00
Others	-	-	-	-	-	-
	-	0.27	-	-	-	0.27
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	40.00	0.27	-	-	-	40.27
<b>INTEREST EXPENSES</b>						
JSW Praxair Oxygen Private Limited	0.26	-	-	-	-	0.26
	1.17	-	-	-	-	1.17
JSW Energy Limited	-	-	-	-	0.92	0.92
	-	-	-	-	2.98	2.98
St. James Investment Limited	-	-	-	-	11.62	11.62
	-	-	-	-	8.79	8.79
<b>Total</b>	<b>0.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.54</b>	<b>12.80</b>
	1.17	-	-	-	11.77	12.94
<b>ADVANCE TAKEN REFUNDED</b>						
JSW Infrastructure Limited	-	-	-	-	37.48	37.48
	-	-	-	-	36.59	36.59
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37.48</b>	<b>37.48</b>
	-	-	-	-	36.59	36.59
<b>REMUNERATION TO KEY MANAGERIAL PERSONNEL</b>						
Mr. Sajjan Jindal	-	-	12.08	-	-	12.08
	-	-	26.17	-	-	26.17
Mr. Seshagiri Rao M V S	-	-	4.76	-	-	4.76
	-	-	4.14	-	-	4.14

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)						
Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key management personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
Dr. Vinod Nowal	-	-	3.44	-	-	3.44
Mr. Jayant Acharya	-	-	3.04	-	-	3.04
Mr. Parth Jindal	-	-	2.63	-	-	2.63
Mr. Rajeev Pai	-	-	-	0.07	-	0.07
Mr. Lancy Varghese	-	-	1.37	-	-	1.37
	-	-	1.27	-	-	1.27
	-	-	0.50	-	-	0.50
	-	-	0.46	-	-	0.46
<b>Total</b>	<b>-</b>	<b>-</b>	<b>25.19</b>	<b>-</b>	<b>-</b>	<b>25.19</b>
	-	-	37.71	0.07	-	37.78
<b>ADVANCE GIVEN</b>						
JSW Global Business Solutions Limited	-	-	-	-	10.18	10.18
JSL Architecture Limited	-	-	-	-	-	-
	-	-	-	-	0.02	0.02
JSW Techno Projects Management Limited	-	-	-	-	-	-
	-	-	-	-	0.03	0.03
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.18</b>	<b>10.18</b>
	-	-	-	-	0.05	0.05
<b>C. CLOSING BALANCE OF RELATED PARTIES</b>						
<b>TRADE PAYABLES</b>						
Dolvi Minerals & Metals Private Limited	-	-	-	-	-	-
	41.09	-	-	-	-	41.09
JSW Energy Limited	-	-	-	-	157.76	157.76
	-	-	-	-	79.59	79.59
JSW Projects Limited	-	-	-	-	35.84	35.84
	-	-	-	-	75.25	75.25
JSW International Trade Corp PTE Limited	-	-	-	-	370.11	370.11
	-	-	-	-	26.52	26.52
St .James Investment limited	-	-	-	-	79.00	79.00
	-	-	-	-	63.43	63.43
Others	6.48	2.55	-	-	92.56	101.59
	58.70	0.31	-	-	41.07	100.08
<b>Total</b>	<b>6.48</b>	<b>2.55</b>	<b>-</b>	<b>-</b>	<b>735.26</b>	<b>744.30</b>
	99.79	0.31	-	-	285.86	385.96
<b>NOTES PAYABLE</b>						
St. James Investment Limited	-	-	-	-	285.23	285.23
	-	-	-	-	269.14	269.14
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>285.23</b>	<b>285.23</b>
	-	-	-	-	269.14	269.14

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key management personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
<b>ADVANCE RECEIVED FROM CUSTOMERS</b>						
Jindal Steel & Power Limited	-	-	-	-	0.48	0.48
	-	-	-	-	0.91	0.91
JSW Cement Limited	-	-	-	-	0.25	0.25
	-	-	-	-	0.10	0.10
Jindal Saw USA LLC	-	-	-	-	-	-
	-	-	-	-	0.17	0.17
Others	-	-	-	-	0.17	0.17
	-	-	-	-	0.20	0.20
<b>Total</b>	-	-	-	-	0.90	0.90
	-	-	-	-	1.38	1.38
<b>LEASE AND OTHER DEPOSIT RECEIVED</b>						
JSW Severfield structures limited	-	6.50	-	-	-	6.50
	-	6.50	-	-	-	6.50
JSW Praxair Oxygen Private Limited	3.83	-	-	-	-	3.83
	3.83	-	-	-	-	3.83
JSW Energy Limited	-	-	-	-	10.19	10.19
	-	-	-	-	10.19	10.19
JSW Jaigarh Port Limited	-	-	-	-	3.50	3.50
	-	-	-	-	3.50	3.50
Jindal Saw Limited	-	-	-	-	5.00	5.00
	-	-	-	-	5.00	5.00
Others	-	-	-	-	2.00	2.00
	-	-	-	-	2.00	2.00
<b>Total</b>	3.83	6.50	-	-	20.69	31.02
	3.83	6.50	-	-	20.69	31.02
<b>TRADE RECEIVABLES</b>						
Dolvi Coke Projects Limited	2.96	-	-	-	-	2.96
	22.20	-	-	-	-	22.20
Jindal Industries Private Limited	-	-	-	-	23.27	23.27
	-	-	-	-	31.33	31.33
JSW Cement Limited	-	-	-	-	6.64	6.64
	-	-	-	-	27.19	27.19
JSW Power Trading Company Limited	-	-	-	-	48.91	48.91
	-	-	-	-	1.64	1.64
Epsilon Carbon Private Limited	-	-	-	-	55.11	55.11
	-	-	-	-	44.45	44.45
Others	-	13.39	-	-	16.18	29.57
	-	1.27	-	-	43.65	44.92
<b>Total</b>	2.96	13.39	-	-	150.11	166.47
	22.20	1.27	-	-	148.26	171.73
<b>CAPITAL / REVENUE ADVANCES GIVEN</b>						
JSW Projects Limited	-	-	-	-	500.00	500.00
	-	-	-	-	500.00	500.00

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)						
Particulars	Associates	Joint ventures	Key managerial personnel	Relatives of key management personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
JSW Cement Limited	-	-	-	-	71.52	71.52
	-	-	-	-	69.57	69.57
Others	0.02	22.51	-	-	19.08	41.61
	0.12	18.70	-	-	16.56	35.38
<b>Total</b>	<b>0.02</b>	<b>22.51</b>	<b>-</b>	<b>-</b>	<b>590.60</b>	<b>613.13</b>
	0.12	18.70	-	-	586.13	604.95
<b>SHARE APPLICATION MONEY</b>						
Rohne Coal Company Private Limited	-	0.02	-	-	-	0.02
	-	3.93	-	-	-	3.93
<b>Total</b>	<b>-</b>	<b>0.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.02</b>
	-	3.93	-	-	-	3.93
<b>OTHER ADVANCES GIVEN</b>						
JSW Realty & Infrastructure Private Limited	-	-	-	-	41.04	41.04
	-	-	-	-	39.71	39.71
Geo Steel LLC	-	-	-	-	-	-
	-	13.94	-	-	-	13.94
Others	-	-	-	-	-	-
	-	0.04	-	-	-	0.04
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41.04</b>	<b>41.04</b>
	-	13.98	-	-	39.71	53.69
<b>INVESTMENTS HELD BY THE GROUP</b>						
JSW Energy Limited	-	-	-	-	251.56	251.56
	-	-	-	-	251.56	251.56
JSW Realty & Infrastructure Private Limited	-	-	-	-	199.15	199.15
	-	-	-	-	199.15	199.15
Others	67.27	30.73	-	-	-	98.00
	67.27	28.13	-	-	-	95.40
<b>Total</b>	<b>67.27</b>	<b>30.73</b>	<b>-</b>	<b>-</b>	<b>450.71</b>	<b>548.71</b>
	67.27	28.13	-	-	450.71	546.11
<b>LOANS AND ADVANCES TAKEN</b>						
JSW Infrastructure Limited	-	-	-	-	148.23	148.23
	-	-	-	-	185.71	185.71
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>148.23</b>	<b>148.23</b>
	-	-	-	-	185.71	185.71

Figures in bold represents current year numbers

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 13. FINANCE LEASE

#### A) AS LESSEE:

- The Group has acquired equipments for ₹ 129.38 crores through finance lease. The finance leases are for various durations with last lease maturing in 2016. The amount of depreciation charged in the Consolidated Statement of Profit and Loss till 31 March 2016 was ₹ 129.16 crores and the book value is ₹ 0.22 crores.
- The minimum lease payments and the present value as at 31 March 2016 of minimum lease payments in respect of assets acquired under the finance leases are as follows:

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31.03.16	As at 31.03.15	As at 31.03.16	As at 31.03.15
Payable not later than 1 year	-	17.93	-	17.32
Payable later than 1 year and not later than 5 years	-	-	-	-
Payable later than 5 years	-	-	-	-
<b>Total</b>	<b>-</b>	<b>17.93</b>	<b>-</b>	<b>17.32</b>
Less: future finance charges	-	0.61		
<b>PRESENT VALUE OF MINIMUM LEASE PAYMENTS</b>	<b>-</b>	<b>17.32</b>		

### 14. OPERATING LEASE

#### A) AS LESSOR:

- The group has entered into lease arrangements, for renting :
  - 2,279 houses (admeasuring approximately 1,410,997 square feet) at the rate of ₹ 100/- per house per annum, for a period of 120 months.
  - 642 houses (admeasuring approximately 345,003 square feet) at the rate of ₹ 2/- per square feet per annum, for a period of 60 months.
  - 9 houses (admeasuring approximately 9,027 square feet) at the rate of Rs 43/- per square feet per month per house, for a period of 60 months.
  - Office premises (admeasuring approximately 1795 square feet) at the rate of Rs 146/- square feet for the period of 22 months.

The agreements are renewable at the option of the lessee after the end of the lease term.

- Disclosure in respect of assets (building) given on operating lease :

Particulars	₹ in crores	
	Current year	Previous year
Gross carrying amount of assets	175.29	173.07
Accumulated depreciation	28.16	26.48
Depreciation for the year	3.12	3.19

#### B) AS LESSEE:

- Lease rentals charged to revenue for right to use following assets are:

Particulars	₹ in crores	
	Current year	Previous year
Office premises, residential flats, plant and equipment etc.	55.15	58.98

The agreements are executed for a period of 11 to 180 months with a renewable clause and also provide for termination at will by either party giving a prior notice period of 1 to 3 months.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- ii The agreement for certain plant and equipment is on non-cancellable basis for a period of 10-15 years, which are renewable on expiry of the lease period at mutually acceptable terms.

Operating lease payments represent rentals payable by the group for lease of coal loading property. The agreement is executed for a period of 5 years with a renewable clause.

Minimum lease payments under non-cancellable operating lease fall due as follows:

(₹ in crores)		
Particulars	Current year	Previous year
Due not later than one year	26.38	11.09
Due later than one year but not later than five years	37.96	31.37
Later than five years	-	5.37
<b>Total</b>	<b>64.34</b>	<b>47.83</b>

### 15. EARNINGS PER SHARE (EPS):

(₹ in crores)			
Particulars		Current year	Previous year
Profit/(loss) for the year	₹ in crores	(741.95)	1,796.57
Less: Dividend on preference shares (including corporate dividend tax)	₹ in crores	33.58	33.58
Profit/(loss) after tax for equity share holders (numerator)- basic / diluted (A)	₹ in crores	(775.53)	1,762.99
Weighted average number of equity shares for basic EPS (denominator) (B)	Nos.	241,722,044	241,722,044
Weighted average number of equity shares for diluted EPS (denominator) (C)	Nos.	241,722,044	241,722,044
Earnings per share – basic (A/B)	₹	(32.08)	72.93
Earnings per share – diluted (A/C)	₹	(32.08)	72.93
Nominal value per share	₹	10	10

### 16. ADDITIONAL INFORMATION AS REQUIRED SCHEDULE III OF THE COMPANIES ACT, 2013

(₹ in crores)				
Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5
<b>PARENT</b>				
JSW Steel Limited	81.11	17,561.82	(294.40)	2,184.30
<b>SUBSIDIARIES</b>				
<b>INDIAN</b>				
Peddar Realty Private Limited	0.61	132.73	(0.30)	2.20
JSW Steel Processing Centres Limited	0.43	94.03	(2.33)	17.30
JSW Jharkhand Steel Limited	0.34	73.82	0.00	(0.03)
JSW Steel (Salav) Limited	2.53	548.62	25.46	(188.90)
Amba River Coke Limited	3.59	777.74	0.80	(5.96)
JSW Steel Coated Products Limited	4.97	1,075.50	(2.26)	16.80
JSW Bengal Steel Limited - Group	1.84	398.83	0.23	(1.70)
Everbest Steel & Mining Holdings Limited	-	-	-	-
<b>FOREIGN</b>				
JSW Steel (Netherlands) B.V	(1.55)	(336.24)	96.06	(712.71)
JSW Steel Holding (USA) Inc.- Group	2.04	441.09	223.99	(1,661.93)
JSW Panama Holdings Corporation - Group	1.07	232.43	64.64	(479.60)
JSW Natural Resources Limited - Group	0.42	91.52	2.57	(19.06)
JSW Steel (UK) Limited - Group	0.79	170.44	0.80	(5.96)
JSW Steel East Africa Limited	0.00	0.02	-	-
Nippon Ispat Singapore (PTE) Limited	(0.00)	(0.11)	0.00	(0.02)
Arima Limited	(0.00)	(0.02)	0.01	(0.05)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5
Erebus Limited	(0.00)	(0.03)	0.01	(0.05)
Lakeland Securities Limited	(0.00)	(0.04)	0.01	(0.04)
<b>MINORITY INTERESTS IN ALL SUBSIDIARIES</b>	0.03	6.78	(12.81)	95.03
<b>ASSOCIATES (INVESTMENT AS PER EQUITY METHOD)</b>				
<b>INDIAN</b>				
JSW Praxair Oxygen Private Limited	0.48	104.98	(2.93)	21.71
Dolvi Minerals & Metals Private Limited - Group	0.12	25.15	1.07	(7.93)
<b>JOINT VENTURES (AS PER PROPORTIONATE CONSOLIDATION/INVESTMENT AS PER THE EQUITY METHOD)</b>				
<b>INDIAN</b>				
Vijayanagar Minerals Private Limited	0.01	1.87	0.22	(1.66)
Gourangdih Coal Limited	0.01	2.31	0.01	(0.05)
Rohne Coal Company Private Limited	0.08	17.62	0.03	(0.19)
JSW MI Steel Service Center Private Limited	0.21	45.98	0.32	(2.39)
JSW Vallabh Tinplate Private Limited	0.21	46.29	(0.51)	3.79
JSW Severfield Structures Limited - Group	0.11	23.68	0.12	(0.92)
<b>FOREIGN</b>				
Geo Steel LLC	0.53	113.87	(0.82)	6.07
<b>TOTAL</b>	<b>100.00</b>	<b>21,650.68</b>	<b>100.00</b>	<b>(741.95)</b>

17. The manufacturing and other expenses, depreciation and capital expenditure include ₹ 12.44 crores (previous year ₹ 13.20 crores), ₹ 11.08 crores (previous year ₹ 12.84 crores) and ₹ 0.75 crores (previous year ₹ 11.01 crores), respectively, in respect of research and development activities undertaken during the year.

18. Figures of the previous year have been regrouped and reclassified wherever necessary to correspond to figures of the current year.

For and on behalf of the Board of Directors

**SAJJAN JINDAL**

Chairman &amp; Managing Director

**LANCY VARGHESE**

Company Secretary

**RAJEEV PAI**

Chief Financial Officer

**SESHAGIRI RAO M.V.S.**

Jt. Managing Director &amp; Group CFO

Place: Mumbai,

Dated : 18 May 2016