JSW Steel Limited

Regd. Office : JSW Centre,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
CIN. : L27102MH1994PLC152925
Phone : +91 22 4286 1000
Fax : +91 22 4286 3000
Website : www.jsw.in

3rd July 2019

To,

1.	**National Stock Exchange of India Ltd.** Exchange Plaza Plot No. C/1, G Block Bandra – Kurla Complex Bandra (E), Mumbai – 400 051 Fax No.: 2659 8237-38 Email: cmlist@nse.co.in ***Kind Attn.: Mr. Hari K, President (Listing)***	**2.**	**BSE Limited** Corporate Relationship Dept. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001. Fax No. 2272 2037/2039/ 2041/ 20 61 Email:corp.relations@bseindia.com Ref: Company Code No.500228. ***Kind Attn: Mr. S. Subramanian, DCS (CRD).***

Sub: Annual Report

Dear Sirs,

Pursuant to Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Annual Report of the Company for the FY 2018-19.

This is for the information of your members and all concerned.

Thanking you,

Yours faithfully,
For **JSW STEEL LIMITED**

Lancy Varghese
Company Secretary

Annual Report **2018-19**

JSW Steel

A Vision to Execute **Better.** **Everyday.**

Shri O. P. Jindal

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

GREAT LEADERS INSPIRE COUNTLESS LIVES, LEAVE EVERLASTING MEMORIES, TO FOREVER GUIDE DESTINIES

Way back in 1952, an age before the phrase entered public discourse Shri O. P. Jindal heralded ‘Make in India’ with a small scale manufacturing unit in his home town of Hisar in Haryana. In its ground-breaking wake came a pipe manufacturing company, the Jindal Group and an industrial folklore built with steel and power.

For more than five decades, as young India, born from colonial subjugation to democratic freedom built itself into a modern state, Shri O. P. Jindal epitomised enterprise, nationalism, innovation and social service. He sired and took his eponymous business organisation to stellar heights, strengthening at every step his commitment to social work and nation building.

On this day countless individuals in the Jindal family and beyond salute his spirit, which will forever guide our destiny.

JSW Steel at a glance

The flagship company of the $14 billion JSW Group, JSW Steel is a leading Indian integrated steel manufacturer. The Company has a current steelmaking capacity of 18 MTPA, installed across its Indian and international units and is one of the most cost-efficient producers of steel in India. It has a large-scale presence in both international and domestic markets, with its steel retailed in over 9,500 outlets in India and exported to over a hundred countries worldwide.

JSW Steel has initiated a strategic capex plan of ₹48,715 crores through to FY 2021-22 towards augmenting the installed capacity to 24 MTPA, reducing costs and improving the sales mix. With a vision to be 'Better Everyday', JSW Steel is on a continuous improvement journey, aimed at creating consistent and superior stakeholder value.

A vision to execute better. Everyday.

At JSW Steel, we believe better execution is the key to excellence. From our everyday operations to our strategic expansion projects, our differentiator has always been better execution, backed by a strong vision. Be it operating at industry-leading efficiencies or expanding at the least per-tonne cost, our will to undertake challenges, plan with conviction and execute with passion have sustained and improved over the years.

In line with our Group philosophy of 'Better Everyday', we continue to deliver on our responsibilities with utmost prudence, across parameters. This year, we have yet again surpassed our previous records and have registered our best-ever performance.

FY 2018-19: A year of record performance

- Included in the Nifty50 Index
- Vijayanagar Works received the world's most coveted award for quality – The Deming Prize

16.69 MnT
Crude steel production
3% y-o-y growth

15.60 MnT
Saleable steel sales
1% y-o-y growth

₹84,757 crores
Revenue from operations
16% y-o-y growth

₹18,952 crores
Operating EBITDA
28% y-o-y growth

₹7,524 crores
Net profit
23% y-o-y growth

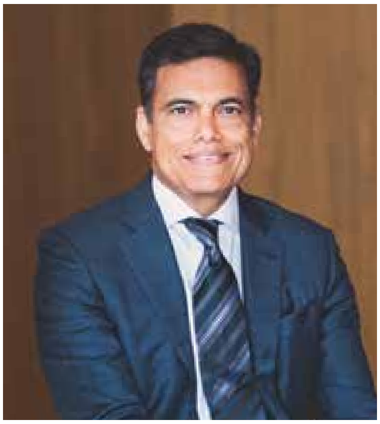
₹31.60
Diluted earnings per share
23% y-o-y growth

In this Report

MESSAGE FROM THE CHAIRMAN & MANAGING DIRECTOR

Ready to ride high with India

Dear Shareholders,
It gives me great pleasure to report yet another remarkable year at your Company - one that validates our actions towards a 'Better Everyday' and our contribution to the story of 'New India' that's taking gigantic strides on to the world stage.



Scaling new peaks

FY 2018-19 was indeed a year of two halves for India – with very strong business environment in the first half, and a challenging second half after the onset of certain strains in the overall financial system. Regardless of this, we continued to increase our domestic market share in FY 2018-19.
We delivered strong profitable performance on higher steel spreads in the first half, focussed cost reduction and favourable change in our portfolio mix towards value-added steel products (VASP).

We recorded the highest ever production, shipments, revenue and EBITDA during FY 2018-19. Our capacity utilisation was at its highest at 93%, driven by improved utilisation levels in the Vijayanagar and Salem plants, which led to a 3% increase in production volumes. Our EBITDA, which reflects strength of underlying improving operational excellence stood at ₹18,952 crores. Our Balance Sheet is strong with cash and cash equivalents of ₹6,269 crores as of March 31, 2019. The Board of Directors has recommended a dividend of ₹4.10/ per share for the year.

This year, our Vijayanagar plant received the world's most coveted recognition for quality, the Deming Prize, for outstanding practices in managing continuous improvements across all functions. Deming Prize is like a Gold medal for a large scale manufacturing enterprise and is testimony to our operational excellence. The inclusion of JSW Steel in the National Stock Exchange's (NSE) benchmark index of India's top 50 companies, Nifty50, in September 2018 was a clear validation of our growing scale and influence, not just in terms of market capitalisation, but also in terms of our ability to consistently create value for our stakeholders. JSW Steel was also recognised as one of "Steel Sustainability Champions" 2018 by World Steel Association.

Favourable domestic business environment

After a two-year strong steel cycle, an increase in supply coupled with trade actions led to a fall in steel prices globally towards the end of Q3 of FY 2018-19. Further, a series of counter-trade actions by various countries following the imposition of Section 232 by the USA led to diversion of steel exports into India by steel surplus countries like Japan, South Korea and China. This combination of lower international steel prices and increasing imports weighed on domestic steel prices as well.

That said, with the general election overhang now behind us and given the strong mandate, the central government is likely to push through key structural reforms and infrastructure development projects at full throttle, at least for the foreseeable future.

India is home to 1.3 billion people, has favourable demographics with 65% of the population below 35 years age. India is modernising, urbanising and managing the rising aspirations of a large population, this is a unique opportunity in itself and the scale is unprecedented. India has set a target of becoming a $5 trillion economy by 2024, and to bring that target within the realm of reality, the government is likely to spend heavily on developing social as well as economic infrastructure.

The ongoing affordable housing scheme, dedicated freight and industrial corridors, 'Make in India' initiatives and the newly launched project to provide piped water at every home have significant potential to propel urban as well as rural steel demand. Next-generation infrastructure, gas grids, water grids, highways, etc. could witness significant investment boost.

The Indian economy is likely to grow at around 7% over the next decade. As GDP growth and steel consumption growth have displayed a strong correlation in recent past, steel demand is likely to grow at around 6-7%, which implies that the country would need to produce an additional 7 million tonnes of steel every year with consumption expected to cross the 100 million tonnes milestone in 2019.

Well positioned to capitalise on opportunities

In line with the Indian Government's vision of Indian Steel capacity increasing to 300 million tonnes by 2031, from 140 million tonnes currently, JSW Steel's Vision is to increase our domestic capacity in India to 45 million tonnes – and have a global capacity footprint of 10 million tonnes over the same time period.

We are in the midst of a large organic growth programme involving a spend of about ₹48,700 crores over FY 2018-2022 to expand capacity (from 18 MTPA to 24 MTPA; modernise and expand downstream capacities), achieve backward and forward integration and cost reduction. We strengthened our raw material sourcing by securing six iron ore mines in the recent mining auctions. We acquired facilities in the US and Italy, and a joint control with AION Capital in Monnet Ispat & Energy Limited through the Insolvency and Bankruptcy Code route. We are also awaiting approvals from the adjudicating authority for our bid for Bhushan Power and Steel Limited.

Fiscal prudence and a relentless focus on efficient capital allocation is our guiding principle. In sync with this, we continue to pursue returns accretive projects with a strategic intent of continuing to deliver industry-leading returns through the cycle.

Our best-in-class technology and sustained R&D initiatives helped deliver customised and innovative offerings. We remain strategically focussed on enriching our portfolio mix, VASPs are finding increasing applications in automobiles, construction and appliances. We have a strong and expanding domestic retail presence, with over 9,500 direct and indirect outlets, distributing contemporary steel products.

Vijayanagar Works is poised for even higher operational efficiency in FY 2020. In order to transport iron ore from the mine to the plant, we installed the world's longest, 24-kilometre-long conveyor pipe, which will ensure zero spillage of raw material while transporting and reduce the cost of transportation. The conveyor pipe will also lower our carbon footprint and contribute towards traffic decongestion by eliminating diesel trucks in the transportation process.

Ushering in Industry 4.0

We have deployed various new-age technologies, including Industry 4.0 interventions such as Machine Learning, Internet of Things (IoT) and Artificial Intelligence (AI); powered simulations and optimisation engines; and computer vision to enhance productivity, minimise human intervention and ensure greater safety. The digital tools deployed at Dolvi Works are facilitating enhanced tracking and predictability of the schedule of our ongoing expansion project, which will drive on-time completion within the budgeted cost.

We have created 'connected factories' in procurement and large capital projects to track and manage various processes, which has improved transparency and lowered manual interventions. Computer vision-aided video analytics is being used to drive manual process time reduction, enhance throughput and improve productivity of Steel Melting Shops (SMS). Big data and analytics-driven real time models are being used to reduce power consumption and associated losses.

In the past two years, we have implemented over 100 digital technology projects across manufacturing, supply chain, sales and procurement, which helped generate approximately ₹180 crores in accrued saving. We have envisaged additional cost saving of ₹300 crores in FY 2020 from digital-led projects. We will pursue further digital initiatives to create differentiation and innovation. Using analytics, robotics and hybrid cloud, we are aligning business processes with the dynamic sectoral and economic realities.

Being better by doing good

We are driven by integrated thinking and follow a multi-capital approach to value creation (including other non-financial dimensions of capital like human, social, intellectual and natural). We maintain an unwavering focus on environment, health and safety (EHS) and engage continuously with the communities who are in the direct impact zones of our operations. That's why, our Corporate Social Responsibility initiatives go way beyond compliance. The outreach programme at JSW Foundation have been instrumental in positively impacting the lives and livelihoods of more than 1.5 million people.

In Vijayanagar, our hospital equipped with the latest medical facilities and trained doctors continues to play a crucial role in ensuring a healthy community. In Dolvi, our mangrove plantations have helped regain the lost ecological balance, and have facilitated the sustenance and livelihood of the local community.

As a large steelmaker, we depend on natural resources for running our operations. Across the value chain, we strive to reduce the usage of water, energy and other resources and recycle them wherever possible. We have undertaken several projects across our facilities to minimise our environmental impact. Our capacity expansion projects ensure that all new production units exceed compliance under the Indian as well as Euro emission norms.

The Road Ahead

Globally, and especially in India, steel is expected to witness sustained demand growth. Trends such as recyclability, light weighting and better design are on the horizon and are expected to impact consumption patterns. We expect large demand for high-tensile, high-strength steel, tailored to our customers' requirements.

As we move forward, we will continue to focus on maximising value per tonne in steel, driven by technology and R&D, and drive portfolio mix shift towards 50%+ of VASP. Our expansion projects will focus on value accretion and profitability while catering to the nation's growing appetite for steel for developing infrastructure and catapulting itself to a global economic superpower over the next decade.

As we continue our journey of scaling new peaks while being better everyday, I would like to thank the Board for guiding me to execute my responsibilities in the best possible manner. I would like to extend my gratitude to each and every member of our team for their relentless efforts in making JSW Steel a leading steel company in the world. I would also like to thank all our stakeholders, Board, Bankers and the Government authorities for the support and assistance provided throughout our journey.

I solicit your continued cooperation.

Sincerely,

Sajjan Jindal

VALUE CREATION HIGHLIGHTS

Integrated thinking in action

At JSW Steel, integrated thinking forms the very basis of our decision-making. Leading from this, our robust operating model is a part of a larger framework that warrants value creation for every stakeholder. We measure our performance across the capitals we impact and the value thus created has been summarised below for FY 2018-19.

MANUFACTURED CAPITAL

18
MTPA, Installed capacity

16.69
MnT, Crude steel production

9,500+
Exclusive and non-exclusive retail outlets

HUMAN CAPITAL

12,599
Total employees

40
Training hours per employee

0.35
LTIFR

FINANCIAL CAPITAL

₹84,757
Crores, Revenue from operations

₹18,952
Crores, Operating EBITDA

19.6%
ROCE

INTELLECTUAL CAPITAL

52
New grades developed/ customised during the year

₹45
Crores, R&D expenditure

18
Total number of patents filed during the year

SOCIAL AND RELATIONSHIP CAPITAL

₹63
Crores CSR expenditure

3.88
(Out of 5)
Customer satisfaction index

26,700+
Influencers in 3,000+ meets

NATURAL CAPITAL

3.79
m^3/TCS Specific water consumption

2.75
TCO_2/TCS Greenhouse Gas emissions

4.5
MnT, Material recycled & reused

CORPORATE INFORMATION

Chairperson Emeritus
Mrs. Savitri Devi Jindal

Board of Directors

Mr. Sajjan Jindal
Chairman & Managing Director,
Non-Independent Executive Director

Mr. Seshagiri Rao M.V.S.
Joint Managing Director & Group CFO,
Non-Independent Executive Director

Dr. Vinod Nowal
Deputy Managing Director,
Non-Independent Executive Director

Mr. Jayant Acharya
Director (Commercial & Marketing),
Non-Independent Executive Director

Mr. Gangaram Baderiya
Nominee Director, KSIIDC

Mr. Hiroyuki Ogawa
Nominee Director, JFE Steel Corpn, Japan

Mr. Malay Mukherjee
Independent Non-Executive Director

Mr. Seturaman Mahalingam
Independent Non-Executive Director

Dr. (Mrs.) Punita Kumar Sinha
Independent Non-Executive Director

Mr. Haigreve Khaitan
Independent Non-Executive Director

Mr. Harsh Charandas Mariwala
Independent Non-Executive Director

Mrs. Nirupama Rao
Independent Non-Executive Director

Company Secretary
Mr. Lancy Varghese

Auditors

Statutory Auditor
M/s. S R B C & CO LLP
Chartered Accountants

Cost Auditor
M/s. Shome & Banerjee
Cost Accountants

Secretarial Auditor
M/s. S. Srinivasan & Co.
Company Secretaries

Bankers
Allahabad Bank
Bank of Baroda
Bank of India
ICICI Bank Ltd.
IDBI Bank Ltd.
Indian Bank
Indian Overseas Bank
Punjab National Bank
State Bank of India
Union Bank of India

Registered Office
JSW Centre, Bandra
Kurla Complex
Bandra (East),
Mumbai – 400 051
Tel. No.: +91 22 4286 1000
Fax No.: +91 22 4286 3000

Works

Vijayanagar Works
P.O. Vidyanagar, Toranagallu Village, Sandur Taluk,
Bellary District, Karnataka – 583 275
Tel. No.: +91 8395 - 250120 to 30
Fax No.: +91 8395 - 250138/250665

Dolvi Works
Geetapuram, Dolvi Village, Pen Taluk,
Raigad District, Maharashtra – 402 107
Tel. No.: +91 2143 - 277501 to 15
Fax No.: +91 2143 - 277533 / 42

Salem Works
Pottaneri
M. Kalipatti Village,
Mecheri Post, Mettur Taluk,
Salem District,
Tamil Nadu – 636 453
Tel. No.: +91 4298 - 272000
Fax No.: +91 4298 - 272272

Registrar & Share Transfer Agents
Karvy Fintech Private Limited
Karvy Selenium Tower B, Plot 31-32 Gachibowli,
Financial District, Nanakramguda, Hyderabad - 500 032
Tel. No.: +91 40 - 6716 1500
Fax No.: +91 40 - 2300 1153
E-mail: einward.ris@karvy.com
Website: www.karvy.com
Toll Free No. of Exclusive Call Centre:
1-800-3454001

To the Members of
JSW STEEL LIMITED,

Your Directors take pleasure in presenting the Second Integrated Report alongwith financial statements on the business and operational performance of the Company for the Financial year ended 31 March, 2019.

1. FINANCIAL RESULT

(₹ **in crores**)

		Standalone		Consolidated	
		FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
I	Revenue from operations	**76,727**	67,723	**84,757**	73,211
II	Other income	**519**	213	**204**	167
III	**Total income (I+II)**	**77,246**	**67,936**	**84,961**	**73,378**
IV	**Expenses:**				
	Cost of materials consumed	**39,589**	35,995	**43,476**	38,779
	Purchases of stock-in-trade	**498**	1,063	**320**	2
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(188)**	412	**(590)**	244
	Employee benefits expense	**1,400**	1,260	**2,489**	1,843
	Finance costs	**3,708**	3,591	**3,917**	3,701
	Depreciation and amortization expense	**3,397**	3,054	**4,041**	3,387
	Excise duty expense	**-**	1,259	**-**	1,278
	Other expenses	**17,025**	13,993	**20,110**	16,271
	Total expenses	**65,429**	**60,627**	**73,763**	**65,505**
V	**Profit before share of profit/(loss) of joint ventures (net) and exceptional items (III-IV)**	**11,817**	**7,309**	**11,198**	**7,873**
VI	Share of profit/(loss) of joint ventures (net)	**-**	-	**(30)**	42
VII	**Profit before exceptional items and tax (V+VI)**	**11,817**	**7,309**	**11,168**	**7,915**
VIII	Exceptional items	**-**	234	**-**	264
IX	**Profit before tax (VII-VIII)**	**11,817**	**7,075**	**11,168**	**7,651**
X	**Tax expense/(benefit):**				
	Current tax	**2,348**	1,578	**2,473**	1,826
	Deferred tax	**1,210**	872	**1,171**	(288)
		3,558	2,450	**3,644**	1,538
XI	**Net Profit for the year (IX- X)**	**8,259**	**4,625**	**7,524**	**6,113**
XII	**Other comprehensive income**				
A	i) Items that will not be reclassified to profit or loss				
	a) Re-measurements of the defined benefit plans	**(15)**	(3)	**(19)**	(5)
	b) Equity instruments through Other Comprehensive Income	**4**	82	**(2)**	92
	ii) Income tax relating to items that will not be reclassified to profit or loss	**5**	1	**7**	2
	Total (A)	**(6)**	**80**	**(14)**	**89**
B	i) Items that will be reclassified to profit or loss				
	a) The effective portion of gains and loss on hedging instruments	**31**	(341)	**85**	(401)
	b) Changes in Foreign Currency Monetary Item Translation Difference account (FCMITDA)	**(49)**	(33)	**(49)**	(33)
	c) Foreign currency translation reserve (FCTR)	**-**	-	**(60)**	9
	ii) Income tax relating to items that will be reclassified to profit or loss	**6**	130	**(12)**	150
	Total (B)	**(12)**	**(244)**	**(36)**	**(275)**
	Total Other comprehensive income / (loss) (A+B)	**(18)**	**(164)**	**(50)**	**(186)**
XIII	**Total comprehensive income (XI+ XII)**	**8,241**	**4,461**	**7,474**	**5,927**
	Total Profit /(loss) for the year attributable to:				
	- Owners of the company			**7,639**	6,214
	- Non-controlling interests			**(115)**	(101)
				7,524	6,113

	Standalone		Consolidated	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Other comprehensive income/(loss) for the year attributable to:				
- Owners of the company			**(24)**	(184)
- Non-controlling interests			**(26)**	(2)
			(50)	(186)
Total comprehensive income/(loss) for the year attributable to:				
- Owners of the company			**7,615**	6,030
- Non-controlling interests			**(141)**	(103)
			7,474	5,927

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

2. RESULTS OF OPERATIONS

The year 2018 started on an optimistic note driven by strong economic activity and policy level interventions. In the first half of the year, economic growth remained robust backed by fiscal stimulus and resilient Emerging Markets. However, the second half of the year was marked by volatility, weakening demand caused by trade tensions, China's slowdown and tightening financial conditions.

In 2018, global crude steel production reached 1,808.60 million tonnes, up 4.6% from 2017 levels. The upsurge in production was majorly driven by China, with its share in global crude steel production increasing from 50.3% in 2017 to 51.3% in 2018.

For the Steel industry, the year began with a strong underlying demand and rising international prices, which resulted in higher spreads and improved profitability. However, towards the second half, on-going trade disputes between US and China and slowdown across some of the developed economies, led to softening of the prices and demand for steel globally. Despite the headwinds, global steel demand grew by 2.1% in CY18, largely driven by China, coupled with an investment-led recovery in the advanced economies.

Cash flows and profitability in FY 2018-19 was driven by stronger steel spreads, as the increase in finished steel products prices was higher than the increased price of principal raw materials like Iron ore and Coking Coal.

On the domestic front, India became the world's second largest steel producer with a crude steel production of 106.5 million tonnes. In the first half of FY 2018-19, the demand for steel remained positive owing to continued government spending on infrastructure. Towards the last two quarters, activities surrounding the national election led to restrained investment activity. However, the demand for steel during FY 2018-19 sustained a growth of 7.5%. Steel imports increased by 4.7% specifically in coated products. However, steel exports from India reduced by 26.4% due to subdued international demand and various trade measures. In this competitive environment, the Company continued to increase the market share in the domestic market by strategically focusing on increasing domestic sales volume, which witnessed a growth of 11% YoY mainly driven by OEM segment. Sales of value added and special products (VASP) accounted for 53% of total sales volumes.

This robust domestic demand, strong operational performance focused cost reduction, backward integration and healthy mix of value added portfolio helped the Company deliver strong operational and profitable performance and consequently the Company's profitability improved during FY 2018-19.

(A) STANDALONE RESULTS

The Company delivered its highest ever production volumes, sales volume, EBITDA and profit after tax during the FY 2018-19.

The Company achieved highest ever crude steel production for the year at 16.69 million tonnes, a growth of 3% YoY as the capacity utilisation levels improved to 93%. Saleable steel sales volume for the year grew by 1% YoY to 15.76 million tonnes, driven by domestic sales.

Revenue from operations for FY 2018-19 stood at ₹ 76,727 crores, up 13% YoY. This revenue was mainly driven by higher average realisations on the back of improved price realisations. The Company continued to improve its market share as domestic sales surged to 13.9 million tonnes in FY 2018-19, an increase of 10% YoY compared to 7.5% YoY increase in Indian steel demand.

In the last fiscal, the Company strategically focused on reducing costs by working on the following areas as a part of its continuous improvement journey:

- Commissioning of Coke oven battery at Dolvi to eliminate procurement of coke
- Increase PCI injection to reduce fuel consumption
- Operationalised three iron ore mines and use of captive iron ore, thereby reducing dependency on imported iron ore
- Diversifying the coal procurement basket and optimising coal cost by dynamic coal blends
- Reducing logistics cost by port optimisation and usage of Cape vessels to reduce freight costs

The Company progressed well on these performance improvement initiatives and the operating EBITDA for the year grew by 34% YoY to ₹18,403 crores. Consequently, the Company registered a net profit growth of 79% YoY at ₹8,259 crores for FY 2018-19 as compared to the net profit of ₹4,625 crores for FY 2017-18.

The Company's net worth increased to ₹35,162 crores as on 31 March, 2019 as compared to ₹27,907 crores as on 31 March, 2018. The Company's gearing (Net Debt to Equity) at the end of the year stood at 1.03x (as against 1.27x as on 31 March, 2018) and Net Debt to EBITDA stood at 1.97x (as against 2.59x as on 31 March, 2018).

(B) CONSOLIDATED RESULTS

Revenue from operations on a consolidated basis for FY 2018-19 stood at ₹84,757 crores. The operating EBITDA stood at ₹18,952 crores, registering an increase of 28% YoY. The Company reported a net profit growth of 23% YoY at ₹7,524 crores for FY 2018-19 as compared to the net profit of ₹6,113 crores for FY 2017-18.

The performance and financial position of the subsidiary companies and joint arrangements are included in the consolidated financial statement of the Company. The consolidated performance for the year includes the acquired assets of Acero Junction Holdings, Inc. along with its wholly owned subsidiary JSW Steel USA Ohio Inc. and Aferpi S.p.A, Piombino Logistics S.p.A and GSI Lucchini S.p.A from the respective date of their acquisition.

The Company's net worth increased to ₹34,345 crores as on 31 March, 2019 as compared to ₹27,534 crores as on 31 March, 2018. The Company's gearing (Net Debt to Equity) at the end of the year stood at 1.20x (as against 1.38x as on 31 March, 2018) and Net Debt to EBITDA stood at 2.17x (as against 2.57x as on 31 March, 2018).

In terms of Section 134(3) (l) of the Companies Act, 2013, except as disclosed elsewhere in this Report, no material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this Report.

3. TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profits in the profit and loss account, except for an amount of ₹144 Crores, which has been transferred to the Debenture Redemption Reserve as required under the Companies Act 2013.

4. DIVIDEND

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

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

In line with the said policy, the Board has, subject to the approval of the Members at the ensuing Annual General Meeting, recommended dividend at the stipulated rate of 0.01% per share on the 48,54,14,604; 0.01% Cumulative Redeemable Preference Shares (proportionately considering four instalments of redemption) (₹ 0.000790411 per share) for the year ended 31 March, 2019.

The Board had also, in its meeting held on 25 October, 2018 approved the payment of dividend due on the Company's 10% Cumulative Redeemable Preference Shares of ₹10 each, for the FY 2018 – 19 upto the date of its redemption on 15 September, 2018.

The Board considering the Company's performance and the financial position for the year under review, also recommended payment of dividend at ₹4.10 per equity share on the 241,72,20,440 equity shares of ₹1 each for the year ended 31 March, 2019, subject to the approval of the Members at the ensuing Annual General Meeting. Together with Corporate Tax on dividend, the total outflow, on account of equity dividend, will be ₹1,195 crores, vis-à-vis ₹933 crores paid for FY 2017–18.

5. PROSPECTS

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

6. INTEGRATED REPORT

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

The Company believes in sustainable value creation while balancing utilisation of natural resources and social development in its business decisions. We had prepared our 1st Integrated Report for the period ended 31 March, 2018. The Company has been recognised with the Highly Commended award for Asia's Best Integrated Report category at the 4th Asia Sustainability Reporting Awards (ASRA) concluded in Singapore. ASRA is the highest recognition for corporate reporting in the region. In continuation with this commitment the Company is delighted to present the second Integrated Report for the period ended 31 March, 2019. The IR framework of the Company has been developed on the Guiding Principles and Content Elements as defined by the International Integrated Reporting Council (IIRC).

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

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

7. PROJECTS AND EXPANSION PLANS

As per JPC data, India produced around 107 MTPA of crude steel in FY 2018-19 and the cumulative steel consumption was about 97.5 MTPA. As India's GDP is expected to grow by 7 to 8 %, steel consumption is expected to remain strong. The current high capacity utilisation, consolidation of players in flat segment and expected robust domestic demand augurs well for the steel industry. Government of India has declared a New Steel Policy to increase steel production capacity to about 300 MTPA steel by 2030, considering the per capita consumption increasing to 160 kgs and elasticity of steel demand at 1.14 upto 2020 and thereafter at 1.

In light of the above, there is an opportunity for the Company to participate in the strong India growth story by exploring various organic and inorganic opportunity.

With a strategic objective of augmenting the incremental capacity creation at a low specific investment cost so that they remain returns accretive, the Board of Directors of the Company has approved certain key projects.

The major projects cumulatively approved are:

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

1) In Vijayanagar, the capacity upgradation project of Blast Furnace-3 from 3.0 MTPA to 4.5 MTPA, along with the associated auxiliary units is under implementation.

   With a view to leverage the additional capacity being built, a new 160T Zero Power Furnace and 1 x 1.4 MTPA Billet Caster along with associated facilities will be installed at SMS-3 to enhance steelmaking capacity. Further, installation of a new Wire Rod Mill No.2 of 1.2 MTPA capacity to enhance overall plant capacity is under implementation. The above facilities would augment the steel-making capacity to 13 MTPA.

2) The expansion project at Dolvi from 5 MTPA to 10 MTPA is currently under implementation. The major facilities included in the project are 4.5 MTPA Blast furnace with a 5 MTPA Steel Melt Shop, a 5 MTPA Hot Strip Mill, a 5.75 MTPA sinter plant, 4 MTPA pellet plant and 4 kilns of 600 TPD LCPs.

   Post completion of both these projects, the Company's overall crude steel making capacity is expected to increase from 18 MTPA to 24 MTPA by March 2020

(b) Enriching product mix

With a strategic focus on enriching its product mix, the Company has decided to increase the volume and share of value added and special products in its portfolio. Considering the growth potential in these value added segments, the Company has decided to set up the following downstream facilities:

1) Setting up 0.3 MTPA colour coated line at CRM1 complex at Vijayanagar
2) Modernisation and Capacity Enhancement at Vasind & Tarapur by 1.5 MTPA by setting up PLTCM
3) Capacity expansion of CRM-1 complex from 0.85 MTPA to 1.80 MTPA at Vijayanagar
4) Addition of a new 1.2 MTPA Continuous Pickling Line for HRPO products, two new lines of 0.45 MTPA each for Construction grade galvanised products
5) Installation of an additional Tin Plate line with capacity of 0.25 MTPA at Tarapur, the first line with a capacity of 0.25 MTPA has commenced commercial production in March 2019
6) Capacity enhancement of Pre-Painted Galvalume Line (PPGL) at Kalmeshwar by 0.22 MTPA
7) Setting up 0.5 MTPA new Continuous Annealing Line at Vasind
8) Installation of 0.25 MTPA new Color Coated Line at Rajpura in the state of Punjab

   This capex pipeline will help the Company enrich the product mix with 3.95 MTPA additional downstream capacity. These projects are expected to be commissioned between FY 2019-20 and FY 2020-21.

(c) Cost reduction projects and manufacturing integration

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

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

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

   The Company through DCPL will be setting up a second line of 1.5 MTPA coke oven plant along with CDQ facilities to cater to the additional coke requirement for the crude steel capacity expansion to 10 MTPA at Dolvi. This project is expected to be commissioned by June 2020.

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

   The Company will set up 175 MW Waste Heat Recovery Boilers (WHRB) and 60 MW captive power plant to harness flue gases and steam from Coke Dry Quencher (CDQ). These power plants are expected to be commissioned in March 2020.

The Board has approved certain new capex proposals entailing a spend of ₹5,700 crores. With this the Company is now implementing a cumulative capex spend of ₹48,715 crores over FY 2018-2021. In the last two years, the cumulative cash outflow has been ₹14,371 crores. The strategic plan is to spend about ₹34,300 crores over the next two years with some spill-over in FY2021-22. The projects are planned to be funded by a mix of debt and internal accruals.

Most importantly, after taking into consideration strong demand conditions, and with a strategic intent of ensuring no volume loss for FY 2019-20, the Company has decided to defer the shutdown of Blast Furnace -3 at Vijayanagar for upgradation (as part of Vijayanagar 12 MTPA to 13 MTPA expansion) to a later period after the new Blast Furnace at Dolvi gets commissioned by March 2020 and starts ramping up.

VIJAYANAGAR

I. **Projects commissioned during FY 2018–19**

The following projects were commissioned to improve operational efficiencies and strengthen capabilities:

- A new Water Reservoir of 1.3 TMC storage capacity ensures adequate supply of water for uninterrupted operations of the plant. Therefore, substantially mitigating an operational risk considering Vijayanagar is a water-scarce region.
- Pipe conveyor project at Vijayanagar for iron ore transportation which would reduce transportation costs of iron ore to the Vijayanagar plant, in a phased manner.
- A Tailing Beneficiation plant which helps reduce tailing losses and improves iron content in the feed to Pellet and Sinter plants.
- Additional Coal Injection system and relining of Stove #4 part of Blast Furnace-3 has helped reduce fuel consumption substantially.

II. **Projects under implementation**

- Downhill conveyors from newly acquired mines up to the Ore yard and remaining segments of pipe conveyor system, to ensure improved connectivity and seamless transport of raw material.
- Coke drying unit at Blast Furnace-1 to reduce coke moisture utilising waste heat from Sinter Plant-1.
- A new Cut to Length (CTL) line to meet demand of sized steel products.
- Revamping and capacity upgradation of HSM-1 to 3.8 MTPA.

III. **Efficiency, productivity improvement and cost-reduction initiatives**

- Edge and BAR heater at HSM-2, to achieve uniform temperature across the width & length before rolling at finishing mill to improve quality .
- Replacement of primary gas coolers (PGC) in Coke Oven - 4 by product plant to improve process efficiency.
- Waste heat recovery boiler for reheating furnace for HSM-2, to recover heat from Flue gases.
- Debottlenecking of BP-2 to enable handling of 50,000 tpd of low grade Iron Ore.

DOLVI

I. **Projects commissioned during FY 2017-18**

- 1.5 MTPA coke oven plant at Dolvi by Dolvi Coke Projects Limited eliminating the procurement of high cost coke.
- Commissioning of LCP Fuel Conversion resulting in considerable reduction of emission level and cost savings.
- Digitalisation initiatives to reduce set up time for processes and thus improve productivity at SMS.

II. **Projects under implementation**

The steelmaking capacity at Dolvi Works will be increased from existing 5 MTPA to 10 MTPA.

SALEM

I. **Projects commissioned during FY 2018-19**

- Third Billet grinding machine to improve surface finish of billets for Cold head quality and free cutting steels.
- BF 1 Stove upgradation to improve Hot Blast Temperature to reduce fuel consumption.
- Sinter Plant II capacity augmentation to increase agglomerated burden in blast furnace to reduce dependency on lump iron ore.

II. **Projects Under Implementation**

- Conveyor system for handling of raw materials from Wagon tippler.
- Advanced MPI Inspection facilities with Grinding station at Line 04.
- Liquid Oxygen Backup system for emergency supply of oxygen to SMS and oxygen facility for increasing oxygen enrichment in Blast furnace.

8. SUBSIDIARY AND JOINT VENTURE (JV) COMPANIES

The Company had fifty direct and indirect subsidiaries and ten JVs as on 31 March, 2019. The Company has acquired certain overseas subsidiaries and domestic joint ventures during the year. Further, JSW Retail Limited was incorporated as a wholly owned subsidiary by the Company during the year with an objective to achieve retail focus and increase the retail steel sales to improve profitability. Other than these, there has been no material change in the nature of the business of the subsidiaries.

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

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

The details of major subsidiaries and JVs are given below:

A. INDIAN SUBSIDIARIES

1. JSW STEEL COATED PRODUCTS LIMITED (JSW STEEL COATED)

JSW Steel Coated Products Limited is the Company's wholly-owned subsidiary. It has three manufacturing facilities in the State of Maharashtra at Vasind, Tarapur and Kalmeshwar. It is engaged in the manufacture of value-added flat steel products comprising of Galvanised and Galvalume Coils/Sheets and Colour-Coated Coils/Sheets. This Company caters to both domestic and international markets. JSW Steel Coated reported a production (Galvanising/Galvalume products) of 1.74 million tonnes, an increase by 3% YoY. The sales volume decreased by 13% YoY to 1.79 million tonnes during FY 2018-19.

The revenue from operations for the year under review was ₹12,324 crores. The operating EBITDA during FY 2018-19 was ₹393 crores as compared to the EBITDA of ₹638 crores in FY 2017-18. The operating EBITDA margin during FY 2018-19 was 3% as compared to 5% in FY 2017-18 primarily due to increase in raw material cost and conversion costs. The net profit after tax stood at ₹80 crores, compared to net profit after tax of ₹275 crores in FY 2017-18.

KEY NEW PROJECTS

Tin Plate Mill

During the year, JSW Steel Coated has installed and commissioned a Tin Plate Mill of 0.25 MTPA and related facilities at its Tarapur Work to cater to the increasing demand for the tin plate. The total project cost incurred is ₹575 crores.

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

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

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

Colour coated products capacity expansion

Considering the market trends and broad demand outlook, the Company has strategically decided to increase the capacity of its colour coated products with an investment of around ₹1,180 crores in Rajpura, Kalmeshwar and Vasind.

New CRCA capacity

JSW Steel Coated has also decided to set up a 0.5 MTPA Cold Rolled Close Annealed (CRCA) capacity at Vasind. This will strengthen the Company offering to the automotive and white goods sector.

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

Amba River Coke Limited (ARCL) is a wholly-owned subsidiary of the Company. ARCL has set up a 1 MTPA coke oven plant and a 4 MTPA pellet plant. ARCL has produced 1.05 million tonnes of coke and 4.02 million tonnes of pellet during FY 2018-19. The coke and pellets produced are primarily supplied to the Dolvi unit of the Company. The operating EBITDA during FY 2018-19 was ₹434 crores as compared to the EBITDA of ₹431 crores in FY 2017-18. The profit after tax increased to ₹176 crores in FY 2018-19 as compared to ₹169 crores in FY 2017-18.

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

JSW Salav is a wholly-owned subsidiary of the Company. JSW Salav has a DRI plant with a capacity of 0.9 MTPA, along with a captive jetty and railway sliding.

During FY 2018-19, the unit has produced 0.68 MnT, an increase of 2% as compared to FY 2017-18. The profit after tax for FY 2018-19 was ₹38 crores as compared to ₹35 crores in FY 2017-18.

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

JSW Steel Processing Centres Limited (JSWSPCL) is the Company's wholly-owned subsidiary. JSWSPCL was set up as a steel service centre, comprising HR/ CR slitter and cut-to-length facility, with an annual slitting capacity of 6.5 lakh tonnes. The Company processed 5.64 lakh tonnes of steel during FY 2018-19, compared to previous year's 5.68 lakh tonnes. JSWSPCL registered a profit after tax for FY 2018-19 of ₹23 crores as compared to ₹21 crores in FY 2017-18.

5. **JSW INDUSTRIAL GASES PRIVATE LIMITED (JIGPL)**

JSW Industrial Gases Private Limited (JIGPL) is a wholly owned subsidiary of the Company. The Company sources oxygen, nitrogen and argon gases from JIGPL for its Vijayanagar plant. The profit after tax was ₹28 crores in FY 2018-19 as compared to profit after tax of ₹33 crores in FY 2017-18.

JIGPL's Board has recommended a dividend of ₹2.4 per share (at 24 %) for every share of ₹10 each to its equity shareholders for FY 2018-19.

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

The Company was holding 39.996% stake in Dolvi Minerals & Metals Private Limited (DMMPL). On 23 October, 2018, the Company acquired the shareholding of other shareholders of DMMPL aggregating to 60.004% for a consideration of ₹109 crores to make DMMPL a wholly owned subsidiary of the Company. Dolvi Coke Projects Limited (DCPL) is a wholly-owned subsidiary of DMMPL.

DCPL has set up a 1.5 million tonnes per annum Coke Oven Plant (Phase-1) at Dolvi. The coke produced is being supplied to the Dolvi unit and Vijayanagar unit of the Company.

DCPL has also commenced setting up of Phase II comprising of a 1.5 MTPA coke oven plant and 2x190 TPH Coke Dry Quenching (CDQ) unit at an estimated cost of ₹ 2,133 crores and is expected to be commissioned during FY 2019-20.

7. **OTHER MATERIAL PROJECTS TO BE UNDERTAKEN BY DOMESTIC SUBSIDIARIES**

The Company had announced a few greenfield projects in the states of West Bengal, Jharkhand and Odisha. The Company is not certain when they will become fully operational:

- **JSW Bengal Steel Limited ("JSW Bengal Steel")** - As a part of the Company's overall growth strategy, the Company had planned to set up a 10 MTPA capacity steel plant in phases through its subsidiary JSW Bengal Steel. However, due to uncertainties in the availability of key raw materials such as iron ore and coal after the cancellation of the allotted coal blocks, the implementation of the JSW Bengal Steel Salboni project is currently put on hold.

- **JSW Jharkhand Steel Limited (JJSL)-** JJSL was incorporated in relation to the setting up of a 10 million tonnes steel plant in Jharkhand. The Company is currently in the process of obtaining the various approvals and clearances for the project.

- **JSW Utkal Steel Limited (JUSL)** – JUSL was formed for setting up an integrated steel plant of 12 MTPA steel capacity and a 900 MW captive power plant in Odisha. The Group is in the process of obtaining necessary approvals and licenses for the project.

B. OVERSEAS SUBSIDIARIES

PERIAMA HOLDINGS LLC AND ITS SUBSIDIARIES VIZ. JSW STEEL (USA) INC – PLATE AND PIPE MILL OPERATION AND ITS SUBSIDIARIES – WEST VIRGINIA, USA-BASED COAL MINING OPERATION

a) Plate and pipe mill operation

JSW Steel (USA) is presently modernizing and backward integrating its existing facilities at Baytown, Texas at a cost of upto USD 500 million. The project will be undertaken in a phased manner and is expected to be operational during fiscal year 2021. It includes revamping of the existing plate mill in the first phase and setting up a melt and manufacture steel making facility in the second phase.

During FY 2018-19, the US plate and pipe mill's operating performance improved as compared to FY 2017-18 with better capacity utilisation. This unit produced 0.33 million net tonnes of plates and 0.07 million net tonnes of pipes with capacity utilisation of 35 % and 13 %, respectively.

During FY 2018-19, JSW Steel (USA) generated EBITDA of USD 26.09 million compared to EBITDA of USD 13.22 million in FY 2017-18. The increase was mainly attributable to higher sales volume of plate product.

Net loss after tax for FY 2018-19 was ₹363 crores compared to net profit after tax of ₹652 crores in FY 2017-18. During FY 2017-18, tax expenses was lower primarily due to a reversal of deferred tax liabilities pursuant to the enactment of Tax Cuts and Jobs Act by the United States on 22 December, 2017, as the corporate income tax rate for entities of the Group based in the United States was reduced to 21 per cent and recognition of deferred tax asset on the unused tax losses to the extent the components had sufficient taxable temporary differences in the view of improved operational performance of components based in the United States.

b) Coal mining operation

Periama Holdings LLC has 100% equity interest in coal mining concessions in West Virginia, US along with permits for coal mining; Periama also owns a 500 TPH coal-handling and preparation plant.

During the year, the coal-mining operations ramped up and the total production stood at 84,743 NT.

During FY 2018-19, the coal mining operations generated EBITDA of USD 5.44 million compared to negative EBITDA of USD 0.02 million in FY 2017-18.

Loss after tax of coal mining operations for FY 2018-19 was ₹116 crores, compared to net profit after tax of ₹81 crores in FY 2017-18.

C. JOINT VENTURE COMPANIES

1. GEO STEEL LLC

Geo Steel LLC (Geo Steel) is a Georgia-based JV, in which the Company holds 49% equity through JSW Steel (Netherlands) B.V. Geo Steel has set up a steel rolling mill in Georgia, with 1.75 lakh tonnes production capacity. Geo Steel produced 1.16 lakh tonnes of rebars and 1.13 lakh tonnes of billets during FY 2018-19.

EBITDA in FY 2018-19 decreased by 23% to USD 12.83 million from USD 16.65 million in FY 2017-18 primarily due to decrease in sales volume by 24%.

Profit after tax for FY 2018-19 was ₹61 crores, compared to ₹76 crores in FY 2017-18.

2. JSW SEVERFIELD STRUCTURES LIMITED AND ITS SUBSIDIARY JSW STRUCTURAL METAL DECKING LIMITED

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

These projects have a total capacity of 55,000 TPA at Bellary, Karnataka. JSSL produced 67,886 tonnes (including job work) during FY 2018-19. Its order book stood at ₹1,338 crores (119,310 tonnes), as on 31 March, 2019 and EBITDA in FY 2018-19 increased to ₹63 crores from ₹51 crores in FY 2017-18. The profit after tax for FY 2018-19 was ₹28 crores, as compared to ₹11 crores in FY 2017-18.

JSW Structural Metal Decking Limited (JSWSMD), a subsidiary company of JSSL, is engaged in the business of designing and roll forming of structural metal decking and accessories such as edge trims and shear studs. The plant's total capacity is 10,000 TPA. EBITDA in FY 2018-19 increased to ₹5 crores from ₹2 crores in FY 2017-18. The profit after tax for FY 2018-19 was ₹2 crores, compared to ₹0.1 crore in FY 2017-18.

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

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

The JV Company had started the commercial operation of its steel service centre in western India (near Pune), with 0.18 MTPA initial installed capacity in March 2015. During the year, MISI JV has also commissioned its steel service centre in Palwal, Haryana, with 0.18 MTPA initial capacity. The service centre is equipped to process flat steel products, such as hot-rolled, cold-rolled and coated products. Such products offer just-in-time solutions to automotive, white goods, construction and other value-added segments.

EBITDA in FY 2018-19 increased to ₹24 crores from ₹15 crores in FY 2017-18. MISI JV earned a profit after tax of ₹12 crores during FY 2018-19, similar to profit of ₹12 Crores and FY 2017-18.

4. JSW VALLABH TINPLATE PRIVATE LIMITED (JSWVTPL)

The Company holds 50% stake in JSWVTPL, which is into tin plate business and has a capacity of 1.0 lakh tonnes. JSWVTPL produced 0.90 lakh tonnes during FY 2018-19. EBITDA in FY 2018-19 was ₹23 crores as compared to ₹26 crores in FY 2017-18. Net loss after tax for FY 2018-19 was ₹4 crores against a net loss of ₹2 crores in FY 2017-18.

D. MERGER OF WHOLLY-OWNED SUBSIDIARIES

The Board of Directors of the Company at its meeting held on 25 October, 2018 considered and approved the Scheme of Amalgamation pursuant to sections 230 - 232 and other applicable provisions of the Companies Act, 2013, providing for the merger of its wholly owned subsidiaries, Dolvi Minerals and Metals Private Limited (DMMPL), Dolvi Coke Projects Limited (DCPL), JSW Steel Processing Centres Limited (JSWSPCL), and JSW Steel (Salav) Limited (JSW Salav) with the Company. The merger is subject to regulatory approvals.

The application for the merger filed with the National Company Law Tribunal (NCLT) by the Company, DMMPL, DCPL and JSWSPCL has been admitted by NCLT. The next date of hearing at NCLT, Mumbai is scheduled on 6th June, 2019. The application for merger filed with NCLT, Ahmedabad in relation to JSW Salav is yet to come up for hearing.

E. ACQUISITION DURING THE YEAR

1 MONNET ISPAT & ENERGY LIMITED (MIEL)

In July, 2018, the National Company Law Tribunal, Mumbai Bench approved the resolution plan submitted by the consortium of the Company and AION Investments Private II Limited (a wholly-owned subsidiary of AION Capital Partners Limited) ("AION", and together with the Company, the "Consortium") for MIEL. The acquisition of MIEL was completed by the Consortium on 31 August, 2018.

The Consortium members and its affiliates directly or indirectly hold equity shares amounting to approximately 74.33% of the paid-up equity share capital of MIEL. The effective holding of the Company in equity shares of MIEL is ~23.10%. In addition, Consortium also holds Compulsorily Convertible Preference Shares aggregating to ₹526 crores in MIEL. In addition to the above investments, the Company has provided ₹125 crores as a working capital advance to MIEL. MIEL has steel plants in the state of Chhattisgarh with Blast furnace and DRI facility of 1.5 MTPA.

Post-acquisition of management control, operations of Raigarh Pellet plant was started in October 2018 and production was ramped up to around 90% of installed capacity. In the month of February 2019, MIEL started the integrated steel production through blast furnace (for iron making), electric arc furnace (steel making), ladle refining, continuous casting and bar mill rolling. The iron making and steel making operations are under stabilisation. Further MIEL is investing in equipment upgradations with the objective of producing value added steel (long) products for applications in automobile sector, energy, railways and general engineering. With this MIEL is expected to enter into the value added market by the end of current financial year.

2. **ACERO JUNCTION HOLDINGS, INC (ACERO) AND ITS WHOLLY OWNED SUBSIDIARY JSW STEEL USA OHIO INC (JSWSUO) (PREVIOUSLY KNOWN AS ACERO JUNCTION, INC)**

On 28 March, 2018, the Company entered into a stock purchase agreement with JSM International Limited, Acero Junction Holdings Inc. and Acero Junction Inc. for acquisition of 100% shares of Delaware-based steel manufacturer, Acero Junction Holdings Inc. for a cash consideration of USD 80.85 million.

On 15 June 2018, the Company completed the acquisition of Acero along with its wholly owned subsidiary JSWSUO. JSWSUO has steelmaking assets consisting of 1.5 MTPA electric arc furnace (EAF), 2.8 MTPA continuous slab caster and a 3.0 MTPA hot strip mill at Mingo Junction, Ohio in USA. The Company expects that the acquisition will allow it to gain increased access to the North American steel market.

The Company is proposing a two-phased expansion and modernization plan for JSWSUO. The first phase of revamping and restarting the existing EAF was completed in December 2018. On completion of this capital expenditure, JSWSUO has become a 1.5 MTPA fully integrated steel making facility, with HSM rolling capacity upto 3 MTPA. In the second phase and subject to economic viability, prevailing economic conditions and subject to necessary approvals, the possibility of adding another EAF as well as additional manufacturing equipment at the hot strip mill to make the Ohio facility a fully integrated unit with 3.0 MTPA capacity will be considered at an expected cost of USD 250 million.

From the date of acquisition, Acero has posted a negative EBITDA of USD 41.62 million and net loss after tax of USD 45.74 million.

3. **AFERPI S.p.A (AFERPI), PIOMBINO LOGISTICS S.p.A (PL) AND GSI LUCCHINI S.p.A (GSI)**

The Company through its wholly owned subsidiary in Italy, JSW Steel Italy S.r.l., on 24 July, 2018, completed the acquisition of 100% shares each of Aferpi, S.p.A. (Aferpi) and Piombino Logistics S.p.A. (PL) and 69.27% shares of GSI Lucchini S.p.A (GSI), (jointly referred to as Targets) from Cevitaly S.r.l ("Cevitaly"), a company organized under the laws of Italy, for a cash consideration of Euro 55 Million on a cash free, debt free basis and additional consideration on account of net working capital of the respective Targets on the date of closing the transaction.

Aferpi produces and distributes special long steel products, viz. rails, wire rods and bars. They have a plant at Piombino in Italy, comprising a Rail Mill (0.32 MTPA), Bar Mill (0.4 MTPA), Wire Rod Mill (0.6 MTPA) and a captive industrial port concession.

PL manages the logistics infrastructure of Piombino's port area. The Port managed by PL has the capacity to handle ships upto 60,000 tonnes.

GSI is a producer of forged steel balls used in grinding mills with predominant application in mining processing. GSI facilities are located within the premises of Piombino plant, providing easy access to export markets through the port of Piombino.

The acquisition provides a unique opportunity for the Company to establish its presence in Italy and get access to the European speciality steel long products market. The acquisition will also provide a foothold for the Company for exploring future opportunities in the European markets.

From the date of acquisition, Aferpi, PL and GSI collectively posted a negative EBITDA of Euro 17.30 million and net loss after tax of Euro 15.32 million.

9. COMPANY'S PARTICIPATION IN IBC PROCESS

BHUSHAN POWER AND STEEL LIMITED (BPSL)

BPSL was referred to National Company Law Tribunal (NCLT) for commencement of Corporate Insolvency and Resolution Process (CIRP) on 26 July, 2017. The Company has submitted its resolution plan for BPSL under the CIRP under the Insolvency and Bankruptcy Code, 2016. The Company's ability to submit a revised resolution plan for BPSL was challenged before the National Company Law Appellate Tribunal (NCLAT). However, by its order dated 4 February, 2019, the NCLAT struck down the challenge. Further, on 13 February, 2019, the Company accepted a Letter of Intent issued by the Committee of Creditors of BPSL.

The completion of a potential acquisition of BPSL by the Company is subject to obtaining the necessary approval from the NCLT and satisfaction of conditions precedent under the resolution plan. As of the date of this report, hearings in respect of the NCLT's approval is completed and judgment on the same is reserved by NCLT.

The closure of the transaction is subject to obtaining necessary regulatory approvals which are currently in progress.

Founded in 1970 and based in New Delhi, India, BPSL is a fully integrated steel making company with an installed capacity of 3.5 MTPA. It manufactures and markets flat and long products and owns plants at Chandigarh, Kolkata and Odisha in India. These plants manufacture products covering entire steel value chain, from manufacturing pig iron, sponge iron, billets, hot rolled coils, cold rolled coils, galvanized sheets, precision tubes, black pipe, cable tapes, carbon and special alloy steel wire rods and rounds conforming to IS and international standards. BPSL serves agriculture and irrigation, fire-fighting/HVAC, construction, gas/oil pipe lines, cement/sugar/paper, automobiles, white goods, bicycles, steel/power projects, and general engineering industries.

VARDHMAN INDUSTRIES LIMITED (VIL):

VIL was referred to the NCLT, Delhi Bench under the corporate insolvency and resolution process of the Insolvency and Bankruptcy Code 2016. The Company had submitted its resolution plan which was approved by the committee of creditors of VIL on 10 August, 2018. The Hon'ble NCLT, Delhi finally approved the resolution plan vide its order dated 16 April, 2019. The Company filed an appeal challenging the said NCLT Order before NCLAT, in which an interim order was passed on 30 April, 2019 suggesting that the Resolution Plan as approved by the Committee of Creditors may be implemented. The Company has further filed an Appeal before the Hon'ble Supreme Court against the interim order of NCLAT in which the Hon'ble Supreme Court vide an order dated 10 May, 2019 has ordered status quo and also requested the Hon'ble NCLAT to take up the matter on 28 May, 2019 and dispose it off.

VIL is a listed company which manufactures colour coated products. VIL has its manufacturing unit at Rajpura District, Patiala in Punjab. VIL has a colour coating capacity of 40,000 tonnes per annum and a small service centre to cater to white goods customers in North India. VIL also own 23.5% of equity of JSW Vallabh Tinplate Private Limited.

10. TECHNICAL COLLABORATION WITH JFE STEEL CORPORATION, JAPAN (JFE)

The technical collaboration between JFE Steel Corporation, Japan (JFE) and JSW Steel Limited which commenced in 2010 entered its 9th successful year in FY 2018-19.

The strategic technical collaboration with JFE Steel has added significant value to the Company, both in terms of products and services, thereby enriching the product mix of the Company. The Company has developed a wide range of steel for critical auto end use applications such as outer body panels, bumper beams and other crash resistant components with strength levels up to 980 MPA. The continuous support received from JFE in the form of technical assistance has resulted in expeditious resolution of issues observed during commercial production/ approval of stipulated licensed grades.

The collaboration with JFE has immensely helped your company in imbibing the technological best pratices. It has further created a culture of continous learning and process improvements, which ensure medium to long-term value creation.

Even in the auto and electrical steel sales, JFE's experience and understanding has been successfully leveraged to gain customer satisfaction. This has helped the Company to consolidate its leadership position in the supplies of value added products into the ever demanding segments of automotive and electrical steel.

Our strategic collaboration with JFE Steel has added significant value to the Company – in terms of products and customers and relationship shared between the two organisations at all levels has been exemplary.

11. RISK MANAGEMENT

The Company has developed and implemented a Risk Management Policy and follows the globally recognised 'COSO' framework of Enterprise Risk Management (ERM).

ERM brings together the understanding of the potential upside and downside of all those factors which can affect the organisation with an objective to add maximum sustainable value to all the activities of the organisation & to various stakeholders.

The Company recognises that the emerging and identified risks need to be managed and mitigated to:

- protect its shareholder's and other stakeholder's interests.
- achieve its business objective.
- enable sustainable growth.

Pursuant to the requirement of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a sub-committee of Directors to oversee the Enterprise Risk Management framework to ensure resilience such that -

- Intended risks are taken prudently so as to plan for the best and be prepared for the worst.
- Execution of decided strategies and plan with focus on action.
- Unintended risks like performance, incident, process and transaction risks are avoided, mitigated, transferred (like in insurance) or shared (like through sub-contracting). The probability or impact thereof is reduced through tactical and executive management, policies, processes, inbuilt systems controls, MIS, internal audit reviews etc.

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

Key risks and response strategies

- Competitive dynamics and industrial cyclicality – managed through widening and deepening customer reach and broadening product range, expanding market share and customer retention through developing strong customer relationship and gaining brand equity, focusing on new product development and value added special steel segments, increasing exports to various countries across various geographies, focusing on retail sales to widen customer base, leveraging channel financing for providing additional liquidity and focus on cost.
- Raw material availability and cost – Focusing on securing captive mines for the Company's requirements, broad-basing vendors from different geographies including overseas sources, creating downstream facilities, exploring various contract options such as long term / spot / indexing and monitoring government policies and its impact on raw material availability on a regular basis.
- Logistics and infrastructure – a centralised logistics cell to ensure end-to-end integration, optimisation of infrastructure spend and digitisation initiatives such as last mile connectivity tracking, procurement of higher capacity barges for transportation of inbound raw material and outbound finished goods, improving infrastructure facilities at Dharamtar jetty and additional storage yards for iron ore fines & coal are constructed to handle the enhanced volumes.
- Technology and operational disruptions – effective management of automation systems, spares management, maintenance scheduling, R & D infrastructure and insurance cover for plant interruptions and loss of profit.
- Environment, health and safety – compliance with norms through the right selection of equipment, technologies, processes, inputs and tracking emissions; additional capital expenditure allocation for advanced technologies like Electrostatic Precipitators (ESPs) in sinter to further reduce the dust emissions; developing sustainable products which are safe for consumers; preserving bio-diversity in eco-sensitive area; tracking changing technology and future norms for advance planning; rolling out international safety standards, safety training and providing medical facilities and Mediclaim policy cover for employees and their families.
- Manpower availability with desired skill-sets – manpower planning in line with growth strategy, on-the-job / online trainings to develop competencies and soft skills and leadership programmes to develop future fit leaders.
- Reputation – value-driven leadership; adhering to the highest standards of governance and code of conduct, extending even to business partners.
- Finance - proactive tracking of funding and covenants, regular review of hedging strategy, close monitoring of plant operations, cost optimisation, inventory, receivables and payables.
- Confidentiality, integrity and security of data and systems - security policies and procedures, antivirus / endpoint security deployment, conducting periodic audits of security systems and procedures, developing new capability, technologies and processes to combat cyber-

threats, operationalisation of disaster recovery site and implementation of disaster recovery plan and regular training on IT security.

12. INTERNAL CONTROLS, AUDIT AND INTERNAL FINANCIAL CONTROLS

OVERVIEW

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

INTERNAL CONTROL

The Company has a proper and adequate system of internal control. Some significant features of the internal control systems are:

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

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

INTERNAL AUDIT

The Company has an internal audit function that inculcates global best standards and practices of international majors into the Indian operations. The Company has a strong internal audit department reporting to the Audit Committee comprising majority of Independent Directors who are experts in their fields. The Company successfully integrated the COSO framework in its audit process to enhance the quality of its financial reporting, compatible with business ethics, effective controls and governance.

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

AUDIT PLAN AND EXECUTION

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

INTERNAL FINANCIAL CONTROLS

As per Section 134(5)(e) of the Companies Act 2013, the Directors have an overall responsibility for ensuring that the Company has implemented a robust system and framework of internal financial controls. This provides the Directors with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks. The Company has devised appropriate systems and framework, including proper delegation of authority, policies and procedures; effective IT systems aligned to business requirements; risk-based internal audits; risk management framework and a whistle blower mechanism.

The Company had already developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes entity-level policies, processes and Standard Operating Procedures (SOP).

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

During the year, controls were tested and no reportable material weakness in design and effectiveness was observed.

13. CREDIT RATING

During the year, Moody's Investors Service has maintained the Corporate Family Rating and Senior Unsecured Bond Rating due in 2019, 2022 and 2024, respectively, to Ba2 while changing the outlook to positive from stable.

Also, Fitch Ratings retained the Company's long-term Issuer Default Rating (IDR) and Senior Unsecured Bond rating due in 2019, 2022 and 2024, respectively, to BB, maintaining the outlook at stable.

The domestic credit rating for long-term debt/ facilities/ Non-Convertible Debentures (NCDs) by Credit Analysis and Research Ltd (CARE) and ICRA were upgraded to AA from AA-, while the short-term debt/ facilities continues to be rated at the highest level of A1+. CARE and ICRA has assigned a stable outlook on the long-term rating. India Ratings has upgraded a long-term issuer rating and rating for the outstanding NCDs of the Company to AA from AA- while maintaining the outlook at stable.

14. FIXED DEPOSITS

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

15. SHARE CAPITAL

The Company's Authorised Share capital during the financial year ended 31 March, 2019 remained at ₹9015,00,00,000 (Rupees Nine Thousand Fifteen crores only) consisting of ₹6015,00,00,000 (Rupees Six Thousand Fifteen crores only) equity shares of ₹1/- (Rupee One only) each and 300,00,00,000 (Three Hundred crores) preference shares of ₹10/- (Rupees Ten only) each.

The Company's paid-up equity share capital remained at ₹241,72,20,440 comprising of 241,72,20,440 equity shares of ₹1 each.

During the financial year, the Company has fully redeemed the balance amount of its 27,90,34,907, 10% cumulative redeemable preference shares of ₹10 each fully paid up, in two equal instalments of ₹2.5 per share on 15 June, 2018 and 15 September, 2018.

Further, the Company also partially redeemed its 48,54,14,604, 0.01% cumulative redeemable preference shares of ₹10 each fully paid up, in four equal instalments of ₹1.25 per share on 15 June, 2018, 15 September, 2018, 15 December, 2018 and 15 March, 2019.

Thereby, the aggregate preference share capital as at the financial year ended 31 March, 2019 is ₹242,70,73,020 comprising of 48,54,14,604, 0.01% cumulative redeemable preference shares of ₹5 each fully paid up.

16. FOREIGN CURRENCY BONDS (FCBS)

During FY 2014-15, the Company had allotted 2,500, 4.75% Fixed Rate Senior Unsecured Notes of USD 2,00,000 each of the Company due 2019, aggregating to USD 500 million, to eligible investors. In April 2017, the Company further allotted 2,500, 5.25% Fixed Rate Senior Unsecured Notes of USD 2,00,000 each of the Company due 2022 aggregating to USD 500 million, to eligible investors. These Notes issued by the Company in the International Market are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

Further, in April 2019, the Company has issued 5.95% Fixed Rate Senior Unsecured Notes of USD 2,00,000 each of the Company, aggregating to USD 500 million, due 2024. The Notes are listed on the Singapore Exchange Securities Trading Limited (SGX- ST).

17. ADVANCE PAYMENT AND SUPPLY AGREEMENT WITH DUFERCO S.A.

The Company entered into a five-year Advance Payment and Supply Agreement (the "APSA") agreement on 27 February, 2019 with Duferco S.A. ("DSA") for the export of steel products. Under the terms of the APSA, DSA, as the purchaser, has provided an interest-bearing advance amount of USD 700 million. This unique financing structure provides the Company long term funding to complement its plans for future growth secured by committed exports of steel products to DSA.

18. ISSUANCE OF NON-CONVERTIBLE DEBENTURES

In a meeting held on 25 July, 2018, the Board of Directors of the Company approved issue of secured and unsecured redeemable non-convertible debentures on private placement basis and/or public issue for an amount of up to ₹10,000 crores in one or more tranches in the domestic market. The specified use of proceeds includes replacement of short-term loans, long-term working capital, normal/ approved capital expenditure, reimbursement of capital expenditure already incurred and/or general corporate purposes. The Board authorised the finance committee to finalise the terms of issue.

19. CORPORATE GOVERNANCE

The Company constantly endeavours to follow the corporate governance guidelines and best practices sincerely and disclose the same transparently. The Board is conscious of its inherent responsibility to disclose timely and accurate information on the Company's operations, performance, material corporate events as well as on the leadership and governance matters relating to the Company.

Your Company has complied with the requirements of the Securities And Exchange Board Of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 regarding corporate governance. A report on the Corporate Governance practices and the Auditors' Certificate on compliance of mandatory requirements thereof are given as an annexure to this report and also available on the website of the company at https://www.jsw.in/investors/investor-relations-steel.

20. MANAGEMENT DISCUSSION & ANALYSIS

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

21. BUSINESS RESPONSIBILITY / SUSTAINABILITY REPORTING

The Company is committed to pursuing its business objectives ethically, transparently and with accountability to all its stakeholders. The Company believes in demonstrating responsible behaviour while adding value to the society and the community, as well as ensuring environmental well-being with a long-term perspective.

The Business Responsibility Report (BRR) of the Company was being presented to the stakeholders as per the requirements of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 describing the environmental, social and governance initiatives taken by the Company. Further, SEBI in their circular dated 6 February, 2017, has advised the top 500 listed companies (by market capitalisation) to voluntarily adopt Integrated Reporting (IR) from FY 2017-18.

As stated earlier in the report, the current financial year marks the second year of the Company transition towards Integrated Reporting, focussing on the 'capitals approach' of value creation. The Company's second Integrated Report, includes the Company's performance as per the IR framework for the period 1 April, 2018 to 31 March, 2019.

The Company was awarded the "Highly Commended" award for its maiden IR FY 2017-18 in Asia Sustainability Reporting awards. The Company was ranked second globally at Steel Sustainability Champions Award 2018 by WorldSteel. JSW Steel Limited was the only steel company selected as one of 'India's Super 50 Companies' (Forbes, Super50 Companies 2018). JSW Steel, Vijayanagar was awarded the coveted Deming Prize in 2018.

The Company has adopted an integrated approach towards addressing biological diversity at various sites. The Company was among the pioneers to sign up and commit to the Indian Business and Biodiversity Initiative (IBBI), an initiative by the Confederation of Indian Industry (CII) in partnership with India's Ministry of Environment, Forest & Climate Change. Million Tree Plantation Project has been initiated in nearby degraded forest areas at Dolvi and Karav in a vision to achieve 1 million Tree plantation, in collaboration with forest department.

The Company has also provided the requisite mapping of principles of the National Voluntary Guidelines to fulfill the requirements of the Business Responsibility Report as per directive of SEBI, as well as between the Integrated Report and the Global Reporting Initiative ('GRI'). The Report, along with all the related policies, can be viewed on the Company's website (http://www.jsw.in/investors/investor-relations-steel).

22. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Jayant Acharya (DIN 00106543) retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

Mr. Harsh Charandas Mariwala (DIN 00210342) and Mrs. Nirupama Rao (DIN 06954879) who were appointed as Additional Directors, in the category of Independent Director, by the Board of Directors with effect from 25 July, 2018, in terms of Section 161 of the Companies Act, 2013 and in terms of Article 123 of your Company's Articles of Association, hold office untill the date of the ensuing Annual General Meeting. Your Company has received a notice under Section 160 of the Companies Act, 2013 from two shareholders of your Company, proposing the names of Mr. Harsh Charandas Mariwala and Mrs. Nirupama Rao for appointment as Directors of your Company. A brief profile of Mr. Harsh Charandas Mariwala and Mrs. Nirupama Rao is given in the notice convening the 25th Annual General Meeting , for the perusal of the shareholders.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 24 May, 2019, has subject to the approval of the members at the forthcoming 25th Annual General Meeting of the Company scheduled on 25 July, 2019, approved the re-appointment of Mr. Jayant Acharya (DIN 00106543), as a Whole-time Director of the Company, designated as 'Director (Commercial and Marketing)', for a period of five years, with effect from 7 May, 2019.

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

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

Karnataka State Industrial Infrastructure and Development Corporation Limited (KSIIDC) had nominated Mrs. Gunjan Kinnu, IAS (DIN 08184500) as its nominee on your Company's Board with effect from 25 July 2018 in place of Mr. Narasimhaiah Jayaram, IAS (DIN 03302626), whose nomination was withdrawn w.e.f. 19 July, 2018. KSIIDC subsequently withdrew the nomination of Mrs. Gunjan Kinnu, IAS w.e.f. 08 May, 2019 and nominated, Mr. Gangaram Baderiya, IAS. (DIN No.07507633) as its nominee on your Company's Board with effect from 24 May, 2019.

Your Directors place on record their deep appreciation of the valuable services rendered by Mr. Narasimhaiah Jayaram, IAS and Mrs. Gunjan Kinnu, IAS during their tenure on the Board of the Company.

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

The current policy is to have a balanced mix of executive and non-executive Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As at 31 March, 2019 the Board of Directors comprises 12 Directors, of which eight are non-executive, including three women directors. The number of Independent Directors is six, which is one half of the total number of Directors.

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

More details on the Company's policy on director's appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms a part of this report.

23. DECLARATION BY INDEPENDENT DIRECTORS

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

24. BOARD EVALUATION

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

25. AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

At the Company's 23rd AGM held on 29 June, 2017, M/s S R B C & CO LLP (324982E/E300003), Chartered Accountants, has been appointed as the Statutory Auditor of the Company for a term of 5 years to hold office from the conclusion of the 23rd Annual General Meeting until the conclusion of the 28th Annual General Meeting of the Company.

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark, or disclaimer.

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

COST AUDITORS

Pursuant to Section 148(1) of the Companies Act, 2013 your Company is required to maintain cost records as specified by the Central Government and accordingly such accounts and records are made and maintained.

Pursuant to Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, your Company is also required to get its cost accounting records audited by a Cost Auditor. Accordingly, the Board, at its meeting held on 24 May, 2019 has on the recommendation of the Audit Committee, re-appointed M/s. Shome & Banerjee, Cost Accountants to conduct the audit of the cost accounting records of the Company for FY 2019–20 on a remuneration of ₹17 Lakhs plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses. The remuneration is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification. The due date for filing the Cost Audit Report of the Company for the financial year ended 31 March, 2018 was 30 September, 2018 and the Cost Audit Report was filed in XBRL mode on 21 August, 2018.

SECRETARIAL AUDITOR

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

During the period under review, the Company has complied with the applicable Secretarial Standards notified by the Institute of Company Secretaries of India.

The Company has also undertaken an audit for the FY 2018-19 pursuant to SEBI Circular No. CIR/CFD/CMD/I/27/2019 dated 08th February 2019 for all applicable compliances as per the Securities and Exchange Board of India Regulations and Circular/Guidelines issued thereunder. The Report (Annual Secretarial Compliance Report) has been submitted to the Stock Exchanges within 60 days of the end of the financial year ended 31 March, 2019.

As per the provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Vanita Sawant & Associates, Practicing Company Secretaries, had undertaken secretarial audit of the Company's material subsidiary i.e., JSW Steel Coated for the FY 2018–19. The Audit Report confirms that the material subsidiary has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances.

The Board, at its meeting held on 24 May 2019, has re-appointed M/s. S. Srinivasan & Co., as Secretarial Auditor, for conducting Secretarial Audit of the Company for FY 2019–20.

26. RELATED PARTY TRANSACTIONS

All Related Party Transactions (RPT) that were entered into during the financial year were on an arm's length basis and in the ordinary course of business.

The Company has put up a proposal for your approval by way of an ordinary resolution at the ensuing Annual General Meeting to be held on 25 July, 2019 for RPT with JSW International Tradecorp Pte Limited (JITPL) aggregating to USD 9,265 million over a period of 36 months starting from 1 April, 2019, being considered material RPT in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, for procuring iron ore, coking coal, coke and other raw materials. The total value of raw materials purchased from JITPL during FY 2018-19 was ₹16,038 crores.

The policy on dealing with RPT as approved by the Board is uploaded on the Company's website (https://www.jsw.in/investors/investor-relations-steel). The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This policy specifically deals with the review and approval of RPT, keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All RPT are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for RPT that are of repetitive nature and / or entered in the ordinary course of business and are at arm's length. All RPT are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of RPT under the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The disclosure of material RPT is required to be made under Section 134(3)(h) read with Section 188(2) of the Companies Act, 2013 in Form AOC 2. Accordingly, RPTs that individually or taken together with previous transactions during a financial year, that exceed 10% of the annual consolidated turnover as per the last audited financial statements, which were entered into during the year by your Company, is given in Annexure E to this Report.

Your Directors draw your attention to Note No 8 to the Abridged Standalone financial statements and Note No 44 to the Standalone financial statements, which set out related party disclosures.

27. EMPLOYEE STOCK OPTION PLAN (ESOP)

The Board of Directors of the Company, at its meeting held on 29 January, 2016, formulated the JSWSL Employees Stock Ownership Plan – 2016 (ESOP Plan), to be implemented through the JSW Steel Employees Welfare Trust (Trust), with an objective of enabling the Company to attract and retain talented human resources by offering them the opportunity to acquire a continuing equity interest in the Company, which will reflect their efforts in building the growth and the profitability of the Company. The ESOP Plan involves acquisition of shares from the secondary market.

A total of 2,86,87,000 (Two Crores Eighty-Six Lakhs Eighty-Seven Thousand) options were available for grant to the eligible employees of the Company and its Director(s), excluding independent directors, and a total of 31,63,000 (Thirty-One Lakh Sixty-Three Thousand) options were available for grant to the eligible employees of the Indian Subsidiaries of the Company and their Director(s), excluding independent directors, under the ESOP Plan.

Accordingly, 1,59,44,271 options have been granted over a period of three years under this plan by the JSWSL ESOP Committee to the eligible employees of the Company and its Indian Subsidiaries, including the Whole-time Directors of the Company. The details of the ESOPs granted to Mr. Seshagiri Rao M.V.S, Dr. Vinod Nowal and Mr. Jayant Acharya, Whole-time Directors of the Company is as given in the table below. The grant of ESOPs to the Whole-time Directors of the Company has been approved by the Nomination and Remuneration Committee and the Board.

JSWSL ESOP Committee Meeting	Total options granted	Options Granted to Whole-time Directors of the Company		
		Mr. Seshagiri Rao M.V.S	Dr. Vinod Nowal	Mr. Jayant Acharya
17 May 2016 (1st Grant)	7,436,850	192,680	179,830	179,830
16 May 2017 (2nd Grant)	5,118,977	127,968	127,968	119,436
15 May 2018 (3rd Grant)	3,388,444	87,841	87,841	81,985
Total :	**15,944,271**	**408,489**	**395,639**	**381,251**

As per the ESOP Plan, 50% of these options will vest at the end of the third year and the balance 50% at the end of the fourth year.

The applicable disclosures relating to ESOP plan of 2016, as stipulated under the ESOP Regulations, pertaining to the year ended 31 March, 2019, is posted on the Company's website at http://www.jsw.in/investors/investor-relations-steel and forms a part of this Report.

Voting rights on the shares, if any, as may be issued to employees under the aforesaid ESOP Plans are to be exercised by them directly or through their appointed proxy, hence, the disclosure stipulated under Section 67(3) of the Companies Act, 2013 is not applicable.

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

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

JSWSL EMPLOYEES SAMRUDDHI PLAN 2019

The JSWSL Employees Samruddhi Plan 2019 ("Plan") was approved by a special resolution passed by the shareholders of the Company by way of a postal ballot on 17 May, 2019. The Plan will be effective from 1 April, 2019. The scheme is a one-time scheme applicable only for permanent employees of the Company, working in India (excluding an employee who is a promoter or a person belonging to the promoter group, a probationer and a trainee) in the grade L01 to L15 ("Eligible Employee"), who were not covered under the earlier JSWSL Employees Stock Ownership Plan – 2016. The Indian Subsidiary companies have a similar scheme to cover its employees. The Company in terms of the applicable provisions of the Companies Act, 2013 ("Act"), the rules framed thereunder and all other applicable rules and regulations including those issued by the SEBI, to the extent applicable, will implement the Plan wherein the Eligible Employee will be eligible to acquire the Equity Shares of face value ₹1 each directly from the open market. The Eligible Employee will be able to purchase the Equity Shares from the open market by availing a loan provided by a bank / non-banking financial institution ("Lending Agency") and a broker identified by the Company to facilitate acquisition of Equity Shares by the Eligible Employees under the Plan. The Equity Shares bought by the Eligible Employee will be subject to a lien in favour of the Lending Agency for a period of two years. After expiry of the said period of two years, the Eligible Employee can either repay the entire loan amount after which the Equity Shares will become free of the lien, or the Lending Agency will recover the principal amount by selling the Equity Shares and will transfer the difference, if any, between the principal amount and the sale value (i.e. market price as on the date of the sale x. no. of Equity Shares sold) to the Eligible Employee. The interest on the loan will be serviced by the Company and the Eligible Employee in the ratio of 3:1 (the Company will bear 75% of the total interest liability owed to the Lending Agency and the balance 25% will be borne by the Eligible Employee). The Plan will be administered through the existing JSW Steel Employee Welfare Trust in accordance with Applicable Laws.

The number of Equity Shares that are the subject matter of the Plan shall not be more than 1,24,97,000 representing 0.517% of the issued equity share capital of the Company.

28. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Established in 1989, JSW Foundation is the social development arm of JSW group of companies with an ideology that every life is important and must be given fair opportunities to make best out of it. The Foundation takes conscious steps to support and empower communities, primarily located around its plants. The Foundation is working relentlessly to tackle the issue of malnutrition, facilitating to make learning more effective and meaningful, empowering the youth through employable skill programs, ensuring water security through long-term watershed development programs, providing access to sanitation facilities in rural areas to make them open defecation free, preserve and conserve national heritage and promotion of sports.

The Company committed to not only continue to allocate resources towards special corpus for Corporate Social Responsibility (CSR) Initiatives as per the categories of the Companies Act, 2013 but also to:

- Assess the programs and their impact through external agencies for culling out learning and also continually evolve its own monitoring processes.
- Continue its stakeholder's engagements in a mutually respectful manner and through social processes that help identify essential needs of the community for its overall growth.
- Spread the culture of volunteerism through the process of social engagement.
- Align its action to achieve not only the desired results at the grassroots level but to also contribute towards the attainment of sustainable development goals (SDGs).

STRATEGY

- The JSW Foundation administers the planning and implementation of all the CSR interventions. It is guided by the CSR committee appointed by the Board, which reviews the progress from time to time and provides guidance as necessary.
- The CSR programmes are carried out directly as well as through strategic partnerships and in close coordination with the concerned state governments.

- While priority is given to the villages in the immediate vicinity of the plant locations defined as Direct Influence Zone (DIZ). In order to get maximum effectiveness, at times activities are also taken up in related villages too. This context is defined as Indirect Influence Zone (IIZ).
- Convergence with government schemes and programmes and regular dialogue with the functionaries is the cornerstone of the CSR activities of the company.
- The programmes are collated under various themes for bringing in best practices and thematic heads at the head office of the Foundation regularly and closely work with the location – specific teams to achieve more focused results.

THEMATIC AREAS

The Company has aligned its CSR programmes under Education, Health & Nutrition, Agriculture, Environment & Water, Skill Enhancement, Livelihoods, Sports and Art & Culture. This helps the Company cover the following thematic interventions as per schedule VII of the Companies Act, 2013:

- Improving living conditions (eradication of hunger, poverty, malnutrition, etc.)
- Promoting social development (education, skill development, livelihood enhancements, etc.)
- Addressing social inequalities (gender equality, women empowerment, etc.)
- Ensuring environmental sustainability
- Promotion of sports
- Swachh Bharat Mission

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

29.ENVIRONMENTAL INITIATIVES

Our Company continued with its commitment to conserve natural resources, reduce emissions and hazardous discharges to the environment and preserve the biodiversity across operations. The Company has undertaken extensive planning and investments with a long-term view to reduce impact from environmental risks. The business has proactively harnessed innovation, technology adoption and process changes keeping in view the social and environmental concerns. This has further been reinforced through set targets and goals, which will ultimately aid in creation of lasting value for all stakeholders.

The approach has resulted in several environmental initiatives to reduce carbon emissions, conserve resources like water, energy and input materials, minimise waste and increase in recirculation, recycling and enhance local biodiversity.

The following actions were undertaken in FY 2018-19 to improve environment:-

CONSERVATION OF NATURAL RESOURCES

Efficient operations and effective monitoring of pollution control equipment have aided efficient utilisation of input materials. In the last fiscal, Vijayanagar plant saw extensive instrumentation in water flow measurement to monitor water use on an hourly basis.

Further, CCTV cameras, additional flowmeters, pH meters and conductivity meters were installed for effective monitoring of water discharge.

In Dolvi, Continuous Online Stack Emission Monitoring System (CSEMS) was installed at New Stock house stack and cast house DES stack.

Increase in hot blast temperature after installation of high temperature hot-blast stoves has resulted in reduced fuel rate in Blast Furnace-1 in Salem. Two new chimneys were also constructed for 48 ovens which improved waste heat recovery substantially.

WATER CONSERVATION

Water plays an important role in steel manufacturing operations. Your Company has introduced several water management initiatives to responsibly use water and find improvements both in conservation and reuse. Vijayanagar plant is located in water scarce area and the unit has implemented numerous measures to secure adequate water for uninterrupted operations.

The following initiatives were carried out during the year:

- Treatment of sewage and recovering quality water through reverse osmosis plants.
- Installation of a 500 m3/day Sewage Treatment Plant-Membrane Bio Reactor (STP-MBR) and bio digester for treatment of sludge from STP and Canteen waste in Vijayanagar. The plant reuses 100% of industrial as well as domestic wastewater after proper treatment.

- Adoption of rainwater harvesting as a measure to conserve around 16898 m3/year in Dolvi.
- Installation of CO2 injection system in Steel Melting Shop-1 (SMS) has improved thickener water quality in Vijayanagar further reducing fresh water consumption.

RECYCLING OF SOLID WASTE

Solid waste materials such as sludge and collected dust are generated during the operation of air and water pollution control system. During the year, Vijayanagar recycled 89% of the solid waste generated in the system. Moreover, the utilisation of blast furnace slag, dust from bag filter and Electrostatic precipitator (ESP), sludge from effluent treatment plants (ETP) during the year was 100%. The plant also commissioned a 1 tonnes/day Biogas plant based on the food waste as feed, this generates about 70-80 cubic-metre of Biogas per day which is equivalent to 35-40 kg of LPG.

SLAG SAND

During the year, the Company sold 3.48 lakhs tonnes of slag sand for use as fine aggregates in construction replacing natural river sand, thereby helping conserve the river beds. Granulated slag sold during the year was 72.36 lakhs tonnes.

STEEL SLAG

The Company has developed an innovative technology which can convert the steel slag as a useful product as construction aggregated, especially in roads and pavements. The Salem plant has commissioned a paver block manufacturing unit from Waste Energy Optimising Furnace (EOF) steel slag as part of waste utilisation. During the year, 470 MT of EOF steel slag was used and 1.5 lakh paver blocks were manufactured.

REDUCTION OF EMISSIONS AND DISCHARGES

Air emissions

Given that integrated iron and steel plants handle large volume of solid materials, emissions of dust remain a major area of concern. During the year, several initiatives were taken to introduce process changes that reduce emissions and strengthen the function of Dust Extraction systems.

- 13 new dedusting systems were commissioned to reduce 150 dust sources/transfer point emissions at Vijayanagar plant.
- Pipe conveyor phase 1 is commissioned. This has reduced truck movements significantly and a reduction of 3.86 kg CO2/t of ore transport is expected.
- Rotating sprinklers are installed at 10mt basemix internal roads, thereby reducing road emissions.
- Procured new road sweeping machine for road cleaning purpose to control the fugitive emissions generation.
- Reduced dust generation due to truck movement inside the plant by installation of Tyre washing unit.
- Installation of Dry Fog system in Blast Furnace and wagon tippler reduced the fugitive dust emission which leads to improvement in ambient air quality.
- In Dolvi, dust emissions during the material handling has reduced after the replacement and modification of the ducts of Dust Extraction (DE) System in Sinter Plant Proportionating House.
- Installation of separate DE system for battery emission to reduce fugitive emission and established trash chutes with collection boxes for accumulating spillage and scrap.
- Established pneumatic dust conveying and auto bagging for cyclone dust collection to reduce the dust emission during loading and handling.

ZERO LIQUID DISCHARGE

All the units of Company have installed necessary facilities to maximise the utilisation of water. These include reducing water use, recycling in less critical applications and reusing for greenery development etc. These actions have facilitated in ensuring zero liquid discharge from all the steel plants. The following projects were commissioned to reduce water discharge:-

- Rapid clarifier is commissioned at SMS-1 of Vijayanagar, saving 1400 m3/day fresh water.
- CO2 injection system is commissioned at SMS-2 of Vijayanagar. This not only saves 150m3/day water but also reduces the downtime of GCP scrubber and its ID fan.

BIODIVERSITY

In compliance with India Business and Biodiversity Initiative (IBBI) declaration, your Company has mapped the biodiversity interfaces with business operation designated as biodiversity champion, and has implemented schemes for enhancing awareness on biodiversity within the organisation. Bombay Natural History Society (BNHS) experts visit regularly for awareness creation among employees and school children.

The Company has signed two MOUs with BNHS, Mumbai and People For Environment ("PFE"), New Delhi for biodiversity assessment in JSW Steel Complex. Four season studies within 5 km by PFE and two season study in 10 Km outside JSW Steel Complex by BNHS are complete and reports have been duly published. Further, recommendation of these studies are being implemented.

During the year, measures were also undertaken to develop greenery in 432 acres of degraded forest land adjacent to JSW Steel Complex in association with Karnataka State Forest Department. Several species have been planted in the area to improve the overall biodiversity of region.

MILLION TREES PLANTATION MISSION

The Company's Million Trees Plantation Mission has continued in nearby degraded forest areas at Dolvi and Karav. With a vision to achieve 1 million tree plantation, in collaboration with the Forest Department by FY 2021-22, around 26,555 saplings have been planted in the last fiscal.

In Dolvi, the Company has planted large number of saplings in the plant premises and has undertaken focused efforts to develop a green belt by maintaining the full-fledged nursery. During the year, total number of big trees and shrubs/small trees is over 2 lakhs and 5 lakhs respectively.

MANGROVES RESTORATION PROJECT

The Company has initiated a voluntary measure, Mangroves Restoration Project, for strengthening of the embankment and avoiding saline water ingression into the farm lands. Since 2016, a total of 7,12,377 mangrove saplings have been planted. In the last fiscal alone around 3,06,942 saplings were planted.

30.AWARDS AND ACCOLADES

During the year, the Company has been awarded the Deming Prize for its Vijayanagar Works manufacturing unit. The JSW Vijayanagar Works is the largest single location integrated steel plant in the world to be awarded the prestigious Deming Prize for excellence in Total Quality Management (TQM).

The Deming Application Prize is a world-renowned annual quality award presented by the Union of Japanese Scientists and Engineers (JUSE) to companies that have achieved distinctive performance benchmarks through the application of TQM.

This prestigious award signifies an unflinching commitment to the TQM benchmarks, the Company has set for itself over the last several years.

VIJAYANAGAR

1) Ranked eighth among the best operating steel plant in the world by World Steel Dynamics in June 2018.

2) In recognition of distinct performance improvements, JSW Steel's Vijayanagar Works won the prestigious 2018 Deming Prize held in Tokyo (14-11-2018) for an unflinching commitment to TQM benchmarks.

3) Vijayanagar Works has been recognised as the second best integrated steel plant in the country for the performance year. It was awarded the Steel Minister's Trophy for the years 2016-17.

4) Vijayanagar Works has been awarded the prestigious Ispat Suraksha Puraskar - 2018 by the Joint Committee on Safety, Health & Environment in the steel industry organized by Sail Safety Organization at Ranchi for zero fatalities during the calendar years 2017 and 2018 in the following zones: (Award received on 12 February, 2019)

   - Blast furnaces, slag granulation plant, sinter plants and the raw material department
   - Coal, Coke & Chemical Zones
   - Rolling Mill Zones
   - Projects

5) Vijayanagar Works has been awarded State Export Excellence Award for the year 2016-17 in the Platinum Category by Govt. of Karnataka on 29 February, 2018.

DOLVI

1) Platinum level recognition in CII Exim Bank Award for Business Excellence 2018.

2) PM's Trophy 2016-17: Maximum Incremental Improvement award for Integrated Steel Plant.

3) In "Frost & Sullivan – PERP 2018" Digitalisation team was Winner & Six Sigma Project team from CSP Mill were 2nd runner up.

4) 2 QCC teams from Bar Mill & Coke Oven won Gold award in ICQC, Singapore.

5) Out of 12 Teams, 8 teams won "Par Excellence" award in NCQC, Gwalior.

6) Six Sigma team from CSP Mill won second position in 12th CII National Level Competition at Bangalore.

SALEM

1) State Level Health and Safety Award 2016: Won Commendation Certification from National Safety Council.

2) IIM Sustainability Award: Won the first prize in the alloy steel category by the Indian Institute of Metals.

3) Swachh Bharat initiatives: Won Commendation Certificate from Salem District Collector.

4) Customer Awards

   a. FAG Schaeffler has awarded JSW Salem for "Best Development Support".

   b. TIMKEN has awarded JSW Salem for "Strategic Partner 2018" & "Excellence in Corporate Citizenship and Sustainability".

   c. JTEKT has awarded JSW Salem for "Supplier Performance".

   d. Automotive Axles Ltd has awarded JSW Salem for class performance in "Best in Agility" for Rolled Bar supplies in 2017-18.

31. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134, sub-section 3(c) and sub-section 5 of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state and confirm that:

a) In the preparation of the annual accounts, the applicable Accounting Standards have been followed, along with proper explanation relating to material departures.

b) Such Accounting Policies have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent to give a true and fair view of the Company's state of affairs as on 31 March, 2019 and of the Company's profit or loss for the year ended on that date.

c) Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) The annual financial statements have been prepared on a Going Concern Basis.

e) Internal financial controls were laid down to be followed and that such internal financial controls were adequate and operating effectively.

f) Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

32.DISCLOSURES

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

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

AUDIT COMMITTEE

The Audit Committee comprises of one Executive Director and three Non-Executive Independent Directors. Mr. Seturaman Mahalingam is the Chairman of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

EXTRACT OF ANNUAL RETURN

The extract of annual return in Form MGT 9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached as Annexure B hereto and forms a part of this Report. The same is also available on the Company's website at http://www.jsw.in/investors/investor-relations-steel.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SEC. 186

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

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

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

However, Members' attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the Financial Statements.

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

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

Having regard to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013, an abridged version of the Annual Report, excluding the aforesaid information, is being sent to the members of the Company and others entitled thereto. For those persons who have registered their e-mail addresses with the Company, the full version of the Annual Report containing the aforesaid information is being sent to them electronically. Members and other entitled persons who have not registered their e-mail addresses with the Company may access the full version of the Annual Report on the website of the Company or by physically inspecting the full version of the Annual Report at the Registered Office of the Company on all working days of the Company, between 10.00 a.m. and 1.00 p.m.; or by requesting a physical copy by writing to the Company Secretary.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has also complied with the provisions related to costitution of Internal Complaints Committee (ICC) under the said Act to redress complaints received regarding sexual harassment. The details of complaints pertaining to sexual harassment received during FY 2018-19 are given in the Corporate Governance Report.

OTHER DISCLOSURES / REPORTING

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

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOPs referred to in this Report.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

33. APPRECIATION

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

For and on behalf of the Board of Directors

Place: Mumbai
Date : 24 May, 2019

Sajjan Jindal
Chairman

ANNEXURE – A TO DIRECTORS' REPORT

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

A. ENERGY CONSERVATION

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

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

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

STEPS TAKEN FOR ENERGY CONSERVATION:

VIJAYANAGAR

- Top recovery turbine power generation is 18.3MW which fulfils 13.3 % of total power consumption requirement of Blast Furnace.
- Substantially increased the BF PCI to 200 Kg/thm, by reducing coke consumption.
- Increased LD gas recovery to 98.7 Nm3/TLS.
- Commissioned blast furnace gas fired 150TPH boiler for power augmentation.
- 45TPH of Steam generation through sinter cooler waste heat recovery boiler.
- Zero coal fired boilers, 100% by-product gas firing for process steam generation.
- Reduction in oxygen venting by 36%.

DOLVI

- Usage of Coke Oven Gas (COG) in place of Natural Gas to improve cost efficiency in FY 2018-19, at Direct Reduced Iron (DRI), Tunnel Furnace and Bar Mill.
- Fuel conversion of HSM Boiler & BF Cast house from NG to COG leading to NG saving of 672 KSm3.
- Revamping of CPP turbine, identification & arresting of leakages resulting in reduction of gaseous heat rate from 2641 Kcal/nm3 in FY 2017-18 to 2400 Kcal/kwh.
- Interconnection of HP & LP steam network through PRDS system to provide steam from Sinter-2 waste heat recovery boiler to Coke oven resulting in steam production @20 TPH.
- Implementation of online air fuel ratio logic at CPP, has resulted in reduction of gaseous heat rate by 10.6%.
- Fuel conversion of LCP 1, 2, & 3 from solid fuel (Coal) to By-product gas (BFG+COG) resulting in reduction of heat rate and lower CO^2 emissions.

SALEM

- Reduced Fuel rate in Blast Furnace-1 by increasing Hot Blast Temperature after installation of High Temperature Hot Blast Stoves which has resulted in energy savings of 5,159 Gcals in FY 2018-19.
- Optimisation of Air Fuel ratio in BF Hot Blast stoves through digitalisation initiative which has reduced the BF gas consumption, resulted savings of 6741 Gcals in FY 2018-19.
- Energy saved by installation of motor with drive in Hydraulic system in EOF2 resulted in power saving of 20,000 KWH/month in FY 2018-19.
- Installation of VVVF drive in BLM Furnace blowers, Descalar and Internal circulating water pump house motors resulted in power savings of 2,211,538 Kwh in FY 2018-19.
- Power savings at Sinter Plant #2 through Waste gas ID fan impeller replacement with increased bed height operation resulted in power savings of 1,037,434 Kwh in FY 2018-19.
- Solid fuel savings at Sinter Plant #2 through installation of three row burner with increased bed height operation resulted in fuel savings of 519 MT in FY 2018-19.
- Installation of VFD in Blast furnace#2 cooling tower fans (8 No's) resulted in savings of 298,084 Kwh in FY 2018-19.

THE STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATE SOURCES OF ENERGY:

VIJAYANAGAR

- 30% Increase in by-product gas supply YoY to power plants resulted in coal saving of 21TPH.
- HSM waste heat recovery for steam generation is under progress.

DOLVI

Usage of Coke Oven gas / Mixed gas at Dolvi as a replacement of NG at following facilities:

a) Tunnel furnace heating, all ladle preheaters heating at SMS.

b) Heating of Bar Mill furnace with mixed gas.

SALEM

Commissioning of unit#3 at Captive power plant-2 to reduce the power import from grid by 11 MW.

EXPENDITURE ON ENERGY CONSERVATION PROJECT

VIJAYANAGAR

Capital expenditure of ₹ 59.00 crores was incurred on energy conservation projects, resulting in a reduction of 0.008 Gcal / tcs and a financial savings of ₹ 105.85 crores on annualised basis.

DOLVI

Capital expenditure of ₹ 53.26 crores was incurred on energy conservation projects, resulting in a reduction of 0.043 Gcal / tcs and a financial savings of ₹ 69.63 crores on annualised basis.

SALEM

Capital expenditure of ₹ 53.01 crores was incurred on energy conservation projects, resulting in a reduction of 0.06 Gcal / tcs and a financial savings of ₹ 26.7 crores on annualised basis.

RESEARCH AND DEVELOPMENT (R&D)

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

   Research and Development (R&D) activities at the Company involve new Process and Product development, process improvements for maximisation of quality, cost and energy optimisation, waste utilisation and conservation of natural resources.

   The key focus areas include

   - Optimisation of resource utilisation.
   - Quality, productivity and cost optimization through process efficiency improvements.
   - Product development, customization and new applications.
   - Recycling and reuse of process waste and conservation of natural resources.
   - New application developments and promotion of slag usage in the country.
   - New process technology development for process intensification and productivity.

     R&D is actively involved in Industry-Institute partnership and has initiated eight collaborative projects in FY 2018-19 with leading academic and research institutes in India - IIT Roorkee, IIT Kharagpur, IIMT Bhubaneswar, PSG Coimbatore, Sona college of Engineering Tamilnadu, CBRI, NEERI and NITK Surathkal.

   The Company is also pursuing an international collaborative research program with BASF, Germany to develop special purpose reagents for coal fines briquetting, Grinding aids for wet grinding mills.

   The Company is also associated with 3 Nos. of advanced research programs with partial funding from Ministry of Steel and Ministry of Human Resource Development and the development work is in progress.

2. **Benefits derived as a result of R&D efforts**

   A) VIJAYANAGAR

   - Process optimisation through predictive control has been developed and implemented in COREX furnaces. The predictive model estimates the metallization of pellets based on the operating conditions and facilitates the operative to take actions for maximisation of the metallization. The model helps in process intensification and productivity improvement.
   - "Heat Balance Model" for Blast furnaces has been developed and implemented in BF3&4 to monitor the process energy efficiency. The model helps the furnace operators in optimizing the fuel consumption.
   - Development of a chemical reagent to enhance the bentonite binder properties has resulted in reduction of binder consumption by 50 %. (from 8.2 to 4.3 Kg/T).

- Optimisation of pre-heating temperature in pellet plant has reduced crack generation, improved pellet strength and increased the pellet productivity. The process modifications have resulted in considerable savings.

Other important developments carried out at R&D

- Use of lump iron ores in sinter bed hearth layer for reduction in fine generation.
- Process development for using high LOI iron ore micro fines in sintering process.
- Ball mill productivity improvement with controlled Blain No. through consistent feed size to dry grinding ball mill at PP1.
- Optimisation of ignition intensity to enhance the sinter properties at sintering plant.
- Development of process for reduction of NOx emission in sinter making.
- Studies on Precipitation behavior of niobium micro-alloy steel in hot rolling process.
- Study on effect of process parameters on the welding characteristics of AHSS.
- Improving steel cleanliness in Electrical grade steels for improved magnetic properties.
- Use of granulated LHF slag in cement making.

New products developed / customized

- Development of new generation high strength steels mainly for automotive and electrical applications have been the major focus at JSW Vijayanagar works. The strategic development aims at providing solutions for high strength with low weight applications.
- The new developments include incremental improvements in material properties to match the customer requirements and new grades for new applications.
- A total of 31 numbers of new steel grades have been developed/customized consisting of flat and long rolled products.

B) DOLVI

- "Optimisation of green pellet arrangement and process parameters in lab scale muffle furnace to simulate plant scale process" led to development of critical R&D infrastructure which will be useful for future research projects.
- "Maximization of FMG % in sinter feed mix" resulted in know – why generation regarding usage of low grade high goethitic iron in sinter.
- Mathematical model developed for predicting temperature history and phase transformation occurring in TMT rebar during QST process which will help in optimizing process parameters of BRM and developing new grade of TMT rebar.

Other important developments carried out at R&D

- Setting up of pot sinter facility for future R&D work related to process improvement, feed mix optimization and cost reduction.

New products developed / customized

- Development of cost effective API (X65 and X70) grade steel through CSP route with impact and DWTT at subzero temperature (up to -40 Deg C) for line pipe application (both sweet and sour) was the primary focus for Dolvi.
- Other development includes billets for E450 grade TLT angle and E350 grade TLT angle with impact properties at -40 Deg C.
- Total 8 nos. of new grades have been developed/customized service the customers' requirements.

C) SALEM

The key focus areas include

- Product development [Automotive, Agro, Textile, Mining and General Engineering].
- Process development [Ladle Furnace and waste utilisation].
- Waste management [Conversion of steelmaking slag to pavers].

- Process improvement [Ladle furnace, Casting and rolling].
- Fundamental research [Steelmaking, Metal working and Structure Property Correlation].

The following process and Technology improvement projects have been completed:

- Process development for making paver blocks from steelmaking slags [Process development and Waste Management].
- Development of steel grade (JSW HH1) for agricultural application – Rotavator blades (Import substitution), Steering Knuckle and front axle beam [Product].
- Development of case carburizing gear steel (JSW GS1) for increasing productivity at customer end. [Product].
- Development of Bainitic steel (JSWRD1) for rock drill application. [Product].
- Control of macro inclusions in micro alloyed steel through process modifications. [Process improvement].
- Development of steel for textile carding application. [Product].
- Low temperature deformation of carbon steel, micro alloyed steels and high carbon steels slags [Process development].

Other important developments carried out are

- Metallurgical Characterization of Commercial High Carbon Steel Wire Rods.
- Effect of Carbon on the Microstructure and Mechanical Properties in Wire Rods Used for the Manufacture of Cold Heading Quality Steels.
- Influence of Manganese and Boron Alloying and Processing Conditions on the Microstructure and the Mechanical Properties of 0.4% Carbon Steels.
- Microstructure and Mechanical Properties in Warm Forged Steels [carbon steel, micro alloyed steels and high carbon steels].

New products developed / customized

A total of 13 new grades have been developed for various applications like automotive, gear, textile carding, rock drill, agricultural etc. Out of 13, 3 grades developed are new grades which are not in the market and are introduced for the first time in the market.

3. **Expenditure on R&D (2018-19)**

Item	₹ in crores
Capital	12
Revenue	33
Total	45
Total as % PAT	0.53%

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

VIJAYANAGAR

- Commissioning of raw water pond of 1.1 TMC.
- Commissioning of tailing beneficiation plant at OBP2.
- Commissioning of world's largest pipe conveyor system of 24 KM.

DOLVI

- Commissioning of LCP Fuel Conversion.
- Commissioning of Coke Oven Battery A&B by Dolvi Coke Projects Limited.

SALEM

- Commissioning of paver block making machine.
- Commissioning of instrumented universal testing machine.
- Installation of sputter coater machine.

INTELLECTUAL PROPERTY

1. **PATENTS**

VIJAYANAGAR

Patents Filed – 11 Nos

1. High strength cold rolled TRIP steel sheet with excellent stretch formability and method of manufacturing the same.
2. A process for recovery of ultra-fine particles from iron ore beneficiation plant tailing involving two-stage magnetic separation.
3. High strength low alloy cold rolled steel sheet having excellent bendability, weldability and stretch flanging and method of manufacturing the same.

4. A process for recovery of ultra-fine particles from iron ore beneficiation plant tailing involving two-stage magnetic separation.
5. HSLA cold rolled steel sheet having excellent bendability and stretch flanging and method of manufacturing the same.
6. A process for sintering involving iron ore microfines.
7. A process for manufacturing of calcium aluminate cement from secondary steelmaking byproduct.
8. A system for zinc removal from steel plant process waste and upgradation of its Fe values and a process thereof.
9. A process for beneficiation and iron making from lean iron ore fines using high ash coals.
10. System for material beneficiation involving hydro-squeeze classifier assisted grinding ball mill.
11. Material handling system for screening or feeding materials with high screening and energy efficiency.

Granted patents – 2 Nos.

1. Dust burner system for injecting recycled-dust in melter-gasifier with increased dust load and longer life- patent no: 298316.
2. A system for automated coil transfer car for productivity improvement in cold rolling mill complex. - patent no: 299700.

DOLVI

Patents Filed – 6 Nos.

1. High strength thermo-mechanically-treated (TMT) rebars having yield strength of 600 MPa (min) and a process for its production.
2. High strength line pipe steel of API 5L X70 steel standards and method of its manufacture.
3. Hot rolling mill run out table real time current monitoring and archiving system.
4. A centrifugal type slurry pump for handling iron ore ground slurry avoiding slurry leakage.
5. White aluminium dross based briquetted synthetic slag and a process of steel making using the same during tapping without fume generation.
6. High Strength High Toughness Nb-microalloyed steel angle.

SALEM

Patents Filed – 1 Nos.

1) "High Carbon Steel Wire Rod Suitable for Tire Cord and Textile Carding Applications and A Process for Its Manufacturing".

Publication of Technical Papers

VIJAYANAGAR

Total numbers of 29 papers have been published. (7 journal publications – in international and National journals such as Journal of Nondestructive testing, Materials engineering and performance, Steel tech, Mineral processing and metallurgical engineering, Ceramics international etc and a total of 22 National and International conference proceedings).

DOLVI

A total of 4 papers in National and International journals and conference proceedings were published.

SALEM

Total of 8 papers (7 journal papers and 1 paper in conference proceedings) have been published.

i) The benefits derived like product improvement, cost reduction, product development or import substitution

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

Savings (₹ in Crores)		
Vijayanagar	Dolvi	Salem
54	18	23

ii) Information regarding Imported Technology (Imported during the last three years reckoned from the beginning of the financial year)

Innovation / Technology	Year of Import	Status
Vijayanagar		
KR station at SMS-2 for desulphurization of hot metal	2016-17	Commissioned
6th strand billet caster at SMS-3	2017-18	Commissioned
HR Slitter line of 0.75mtpa capacity at HSM-2	2017-18	Commissioned
Dolvi		
Section augmentation (130mmX130mm) in existing Billet Caster	2016-17	Commissioned
Upgradation of online surface imaging system for HR coil	2017-18	Commissioned
Commissioning of 6th strand Billet Caster	2017-18	Commissioned
Commissioning of 500 TPD VPSA / Oxygen plant	2017-18	Commissioned
LCP-4	2018-19	Commissioned
LCP Fuel Conversion	2018-19	Commissioned
Salem		
Online Gauge Surface Defect Detection System	2016-17	Commissioned
Instrumented Impact testing machine	2017-18	Commissioned
Sliding strand in Bar and Rod Mill	2017-18	Commissioned
Annealing facility for coils	2017-18	Commissioned
CCM-3 (Continuous casting machine)	2017-18	Commissioned
Simufact simulation software	2017-18	Commissioned
Bar Annealing Furnace	2018-19	Commissioned

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign exchange used and earned during the year:

(₹ In Crores)

	FY 2018 – 19	FY 2017 – 18
Foreign Exchange earned	7,604	10,938
Foreign Exchange used	28,015	22,617

ANNEXURE – B TO DIRECTORS' REPORT

FORM NO. MGT- 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

01.	CIN:-	L27102MH1994PLC152925
02.	Registration Date	15.03.1994
03.	Name of the Company	JSW Steel Limited
04.	Category / Sub-Category of the Company	Iron & Steel Making Facilities.
05.	Address of the Registered office and contact details	JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel. No. 022-42861000 Fax. No. 022-42863000 Website: www.jsw.in
06.	Whether listed company Yes / No	Yes
07.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 008 Tel. No. 040 33211500 Fax. No. 040 23001153

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SN	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Hot Rolled Steel Strips /Sheets/Plates	241	52.6%
2	Bar & Rods		22.4%
3	MS Cold Rolled Coils/Sheets		14.2%

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

SR. NO	NAME OF THE COMPANY	ADDRESS OF THE COMPANY	CIN/GLN	% of shares held
	SUBSIDIARY (APPLICABLE SECTION : 2 (87)(II))			
1	JSW Steel (UK) Limited	Roxburghe House,273-283 Regent Street, London WIB 2HA, UK.	Not applicable	100%
2	JSW Natural Resources Limited	C/o, International Financial Limited, IFS Court, Twenty Eight Cybercity, Ebene Mauritius.	Not applicable	100%
3	JSW Natural Resources Mozambique Limitada	3rd Floor, Rua Desidane No. 60, Opp. Polana Shopping Complex, Polana Cimento "A", Maputo, Mozambique	Not applicable	100%
4	JSW ADMS Carvão Limitada	3rd Floor, Rua Desidane No. 60, Opp. Polana Shopping Complex, Polana Cimento "A", Maputo, Mozambique	Not applicable	100%
5	JSW Steel (Netherlands) B.V.	Hoogoorddreef, 15, 1101, BA, Amsterdam	Not applicable	100%
6	Periama Holdings, LLC	2711, Centreville Road, Suite 400, City of Wilminton Country of New Castle Delaware 19808.	Not applicable	100%
7	JSW Steel (USA), Inc.	5200 E, Mckinney Road, Baytown, Texas 77523	Not applicable	90%

SR. NO	NAME OF THE COMPANY	ADDRESS OF THE COMPANY	CIN/GLN	% of shares held
8	Purest Energy, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
9	Planck Holdings, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
10	Prime Coal, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
11	Rolling S Augering, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
12	Caretta Minerals, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
13	Periama Handling, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
14	Lower Hutchinson Minerals, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
15	Meadow Creek Minerals, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
16	Keenan Minerals, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
17	Hutchinson Minerals, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
18	RC Minerals, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
19	Peace Leasing, LLC	407 Prosperity Road, Prosperity, WV, 25909	Not applicable	100%
20	JSW Panama Holdings Corporation	48th East Street, Bella, Vista, P.O. Box No. 0816-01832, Panama.	Not applicable	100%
21	Inversiones Eurosh Limitada	Juan Franciscvo Gonzalez 562, Sector Placilla, Morales Copiapo, Chile	Not applicable	100%
22	Santa Fe Mining S.A.	Juan Franciscvo Gonzalez 562, Sector Placilla, Morales Copiapo, Chile	Not applicable	70%
23	Santa Fe Puerto S.A.	Apoquindo 3650 Oficina 803, Las Condes, Santiago.	Not applicable	70%
24	JSW Steel Processing Centres Limited	JSW Centre, Bandra –Kurla Complex, Bandra East, Mumbai 400 051	U01010MH2003PLC176595	100%
25	JSW Jharkhand Steel Limited	JSW Centre, Bandra –Kurla Complex, Bandra East, Mumbai 400 051	U27310MH2007PLC171405	100%
26	JSW Bengal Steel Limited	JSW Centre, Bandra Kurla Complex Bandra(E), Mumbai-51.	U27106MH2007PLC170160	98.69%
27	JSW Natural Resources India Limited	JSW Centre, Bandra Kurla Complex Bandra(E), Mumbai-51.	U14200MH2007PLC173687	98.69%
28	JSW Energy (Bengal) Limited	JSW Centre, Bandra Kurla Complex Bandra(E), Mumbai-51.	U40300MH2010PLC199844	98.69%
29	JSW Natural Resources Bengal Limited	JSW Centre, Bandra Kurla Complex Bandra(E), Mumbai-51.	U10300MH2010PLC200871	98.69%
30	JSW Steel Coated Products Limited	JSW Centre, Bandra Kurla Complex Bandra(E), Mumbai-51.	U27100MH1985PLC037346	100%
31	Amba River Coke Limited	JSW Centre, Bandra Kurla Complex Bandra(E), Mumbai-51.	U23100MH1997PLC110901	100%
32	Peddar Realty Private Limited	JSW Centre, Bandra Kurla Complex Bandra(E), Mumbai-51.	U45200MH2002PTC137214	100%
33	Arima Holdings Limited	42 Hotels Street, 3rd Floor, Gfin Tower, Cybercity, Ebene, Mauritius	Not Applicable	100%
34	Lakeland Securities Limited	42 Hotels Street, 3rd Floor, Gfin Tower, Cybercity, Ebene, Mauritius	Not Applicable	100%
35	Erebus Limited	42 Hotels Street, 3rd Floor, Gfin Tower, Cybercity, Ebene, Mauritius	Not Applicable	100%
36	Nippon Ispat Singapore (PTE) Ltd	17 Philip Street # 05-01 Grand Building, Singapore 048695.	Reg No.199303132W	100%
37	Acero Junction Holdings, Inc	1500 Commercial St, Mingo Junction , OH 43938-1096, United States	Not applicable	100%

SR. NO	NAME OF THE COMPANY	ADDRESS OF THE COMPANY	CIN/GLN	% of shares held
38	JSW Steel USA Ohio, Inc	1500 Commercial St, Mingo Junction , OH 43938-1096, United States	Not applicable	100%
39	JSW Steel (Salav) Limited	Welspun City, Village Versamedi, Taluka Anjar, Kutch, Anjar Gujrat.	U27100GJ2008PLC064145	100%
40	JSW Industrial Gases Private Limited	JSW Centre, Bandra Kurla Complex Bandra(E), Mumbai-51	U85110KA1995PTC018868	100%
41	JSW Steel Italy S.r.l.	Largo Caduti Sul Lavoro 21 PIOMBINO (LI), 57025, Italy	Not Applicable	100%
42	Aferpi S.p.A	Largo Caduti Sul Lavoro 21 PIOMBINO (LI), 57025, Italy	Not applicable	100%
43	Piombino Logistics S.p.A	Largo Caduti Sul Lavoro 21 PIOMBINO (LI), 57025, Italy	Not applicable	100%
44	GSI Lucchini S.p.A	Largo Caduti Sul Lavoro 21 PIOMBINO (LI), 57025, Italy	Not applicable	69.27%
45	JSW Utkal Steel Limited	JSW Centre, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.	U27209MH2017PLC301887	100%
46	Hasaud Steel Limited	Grand Palladium, 6th Floor, 175, CST Road, Santacruz East, Mumbai 400 098	U27209MH2018PLC305033	100%
47	JSW Retail Limited	JSW Centre, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.	U27300MH2018PLC314290	100%
48	Dolvi Mineral & Metals Private Limited	JSW Centre, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.	U51900MH2014PTC257483	100%
49	Dolvi Coke Projects Limited	JSW Centre, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.	U23209MH2014PLC254395	100%
		Associates & Joint Ventures (Applicable Section 2(6))		
50	Creixent Special Steel Limited	QR No. 50-51,Park Avenue colony, Jindal Road, Dhimrapur, Raigarh, Chattisgarh 496001	U27209CT2018PLC008397	48%
51	Monnet Ispat & Energy Limited	Naharpali, Tehsil, Kharsia, Raigarh	L02710CT1990PLC009826	23.10%
52	Vijayanagar Minerals Private Limited	Toranagallu Village, Sandur Taluk, Bellary	U13100KA1997PTC022398	40%
53	Rohne Coal Company Private Limited	A-2, Shaheed Jeet Singh marg, Qutub Institutional Area, New Delhi 110 016	U10300DL2008PTC176675	49%
54	Geo Steel LLC	36 Davit Gareji St Rustavi, Georgia, 3700	Not applicable	49%
55	JSW Severfield Structures Limited	401, Grande Palladium, 175 CST Road, Kalina, Santacruz (East) Mumbai Mumbai City, MH 400098	U28112MH2009PLC191045	50%
56	JSW Structural Metal Decking Limited	Office no. 601, 6th Floor, Gujral House, Plot No. 167, C.S.T. Road, Kalina, Santacruz (E) Mumbai Mumbai City, MH 400098	U28112MH2009PLC197954	33.33%
57	Gourangdih Coal Limited	5B, Nandalal Basu Sarani, Kolkata Kolkata, WB 700071	U10100WB2009PLC1393007	50%
58	JSW MI Steel Services Center Private Limited	JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai, MH 400051	U74900MH2011PTC222152	50%
59	JSW Vallabh Tinplate Private Limited	Flat No. 1309,13th Floor Vikram Tower, Rajendra Place, New Delhi 110008	U28112DL1995PTC204971	50%

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

1 Category-wise Share Holding: -

Category code	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01.04.2018				NO. OF SHARES HELD AT THE END OF THE YEAR 31.03.2019				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	**INDIAN**									
(a)	Individual /HUF	14510770	0	14510770	0.60	14584040	0	14584040	0.60	0.00
(b)	Central Government/State Government(s)	9079520	0	9079520	0.38	9079520	0	9079520	0.38	0.00
(c)	Bodies Corporate	935543350	0	935543350	38.70	957420350	0	957420350	39.61	0.91
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	600	0	600	0.00	600	0	600	0.00	0.00
	Sub-Total A(1) :	**959134240**	**0**	**959134240**	**39.68**	**981084510**	**0**	**981084510**	**40.59**	**0.91**
(2)	**FOREIGN**									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	50021540	0	50021540	2.07	50021540	0	50021540	2.07	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	**50021540**	**0**	**50021540**	**2.07**	**50021540**	**0**	**50021540**	**2.07**	**0.00**
	Total A=A(1)+A(2)	**1009155780**	**0**	**1009155780**	**41.75**	**1031106050**	**0**	**1031106050**	**42.66**	**0.91**
(B)	**PUBLIC SHAREHOLDING**									
(1)	**INSTITUTIONS**									
(a)	Mutual Funds /UTI	58424736	152510	58577246	2.42	47224701	152510	47377211	1.96	-0.46
(b)	Financial Institutions /Banks	8592447	17650	8610097	0.36	22005362	18270	22023632	0.91	0.55
(c)	Central Government / State Government(s)	12375000	0	12375000	0.51	12375000	0	12375000	0.51	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	479964786	97750	480062536	19.86	449025505	97750	449123255	18.58	-1.28
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	**559356969**	**267910**	**559624879**	**23.15**	**530630568**	**268530**	**530899098**	**21.96**	**-1.19**
(2)	**NON-INSTITUTIONS**									
(a)	Bodies Corporate	188421487	4993500	193414987	8.00	185516708	4985130	190501838	7.88	-0.12

Category code	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01.04.2018				NO. OF SHARES HELD AT THE END OF THE YEAR 31.03.2019				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹2 lakh	94081643	19811708	113893351	4.71	92146917	16609570	108756487	4.50	-0.21
	(ii) Individuals holding nominal share capital in excess of ₹2 lakh	124346201	0	124346201	5.14	132615432	0	132615432	5.49	0.34
(c)	Others									
	Foreign Bodies Corporates	362583070	1660	362584730	15.00	362583070	1660	362584730	15.00	0.00
	I E P F	12027406	0	12027406	0.50	13049760	0	13049760	0.54	0.04
	Non Resident Indians	25241320	3530120	28771440	1.19	25037328	3215650	28252978	1.17	-0.02
	NRI Non- Repatriation	2089524	0	2089524	0.09	2194892	0	2194892	0.09	0.00
	Overseas Corporate Bodies	0	9660	9660	0.00	0	9660	9660	0.00	0.00
	Trusts	11302482	0	11302482	0.46	17249515	0	17249515	0.71	0.25
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	**820093133**	**28346648**	**848439781**	**35.10**	**830393622**	**24821670**	**855215292**	**35.38**	**0.28**
	Total B=B(1)+B(2) :	**1379450102**	**28614558**	**1408064660**	**58.25**	**1361024190**	**25090200**	**1386114390**	**57.34**	**-0.91**
	Total (A+B) :	**2388605882**	**28614558**	**2417220440**	**100.00**	**2392130240**	**25090200**	**2417220440**	**100.00**	**0.00**
(C)	Shares held by custodians, against which depository receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	**2388605882**	**28614558**	**2417220440**	**100.00**	**2392130240**	**25090200**	**2417220440**	**100.00**	

2. SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP:

Sl.no	Name of the Share Holder	Shareholding at the beginning of the Year 01.04.2018			Shareholding at the end of the Year 31.03.2019			% change in shareholding
		No of Shares held as on 01.04.2018	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No of Shares Held As on 31.03.2019	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	JSW TECHNO PROJECTS MANAGEMENT LTD	229326950	9.49	55.99	223328450	9.24	82.04	-0.25
2	JSW HOLDINGS LIMITED	177306230	7.34	50.77	178837230	7.40	32.64	0.06
3	VIVIDH FINVEST PRIVATE LIMITED	140726690	5.82	62.85	141995690	5.87	47.99	0.05
4	SAHYOG HOLDINGS PRIVATE LIMITED	110597360	4.58	55.95	111672860	4.62	63.48	0.04
5	JSW ENERGY LIMITED	0	0.00	0.00	70038350	2.90	12.79	2.90
6	DANTA ENTERPRISES PRIVATE LIMITED	60368250	2.50	70.23	60368250	2.50	70.82	0.00
7	VIRTUOUS TRADECORP PRIVATE LIMITED	60368250	2.50	20.41	60368250	2.50	26.34	0.00
8	NALWA SONS INVESTMENTS LTD	45486370	1.88	0.00	45486370	1.88	0.00	0.00
9	JSW TECHNO PROJECTS MANAGEMENT LIMITED	0	0.00	0.00	24000000	0.99	0.00	0.99
10	JSL OVERSEAS LIMITED	21026090	0.87	0.00	21026090	0.87	0.00	0.00
11	GLEBE TRADING PRIVATE LIMITED	17157930	0.71	74.07	17157930	0.71	84.70	0.00
12	JSW LOGISTICS INFRASTRUCTURE PRIVATE LIMITED	17125770	0.71	0.00	17125770	0.71	0.00	0.00
13	BEAUFIELD HOLDINGS LIMITED	16409910	0.68	0.00	16409910	0.68	0.00	0.00
14	KARNATAKA STATE INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT CORPN	9079520	0.38	0.00	9079520	0.38	0.00	0.00
15	SIDDESHWARI TRADEX PRIVATE LIMITED	7024580	0.29	0.00	7024580	0.29	0.00	0.00
16	MENDEZA HOLDINGS LIMITED	4218090	0.17	0.00	4218090	0.17	100.00	0.00
17	NACHO INVESTMENTS LIMITED	4207380	0.17	0.00	4207380	0.17	100.00	0.00
18	ESTRELA INVESTMENT COMPANY LIMITED	4160070	0.17	0.00	4160070	0.17	100.00	0.00
19	TARINI JINDAL HANDA	4913890	0.20	32.50	4913890	0.20	29.96	0.00
20	TANVI SHETE	4883630	0.20	0.00	4883630	0.20	0.00	0.00
21	PARTH JINDAL	3520000	0.15	0.00	1820000	0.08	0.00	-0.07
22	SEEMA JAJODIA	0	0.00	0.00	1750000	0.07	0.00	0.07
25	URMILA BHUWALKA	260000	0.01	0.00	283270	0.01	74.13	0.00
26	ARTI JINDAL	227550	0.01	0.00	227550	0.01	0.00	0.00
27	DEEPIKA JINDAL	148650	0.01	0.00	148650	0.01	0.00	0.00
28	NIRMALA GOYAL	120000	0.00	0.00	120000	0.00	0.00	0.00
29	PRITHAVI RAJ JINDAL	84580	0.00	0.00	84580	0.00	0.00	0.00
30	SAVITRI DEVI JINDAL	75300	0.00	0.00	75300	0.00	0.00	0.00
31	S K JINDAL AND SONS HUF .	58000	0.00	0.00	58000	0.00	0.00	0.00
32	SMINU JINDAL	55970	0.00	0.00	55970	0.00	0.00	0.00
33	TRIPTI JINDAL	50660	0.00	0.00	50660	0.00	0.00	0.00
35	P R JINDAL HUF .	45550	0.00	0.00	45550	0.00	0.00	0.00
36	NAVEEN JINDAL	54990	0.00	0.00	54990	0.00	0.00	0.00
39	HEXA TRADEX LIMITED	13620	0.00	0.00	13620	0.00	0.00	0.00
40	AIYUSH BHUWALKA	10000	0.00	0.00	10000	0.00	0.00	0.00
41	REYNOLD TRADERS PRIVATE LIMITED	1000	0.00	0.00	1000	0.00	0.00	0.00

Sl.no	Name of the Share Holder	Shareholding at the beginning of the Year 01.04.2018			Shareholding at the end of the Year 31.03.2019			% change in shareholding
		No of Shares held as on 01.04.2018	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No of Shares Held As on 31.03.2019	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
42	JSW PROJECTS LIMITED	1000	0.00	0.00	1000	0.00	0.00	0.00
43	JSW INVESTMENTS PRIVATE LIMITED	1000	0.00	0.00	1000	0.00	0.00	0.00
44	SAJJAN JINDAL	1000	0.00	0.00	1000	0.00	0.00	0.00
45	SANGITA JINDAL	1000	0.00	0.00	1000	0.00	0.00	0.00
46	TANVI JINDAL FAMILY TRUST	100	0.00	0.00	100	0.00	0.00	0.00
47	TARINI JINDAL FAMILY TRUST	100	0.00	0.00	100	0.00	0.00	0.00
48	PARTH JINDAL FAMILY TRUST	100	0.00	0.00	100	0.00	0.00	0.00
49	SAJJAN JINDAL FAMILY TRUST	100	0.00	0.00	100	0.00	0.00	0.00
50	SANGITA JINDAL FAMILY TRUST	100	0.00	0.00	100	0.00	0.00	0.00
51	SAJJAN JINDAL LINEAGE TRUST	100	0.00	0.00	100	0.00	0.00	0.00
52	JSW POWER TRADING COMPANY LIMITED	70038350	2.90	12.79	0	0.00	0.00	-2.90
	Total	**1009155780**	**41.75**		**1031106050**	**42.66**		**0.91**

3. Change in Promoters & Promoter Group Shareholding (please specify, if there is no change):

Sl.No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative shareholding during the year		Remarks			
		No of Shares held as on 01.04.2018	% of total shares of the Company	No of Shares held As on 31.03.2019	% of total shares of the Company	Date	Sold	Purchased	No. of shares at the end of the year
1	JSW TECHNO PROJECTS MANAGEMENT LTD	229326950	9.49	223328450	9.24	01-04-2018	0	0	229326950
						13-07-2018	0	2565000	231891950
						20-07-2018	0	616500	232508450
						03-08-2018	0	1070000	233578450
						10-08-2018	0	1266650	234845100
						17-08-2018	0	990350	235835450
						24-08-2018	0	1790000	237625450
						31-08-2018	0	710000	238335450
						07-09-2018	0	1210000	239545450
						14-09-2018	23275000	0	216270450
						21-09-2018	0	195000	216465450
						28-09-2018	0	1465000	217930450
						05-10-2018	0	2670000	220600450
						12-10-2018	0	2423000	223023450
						31-03-2019	0	305000	223328450
2	JSW HOLDINGS LIMITED	177306230	7.34	178837230	7.40	01-04-2018	0	0	177306230
						24-08-2018	0	300000	177606230
						31-08-2018	0	100000	177706230
						07-09-2018	0	60000	177766230
						14-09-2018	0	370000	178136230
						28-09-2018	0	300000	178436230
						05-10-2018	0	165000	178601230
						22-03-2019	0	200000	178801230
						29-03-2019	0	36000	178837230
						31-03-2019	0	0	178837230
3	VIVIDH FINVEST PRIVATE LIMITED	140726690	5.82	141995690	5.87	01-04-2018	0	0	140726690
						29-03-2019	0	1269000	141995690
						31-03-2019	0	0	141995690

Sl.No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative shareholding during the year		Remarks			
		No of Shares held as on 01.04.2018	% of total shares of the Company	No of Shares held As on 31.03.2019	% of total shares of the Company	Date	Sold	Purchased	No. of shares at the end of the year
4	SAHYOG HOLDINGS PRIVATE LIMITED	110597360	4.58	111672860	4.62	31-03-2018	0	0	110597360
						15-03-2019	0	855500	111452860
						22-03-2019	0	220000	111672860
						31-03-2019	0	0	111672860
5	JSW ENERGY LIMITED	0	0.00	70038350	2.90	01-04-2018	0	0	0
						06-04-2018	0	61078350	61078350
						20-04-2018	0	8960000	70038350
						30-03-2019	0	0	70038350
6	DANTA ENTERPRISES PRIVATE LIMITED	60368250	2.50	60368250	2.50	01-04-2018	0	0	60368250
						31-03-2019	0	0	60368250
7	VIRTUOUS TRADECORP PRIVATE LIMITED	60368250	2.50	60368250	2.50	01-04-2018	0	0	60368250
						31-03-2019	0	0	60368250
8	NALWA SONS INVESTMENTS LTD	45486370	1.88	45486370	1.88	01-04-2018	0	0	45486370
						31-03-2019	0	0	45486370
9	JSW TECHNO PROJECTS MANAGEMENT LIMITED	229326950	9.49	223328450	9.24	01-04-2018	0	0	229326950
						13-07-2018	0	2565000	231891950
						20-07-2018	0	616500	232508450
						03-08-2018	0	1070000	233578450
						10-08-2018	0	1266650	234845100
						17-08-2018	0	990350	235835450
						24-08-2018	0	1790000	237625450
						31-08-2018	0	710000	238335450
						07-09-2018	0	1210000	239545450
						14-09-2018	23275000	0	216270450
						21-09-2018	0	195000	216465450
						28-09-2018	0	1465000	217930450
						29-09-2018	0	1465000	217930450
						05-10-2018	0	2670000	220600450
						12-10-2018	0	2423000	223023450
						19-10-2018	0	305000	223328450
						31-03-2019	0	0	223328450
10	JSL OVERSEAS LIMITED	21026090	0.87	21026090	0.87	01-04-2018	0	0	21026090
						31-03-2019	0	0	21026090
11	GLEBE TRADING PRIVATE LIMITED	17157930	0.71	17157930	0.71	01-04-2018	0	0	17157930
						31-03-2019	0	0	17157930
12	JSW LOGISTICS INFRASTRUCTURE PRIVATE LIMITED	17125770	0.71	17125770	0.71	01-04-2018	0	0	17125770
						31-03-2019	0	0	17125770
13	BEAUFIELD HOLDINGS LIMITED	16409910	0.68	16409910	0.68	01-04-2018	0	0	16409910
						31-03-2019	0	0	16409910
14	KARNATAKA STATE INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT CORPN	9079520	0.38	9079520	0.38	01-04-2018	0	0	9079520
						31-03-2019	0	0	9079520
15	SIDDESHWARI TRADEX PRIVATE LIMITED	7024580	0.29	7024580	0.29	01-04-2018	0	0	7024580

Sl.No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative shareholding during the year		Remarks			
		No of Shares held as on 01.04.2018	% of total shares of the Company	No of Shares held As on 31.03.2019	% of total shares of the Company	Date	Sold	Purchased	No. of shares at the end of the year
						31-03-2019	0	0	7024580
16	MENDEZA HOLDINGS LIMITED	4218090	0.17	4218090	0.17	01-04-2018	0	0	4218090
						31-03-2019	0	0	4218090
17	NACHO INVESTMENTS LIMITED	4207380	0.17	4207380	0.17	01-04-2018	0	0	4207380
						31-03-2019	0	0	4207380
18	ESTRELA INVESTMENT COMPANY LIMITED	4160070	0.17	4160070	0.17	01-04-2018	0	0	4160070
						31-03-2019	0	0	4160070
19	TARINI JINDAL HANDA	3500000	0.14	3500000	0.14	01-04-2018	0	0	1413890
						31-03-2019	0	0	1413890
20	TANVI SHETE	3500000	0.14	3500000	0.14	01-04-2018	0	0	1383630
						31-03-2019	0	0	1383630
21	PARTH JINDAL	3520000	0.15	1820000	0.08	01-04-2018	0	0	3520000
						14-09-2018	0	50,000	3570000
						22-02-2019	1750000	0	1820000
						31-03-2019	0	0	1820000
22	SEEMA JAJODIA	0	0.00	1750000	0.07	01-04-2018	0	0	0
						22-02-2019	0	1750000	1750000
						31-03-2019	0	0	1750000
23	TARINI JINDAL HANDA	1413890	0.06	1413890	0.06	01-04-2018	0	0	1413890
						31-03-2019	0	0	1413890
24	TANVI SHETE	1383630	0.06	1383630	0.06	01-04-2018	0	0	1383630
						31-03-2019	0	0	1383630
25	URMILA BHUWALKA	260000	0.01	283270	0.01	01-04-2018	0	0	260000
						13-04-2018	0	22270	282270
						28-09-2018	0	1000	283270
						29-09-2018	0	1000	283270
						31-03-2019	0	0	283270
26	ARTI JINDAL	227550	0.01	227550	0.01	01-04-2018	0	0	227550
						31-03-2019	0	0	227550
27	DEEPIKA JINDAL	148650	0.01	148650	0.01	01-04-2018	0	0	148650
						31-03-2019	0	0	148650
28	NIRMALA GOYAL	120000	0.00	120000	0.00	01-04-2018	0	0	120000
						31-03-2019	0	0	120000
29	PRITHAVI RAJ JINDAL	84580	0.00	84580	0.00	01-04-2018	0	0	84580
						31-03-2019	0	0	84580
30	SAVITRI DEVI JINDAL	75300	0.00	75300	0.00	01-04-2018	0	0	75300
						31-03-2019	0	0	75300
31	S K JINDAL AND SONS HUF .	58000	0.00	58000	0.00	01-04-2018	0	0	58000
						31-03-2019	0	0	58000
32	SMINU JINDAL	55970	0.00	55970	0.00	01-04-2018	0	0	55970
						31-03-2019	0	0	55970
33	TRIPTI JINDAL	50660	0.00	50660	0.00	01-04-2018	0	0	50660

Sl.No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative shareholding during the year		Remarks			
		No of Shares held as on 01.04.2018	% of total shares of the Company	No of Shares held As on 31.03.2019	% of total shares of the Company	Date	Sold	Purchased	No. of shares at the end of the year
						31-03-2019	0	0	50660
34	P R JINDAL HUF .	45550	0.00	45550	0.00	01-04-2018	0	0	45550
						31-03-2019	0	0	45550
35	NAVEEN JINDAL	54990	0.00	54990	0.00	01-04-2018	0	0	54990
						31-03-2019	0	0	54990
36	HEXA TRADEX LIMITED	13620	0.00	13620	0.00	01-04-2018	0	0	13620
						31-03-2019	0	0	13620
37	AIYUSH BHUWALKA	10000	0.00	10000	0.00	01-04-2018	0	0	10000
						31-03-2019	0	0	10000
38	REYNOLD TRADERS PRIVATE LIMITED	1000	0.00	1000	0.00	01-04-2018	0	0	1000
						31-03-2019	0	0	1000
39	JSW PROJECTS LIMITED	1000	0.00	1000	0.00	01-04-2018	0	0	1000
						31-03-2019	0	0	1000
40	JSW INVESTMENTS PRIVATE LIMITED	1000	0.00	1000	0.00	01-04-2018	0	0	1000
						31-03-2019	0	0	1000
41	SAJJAN JINDAL	1000	0.00	1000	0.00	01-04-2018	0	0	1000
						31-03-2019	0	0	1000
42	SANGITA JINDAL	1000	0.00	1000	0.00	01-04-2018	0	0	1000
						31-03-2019	0	0	1000
43	SAJJAN JINDAL FAMILY TRUST	100	0.00	100	0.00	01-04-2018	0	0	100
						31-03-2019	0	0	100
44	SAJJAN JINDAL LINEAGE TRUST	100	0.00	100	0.00	01-04-2018	0	0	100
						31-03-2019	0	0	100
45	SANGITA JINDAL FAMILY TRUST	100	0.00	100	0.00	01-04-2018	0	0	100
						31-03-2019	0	0	100
46	TARINI JINDAL FAMILY TRUST	100	0.00	100	0.00	01-04-2018	0	0	100
						31-03-2019	0	0	100
47	TANVI JINDAL FAMILY TRUST	100	0.00	100	0.00	01-04-2018	0	0	100
						31-03-2019	0	0	100
48	PARTH JINDAL FAMILY TRUST	100	0.00	100	0.00	01-04-2018	0	0	100
						31-03-2019	0	0	100
49	JSW POWER TRADING COMPANY LIMITED	70038350	2.90	0	0.00	01-04-2018	0	0	70038350
						06-04-2018	61078350	0	8960000
						20-04-2018	8960000	0	0
						31-03-2019	0	0	0

4. Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl.No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative shareholding during the year		Date	Sold	Purchased	No. of shares at the end of the year
		No of Shares held as on 01.04.2018	% of Total Shares of the Company	No of Shares Held As on 31.03.2019	% of Total Shares of the Company				
1	JFE STEEL INTERNATIONAL EUROPE B.V.	362583070	15	362583070	15	01.04.2018	0	0	362583070
						31.03.2019	0	0	362583070
2	GAGANDEEP CREDIT CAPITAL PVT LTD	45982650	1.90	47632650	1.97	01-04-2018	0	0	45982650
						31-08-2018	0	150000	46132650
						11-01-2019	0	1500000	47632650
						31-03-2019	0	0	47632650
3	LOTUS GLOBAL INVESTMENTS LTD	41709650	1.73	38159650	1.58	01-04-2018	0	0	41709650
						10-08-2018	1527175	0	40182475
						17-08-2018	1022825	0	39159650
						24-08-2018	1000000	0	38159650
						31-03-2019	0	0	38159650
4	APMS INVESTMENT FUND LTD	36885000	1.53	36885000	1.53	01-04-2018	0	0	36885000
						31-03-2019	0	0	36885000
5	THELEME MASTER FUND LIMITED	9157172	0.38	28905847	1.20	01-04-2018	0	0	9157172
						06-04-2018	0	4810612	13967784
						18-05-2018	0	1329328	15297112
						25-05-2018	0	1300000	16597112
						31-08-2018	0	1875000	18472112
						07-09-2018	0	2700000	21172112
						11-01-2019	0	1200656	22372768
						01-02-2019	0	1708281	24081049
						08-02-2019	0	1406798	25487847
						15-02-2019	0	1868000	27355847
						22-02-2019	0	1100000	28455847
						01-03-2019	0	100000	28555847
						08-03-2019	0	350000	28905847
						31.03.2019	0	0	28905847
6	THE INDIAMAN FUND (MAURITIUS) LIMITED.	30772853	1.27	27025000	1.12	01-04-2018	0	0	30772853
						20-04-2018	0	25000	30797853
						04-05-2018	0	107011	30904864
						11-05-2018	0	50000	30954864
						25-05-2018	0	55000	31009864
						29-06-2018	0	10000	31019864
						06-07-2018	0	10000	31029864
						13-07-2018	0	20000	31049864
						10-08-2018	0	260000	31309864
						24-08-2018	0	50000	31359864
						31-08-2018	0	50000	31409864
						07-09-2018	0	300000	31709864
						14-09-2018	0	55000	31764864
						21-09-2018	0	250000	32014864
						26-10-2018	0	45000	32059864
						25-01-2019	9864	0	32050000
						01-02-2019	410000	0	31640000
						08-02-2019	240000	0	31400000
						01-03-2019	250000	0	31150000

Sl.No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative shareholding during the year		Date	Sold	Purchased	No. of shares at the end of the year
		No of Shares held as on 01.04.2018	% of Total Shares of the Company	No of Shares Held As on 31.03.2019	% of Total Shares of the Company				
						08-03-2019	500000	0	30650000
						15-03-2019	3050000	0	27600000
						22-03-2019	125000	0	27475000
						29-03-2019	450000	0	27025000
						31-03-2019	0	0	27025000
7	SHAMYAK INVESTMENT PRIVATE LIMITED	25333230	1.05	25333230	1.05	01-04-2018	0	0	25333230
						31-03-2019	0	0	25333230
8	ENAM SECURITIES PVT LTD	20847750	0.86	24052750	1.00	01-04-2018	0	0	20847750
						08-06-2018	0	3205000	24052750
						31-03-2019	0	0	24052750
9	NEMISH S SHAH	23943930	0.99	23943930	0.99	01-04-2018	0	0	23943930
						31-03-2019	0	0	23943930
10	ELM PARK FUND LIMITED	19350000	0.80	19350000	0.80	01-04-2018	0	0	19350000
						31-03-2019	0	0	19350000

5. Shareholding of Directors and Key Managerial Personnel:

SN	Name of the Directors and KMP	Shareholding at the beginning of the year 01.04.2018		Cumulative Shareholding during the year 31.03.2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Sajjan Jindal, Chairman & Managing Directors	1000	0.00	1000	0.00
2	Mr. Seshagiri Rao MVS, Jt. Managing Director & Group CFO	223200	0.01	223200	0.01
3	Dr. Vinod Nowal, Dy. Managing Director	120560	0.00	120560	0.00
4	Mr. Jayant Acharya, Director (Commercial & Marketing)	112060*	0.00	112060*	0.00
5	Mr. Hiroyuki Ogawa	0	0.00	0	0.00
6	Mrs. Gunjan Krishna, IAS	0	0.00	0	0.00
7	Mr. Seturaman Mahalingam	0	0.00	0	0.00
8	Mr. Malay Mukherjee	0	0.00	0	0.00
9	Mr. Haigreve Khaitan	0	0.00	0	0.00
10	Dr. (Mrs) Punita Kumar Sinha	0	0.00	0	0.00
11	Mr. Harsh Charandas Mariwala	0	0.00	0	0.00
12	Mrs. Nirupama Rao	0	0.00	0	0.00
13	Mr. Rajeev Pai, Chief Financial Officer	0	0.00	0	0.00
14	Mr Lancy Varghese, Company Secretary	0	0.00	0	0.00

* 19900 shares are held jointly with spouse.

V. INDEBTEDNESS

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

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
INDEBTEDNESS AT THE BEGINNING OF THE FINANCIAL YEAR				
i) Principal Amount	14977	21204	-	36181
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	114	207	-	321
Total (i+ii+iii)				
* Addition	1980	25777	-	27757
* Reduction	20551	1367	-	21918
NET CHANGE	**18571**	**24410**	**-**	**5839**
INDEBTEDNESS AT THE END OF THE FINANCIAL YEAR				
i) Principal Amount	14246	27692	-	41938
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	111	292	-	403
Total (i+ii+iii)	**14357**	**27984**	**-**	**42341**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Amt in ₹ Crores

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Sajjan Jindal	Mr. Seshagiri Rao	Dr. Vinod Nowal	Mr. Jayant Acharya	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10.88	5.40	4.18	3.35	23.81
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.30	0.25	0.18	0.16	1.89
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify...	57.16	-	-	-	57.16
5	Others, please specify	-	-	-	-	-
	Total (A)	**69.34**	**5.65**	**4.36**	**3.51**	**82.86**
	Ceiling as per the Act (@10% of profits calculated under Section 198 of the Companies Act, 2013)	**1203.45**				

B. Remuneration to other directors

Amt in ₹ Crores

SN.	Particulars of Remuneration	Mr. K. Vijayaraghavan *	Dr.Vijay Kelkar *	Mr. Malay Mukherjee	Mr. Seturaman Mahalingam	Dr (Mrs) Punita Kumar Sinha	Mr. Haigreve Khaitan	Mr. Harsh Charandas Mariwala	Mrs. Nirupama Rao	Total Amount
1	Independent Directors									
	Fee for attending board committee meetings	0.016	0.004	0.044	0.044	0.024	0.014	0.008	0.012	0.166
	Commission	0.108	0.105	0.345	0.348	0.340	0.345	0.225	0.225	2.041
	Others, please specify									
	Total (1)	0.124	0.109	0.389	0.392	0.364	0.359	0.233	0.237	2.207
		Mr. N. Jayaram/ Mrs.Gunjan Krishna (KSIIDC Nominee)	**Mr. Hiroyuki Ogawa (JFE Nominee)**							
2	Other Non-Executive Directors									Total Amount
	Fee for attending board committee meetings	0.002	0.016							0.018
	Commission	0.310	0.340							0.650
	Others, please specify									
	Total (2)	**0.312**	**0.356**							**0.668**
	Total (B)=(1+2)									**2.875**
	Total Managerial Remuneration (Excluding Sitting Fees) - in Crores (A + B)									**85.74**
	Overall Ceiling as per the Act (@11% of profits calculated under Section 198 of the Companies Act, 2013)									**1323.80**

*Terms completed w.e.f 24.07.2018

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

₹ In Crores

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.67	1.80	2.47
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.04	0.10	0.14
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
5	Others, please specify	-	-	-
	Total	**0.71**	**1.90**	**2.61**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

ANNEXURE – C TO DIRECTORS' REPORT

FORM NO. MR- 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 March 2019

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

To,
The Members,
JSW STEEL LIMITED,
JSW Centre, Bandra-Kurla Complex,
Bandra (East), Mumbai,
Maharashtra – 400 051.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JSW STEEL LIMITED** bearing CIN: L27102MH1994PLC152925 (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. The Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act') as may be appropriately applicable for the year under review:

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

vi. All other relevant applicable laws including those specifically applicable to the Company, a list of which has been provided by the management. The examination and reporting of these laws and rules are limited to whether there are adequate systems and processes in place to monitor and ensure compliance with those laws.

We have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards

The Secretarial Standards SS-1, SS-2 and SS-3 issued and notified by the Institute of Company Secretaries of India have been generally complied with by the Company during the year under review;

(This forms part of Secretarial Audit Report of JSWSL for FY-2018-19 dated 10-05-2019).

b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has complied with the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review the Company has complied with the aforesaid provisions of the Act, Rules, Regulations, Standards, etc.

We further report that,

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

Adequate notices are given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors were carried through on the basis of majority and there were no dissenting views by any Member of the Board during the year under review.

We further report that,

Based on the information provided and the representation made by the Company and also on the review of the compliance reports of Company Secretary / Chief Financial Officer / Whole-time Director taken on record by the Board of Directors of the Company, in our opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that, during the audit period, except the events listed below no other events occurred which had any major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards and that the Company has complied with such of those relevant clauses thereto which are applicable:

- The Company has fully redeemed the following Non-Convertible Debentures during the year under review:
  1. 1750 10.50% secured Non-Convertible Debentures of ₹ 10,00,000 each
  2. 3000 9.665% secured Non-Convertible Debentures of ₹ 10,00,000 each
- During the year under review, the Company has fully redeemed 27,90,34,907, 10% Cumulative Redeemable Preference Shares (two installments in FY 2017-18 and two installments in 2018-19). The Company has also partially redeemed its 48,54,14,604, 0.01% Cumulative Redeemable Preference Shares of ₹10/- each fully paid up, in four equal installments of ₹1.25/- per share on 15.06.2018, 15.09.2018, 15.12.2018 and 15.03.2019. The Preference share capital as on 31.03.2019 is ₹ 242,70,73,020/- comprising of 48,54,14,604, 0.01% Cumulative Redeemable Preference Shares of ₹ 5/- each.
- The Company has completed acquisition of 100% equity stake in Acero Junction Holdings, Inc. (Acero) for a cash consideration of ₹ 536 crores (USD 80.85 million) along with its wholly owned subsidiary JSW Steel USA Ohio, Inc. (JSWSUO) (Formerly known as Acero Junction, Inc.) on 15 June 2018.
- Pursuant to the Corporate Insolvency Resolution process under the Insolvency Bankruptcy Code, 2016 initiated on 18 July 2017, the National Company Law Tribunal ('NCLT') on 24 July 2018 (Order date) approved (with modifications) the resolution plan submitted by the consortium of JSW Steel Limited and AION Investments Private II Limited. The consortium completed the acquisition of Monnet Ispat & Energy Limited ("MIEL") through their jointly controlled entity Creixent Special Steels Limited ("CSSL") on 31 August 2018. The Company made an investment of ₹ 375 crores through equity and redeemable preference shares in CSSL to acquire joint control in MIEL.
- The Resolution Plan submitted by the Company for Vardhman Industries Limited (VIL) was approved with some modification, by the Hon'ble NCLT New Delhi, by its

order dated 19 December 2018 under Section 31 of the Insolvency and Bankruptcy Code, 2016 (NCLT Order). The Company filed an application before the Hon'ble NCLT seeking certain clarifications/modifications to the NCLT Order. The Hon'ble NCLT, by its order dated 7 January 2019, deferred the implementation of the resolution Plan until clarifications are processed by the Regular Bench. The hearing on the Clarification Application concluded on 28 January 2019 and was reserved for orders. Meanwhile, an Appeal was filed before the Hon'ble National Company Law Appellate Tribunal ('NCLAT') on 1 February 2019. The Hon'ble National Company Law Appellate Tribunal, by its order dated 30April 2019, ("NCLAT Order") received by the Company on May 01, 2019, inter alia suggested that the Resolution Plan as approved by the Committee of Creditors may be implemented subject to final orders to be passed by the Hon'ble NCLAT on the Appeal.

- The Company through its wholly owned subsidiary in Italy, JSW Steel Italy S.r.l, completed acquisition of 100% shares each of Aferpi S.p.A ("Aferpi") and Piombino Logistics S.p.A ("PL") and 69.27% of the shares of GSI Lucchini S.p.A ("GSI") (collectively referred to as "Targets") for a consideration of ₹ 489 crores (Euro 60.70 million) towards acquisition of equity shares and ₹ 100 crores (Euro 12.38 million) towards acquisition of loans provided by erstwhile shareholders of the targets on 24 July 2018.

- The Company has acquired an additional stake of 60.004% of the share capital of Dolvi Minerals and Metals Private Limited ("DMMPL"), a subsidiary, for a cash consideration of ₹109 crores on 23 October 2018. Pursuant to the acquisition of shares of DMMPL, DMMPL along with its wholly owned subsidiary Dolvi Coke Projects Limited ("DCPL"), have become wholly owned subsidiaries of the Company.

- The Board of Directors of the Company at its meeting held on 25 October 2018, considered and approved the Scheme of Amalgamation pursuant to sections 230 - 232 and other applicable provisions of the Companies Act, 2013, providing for the merger of its wholly owned subsidiaries, Dolvi Minerals and Metals Private Limited, Dolvi Coke Projects Limited, JSW Steel Processing Centre Limited, and JSW Steel (Salav) Limited with the Company. The merger is subject to regulatory approvals.

- During the year under review, the Company has incorporated one wholly owned subsidiary, namely, JSW Retail Ltd.

For *S. Srinivasan & Co.,*
Company Secretaries

S. Srinivasan
Practicing Company Secretary
FCS: 2286
CP. No: 748

Place: Mumbai
Date: 10.05.2019

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

To,

The Members,

JSW STEEL LIMITED

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

Our Secretarial Audit report of even date is to be read alongwith this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For *S. Srinivasan & Co.,*
Company Secretaries

S. Srinivasan
Practicing Company Secretary
FCS: 2286
CP. No: 748

Place: Mumbai
Date: 10.05.2019

ANNEXURE – D TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(PURSUANT TO RULE 9 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014).

1 **A Brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs**.

A brief outline of the Company's CSR Policy and the projects/ programs undertaken are given in the Director's Report. The Company's CSR Policy is available on its webiste at www.jsw.in.

2. **The composition of the CSR Committee.**

(i) Mrs. Nirupama Rao (Chairperson)
(ii) Mr. Seshagiri Rao M.V.S., Jt. MD & Group CFO
(iii) Dr. Vinod Nowal, Dy. Managing Direcwtor
(iv) Mr. Jayant Acharya, Director (Commercial & Marketing)
(v) Dr. (Mrs.) Punita Kumar Sinha, Director
(vi) Mrs. Gunjan Kinnu - Nominee Director (KSIIDC)

3 **Average net profit of the Company for last three financial years : ₹ 3137 crores**

4 **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹63 crores**

5 **Details of CSR spent during the financial year:**

(a) Total amount to be spent for the financial year; ₹ 63 crores

(b) Total amount spent in the financial year; ₹ 63 crores

(c) Amount unspent, if any; Nil

(d) Manner in which the amount spent during the financial year 2018-19 is detailed below:

1	2	3	4	5	6	7	8
Sr. No	**CSR projects or activities**	**Sector in Which the Initiatives were Covered**	**Projects of Program (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken**	**Amount outlay (budget) project or programs wise (₹ In Crores)**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: (₹ In Crores) (as on 31st March 2019)**	**Cumulative expenditure up to the reporting period (₹ In Crores) (as on 31st March 2019)**	**Amount spent Direct or through implementing agency ***
1	Malnourishment project, Mid-day meals, Leprosy project, General Health & Cataract Camps, Drinking Water Supply, Artificial Limb Replacement , Rural Transformation Program etc.	Improving Living Conditions	Around our DIZ at Vijayanagar, Dolvi, Vasind, Salem, Tarapur. Also at Thane, Palghar & Gadchiroli	28	28	28	Direct / Implementing agency
2	School Infrastructure development and Enhancement of Quality education; Nehru Science Centre Lecture Series, School for Differently- Abled. Vocational Training Institutes	Promoting Social Development	Around DIZ at Vijayanagar, Vasind, Dolvi, Kalmeshwar, Tarapur. Also at Uttarakhand	11	11	11	Direct / Implementing agency
3	Children's Observation Home, Support to Old Age Home, Battery Operated transport for senior citizens, Empowering Self Help Groups including linkage with Microfinance, Satellite Tailoring Centre, Program for adolescent girls.	Addressing Social Inequalities	Around our DIZ at Vijayanagar, Salem, Mumbai	2	2	2	Direct / Implementing agency
4	Watershed Management, Conservation of Natural Resources, Tree Plantation, School Sanitation Program, Garbage Management, Construction of Individual toilets, Clean Fuel Stoves	Addressing Environmental Issues	Around our DIZ at Vijayanagar, Dolvi, Salem, Vasind, Kalmeshwar, Tarapur.	5	5	5	Direct / Implementing agency

ANNEXURE – D TO DIRECTORS' REPORT (CONTD)

1	2	3	4	5	6	7	8
Sr. No	**CSR projects or activities**	**Sector in Which the Initiatives were Covered**	**Projects of Program (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken**	**Amount outlay (budget) project or programs wise (₹ In Crores)**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: (₹ In Crores) (as on 31st March 2019)**	**Cumulative expenditure up to the reporting period (₹ In Crores) (as on 31st March 2019)**	**Amount spent Direct or through implementing agency ***
5	Conservation of Hampi, Restoration of various Historical Monuments	Preserving National Heritage	Around our DIZ at Vijayanagar, Dolvi-Alibaug, Mumbai.	1	1	1	Direct / Implementing agency
6	Sports Excellence Programs; Domestic/ International Training / Medical support	Sports Training	At various locations.	5	5	5	Direct / Implementing agency
7	Construction of community halls, village roads, drainages, bus shelters etc.	Rural Development Projects	Around our DIZ at Salem, Tarapur, Vasind, Dolvi, Vijayanagar.	4	4	4	Direct / Implementing agency
8	IIT-Monash	Supporting Technology Incubators	Mumbai.	1	1	1	Direct / Implementing agency
9	School toilets & community toilets	Swachcha Bharat Abhiyan	Around our DIZ at Vijayanagar, Dolvi, Vasind, Kalmeshwar, Salem, Tarapur.	3	3	3	Direct / Implementing agency
10	Overheads (restricted to 5% of the total CSR expenditure)	-		3	3	3	Direct
		TOTAL		**63**	**63**	**63**	

* CSR activities have been carried out directly and through several other private, Non-Governmental Organisations and Charitable Institutions.

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

Sd/-
SAJJAN JINDAL
CHAIRMAN & MANAGING DIRECTOR

Sd/-
NIRUPAMA RAO
CHAIRPERSON CSR COMMITTEE

Place: Mumbai
Date: May 24, 2019

ANNEXURE – E TO DIRECTORS' REPORT

Form No. AOC-2

(PURSUANT TO CLAUSE (H) OF SUB-SECTION (3) OF SECTION 134 OF THE COMPANIES ACT, 2013 AND RULE 8(2) OF THE COMPANIES (ACCOUNTS) RULES, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

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

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	JSW Steel Coated Products Limited ("JSW Steel Coated") and JSW International Trade Corp Pte Limited ("JITPL")
(b)	Nature of contracts / arrangements/ transactions	Sale/purchase of steel products to/from JSW Coated, recovery/ reimbursement of expenses, Interest income, sale of investments and Procurement of Iron Ore, Coking Coal, Coke and other raw materials from JITPL
(c)	Duration of the contracts/ arrangements/transactions	Apr'18 to Mar'19
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Value of transaction with JSW Steel Coated amounted to ₹10,502 crores and procured raw material from JITPL amounted to ₹16,038 crores during FY 2018-19
(e)	Date(s) of approval by the Board, if any	For JITPL – The Board approved transaction on 27 October, 2016 and shareholders approved this transaction through Postal Ballot by passing resolution dated 17 December, 2016. For JSW Coated – Not applicable
(f)	Amount paid as advances, if any	NIL

ANNEXURE – F TO DIRECTORS' REPORT

Information as per Section 197 of the Companies Act, 2013 read with the rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March, 2019.

Sr. No.	Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in Rs.)	Total Experience (No. of Years)	Previous Employment (Designation)
(A)	Employed throughout the year and were in receipt of remuneration of not less than Rs.1,02,00,000 per annum							
1	Sajjan Jindal	59	BE (Mechanical)	04-Jul-1992	Chairman and Managing Director	702,697,511	37	Jindal Strips Ltd. (Jt. Managing Director)
2	Seshagiri Rao M V S	61	B.Com, CAIIB, AICWA, LCS, DBF	01-Sep-1997	Jt. Managing Director and Group CFO	58,117,187	40	Nicholas Piramal (India) Ltd. (Sr. Vice President)
3	Dr. Vinod K Nowal	63	MBA,Ph.D (Inventory Management)	14-Feb-1984	Deputy Managing Director	44,895,330	40	K. M. Sugar Mills Ltd. (Factory Manager)
4	Arun Maheshwari	49	MBA (Mareketing & Finance)	20-Feb-2003	Executive Vice President - Commercial	40,686,232	27	Maketi Rolling Mills Ltd. (Manager - Business Development)
5	Jayant Acharya	56	BE (Chemical), MBA (Marketing), MSC (Physics)	01-Jul-1999	Director - Commercial & Marketing	36,179,953	36	Essar Steel Ltd. (Jt. General Manager)
6	Gautam Chainani	56	B. Sc, MMS	01-Nov-2016	Group President - Human Resources	31,991,939	33	Ultratech Cement Limited (Chief Human Resource Officer & Corp. Communication)
7	Sandeep Gokhale	56	BE (Electrical), MBA (Finance)	25-Aug-2008	President - Business Development	28,224,759	33	Mumbai International Airport Pvt Ltd (Director - Commercial)
8	Kaustubh Kulkarni	45	B. Com., MMS, CFA.	06-Nov-2017	Group Head- M&A & Strategic Financing	23,012,437	22	Standard Chartered Bank (Managing Director)
9	Dheeraj Sinha	48	BE (Electronics & Communication), MBA (Finance)	05-Jul-2016	Chief Information Officer - Information Technology	22,044,782	26	Apollo Tyres Ltd. (Group Head - CMS, IT & SCM)
10	Rajiv Bakshi	58	B. Com, LLB	04-Mar-2013	Sr. Vice President - Legal & Group Counsel General	21,410,107	34	Godrej Industries Limited (Executive Vice President - Legal)

(B) Employed for the part of the year and were in receipt of remuneration aggregating to not less than Rs.8,50,000 per month

Nil

Notes:

1. Remuneration shown above includes Salary, Performance Reward / Special Allowance, House Rent Allowance / Perquisite for Accommodation, Leave Travel Allowance, Medical Reimbursement, Perquisite for Car, Bonus, Variable Pay, Commission, monetary value of perquisites as per income tax rules and Company's Contribution to Provident Fund, but does not include Acturial Valuation of Leave Encashment, Company's Contribution to Gratuity Fund.
2. None of the employees is covered under Rule 5(3)(viii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Section 197 of the Companies Act , 2013.
3. The nature of employment in all cases is contractual except in case of Mr. Sajjan Jindal.
4. Mr. Sajjan Jindal is relative of Mrs. Savitri Devi Jindal, Chairperson emeritus of the Company.

ANNEXURE – F TO DIRECTORS' REPORT (CONTD)

Information as per Section 197 of the Companies Act, 2013 read with the rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March, 2019.

Sr. No.	Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in Rs.)	Total Experience (No. of Years)	Previous Employment (Designation)
B(i)	Employed throughout the year and were in receipt of remuneration of not less than ₹. 1.02 Crore per annum (Other Than Top 10)							
1	Ajanta Chatterjee	51	B.A., Post Graduate in Sociology	20-Oct-2015	Vice President - Human Resources	11,324,248	20	Vodafone India Ltd. (Associate Vice President - HR)
2	Ajay Gupta	49	Bachelor of Science-1990	03-Apr-2014	Pilot	13,161,070	28	Indian Navy
3	Alok Chandra	52	B.E.	14-Mar-2000	Executive Vice President - Business Development	15,028,257	31	SAIL - Bhilai (Manager)
4	Anil Kumar Singh	53	B. Sc (Engineering)	01-Dec-1994	Head - Project Monitoring & Mining Ops	18,089,899	31	B S B K Ltd. (General Manager)
5	Ashok Kumar Aggarwal	60	B. Sc (Engineering)	02-Jun-1998	President - Business Development	20,501,684	33	Essar Steel Ltd. (Jt. General Manager)
6	Ashok Venkatram Bharadwaj	60	BE (Mechanical), PGDM	20-Jul-2009	Senior Vice President	10,593,500	33	Mercedes Benz (Head - Business Sales)
7	Atulya Kumar Verma	55	BE - Metallurgy	01-Dec-2014	Senior Vice President - Project	13,748,987	28	Electronics Steel Ltd. (COO)
8	Bedraj Tripathy	48	B. Sc, PG Diploma in Business Administration	14-Apr-2017	Vice President - Steel Furniture	12,833,805	21	Godrej & Boyce Mfg. Co. Ltd.(Godrej Interio) (Associate Vice President - Advertising & Sales Promotion)
9	Balwant Ranka	52	CA, B.Com	01-Jun-2014	Vice President - Procurement & Stores	12,241,203	29	JSW Energy Ltd. (Vice President - Commercial)
10	Chandrasekhar Velagapudi	53	Bachelor of Science-1985, Master of Science-1988, Post Graduate Diploma in Business Administration-2013	20-Nov-2017	Associate Vice President - Projects (IT)	11,839,411	29	Apollo Tyres Ltd
11	Gajraj Singh Rathore	54	BE (Metallurgy)	03-Jan-1996	President Dolvi and Salav	23,184,147	33	Steel Processing Center Ltd. (Executive Vice President)
12	Haresh Dua	50	CA, B.COM, CIA, CISA, CISSP	22-May-2008	Senior Vice President - Internal Audit	14,864,014	26	Pantaloon Retail India Ltd (Chief Internal Auditor)
13	Hemang Oza	49	BE (Metallurgy)	01-Mar-2008	Senior Vice President - Sales & Marketing	10,265,891	24	Essar Steel Ltd. (Jt. General Manager - Marketing)

ANNEXURE – F TO DIRECTORS' REPORT (CONTD)

Sr. No.	Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in Rs.)	Total Experience (No. of Years)	Previous Employment (Designation)
14	Jayaraman Rajan	54	B.Com., MBA	01-Oct-1990	Senior Vice President - Corporate Planning & Imports	13,151,427	28	Indian Market Research Bureau (Field Surveyor)
15	John Kattikaren	53	BE (Civil)	02-Jun-2008	Vice President - Civil	17,001,542	31	Lupin Group Ltd. (Sr. General Manager)
16	Lokendrda Raj Singh	55	B.Tech (Metallurgy)	12-Feb-2008	Sr Vice President - Iron Zone	11,360,214	32	Kremikovelsi AD global steel holding ltd. Sofia, Bulgaria (General Manager)
17	MADHAV M R WARRIER	61	BE (Mech), ICWA	30-Sep-1998	Senior Vice President - F&A, Excise & Insurance	13,505,391	38	Ispat Industries Ltd (General Manager - Costing)
18	Manoj Mohta	48	B.Com., AICWA, CA,	14-Nov-2004	Vice President - Finance & Accounts	11,357,111	24	Aditya Birla Management Corp. Ltd. (Dy. General Manager - Management Service Division
19	Mukesh Kumar	48	Bachelor of Engineer-1992	28-Aug-2017	Vice President - Civil & Infrastructure	10,465,089	23	HZL Limited and Vedanta Aluminium
20	Murugan P K	52	B.Sc. (PCM), B.Tech (Production Engg)	17-Jan-1998	EVP-Head Commercial & Corporate Strategy	17,977,904	28	Essar Steel Ltd. (Dy. Manager)
21	Paramjit Guron	56	BA, CPL	03-Oct-2005	Executive Pilot - Aviation	17,828,535	29	Orient Flying School (Chief Pilot & CFI)
22	Partha Sengupta	61	B. Tech (Metallurgy)	01-Oct-2015	President - Corporate Services	18,499,873	33	SREI Infra and Finance Limited
23	Pawan Kedia	59	B.Com., ICWA	06-Jan-2012	Group President - Commercial Strategy	18,646,792	35	Consultant
24	Prabhakaran Chandrasekaran	44	B.Sc., CA, ICWA	24-Nov-2014	Financial Controller	13,872,335	21	Sesa Sterlite Ltd. (Associate Vice President - Finance)
25	Prabhat Kumar Ghouri	54	BE (Metallurgy)	09-May-1998	Sr. VP - TE, R&D, PDQC&CP	10,354,593	29	Essar Steel Ltd. (Deputy Manager)
26	Praveen Dixit	53	B. Sc., M. Sc., PGD (Industrial), MMM	30-Dec-1991	Senior Vice President - Sales & Marketing	11,030,488	31	Roadmaster Steel Strips Limited (Engineer - PPC)
27	Pritesh Vinay	43	B.Sc.(Engg), MMS (Finance)	15-Oct-2012	Vice President - Finance & Investors Relations	14,729,843	17	Goldman Sachs India (Executive Director - Global Investment Research)
28	Rajashekar P	61	BE (Mechanical)	13-Jul-1998	President - Operations	19,671,852	36	RINL (Manager)
29	Rajeev Pai	57	B. Com, CA, CS (Inter)	01-Dec-2000	Chief Financial Officer	19,781,350	35	Crompton Greaves Ltd. (Manager - Finance)
30	Ranganath T	57	B.Com., CA,ICWA,	08-Jun-2000	Vice President - Finance & Accounts	10,217,483	29	Punjab National Bank - Manager (Financial Analyst)
31	Ratna Prasad Venkata Atluri	59	BE (Mettalurgy)	19-Nov-2014	Sr. Vice President (Steel & Mills)	11,100,624	37	Bhushan Steel Ltd. (President)
32	Ravichandar D	62	BE (Mechanical), BE (Electrical), Diploma (Finance)	18-Nov-1994	Chief Executive Officer	18,219,115	41	Bhushan steel & Strips Limited (General Manager)

ANNEXURE – F TO DIRECTORS' REPORT (CONTD)

Sr. No.	Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in Rs.)	Total Experience (No. of Years)	Previous Employment (Designation)
33	Sadashiv Patil	61	BA, Dip. in Human Resources	29-Apr-1995	Senior Vice President - Corporate Relations	13,855,440	40	Special Steels Ltd. (Deputy Manager - Administration)
34	Sanjay Agrawal	55	B. Tech (Metallurgy)	28-Oct-2010	Senior Vice President - Sales & Marketing	11,389,674	32	Jindal Steel & Power Ltd. - General Manager (Sales & Marketing)
35	Sanjay Jayram	58	B.A. (Economics), B.E. (Mechanical), Diploma in export Mgt.	03-Apr-2006	Executive Vice President - Sales & Marketing	16,493,204	33	Essar Steel Ltd. (General Manager)
36	Sanjay Sharma	53	BE (Metallurgy)	01-Apr-2005	Senior Vice President (Mills)	10,703,983	27	Tata Steel Limited (Sr. Manager - Production)
37	Satya Prakash	52	B. Tech.- Electr. , EMBA-Operation	16-Mar-2005	Vice President - Operations	11,530,106	30	Bokaro Steel Limited (Sr. Manager)
38	Shankar Pratap Singh	55	B.Sc. Engineering Mechanical	20-May-1995	Senior Vice President - Projects	12,339,840	28	Comet Steels Ltd., Nanded, Maharashtra
39	Shiv Hukku	55	B.Sc., PG Diploma	18-Oct-2011	Senior Vice President - Sales & Marketing	13,448,162	31	Tata Steel Limited (Head Marketing - Flat Products)
40	Sreenivas Krishnan	55	B.A., MBA,	16-Feb-2011	Vice President	11,903,554	32	Indian Navy - Commander
41	Sriram K S N	49	CA, ICWA, B.Com	06-Oct-2000	Vice President	11,471,779	25	Bermaco Group (Sr. Manager - Accounts & Finance)
42	Sunil D Kathariya	58	BE	24-Apr-1995	Senior Vice President -Projects 18MT, Strcl, CMD, I-Shop	11,630,298	34	Lecuturer at Engineering College
43	Sushil Nowal	52	B.Com., MBA (Mktg), EDM	01-Jan-1989	Senior Vice President - Planning & Logistics	12,127,896	32	Jindal Strips Ltd. (Marketing Assistant)
44	Vijaykumar Patidar	59	B.E.-Electricals	07-Jan-1992	Senior Vice President - Project	17,110,068	36	Electrotech Engg. (Partner)
45	Vinay Shroff	55	BE- Chemical	22-Apr-2010	Executive Vice President - Sales & Marketing	20,069,348	32	Reliance Industries Ltd. (Senior Vice President - SCM & Business Head - Logistics)
46	Vineet Agrawal	46	BE (Electronics & Telecom), M.Tech (Management & Systems)	11-Feb-2011	Senior Vice President & Group Head - Direct Taxation	16,160,941	22	Reliance Power Ltd. (Vice President - Taxation)

ANNEXURE – F TO DIRECTORS' REPORT (CONTD)

Sr. No.	Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in Rs.)	Total Experience (No. of Years)	Previous Employment (Designation)
B (ii)	Employed for the part of the year and were in receipt of remuneration aggregating to not less than ₹. 8.5 Lacs per month (Other Than Top 10)							
1	H R Lal	64	B.Sc., PGD In Social Work (Labour Welfare), LLB	08-Apr-2004	Senior Vice President - (HR & Admin.)	14,036,610	41	SAIL (Jt. Director - Estate Management)
2	Mohan Babu Thirukkoteeswaran	56	Bachelor of Engineering-1985, Diploma-1994	23-Aug-2018	Vice President - Operations	6,181,401	22	Arcelor Mittal Kryviy Rih
3	N Gopalakrishna	61	B.Sc., LLB., DPM, MBA, MBL.	01-Oct-2014	Vice President - Legal	1,695,869	34	Hindustan Zinc Limited - (Vice President Legal)
4	P R Kole	58	B.Com, CA, LLB	01-Oct-1988	Senior Vice President - Finance & Accounts	9,521,109	33	BDPL Group (Accounts Executive)
5	Raj Kumar Sureka	60	B. Com., FCA, FICWA, CS (Inter)	01-Feb-1997	Senior Vice President - Finance & Accounts	13,054,791	42	Balasore Alloys Limited (General Manager - Commercial)
6	Ravi Kumar Sabharwal	54	Bachelor of Law-1992, Company Secretary-1991	14-Dec-2018	Vice President - Legal	5,291,081	20	Hero Motorcorp
7	Vijay Sinha	49	B.A. , PGD (Business Mgmt)	01-Dec-2018	Sr. Vice President (HR & Admin)	4,154,737	25	JSW Energy Ltd. (Sr. Vice President (HR & Admin.)

Notes:

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

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

3. The nature of employment in all cases is contractual except in case of Mr. Sajjan Jindal.

4. Mr. Sajjan Jindal is relative of Mrs. Savitri Devi Jindal, Chairperson emeritus of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

JSW Steel - Organisational overview

JSW Steel Ltd. (JSW Steel), the flagship company of the $14 billion JSW Group, is an Indian integrated steel major. The Company has an installed capacity of 18 MTPA across seven state-of-the-art manufacturing facilities in India.

The Company also develops and markets margin-accretive, value-added and special products (VASP), such as Galvanised and Colour Coated products, Special Bars and Special TMT, among several others. They find increasing applications in automobile, construction and appliances industries. The Company also has a strong domestic retail presence, with over 9,500 direct and indirect outlets, and exports to over 100 countries across five continents.

JSW Steel was included in the National Stock Exchange's benchmark index of India's top 50 companies, Nifty50 in September 2018, which is a testament to its growing size and scale, and ability to consistently create value for its stakeholders. A similar recognition was the Deming Prize, the world's most coveted recognition for quality, awarded to the Company's Vijayanagar facility during the year.

JSW Steel is driven by integrated thinking and follows a multi-capital approach to value creation. Driven by the credo of 'Better Everyday', the Company continuously engages in cost and operating efficiency improvement programmes across its facilities, which results in lower operating costs, better quality and higher profitability. JSW Steel is one of the most efficient steel producers in the world with conversion cost in first quartile.

At the heart of efficiency lies the Company's strong sourcing strategy. JSW Steel has invested in a robust backward integration programme by securing six iron ore mines in recent open mine auctions in the state of Karnataka. The Company has acquired facilities in the US and Italy, and picked up a joint controlling stake in Monnet Ispat & Energy Limited through the IBC (Insolvency and Bankruptcy Code) process.

JSW Steel has initiated a strategic capex plan of ₹48,715 crore through to FY 2021-22 towards augmenting the installed capacity to 24 MTPA from the current 18 MTPA, reducing costs and improving the sales mix.

JSW Steel maintains an unwavering focus on environment, health and safety (EHS), and engages continuously with the communities who are in the direct impact zones of its operations. The Company's Corporate Social Responsibility (CSR) initiatives go way beyond compliance and play a crucial role in uplifting the lives and livelihoods of those impacted.

JSW Steel quick facts

Installed capacity : **18 MTPA**

Exclusive and non-exclusive Retail outlets : **9,500+**

Capex plan FY 2017-18 to FY 2021-22 : **₹48,715 crore**

Manufacturing facilities in India - **7**

Acquisitions : **3**

Iron ore mines : **6**

1. Economic review

1.1 GLOBAL ECONOMY

Moderating growth across the globe

CY 2018 started on an optimistic note with global growth expectations pegged at 3.9%, driven by strong economic activity and policy-level interventions. In the first half of the year, economic growth remained robust backed by the US fiscal stimulus plan rolled out in December 2017 and the resilient emerging markets. A steady global oil consumption and rally in oil prices also supported the growth.

However, in the second half of CY 2018, fears of trade wars among major economies, especially between the US and China, weighed on the growth momentum significantly. In addition to trade wars, geopolitical tensions across regions proved as headwinds. The world economy grew at 3.6% in CY 2018 comparable to CY 2017 levels but below 3.9% expected at the start of the year.

3.6%

World Economic Growth in CY 2018

The Eurozone witnessed slowdown in growth due to political uncertainties like Brexit and the disruption of automobile production in Germany caused by the new emission norms. The region also witnessed softening of overall external demand from emerging Asia. This was further met with a drop in investment in Italy due to widening sovereign spreads.

In the Far East, Japan was hit by natural disasters. China's growth declined following a combination of much needed regulatory tightening to rein in shadow banking and an increase in trade tensions with the United States. Emerging market economies such as Argentina and Turkey remained stressed.

That said, through the middle of CY 2019, global growth is likely to witness a modest recovery as the economies currently engaged in trade wars have also initiated high-level dialogues to resolve the contentious issues.

Source: International Monetary Fund (IMF)

1.1.1 Outlook

The International Monetary Fund (IMF) expects the global economic growth to further slow down to 3.3% in CY 2019, as the issues that plagued the major economies in the second half of CY 2018 are likely to spill over to the first half of CY 2019 and the effects of US policy stimulus are likely to taper off. Growth is likely to gradually pick up and stabilise at 3.6% in CY 2020, as the central banks of most major economies shift to a more accommodative policy stance and China ramps-up its economic stimulus to minimise the impact of increased tariffs.

Region-wise growth outlook estimates

Country / Region	2017	2018	2019	2020 (E)
	(%)	(%)	(%)	(%)
World	3.8%	3.6%	3.3%	3.6%
AME's	2.4%	2.2%	1.8%	1.7%
EME's	4.8%	4.5%	4.4%	4.8%
ASEAN	5.4%	5.2%	5.1%	5.2%
US	2.2%	2.9%	2.3%	1.9%
EU-28	2.7%	2.1%	1.6%	1.7%
China	6.8%	6.6%	6.3%	6.1%
Japan	1.9%	0.8%	1.0%	0.5%
Russia	1.6%	2.3%	1.6%	1.7%
India	7.2%	7.1%	7.3%	7.5%

(Source: IMF's World Economic Outlook - April 2019)

The World Trade Organisation (WTO) expects global merchandising trade volume growth to slow to 2.6% in CY 2019 from 3.0% in CY 2018, but could rebound to 3.0% in CY 2020, as the trade tensions subside. The short- and medium-term outlook appears positive, and international bodies including the IMF have urged the member countries not to escalate trade tensions or tighten policies that could affect the current situation. There is a broad-level consensus on this, though the challenge for them would be to contain inflationary tendencies while endorsing a neutral to accommodative monetary policy.

1.2. INDIAN ECONOMY

India remains the fastest growing major economy

The Indian economy grew at 6.8% and remained the world's fastest growing major economy despite a visible slowdown in the fourth quarter of FY 2018-19 (April 2018-March 2019).

Since 2012, India has outperformed the global growth trend

Year	Global GDP growth rate (%)	Indian GDP growth rate (%)	Difference
2012	3.5	5.5	2.0
2013	3.5	6.4	2.9
2014	3.6	7.4	3.8
2015	3.4	8.0	4.6
2016	3.4	8.1	4.7
2017	3.8	7.2	3.4
2018	3.6	7.1	3.5

(Source: IMF's World Economic Outlook - April 2019)

6.8%

India's Economic Growth in FY 2018-19

Consumption remained the larger driver, supported by rising disposable income and subsequent increases in spending. Rural demand grew on the back of higher disposable income, increase in minimum support prices (MSPs) and a normal monsoon. Technology, led by a pervasive mobile network, was also a huge enabler for consumption. Structural reforms such as the Goods and Services Tax (GST) have paved the way for a more formalised and organised economy. These factors, combined with a rebound in credit growth, spurred investment during the fiscal.

The government's infrastructure push is visible across the country. Large-scale metro rail projects; dedicated freight corridors and transport ways network through the '*Bharatmala Pariyojana*'; and port development through the *'Sagarmala'* programme are progressing in full swing. This has resulted in an increase in Gross Fixed Capital (GFC) formation.

GFC formation grew by 10.0% in FY 2018-19, up from 9.3% in FY 2017-18.

Government programmes boosting development

The Indian government has rolled out several initiatives, such as the National Mineral Policy and National Electronic Policy, to fast-track development. Similarly, the Agriculture Export Policy was introduced with a mandate to double agriculture exports to $60 billion by 2022.

The Union Budget (interim) have also announced several initiatives aimed at socioeconomic development and enhancing consumption. These include direct income support schemes for small and marginal farmers, income tax provisions for exemption till ₹5 lakh and pension programmes for the unorganised sector.

India jumped 23 places to rank 77 on the World Bank's Ease of Doing Business Index, which testifies to the Indian government's focus on making the country an attractive investment destination. India was ranked 58 by the World Economic Forum in terms of competitiveness out of 170 economies. India jumped five places in the competitive index (as per previous methodology), the highest gain among all G20 countries and topped in South Asia.

77

India's Ease of Doing Business Rank

Average industrial production witnessed marginal growth. As per the latest (April 2019) available data, the eight core industries together grew at 4.3% in FY 2018-19 with cement, steel, fertiliser and refinery products bolstering the index. The eight core industries account for ~41% of India's Index of Industrial Production (IIP).

Prices remained largely benign, led by food articles and oil. Headline consumer price inflation (CPI) remained under the targeted 4%. Overall, CPI inflation fell from 3.7% in August-September 2018 to 2.86% in March 2019, after touching a low of 2.0% in January 2019. This has a bearing on overall growth and employment. Liquidity tightness was evidenced by high credit-deposit ratios and elevated corporate bond spreads.

During the year, the financial services industry went through a turbulent phase. NBFCs in particular, experienced a liquidity crisis owing to asset-liability issues, the fallout of which was evident in pessimistic investor sentiment and an overall constrained access to capital.

The liquidity tightness prompted the RBI to cut the repo rate by 25 bps to 6%, the second cut in three months, making India the only economy in Asia to have had implemented two consecutive policy rate cuts. The combined 50 bps cut also reflected the RBI's intent of infusing liquidity to kickstart the economy which is experiencing a soft patch.

India's forex reserves remained buoyant, at $411 billion during the last week of March 2019. Merchandise exports grew by 8.75% y-o-y to $331.06 billion and services exports rising 17% y-o-y to $204.7 billion (Source: Ministry of Commerce and DGFT).

1.2.1 Outlook

According to the IMF, India is expected to grow at 7.3% in CY 2019 and 7.5% in CY 2020, driven by a continued recovery in investment (9.4% growth) and robust consumption. Going forward, the Indian economy is expected to contribute 13.7% to total world economic growth, which is higher than that of several developed countries, including the US (Source: Bloomberg).

With the general election overhang now behind us and a stable government elected at the centre, any uncertainty around policy continuity or visibility has subsided. Continued economic reforms, along with efforts to reduce public debt, is a prerequisite for the country's growth. Given the strong mandate, the government is likely to push through key structural reforms towards its ambition of making India a $5 trillion economy by 2024.

2019-2020 World economy growth contribution (Intl $)

Country	Contribution
China	28%
India	13.7%
U.S.	10.5%
All other economies combined	22.5%
Indonesia	3.4%
Russia	2.1%
Brazil	2%
Germany	2%
Japan	1.8%
Egypt	1.4%
South Korea	1.4%
U.K.	1.4%
Mexico	1.3%
France	1.3%
Turkey	1.3%
Phillipines	1.1%
Saudi Arabia	1%
Thailand	1%
Spain	1%
Canada	0.9%
Bangladesh	0.9%

(Source: IMF's World Economic Outlook - April 2019)

7.5%

India's expected growth rate in CY 2020

2. Industry review

2.1 GLOBAL STEEL INDUSTRY

Steel demand and supply rise; utilisation improves

Global steel demand grew by 2.1%* in CY 2018, largely driven by China, coupled with an investment-led recovery in the advanced economies. Global crude steel production reached 1,808.6 million tonnes (MnT) in CY 2018, up 4.6% from CY 2017 levels, pushing capacity utilisation above 70%. (source: Worldsteel)

Steel spreads were stronger in the first half of CY 2018, driven by strong economic activity and further supported by on going trade tensions between major economies. In the second half of CY 2018, moderation in the global economic growth led to softening of steel prices, thereby adversely impacting the spreads.

In terms of trade protectionism, the US adopted strong safeguards while Europe imposed a quota system. As a result, countries like China were displaced from these markets.

US trade protection shifts global steel market dynamics

The US proclaimed Section 232 on imports of steel and aluminium by imposing a 25% and 10% duty, respectively, for select countries including India, citing national security concerns. The US advocacy to promote domestic steel for domestic consumption has led to a growing threat of trade diversion, igniting a global trade friction spanning China and Europe. This is likely to spill over to other economies and trade beyond steel.

EU steel import curbs continue

In July 2018, the European Union imposed a tariff-rate quota by which a duty of 25% was applicable whenever the level of imports breached the quota set at the three-year average of trade inflows, plus 5%. Initially announced as a provisional move, the cap will remain effective on all steel imports until July 2021. The quota has impacted automotive manufacturers in the region who have been dependent on imported steel. Going forward, as the US government's stance on import curbs and tariffs stiffens and the import quota in the EU continues, it is expected to pose headwinds for the steel sector globally.

Supply-side structural reforms by China to streamline capacities

China has taken a conscious call to close excess and inefficient capacities across various core sectors including steel and coal. Between 2016 and 2020, the country has set a steep target of closing down 200 MnT of inefficient capacity. Till 2017, China had already closed down 115 MnT of steel capacities. This, coupled with the restructuring of the 140 MnT induction furnace capacities, has benefitted market sentiment, pricing power, and bottom-lines of most Chinese steel producers.

Global steel trade updates

a. China's steel exports down from 72 MnT in CY 2017 to 69 MnT in CY 2018, from a peak of 112 MnT in CY 2015

b. Japan's exports fell 37.5 MnT in CY 2017 to 35.8 MnT in CY 2018, from a peak of 41 MnT in CY 2015

c. Korean exports declined from 31 MnT in CY 2017 to 30 MnT in CY 2018; imports fell sharply from a peak of 23 MnT in CY 2016 to 15 MnT in CY 2018

d. US imports continued to fall, from 34 MnT in CY 2017 to 31 MnT in CY 2018, after peaking at 41 MnT in CY 2014

e. In Europe, third country imports increased from 42 MnT in CY 2017 to 46 MnT in CY 2018

Source: Worldsteel

On average, metal prices rose 6% in CY 2018 (Source: World Bank), dragged down by broad-based tariffs imposed by the US on China's imports in the second half. Heightened trade tensions dampened market sentiments for global trade and investment prospects. Following the specific tariffs announcement, prices of steel and aluminium recouped in the US.

** Note: China closed most of its outdated induction furnaces in 2017, a category which was generally not captured in official statistics. With closure of the induction furnaces, the demand from this sector of the market is now satisfied by mainstream steel makers and therefore captured in the official statistics in 2017. Consequently, the nominal growth rate for steel demand in China increased to 7.9% or 835 MnT. Disregarding this statistical base effect Worldsteel expects that the underlying growth rate of China's steel demandfor 2018 will be 2.0%, which will make the corresponding global growth rate 2.1%. (Source : Worldsteel)*

World crude steel production - summary

Millon tonnes (MnT)	2018	2017	2018/2017 %
Europe of which:	311.8	311.7	0.0
EU (28)	168.1	168.5	-0.3
CIS	101.3	100.9	0.3
North America of which:	120.5	115.8	4.1
United States	86.7	81.6	6.2
South America	44.3	43.7	1.3
Africa	16.1	15.1	7.2
Middle East	38.5	34.5	11.7
Asia of which:	1271.1	1203.2	5.6
China	928.3	870.9	6.6
Japan	104.3	104.7	-0.3
Australia/New Zealand	6.3	6.0	5.9
World	**1808.6**	**1729.8**	**4.6**

** Note: The world and regional production figures in this table includes estimates of other countries that only report annually.*

Top 10 steel-producing countries

Country	2018(MnT)	2017(MnT)	% 2018/2017
China	928.3	870.9	6.6
India	106.5	101.5	4.9
Japan	104.3	104.7	-0.3
United States	86.7	81.6	6.2
South Korea	72.5	71.0	2.0
Russia (e)	71.7	71.5	0.3
Germany (e)	42.4	43.3	-2.0
Turkey	37.3	37.5	-0.6
Brazil	34.7	34.4	1.1
Iran (e)	25.0	21.2	17.7

While China leads production volumes with more than 51% share, India displaced Japan as the world's second largest steel producer at the start of CY 2019. According to Worldsteel, India's crude steel production in CY 2018 was at 106.5 MnT, up 4.9% from 101.5 MnT in CY 2017. Japan produced 104.3 MnT in CY 2018, down 0.3% from CY 2017 levels.

2.1.1 Outlook

Worldsteel expects global demand for finished steel to grow by 1.3% in CY 2019 to touch 1,735 MnT and by 1.0% in CY 2020 to 1,751.6 MnT.

Top 10 countries in 2015 and 2020

TOP 10 (2015)	
Country	**Steel Demand (MnT)**
China	672.3
United States	96.1
India	80.2
Japan	63
South Korea	55.8
Russia	39.8
Germany	39.3
Turkey	34.4
Mexico	24.9
Italy	24.5

TOP 10 (2020)	
Country	**Steel Demand (MnT)**
China	834.9
India	110.2
United States	101.7
Japan	64.2
South Korea	54.1
Russia	42.2
Germany	41
Turkey	32
Italy	27
Mexico	26.1

Steel demand, finished steel (SRO April 2019)

	2018 (MnT)	2019 (MnT)	2020 (MnT)	18/17 (%)	19/18 (%)	20/19 (%)	2020 as % of 2007
World	1712.1	1735.0	1751.6	4.9/2.1	1.3	1.0	143.0
China	835.0	843.3	834.9	7.9/2.0	1.0	-1.0	199.5
United states	100.2	101.4	101.7	2.5	1.3	0.3	93.9
European union (28)	169.7	170.2	172.2	4.3	0.3	1.2	84.9
India	96	102.8	110.2	4.3	7.1	7.2	214.1
Japan	65.4	64.7	64.2	3.7	-1.0	-0.8	78.1
South Korea	53.6	53.4	54.1	-1.2	-0.4	1.3	98
Russia	41.2	41.6	42.2	0.7	1	1.5	104.5
Turkey	30.6	29.1	31.4	-14.9	-4.9	8.0	132.1

China, which accounts for the largest share of global steel demand, is being supported by a mild fiscal stimulus. This stimulus should act as a counterbalance to the ongoing China-US trade tensions. China's domestic steel demand growth is thus projected to remain flattish, at 1% to reach 843 MnT in CY 2019. After the implementation of trade restrictions, US steel demand is expected to grow 1.3%. Demand across Europe will likely remain subdued at 170 MnT in CY 2019, or exhibit marginal growth.

Emerging economies exhibit a positive, mixed outlook. Asia is expected to showcase a stellar performance, MENA and CIS could witness subdued growth and Latin America is likely to recover. India, with its increased focus on infrastructure development, should continue to witness an upward trend in domestic demand. Industry-wide consolidations and opening up of raw material sources continue to drive efficiencies, incentivising steel production.

Emerging trends in steel

Recyclability of steel

Steel is the world's most recycled material and it maintains an average of 86% recyclability. Its metallurgical properties allow it to be recycled continually with no degradation in product performance. A considerable proportion of steel demand can thus be met using converted steel scrap and this trend is gaining prevalence across the globe and is making inroads in India too.

Globally, scrap steel finds its recycled applications in several industries, including automobiles. On an average, recycled steel contribute to 25% of steel used in cars worldwide. Global ferrous scrap availability stood at about 750 MnT in CY 2017, 84% of which was recycled by the global steel and foundry casting industries. By 2030, the global scrap availability is expected to touch 1 billion tonnes and by the mid of the century, reach 1.3 billion tonnes.

In India overall ferrous scrap usage is expected to rise to 22.36 MnT in 2023.

Lightweighting of steel

Lightweight, high-strength and high-tensile steel is being demanded by customers worldwide. They result in better efficiency in areas where it finds applications. Indirectly they also contribute to the reduction of greenhouse gas emissions.

Lightweight steel finds increasing applications in automobiles, aviation and wind energy sectors. Together with lightweight aluminium and carbon fiber, high-strength and lightweight steel is expected to create a global market of 300 billion euros.

Consequently, value engineering has taken centre stage, with an objective to explore different material mixes and grades and achieve development of lighter and stronger products.

To summarise, CY 2019 and CY 2020 will likely witness global steel demand continuing on its growth path, with growth trends moderating in tandem with a slowing economy. Any escalation of the ongoing trade tensions, increase in inflationary pressure and tightening of US and EU monetary policies could elevate market volatility and pose downside risks to the forecast. The overall outlook, however, remains optimistic.

Trade action and their impact on steel market

Global trade is an important growth enabler for any sector. According to a BCG analysis, global steel exports have been growing in absolute terms for the past 70 years. The advantages of this uninterrupted steel trade helped provide seamless steel supply, lower material costs to steel consuming sectors like construction and automotive, and affordable products for consumers. In the last couple of years, the global steel industry has witnessed many trade restriction and safeguards imposed by various economies.

According to the World Trade Organisation, the number of antidumping duty orders in force on specific countries' steel exports has been rising by around 10% a year since 2012. In 2018, the US imposed a 25% tariff on steel imports. In response, the European Union and Canada moved to safeguard their own producers from a surge in steel imports. Though these safeguards have bolstered production and capacity utilisation in the domestic industry, they have had a negative impact on the sectors like construction, automotive, and infrastructure.

Steel prices have risen, thereby raising material costs for some industries with no added room to pass on the cost to consumers. Moreover, they have created uncertainties and discouraged companies from signing long-term contracts. As for foreign suppliers, they have become less competitive in lucrative steel markets, impacting their profit margins.

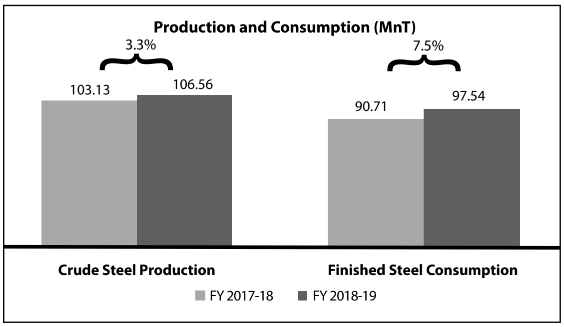
These restictive measures are needed to safeguard the interests of domestic producers, but they need to be implemented with a view to not completely stonewall quality producers and the focus should be to maintain a level-playing field.

The actions have also driven global steel manufacturing companies to put in place robust risk mitigation strategies and incorporate agility in operations to meet temporary headwinds and create opportunities of growth.

2.2 INDIAN STEEL SECTOR

Demand driven by infrastructure; production and capacities rise

India's crude steel production grew 3.3% to 106.56 MnT in FY 2018-19, making it the world's second largest steel producer, behind China. Steel exports fell 26.4% to 8.54 MnT as global demand weakened due to geopolitical uncertainties and additional tariffs on imports by the US. Finished and semifinished steel imports rose by 4.6% to reach 8.79 MnT. The domestic market saw rising imports from China, Japan and Korea.



Source: Joint Plant Committee

Performance highlights - Indian Steel Industry

(Source: Joint Plant Committee Report, March 2019)

- Steel demand growth at 7.5% y-o-y (to 97.5 MnT) outpaced production growth at 3.3% y-o-y (to 106.6 MnT) in FY 2018-19.
- Total finished steel imports rose 4.6% to 8.8 MnT, displacing 15% of flat steel demand, 9% of total Indian steel demand.
- Indian exports plummeted 26% to 8.5 MnT in FY 2018-19 due to increased protectionism across the world.
- Per capita steel consumption rose from 69 kg to 73 kg; demand for flat products grew 4.2% while that for long products grew 10.4%. The share of flat and long products remained unchanged at 46% and 54%.

During FY 2018-19, domestic steel consumption increased 7.5% to 97.54 MnT, primarily driven by government expenditures on infrastructure (the central and state governments' infra spending pegged at ₹7-8 lakh crore). The infrastructure, construction and real estate sectors accounted for 60-65% of domestic steel consumption.

Infrastructure boost in Union Budget (interim) FY 2019-20:

- Infrastructure sector was allocated ₹4.56 lakh crore.
- Communications was allocated ₹38,637 crore to develop post and telecommunications departments.
- Indian Railways was allocated ₹66.77 billion; of this, ₹64.59 billion was set aside for capital expenditures.
- ₹83,016 crore was allocated towards road transport and highways.
- ₹3,899 crore to increase capacity of Green Energy Corridor Project along with wind and solar power projects.
- ₹8,350 crore to boost telecom infrastructure.

2.2.1Raw materials

2.2.1.1 Iron ore

The central government auctioned 19 iron ore mines, which will benefit the Indian steel industry by lowering its dependence on iron ore imports.

In FY 2018-19, iron ore imports surged 157% y-o-y in the nine-month period to 11.5 MnT. However, from August 2018, due to the strengthening of the USD, the spreads between landed costs and domestic iron ore prices narrowed. Consequently, the volume of iron ore imports also softened.

In India, iron ore prices mirror the global trend, which peaked at $88/tonne in January and February 2019, its highest since August 2014, due to concerns about supply disruptions. However, the strengthening of the USD narrowed the spread between landed costs and domestic iron ore prices, contributing to a fall in imports. Domestic iron ore production is expected to rise by 2-5%, which should be sufficient to meet domestic demand. However, this needs to be supported with measures that prioritise domestic consumption over exports.

2.2.1.2 Coal

The steel industry has two categories of coal requirement – coking coal and thermal coal (for captive power plants). Thermal coal requirements are met through domestic production, but coking coal needs to be imported, as the coal available domestically has a higher ash content and a lower calorific value.

52.26 MnT

India's coking coal imports in CY 2018

In CY 2018, India imported 52.26 MnT of coking coal, up 14% from 45.93 MnT in CY 2017, primarily driven by the restriction on usage of petroleum coke, an alternative to coal, in some parts of the country.

2.2.2 Outlook

Worldsteel forecasts overall steel demand in India to grow above 7% in CY 2019 and CY 2020. Demand is likely to grow to 100-105 MnT, with per capita consumption improving to 75-76 kg, driven by heavy infrastructure spending and faster economic growth. Worldsteel also forecasts that at the current rate, India would overtake the US in terms of demand.

There is a strong correlation between India's demand for steel and GDP growth. For example, if GDP growth remains above 5%, steel demand would grow above 5.5%. If GDP growth falls below 5%, steel demand growth would fall below 4%. As India is expected to grow at 6-8% at least for a decade, steel demand is likely to grow at 7%, implying that the country would need to produce an additional 7 MnT of steel. To meet this enhanced demand, the steel sector could see investments to the tune of $10 billion.

However, India's steelmakers face persistent threats of cheaper imports and lower domestic prices. The ongoing trade disputes and the global economic slowdown are routing Asian steel inventory to India, negatively impacting the country's steelmakers. Since, certain trade remedial actions have become irrelevant, imposition of safeguard duty is the need of the hour to stop such imports and corresponding injury to the domestic industry.

The government is likely to take tariff and non-tariff measures to address the issue. It has already asked automakers to cut imports. The list of locally made steel for use in government infrastructure projects is being augmented, along with more stringent quality control norms for all steel products. The government could auction more iron ore mines to increase raw material supply security.

Going forward, India's steel producers are likely to rely more on robust domestic demand to maintain healthy margins. Margins could also be improved through production of high-end value added steel. The ongoing industry consolidation is expected to drive efficiency.

3. Business review

Performing better. Everyday.

In FY 2018-19, JSW Steel achieved its highest-ever crude steel production of 16.69 MnT, up 3% y-o-y. Domestic sales volume grew 11% y-o-y to 13.2 MnT, well above Indian steel consumption growth of 7.5% y-o-y, driven by the increase in market share to 13.6% with primary focus on Southern and Western regions to increase realisations. The higher-margin Value Added and Special Products (VASP) accounted for over 53% of sales volume at 8.3 MnT in FY 2018-19. Sales to the auto sector grew 20%, significantly above the automobile sector growth rate of 6%.

During the year, export markets witnessed a turbulent phase. Weighing the opportunity in India, the Company strategically shifted its focus to domestic markets and maintained its sales momentum. Compared to 77% in FY 2017-18, 85% of the sales were directed at domestic markets in FY 2018-19.

Domestic-export ratio

Year	Domestic	Exports
FY 2018-19	85%	15%
FY 2017-18	77%	23%

3.1 STRATEGIC FOCUS AREAS

In line with the Company's philosophy of 'Better Everyday', the Company has identified strategic focus areas which will help its continuous improvement journey. These include:

1. Increase EBITDA/tonne profitability
   - Commissiong of the Coke oven battery at Dolvi through Dolvi Coke Projects Limited to eliminate procurement of coke
   - Increase Pulverized Coal Injection (PCI) to reduce coke intake
   - Use captive iron ore replacing the high cost imported iron ore
   - Diversification of coal procurement basket and optimising coal cost by dynamic coal blend change
   - Reduce logistics costs by port optimisation and usage of cape vessels to reduce freight costs
2. Build capacities in light of rising steel demand
   - A large-scale capex plan initiated
   - Both upstream and downstream capacities being augmented

3. Continuously improve the share of VASP in the portfolio
   - Focusing on high-tensile, lightweight steel development
   - Value engineering to design state-of-the-art steel for automobiles
4. Aggressively pursue backward integration with iron ore mine acquisitions
   - Six mines won in the recent auctions and three are operationalised
   - More auctions are expected and JSW Steel will proactively participate to derive cost and logistical benefits
5. Introduce Industry 4.0 technologies in plant operations
   - Appointed a Chief Digital Officer
   - Robotics, IoT and sensor-based systems installed

3.2 PRODUCT PERFORMANCE

JSW Steel's best-in-class technology and sustained R&D initiatives help deliver customised and innovative offerings. The Company remained strategically focussed on enriching its product mix by increasing the volume and share of high-margin VASP in its portfolio.

Product mix change year-on-year

	FY 2017-18	FY 2018-19
Hot rolled	42%	44%
Cold rolled	14%	13%
Long	23%	24%
Galavanised	11%	10%
Colour-coated	4%	4%
Semi	6%	5%

** Note: including volumes of JSW Steel Coated Products Limited – a 100% subsidiary of JSW Steel Limited*

3.2.1 Flats

JSW Steel produces flat sheet products that include slabs, hot-rolled coils, cold-rolled coils and coated products like galvanised, galvalume and colour coated. Flat products maintained a 71% share in the product mix, with domestic growth of 9% y-o-y.

3.2.1.1 Hot rolled

A wide variety of hot rolled (HR) products are manufactured in Hot Strip Mills (HSMs) of Vijayanagar (Karnataka) and Dolvi (Maharashtra). Vijayanagar Works has an installed capacity of 3.2 MTPA and 5 MTPA for HSM-1 and HSM-2, respectively. The capacity at Dolvi Works stands at 3.6 MTPA, where India's first CONARC process was implemented for steel manufacturing. In FY 2018-19, Hot Rolled Coils (HRCs) constituted 44% of the Company's product portfolio.

Key sectors

JSW Steel continues to cater to the construction & infrastructure, industrial & engineering, pipes & tubes, automotive, consumer durables and energy sectors with its HR products. During FY 2018-19, HR domestic sales increased 11% y-o-y.

Product development

Sector	Grades	Application
General Engineering	High Strenght low Alloy (S550MC)	Mobile Equiment (Boom and Spreader), Seat Recliner Plate (Cars)
Automotive	High strength Low Alloy (HS 800)	Long member (for HCVs)

3.2.1.2 Cold Rolled

Cold rolled (CR) steel products are manufactured at Vijayanagar Works. The CR products segment has a 13% share in the total product mix, and witnessed an overall domestic growth of 12% y-o-y.

Key sectors

Cold rolled products in India are majorly consumed by the automotive, industrial and engineering sectors.

3.2.1.3 Electrical steel

Electrical steel finds application across sectors such as electric motors, generators, nuclear power stations, power generation plants, domestic appliances, transformers and automotive electricals. Electrical steel sales increased by 17% y-o-y driven by consumer durables, heavy industrial motors and traction motors.

Product development

Sector	Grades	Application
Electrical Lamination	35C270	Transformer
Electrical Lamination	35C270	Generator

3.2.1.4 Galvanised

JSW Steel is the largest manufacturer and exporter of galvanised steel in India, and the first supplier of products with higher coating (550 gsm) to the solar sector in the country.

Galvanised products comprised 10% of the product portfolio in FY 2018-19. The product is differentiated with features like high strength, resistance to corrosion, eco-friendly, durable and lightweight.

Key sectors

Galvanised products in India are largely consumed by the construction and infrastructure sectors, and consumer durables, appliances, panel and duct manufacturers. In FY 2018-19, sales to the solar sector was nearly 64 KT.

Product development

Sector	Grades	Application
Automotive	JAZ (JAC270D) IS15961	Outer body panel
	YS 350	Bus body stretch panel
General Engineering	High Strength (S350GD) Z600 (600 GSM Zinc coating)	Food grain silo

3.2.1.5 Colour Coated

Colour coated products comprised 4% of the product portfolio in FY 2018-19, with domestic sales growth of 4% y-o-y.

Key sectors

The overall growth was driven by the construction and rural sector, aided by the Company's brand building and consumer education drive to identify original JSW coated sheets.

3.2.2 Longs

JSW Steel manufactures a variety of long products such as TMT bars, wire rods, and special alloy steel. The product segment comprised 24% of the product portfolio in FY 2018-19. During the year, long products' domestic sales increased by 14% y-o-y.

3.2.2.1 TMT

TMT rebars are manufactured in Vijayanagar Works and Dolvi Works. They comprise 16% of the product portfolio. During the year, total domestic sales volume increased by 16% y-o-y. JSW Neosteel, the TMT brand, increased penetration in the semi urban and rural areas.

Key sectors

JSW Neosteel was used in major projects in the country, ranging from metro rail, Indian Railways, mega housing, aerospace, defence, port and airport, expressway and highway, and critical atomic power. Neosteel also catered to prominent educational institutions, hospitals, IT parks and high rises. JSW Neosteel is the best quality TMT bar range available in India. Manufactured from virgin iron ore in state-of-the-art rolling mills, JSW Neosteel TMT bars are free from impurities and have uniform properties.

3.2.2.2 Wire rods

Wire rods are manufactured at Vijayanagar Works and Salem Works comprising 4% of the product portfolio with domestic sales growth of 8% y-o-y.

3.2.2.3 Alloy steel

Alloy steel products are manufactured at JSW Salem Works. The Company is the largest domestic producer of spring steels flats, alloy steel rounds and bars, alloy steel wire rods and spring steel flats.

3.3 RETAIL INITIATIVES

JSW Steel has over 9,500 retail outlets, covering 575 districts across India, making it one of the largest retail steel networks in the country. The Company also engages with over 26,700 influencers annually in over 3,000 meets. To exhibit JSW Steel's product capabilities, the Company participated in more than 30 conferences and exhibitions.

3.3.1 Brand building

The Company has been undertaking focussed brand-building initiatives on JSW Neosteel (TMT Bars), JSW Colouron+ and JSW Pragati (Colour Coated), JSW Vishwas (GC Sheets), JSW Galveco (Lead free GC sheet) and JSW Everglow (Color Coated).

JSW Retail facilitates marketing and selling of steel products, including flat products (coated steel products) and long products (TMT). JSW Retail was created to renew focus on branded products, network expansion and strengthen feet-on-the-street presence.

JSW Colouron+ continued to be the leading Color Coated Brand in the country by market share. The Company undertook a large-scale influencer awareness campaign to educate them on identifying genuine products and launched an advertisement campaign across regional channels to create awareness about the brand.

JSW Galveco is a customised, lead-free galvanised steel which is RoHS (Restriction of Hazardous Substances) compliant. This brand caters to appliances customers looking for environment friendly and quality steel.

3.3.2 Customer connect

JSW Steel shares a strong bond with its customers. To strengthen and celebrate this bond, an OEM customer meet was organised at Hyderabad and an annual channel conference for JSW Shoppe Connect dealers was organised in Jaipur and Kochi. These events served as a platform for the dealers to network and discuss market dynamics and challenges. A Coated OEM customer meet was organised in Pune. They were given a virtual tour of the Vijayanagar plant to showcase the plant's innovative technologies.

3.3.2.1 Awards from OEM customers

1. JSW Steel received a Certificate of Appreciation from the global auto major Toyota Kirloskar, for meeting all quality standards for CY 2018.
2. JSW Steel received a certificate of appreciation from Honda for Outstanding Support in Sales Promotion.
3. JSWSCPL received award from IFB for outstanding support.
4. JSWSCPL received Best Supplier Award from Samsung.
5. JSWSCPL received award from LG for outstanding support.

4. Operational review

4.1 VIJAYANAGAR WORKS

JSW Vijayanagar Works is the world's sixth largest steel plant with an installed capacity of 12 MTPA. The plant is one of the world's most efficient in terms of conversion cost.

4.1.1 Key features

1. Location advantage

JSW Vijayanagar Works is located 380 kilometres from Bengaluru at the Toranagallu village in North Karnataka, in the Bellary-Hospet iron ore belt. It is well-connected to the Goa and Chennai ports. It is a fully integrated steel plant with a well-developed township. The Company won six iron ore mines in open auctions and Vijayanagar is directly connected to those mines.

2. Technologically adept

Vijayanagar Works uses state-of-the-art technology to optimise its operations, profitability per tonne and environmental footprint. Some of them are:

a. Ambient air control temperature: To create the toughest, most durable steel

b. Corex technology: Used for high smelting intensity and hence high productivity for steel and hot metal production

c. Pair-cross technology: To minimise thrust force and wear between contacting work roll and back up roll

d. KR process adoption: Uses lime-based desulphurisation to lower sulphur level and meet customers' demand that requires less than 20ppm of sulphur in their operations

3. Robust logistics management

Being India's largest single location integrated steel plant, Vijayanagar Works engages in heavy logistics activity, both inbound and outbound. In fact, the Vijayanagar logistics team handles the highest volumes in a single location steel plant in India.

40.6 MTPA

Raw material received at Vijayanagar

16.7 MTPA

Finished goods dispatched from plant (steel + slag)

4.1.2 Highlights of FY 2018-19

- Achieved highest-ever hot metal production, with Blast Furnace (BF)-4 producing 3.54 MTPA, the highest by any furnace in India.
- Attained the highest-ever flat steel production; Mill-3 produced 5.05 MTPA.
- Optimised operating cost through key initiatives like:
  - Increase in Pulverized Coal Injection (PCI) in furnaces, thus replacing the need for high priced coke.
  - Optimised coke oven blend with the introduction of coke fine.
- Process improvements which reduced coke fine generation.
- Continued focus on environmental initiatives led to lower-than-target energy consumption.
- Strict adherence to safety standards and improved employee awareness reduced the lost time injury frequency rate (LTIFR) to 0.28.

- JSW Steel signed a long term tariff contract (LTTC) with the South Western Railways (for Vijayanagar, Dolvi and Salem Works).

Deming Award for Vijayanagar Works

The Deming Prize was given to nine organisations globally in CY 2018 for outstanding practices in managing continuous improvements across functions. JSW Steel was one of the proud recipients for Vijayanagar Works.

The following factors contributed to winning the Award:

1. Indigenously developed TQM framework and governance structure
2. Indigenously developed capability development framework for enhancing human resource capability, leading to enhanced motivation levels of employees
3. New product development system, reuse of water and technologies to proactively recycle waste, boosted by human resource development.
4. Proactive deployment of CSR activities to bring benefit to the local society under the 'create economic value by creating social value' policy.

Programmes that received commendation during the Deming Prize assessment:

- 0757: A shop-floor mantra to engage all employees to the common goal of 0 Injury, 0 Defect, 0 Breakdown and 0 Incidents, by eliminating 7 industrial wastes, institutionalising 5S, by using 7 basic problem-solving tools.
- 4i: A unique problem-solving methodology.
- 4iJ3: A capability building programme for creating Change Leaders for the future. The programme creates individual plan to develop problem-solving capability by training them on statistical analysis tools while providing training on managerial and interpersonal skills.
- 8S: An employee engagement programme that covers communication, training and development, problem solving, reward and recognition, and knowledge management.
- J1+ : A capability building programme for frontline employees.

4.1.3 Key projects

Vijayanagar Works witnessed the development of the following key projects during FY 2018-19:

Commissioned

- Operationalised three iron ore mines acquired as part of the iron ore auction process, this is in line with the backward integration strategy to source iron ore locally.
- In order to transport iron ore from the mine to the plant, JSW Steel installed a 24 km-long pipe conveyor belt. This has helped the Company ensure that there is no spillage of raw material while eliminating the need for diesel trucks for transportation, which has further lowered the Company's environmental footprint and minimised road accidents.
- A new Water Reservoir of 1.3 TMC storage capacity ensures adequate supply of water for uninterrupted operations of the plant, mitigating an operational risk as Vijayanagar is a water-scarce region.
- A Tailing Beneficiation plant which helps reduce tailing losses and improves iron content in the feed to Pellet and Sinter plants.
- Additional Coal Injection system and relining of Stove #4 part of BF-3 has helped reduce fuel consumption substantially.

Under implementation

- Downhill conveyors from newly acquired mines up to the ore yard and remaining segments of the pipe conveyor system to ensure improved connectivity and seamless transport of raw material.
- Coke drying unit at BF-1 to reduce coke moisture utilising waste heat from Sinter Plant-1 off gases.
- A new Cut to Length (CTL) line to meet demand of sized steel products.
- Addition of a new 160T Zero Power Furnace and 1 x 1.4 MTPA Billet Caster along with associated facilities at SMS-3 to enhance steelmaking capacity to 13 MTPA.

4.1.4 Capacity expansion roadmap

1. **Capacity augmentation to 13 MTPA**

   Objective: Upgrade BF-3 capacity to 4.5 MTPA hot metal, enhance SMS capacity, augment existing HSM and Wire Rod Mills to support enhanced BF-3 capacity

   Expected commissioning: March 2020

A VISION TO EXECUTE BETTER. EVERYDAY.

2. **CRM 1 complex capacity expansion**

Objective: CRM 1 complex capacity will be increased from 0.85 MTPA to 1.80 MTPA along with two Continuous Galvanising Line of 0.45 MTPA each, a new 1.2 MTPA Continuous Pickling Line for HRPO products

Expected commissioning: March 2020

3. **Cost reduction projects and manufacturing integration**

Objective: Integrate manufacturing processes at Pellet plant (8 MTPA) and Coke oven battery (1.5 MTPA)

Expected commissioning: March 2020

4.1.5 R&D initiatives in FY 2018-19

The Company enhanced existing processes and developed new ones to reduce overall costs, maximise quality, optimise energy and utilise wastes.

- Implemented predictive model in COREX furnaces to maximise metallisation and improve productivity.
- Developed heat balance model in Blast Furnace 3 and 4 to optimise fuel consumption and improve process efficiency.
- Developed chemical reagent to improve bentonite binder properties to reduce binder consumption.
- Optimised pre-heating temperature of pellet plant to reduce cracks, improve pellet strength and increase pellet productivity.

4.1.6 Looking forward

Vijayanagar Works has set out a robust future road map to achieve an even higher operational efficiency in FY 2019-20. Given below are select focus areas where work is ongoing.

- Higher emphasis on Green initiatives during technology upgrades.
- Implementing technologies that utilise the least amount of water.
- More collaborative efforts with academic institutes to address pressing needs such as devising methods to capture CO2 and convert to useful fuels and to convert non-coking coal to coking coal.
- Generate applications to create wealth from wastes.
- The Company has also planned logistics projects, which include:
    1. A Logistics Control Room to act as the central controlling node for all logistics – inbound, in-plant and outbound.
    2. RFID for yard management will enable 100% visibility of finished goods inventory movement.
    3. Electrification of railway yards for faster operations.
    4. Road Trans Hub that can handle up to 5 MTPA road dispatches at plant boundary to nearly eliminate in-plant truck movements and ensure a quicker turnaround.
    5. European design for steel loading – first ever in India to reduce damage rate and improve dispatch efficiency.

4.1.7 Priorities for FY 2019-20

- Operationalisation of the remaining mines acquired as part of the iron ore auction process to secure 20% of the iron ore requirements.
- Commissioning of the downhill conveyors from newly acquired mines up to the ore yard and remaining segments of the pipe conveyor system to ensure improved connectivity and seamless transport of raw material.
- Sustained usage of PCI to reduce coke usage
- Successful completion of capacity expansion to 13 MTPA
- Participation of iron ore and coal mines auction to ensure sustained raw material availability for manufacturing

4.2 DOLVI WORKS

The 5 MTPA integrated steel plant at Dolvi is advantageously located on the West coast of Maharashtra. The plant is connected to a jetty that can handle cargo of up to 15 MTPA. JSW Dolvi Works is India's first steel plant to adopt a combination of Conarc Technology for both steel-making and compact strip production (CSP), aiding production of hot rolled (HR) coils.

The facility is undergoing a large-scale ramp-up to double its steel production capacity. Dolvi is the only primary producer of long products in Western India. A substantial quantity of HR coils produced in Dolvi is sent to JSW's downstream facilities for value addition.

4.2.1 Highlights of FY 2018-19

Eight new grades were developed/customised at Dolvi.

- Cost-effective API (X65 and X70) grade steel through CSP route with impact and DWTT at sub-zero temperature (up to -40 Degree C) for line pipe application (both sweet and sour).
- Billets for E450 grade TLT angle and E350 grade TLT angle with impact properties at -40 Degree C.
- Replaced damaged ducts in Sinter Plant-1, leading to improved collection of dust emissions during material handling.
- Raw Material Yard concreting was done to control material loss and to avoid moisture pick up.

4.2.2 Key projects

Commissioned

- Digitalisation initiatives to reduce set up time for processes and thus improve productivity of SMS.
- Installation of cameras to capture the timing of processes in SMS. The cameras help in capturing delays and in identifying reasons for the delays.

Under implementation

- 175 MW WHRB and 60 MWCPP to harness flue gases and steam from Coke Dry Quencher (CDQ).
- Coke Projects Phase 2: Second line of 1.5 MTPA coke oven battery along with CDQ.

4.2.3 R&D initiatives in FY 2018-19

- Optimisation of green pellet arrangement and process parameters in lab scale muffle furnace to simulate plant scale process.

  Outcome: Development of critical R&D infrastructure which will be useful for future research projects.

- Maximisation of FMG percentage in sinter feed mix.

  Outcome: Resulted in better knowledge regarding usage of low grade high goethetic iron in sinter.

- Mathematical model developed for predicting temperature history and phase transformation occurring in TMT rebar during QST process.

  Outcome: Optimising process parameters of BRM and developing new grade of TMT rebars.

4.2.4 Capacity expansion

- By March 2020, JSW Steel Dolvi Works is expected to commission operations at double its current capacity. The expansion project is notable for being undertaken at a rapid pace within a limited available land area.
- The capacity expansion would install a 4.5 MTPA Blast Furnace with a 5 MTPA Steel Melt Shop and a 5 MTPA Hot Strip Mill. The plant would also have a 5.75 MTPA sinter plant, a 4 MTPA pellet plant and 4 kilns of 600 TPD LCPs.

4.2.5 Looking forward

- Successful completion of capacity expansion to 10 MTPA.
- Continued focus on conservational initiatives and incorporation of new technologies that can reduce environmental footprint. Emissions will be made compliant not just with the local regulations, but also with European standards.
- Focus on safety to reduce untoward incidents and cap LTIFR to 0.3.

4.2.6 Priorities for FY 2019-20

- Successful completion of capacity expansion to 10 MTPA.
- Sustained usage of PCI in blast furnace to reduce coke usage.

4.3 SALEM WORKS

JSW Salem Works is located at the strategic crossroads of Chennai and Bangalore. Well connected to railways, ports and highways, this facility manufactures virgin special steel products and supplies primarily to the automobile sector. Producing more than 850 special grades of steel, Salem Works is the largest homegrown special steel plant with a 1 MTPA capacity.

Crucial technology processes and energy utilisation systems sets the Salem facility apart. It is one of few plants to use Energy Optimising Furnace (EOF) to produce steel, use waste heat to generate more than 70% of captive power, utilise 100% of its wastes and use phased array technology to detect internal defects. For Salem, FY 2018-19 was a year of major environmental initiatives to drive operational excellence.

4.3.1 Highlights of FY 2018-19

A total of 13 new grades were developed at Salem Works for various applications including automotive, gear, textile carding, rock drill and agricultural utility. Three of them are industry firsts, developed by the in-house R&D team.

In terms of intellectual property, the plant accomplished the following:

- Process development for making paver blocks from steelmaking slags.
- Control of macro inclusions in micro alloyed steel through process modifications.
- Low temperature deformation of carbon steel, micro alloyed steels and high carbon steels slags.

4.3.2 Key projects

Commissioned

- Implemented de-dusting systems at various areas to keep emissions in check
- Developed tyre washing unit to control dust generated through truck movement
- Installed third billet grinding machine to improve surface finish of billets for cold head quality and free cutting steels.
- Commissioned BF-1 Stove to maintain higher hot blast temperature, thereby reducing fuel costs
- Augmented Sinter Plant-2 capacity to increase agglomerated burden in blast furnace

4.3.3 Looking forward

Salem Works will focus on the following areas:

- Install a conveyor system to handle raw materials from wagon tippler.
- Build MPI Inspection facilities with grinding station at Line 04.
- Implement liquid oxygen backup system for emergency supply of oxygen to SMS.
- Create oxygen facility for increasing oxygen enrichment in blast furnace.

5. Financial review

5.1 STANDALONE

For the steel industry, the year began with a strong underlying demand and rising international prices, which resulted in higher spreads and ensured better profitability. However, towards the second half, on-going trade disputes between US and China and slowdown across some of the developed economies, led to softening of the prices and demand for steel globally. Despite the headwinds, global steel demand expanded 2.1% in 2018.

Cash flows and profitability in FY 2018-19 was driven by stronger steel spreads, as the increase in finished steel products prices was higher than the increased price of principal raw materials like iron ore and coking coal.

In the first half of FY 2018-19, the demand for steel remained positive owing to continued government spending on infrastructure. Towards, the last two quarters, activities surrounding the national election led to restrained investment activity. However, the domestic demand for steel during FY 2018-19 sustained a growth and increased by 7.5%. Steel imports increased by 4.7% specifically in coated products. However, steel exports from India reduced by 26.4%, due to subdued international demand and various trade measures. Higher spreads during the year, was on back of robust steel demand in the domestic markets and the benign macro-economic activities.

In this competitive environment, the Company continued to increase the market share in the domestic market by strategically focusing on increasing domestic sales volume.

This robust domestic demand, focussed cost reduction, backward integration and healthy mix of value added portfolio helped the Company deliver strong operational and profitable performance during FY 2018-19.

5.1.1 Highlights of FY 2018-19

	2018-19	2017-18	Change
Revenue from operations	76,727	67,723	13%
Other income	519	213	144%
Operating EBITDA	18,403	13,741	34%
Operating EBITDA margin (%)	24%	21%	16%
Depreciatinon and amortisation expense	3,397	3,054	11%
Interest Expenses	3,708	3,591	3%
Profit before Exceptionl Items	11,817	7,309	62%
Exceptionl Items	-	234	-100%
PAT	8,259	4,625	79%

JSW Steel reported its highest-ever production, shipments, revenue and EBITDA during FY 2018-19. The Company produced 16.69 MnT of crude steel, up 3% y-o-y. Production volume was higher by 3% with the Vijayanagar and Salem units achieving higher utilisation levels. Overall capacity utilisation was 93%.

Revenues increased 13% y-o-y to ₹76,727 crore, primary due to higher realisations. The Company's saleable steel volume grew by 1% y-o-y to 15.76 MnT with domestic sales volume growth at 10% outpacing India's overall steel consumption growth of 7.5%.

The Company reduced costs by switching to secondary benchmarks for coal, strategic switch to low Fe imported iron ore, operationalising three iron ore mines and utilising captive iron ore, and increasing usage of PCI coal in blast furnace to reduce fuel consumption.

The increased realisations and cost optimisation initiatives helped the Company report an operating EBITDA of ₹18,403 crore, up 34% y-o-y, operating EBITDA margin of 24%, and net profit after tax of ₹8,259 crore.

Net gearing was at 1.03 as on 31 March 2019 (vis-à-vis 1.27, as on 31 March 2018) and Net Debt to EBITDA stood at 1.97x as on 31 March 2019 (as against 2.59x as on 31 March 2018).

5.1.2 Revenue analysis

(₹ in crore)

	2018-19	2017-18	Change	Change %
Domestic Turnover	66,841	54,869	11,972	22%
Export Turnover	7,928	11,366	(3,438)	-30%
Total Turnover	74,769	66,235	8,534	13%
Other Operating Revenues	1,958	1,488	470	32%
	76,727	**67,723**	**9,004**	**13%**

Product wise quantity break-up (Mt)

	2018-19	2017-18	% Growth
Products			
Rolled products – Flat	11.29	11.17	1%
Rolled products – Long	3.69	3.55	4%
Semis	0.78	0.90	-13%
Total Saleable Steel	**15.76**	**15.62**	**1%**

Saleable steel sales volume for the year grew by 1% YoY to 15.76 MnT, driven by domestic sales.

Revenue from operations for FY 2018-19 stood at ₹76,727 crores, up 13% YoY. This revenue was mainly driven by higher average realisations on the back of improved price realisations.

JSW Steel continued to improve its market share as domestic sales surged to 13.9 MnT in FY 2018-19, an increase of 10% YoY compared to 7.5% YoY increase in Indian steel demand.

During the year, export markets witnessed a turbulent phase. Weighing the opportunity in India, JSW Steel strategically shifted its focus to domestic markets and maintained its sales momentum. Compared to 77% in FY 2017-18, 85% of the sales were contributed by the domestic markets in FY 2018-19.

Other operating revenue was higher by ₹470 crore compared to FY 2017-18, primarily due to higher incentive benefits recognised in FY 2018-19 due to upward revision in incentive rates in the GST regime as compared to the previous year where the incentive benefits was recognised only for a period of nine months and increase in regional sales and realisations.

5.1.3 Other income

₹(in crore)

	2018-19	2017-18	Change	Change %
Other Income	519	213	306	144%

Other income was higher primarily due to the receipt of dividend income from its subsidiaries and increase in interest dividend income from subsidiaries.

5.1.4 Materials

₹(in crore)

	2018-19	2017-18	Change	Change %
Cost of materials consumed (including changes in inventories of finished goods and work in progress)	39,899	37,470	2,429	6%

The Company's expenditure on material consumption increased 6% y-o-y to ₹39,899 crore on account of a 3% increase in production volumes and increase in raw material prices, especially iron ore and coal, and the impact of an unfavourable local currency movement on imported raw materials.

5.1.5 Employee benefits expenses

₹(in crore)

	2018-19	2017-18	Change	Change %
Employee Remuneration and Benefits	1.400	1,260	140	11%

Employee benefits expenses increased by 11% y-o-y to ₹1,400 crore, largely due to annual increase in compensation for employees and increase in headcount to 12,599 employees at end-March 2019, from 11,619 employees at end-March 2018.

5.1.6 Manufacturing and other expenses

₹(in crore)

	2018-19	2017-18	Change	Change %
Other Expenses	17,025	13,993	3,032	22%

Manufacturing and other expenses increased 22% y-o-y to ₹17,025 crore, primarily due to an increase in power and fuel cost, stores and spares consumption, and hedging cost. Power and fuel cost increased 20% y-o-y by ₹975 crore on account of additional power purchases and higher steam coal prices. Stores and spares consumption increased by 35%, largely due to an increase in prices of electrodes and refractories. The hedging cost was higher as the Company covered its exposures largely through forwards.

5.1.7 Finance cost

₹(in crore)

	2018-19	2017-18	Change	Change %
Finance Cost	3,708	3,591	117	3%

Finance cost increased by 3% y-o-y to ₹3,708 crore. The margin increase in finance cost was primarily due to increased working capital requirements, which was driven by a rise in inventories owing to increase in key inputs and receivables. Overall, a tighthened liquidity scenario, higher steel prices and blockage of Government receivables, all led to a rise in finance cost. Total borrowings as on 31 March 2019 stood at ₹41,937 crore, up from ₹36,181 crore, as on 31 March 2018.

5.1.8 Depreciation and amortisation

₹(in crore)

	2018-19	2017-18	Change	Change %
Depreciation and amortisation	3,397	3,054	343	11%

Depreciation and amortisation increased 11% y-o-y to ₹3,397 crore due to additional depreciation on asset capitalisation for new projects and normal capex. Accelerated depreciation was charged on certain assets discarded / to be discarded due to expansion / modification/setting up of new facilities.

5.1.9 Exceptional items

₹(in crore)

	2018-19	2017-18	Change	Change %
Exceptional items	-	234	(234)	-100%

There were no exceptional items during FY 2018-19. A subsidiary of the Company surrendered one of its iron ore mines in Chile in FY 2017-18 considering its economic viability. Accordingly, the Company reassessed the recoverability of loans to and investments made and recognised an impairment provision of ₹234 crore, disclosed as an exceptional item in the previous year.

5.1.10 Tax expense

Tax expense increased to ₹3,558 crore in FY 2018-19 from ₹2,450 crore in FY 2017-18 primarily on account of higher tax provisions due to an increase in profit before tax during the current year. The effective tax rate decreased to 30.11% from 34.63%, primarily due to the availment of certain tax incentives in FY 2018-19.

5.1.11 Property, plant and equipment

₹(in crore)

	2018-19	2017-18	Change	Change %
Tangible assets	49,245	49,503	(258)	-1%
Capital work-in-progress	9,577	3,071	6,506	212%
Intangible assets	172	65	107	165%
Intangible assets under development	344	321	23	7%
Total	59,338	52,960	6,378	12%

Net block of Property, Plant and Equipment increased by ₹6,378 crore primarily on account of capital expenditure for capacity expansion from 5 MTPA to 10 MTPA at Dolvi and investments in CRM 1 expansion at Vijayanagar and other capacity augmention and cost-saving projects.

5.1.12 Investments

₹(in crore)

	2018-19	2017-18	Change	Change %
Investments in subsidiaries, associates and joint ventures	4,853	3,848	1,005	26%
Other Investments	1,424	1,030	394	38%
	6,277	4,878	1,399	29%

The increase in investments was primarily due to acquisitions made during the year. The Company invested ₹536 crore in Acero Junction Holding Inc. in June 2018, ₹399 crore in Creixent Special Steels Limited for investing in Monnet Ispat and Energy Limited in August 2018 and ₹359 crore in its subsidiary Dolvi Mineral and Metals Private Limited.

5.1.13 Loans and advances

₹(in crore)

	2018-19	2017-18	Change	Change %
Long-term loans and advances	7,674	5,165	2,509	49%
Short-term loans and advances	136	158	(22)	-14%
Total	7,810	5,323	2,487	47%

Loan and advance increased primarily due to loans provided to certain overseas subsidiaries for acquisitions, working capital, capital expenditure and other general corporate purposes.

5.1.14 Other financial assets

₹(in crore)

	2018-19	2017-18	Change	Change %
Non- Current Other Financial Assets	45	746	(701)	-94%
Current Other Financial Assets	2,621	503	2,118	421%

Decrease in non current other financial assets is primarily due to reclassification of certain receivable of subsidiaries to current other financial assets.Current other financial assets increased primarily due to non receipt of GST incentive benefits recognised during the year and previous years

5.1.15 Other non-financial assets

₹(in crore)

	2018-19	2017-18	Change	Change %
Other Non Current Assets	3,364	2,299	1,065	46%
Other Current Assets	1,999	3,070	(1,071)	-35%

Other non-current assets increased by ₹1,065 crore primarily due to an increase in capital advances for projects being executed. Other current assets decreased primarily due to decrease in advances given to suppliers.

5.1.16 Inventories

₹(in crore)

	2018-19	2017-18	Change	Change %
Raw Materials	4,975	4,774	201	4%
Work-in-Progress	476	690	(214)	-31%
Semi Finished/ Finished Goods	3,229	2,826	403	14%
Production Consumables and Stores & Spares	1,919	1,792	127	7%
Total	10,599	10,082	517	5%

The average inventory holding as on 31 March 2019 for finished goods was unchanged at 20 days. However, overall inventory holding fell to 66 days for FY 2018-19 from 70 days a year earlier. Value of inventories increased by 5% due to higher cost of raw materials like coal and iron ore and spares.

5.1.17 Trade receivables

₹(in crore)

	2018-19	2017-18	Change	Change %
Total Debtors	6,828	4,770	2,058	43%
Less: Provision for Doubtful debts	(82)	(78)	(4)	5%
Trade Receivables	6,746	4,692	2,054	44%

The average collection period as on 31 March 2019 was 33 days, up from 26 days as on 31 March 2018, primarily on account of increase in steel prices FY 2018-19 and extended credit due to stressed liquidity conditions.

5.1.18 Borrowings

₹(in crore)

	2018-19	2017-18	Change	Change %
Long Term Borrowings	26,748	29,551	(2,803)	-9%
Short Term Borrowings	5,368	2,172	3,196	147%
Current Maturities - Debt	9,404	4,099	5,305	129%
Current Maturities - Finance Lease	417	359	58	16%
Sub Total	41,937	36,181	5,756	16%

Long-term borrowings (including current maturity of long term debt) increased by ₹2,560 crore mainly due to availment of new loans for capacity expansion projects.

5.1.19 Trade payables

₹(in crore)

	2018-19	2017-18	Change	Change %
Acceptances	8,926	8,098	828	10%
Other than acceptances	4,126	5,890	(1,764)	-30%
Total Trade payables	13,052	13,988	(936)	-7%

Trade payables decreased by 7% primarily due to decrease in imported raw material creditors

5.1.20 Other financial liabilities

₹(in crore)

	2018-19	2017-18	Change	Change %
Other Non Current Financial Liablities	1,015	698	317	45%
Other Current Financial Liabiities (excluding current maturities of long term borrowings and finance lease obligations)	3,965	2,653	1,312	49%

Increase in other non current financial liabilities is primarily due to increase in retention money for capital projects. Other current financial liabilities (excluding current maturities of long term borrowings and finance lease obligations) has increased mainly due to increase in payable for capital projects.

5.1.21 Capital employed

Total capital employed increased by 11% from ₹65,986 crore as on 31 March 2018 to ₹73,098 crore as on 31 March 2019.

Return on capital employed was at 21.6% for FY 2018-19.

5.1.22 Own funds

Net worth increased from ₹27,907 crore as on 31 March 2018 to ₹35,162 crore as on 31 March 2019.

The book value per share was ₹145.47 as on 31 March 2019 as against ₹115.45 as on 31 March 2018.

5.1.23 Other key financial indicators

Ratios	2018-19	2017-18	Change	% Change
Debtors Turnover (no. of days) *	33	26	7	26.9%
Inventory Turnover (no. of days)	66	70	(4)	-5.7%
Interest Coverage Ratio **	5.40	4.05	1.35	33.3%
Current Ratio	0.81	0.76	0.05	6.6%
Debt Equity Ratio	1.19	1.30	(0.11)	-8.5%
Operating EBITDA Margin (%)	24.0%	20.7%	3.3	16.0%
Net Profit Margin (%) ^	10.8%	7.0%	3.80	54.3%
Return on Net Worth#	23.5%	16.6%	6.90	41.6%

Notes:

* Increase was primarily on account of increase in steel prices in FY 2018-19 and extended credit due to stressed liquidity conditions

**The increase in Interest Coverage Ratio has improved by 33% primarily due to the increase in EBITDA during the year

^ Change in net profit margin is due to increased profitability in FY 2018-19 driven by stronger steel spreads. The EBITDA increased by ₹ 4,662 crore (34% increase). However, the interest and depreciation charge remained at similar levels as compared to previous year.

Return on Net worth is higher due to increase in profitability in FY 2018-19 by 79%

5.2 Consolidated

The Company reported consolidated revenue from operations, operating EBITDA and net profit after tax of ₹84,757 crore, ₹18,952 crore, and ₹7,524 crore, respectively. The Company's consolidated financial statements include the financial performance of the following subsidiaries and joint ventures.

5.2.1 Subsidiaries

1. JSW Steel (Netherlands) B.V.
2. JSW Steel Italy S.r.l.
3. JSW Steel (UK) Limited
4. Periama Holdings, LLC
5. JSW Steel (USA), Inc.
6. Purest Energy, LLC
7. Meadow Creek Minerals, LLC
8. Hutchinson Minerals, LLC
9. RC Minerals, LLC

10. Keenan Minerals, LLC
11. Peace Leasing, LLC
12. Prime Coal, LLC
13. Planck Holdings, LLC
14. Rolling S Augering, LLC
15. Periama Handling, LLC
16. Lower Hutchinson Minerals, LLC
17. Caretta Minerals, LLC
18. JSW Panama Holdings Corporation
19. Inversiones Eroush Limitada
20. Santa Fe Mining S.A.
21. Santa Fe Puerto S.A.
22. JSW Natural Resources Limited
23. JSW Natural Resources Mozambique Limitada
24. JSW ADMS Carvão Limitada
25. JSW Steel Processing Centres Limited
26. JSW Bengal Steel Limited
27. JSW Natural Resources India Limited
28. JSW Energy (Bengal) Limited
29. JSW Natural Resources Bengal Limited
30. JSW Jharkhand Steel Limited
31. JSW Steel Coated Products Limited
32. Amba River Coke Limited
33. Nippon Ispat Singapore (PTE) Limited
34. Erebus Limited
35. Arima Holdings Limited
36. Lakeland Securities Limited
37. Peddar Realty Private Limited
38. JSW Steel (Salav) Limited
39. JSW Industrial Gases Private Limited
40. JSW Utkal Steel Limited
41. Hasaud Steel Limited
42. Milloret Steel Limited (till 27 August 2018)
43. Creixent Special Steels Limited (till 27 August 2018)
44. Dolvi Minerals & Metals Private Limited
45. Dolvi Coke Projects Limited
46. JSW Realty & Infrastructure Private Limited
47. JSW Retail Limited (w.e.f 20 September 2018)
48. Acero Junction Holdings, Inc. (w.e.f 13 June 2018)
49. JSW Steel USA Ohio, Inc. (Previously known as Acero Junction Inc.) (w.e.f 13 June 2018)
50. Aferpi S.p.A (w.e.f 24 July 2018)
51. Piombino Logistics S.p.A (w.e.f 24 July 2018)
52. GSI Lucchini S.p.A (w.e.f 24 July 2018)

5.2.2 Jointly controlled entities:

53. Vijayanagar Minerals Private Limited
54. Rohne Coal Company Private Limited
55. Geosteel LLC
56. JSW Severfield Structures Limited
57. JSW Structural Metal Decking Limited
58. Gourangdih Coal Limited
59. JSW MI Steel Service Center Private Limited
60. JSW Vallabh Tinplate Private Limited
61. Acciaitalia S.p.A. (till 17 April 2018)
62. Creixent Special Steel Limited (w.e.f 28 August 2018)
63. Milloret Steel Limited (w.e.f 28 August 2018 till 31 August 2018)
64. Monnet Ispat & Energy Limited (w.e.f 31 August 2018)

6. Energy management

Steel production is an energy-intensive process. However, steel manufacturing processes generally engage exothermic (heat-producing) reactions. The heat from these reactions, if captured well, can be repurposed for energy requirements.

JSW Steel has been at the forefront of optimising its energy usage, which has a direct impact on its bottom-line and also reduces environmental impacts. With the brownfield expansions underway, the Company's energy requirements are proportionally increasing. The Company has undertaken several initiatives improve its energy management systems across facilities.

JSW Steel Energy Policy

JSW Steel strives for global recognition and excellence by achieving the lowest specific energy consumption and taking proactive steps to combat climate change.

The Company is committed to:

- Continuously improving its energy performance through resource optimisation, deployment of the latest technologies and cost-effective use of energy.
- Driving energy conservation and increasing efficiency of operations through deployment of innovative and reliable processes, which enable effective reuse, recycle and reduction of resources.
- Performing beyond compliance with all the applicable statutory, regulatory and business requirements.
- Training and engaging with relevant stakeholders in building responsible behaviours in usage of energy and facilitating installation of energy efficient plant, equipment and other resources for future expansions.
- Harnessing green, clean or renewable energy sources.

6.1 CONTINUOUS IMPROVEMENT IN ENERGY MANAGEMENT

JSW Steel is working towards maximising the available waste heat recovery through implementing best-in-class heat recovery systems, regular audit for process optimisation, increased utilisation of process generated by-product gases and minimise dependency on external purchased fuel. It also endeavours to increase the overall plant efficiency through deployment of total quality management practices, linked to specific energy consumption (SEC) targets. Incentives and key result areas (KRAs) of the senior management and the individual departments are also linked to the energy performance indicators.

With a mission to set a benchmark for other steel plants with regard to carbon footprint reduction and emissions, the Company is investing in extensive green belt development through tree plantation in and around the plants to enable carbon dioxide sequestration and derive other benefits like dust control and better landscape.

JSW Steel has set up a state-of-the-art Energy Management Centre equipped with a supervisory control and data acquisition (SCADA) system that gathers all plant site energy information by remote Programmable Logic Controllers (PLCs) and field instruments. A trained team of engineers works continuously in shifts to optimise real-time distribution of by-product gases generated during the process, considering production and power management. The Company has set a goal of 'Adaptation of global best available technologies and lowest SEC by 2025.'

Further, the Company has deployed an online software which calculates SEC of a plant on a daily basis. This helps in regular monitoring and subsequent reduction of SEC.

6.2 INITIATIVES FOR EFFECTIVE ENERGY MANAGEMENT AT JSW STEEL:

- To promote energy management best practices and reinforce good energy management behaviours, the management implemented ISO 50001.
- The energy coordinators have conducted the following activities:
- Awareness training on requirements on EnMS-ISO 50001:2011 was provided.
- Sequential process flow diagram.
- Identification of significant energy usage.

The process is under implementation and is targeted to be certified by December 2019.

6.3 VIJAYANAGAR WORKS

Initiatives taken for energy conservation, emissions reduction and results achieved:

6.3.1 Energy management highlights

- Top recovery turbine power generation is 18.3 MW which fulfils 13.3% of total power consumption requirement of blast furnace
- Substantially increased the BF PCI by reducing solid fuel rate
- Increased LD gas recovery to 98.7 Nm^3/Tls
- Commissioned 150 TPH Boiler for power augmentation
- 45.13 TPH of steam generation through sinter cooler waste heat recovery boiler
- Zero coal-fired boilers, 100% by-product gas firing for process steam generation
- Reduction in oxygen venting by 36%

Progress of energy consumption reduction at Vijayanagar Works:

Year	*SEC, Gcal/Tcs	*CO_2, TCO_2/Tcs
2016-17	6.260	2.41
2017-18	6.185	2.40
2018-19	6.08	2.31

*As per PMT norms (i.e. excluding CRM, Boiler & CPP; including DRI & CDQ)

6.4 DOLVI WORKS

6.4.1 Energy management highlights

- Dolvi Works initiated the usage of Coke Oven Gas in place of Natural Gas (NG) in FY 2018-19 at production of Direct Reduced Iron (DRI), Tunnel Furnace, Bar Mill and SMS ladle preheater.
- Fuel conversion of HSM Boiler & BF Cast house from NG to COG leading to NG saving of 672 KSm3.
- Revamping of CPP turbine, identification and arresting of leakages resulting in reduction of gaseous heat rate from 2641 Kcal/nm3 in FY 2017-18 to 2400 Kcal/kwh.
- Interconnection of HP and LP steam network through PRDS system to provide steam from Sinter-2 waste heat recovery boiler to Coke oven resulting in steam production @20 TPH.
- Implementation of online air fuel ratio logic at CPP; reduction in CPP gaseous heat rate by 10.6%.
- Fuel conversion of LCP 1, 2 and 3 from solid fuel (coal) to by-product gas (BFG+COG) resulting in reduction of heat rate lower CO2 emissions.

6.5 Salem Works

Specific energy consumption

Year	Crude Steel Lakh MT	Gcal/TCS
2016-17	8.2	7.24
2017-18	8.4	6.94
2018-19	9.7	6.95

6.5.1 Energy management highlights

- Lowest-ever specific power consumption per tonne of crude steel and at Sinter plant.
- Highest-ever power generation from waste gases of 36.61 Mw (previous best – 36.51 Mw, FY 2016-17).

6.5.2 Energy savings initiatives at Salem Works

- Reduction in fuel rate in BF-1 by increasing Hot Blast Temperature after installation of High Temperature Hot Blast Stoves.
- Optimisation of Air Fuel ratio in BF Hot Blast stoves through digitalisation initiative to reduce BF gas consumption.
- Energy savings by installation of Motor with drive in Hydraulic system in EOF2 .
- Installation of variable-voltage/variable-frequency (VVVF) drive in BLM Furnace blowers, Descalar and Internal circulating water pump house motors resulted in energy saving.
- Energy savings at Sinter Plant-2 through Waste gas ID fan impeller replacement with increased bed height operations.
- Solid fuel saving at Sinter Plant-2 through installation of three row burner with increased bed height operations.
- Installation of VFD in BF-2 cooling tower fans (8 No's).

7. Procurement

Iron ore and coking coal are the two key raw materials in steel production, accounting for nearly 64% of the total cost of steel production. JSW Steel has launched several strategic initiatives to secure the availability and procurement of these two raw materials.

7.1 IRON ORE

JSW Steel has undertaken a significantly large capacity expansion project. As capacities grow, the need for iron ore proportionately increases. To ensure continued iron ore supply with a cost advantage, the Company has initiated an aggressive backward integration strategy to gain more control over its value chain and get direct access to iron ore. The Company has acquired six iron ore mines in Karnataka.

Apart from sourcing from its captive iron ore capacity of 5 MTPA, the Company also procures from third-party sources, domestic or international, depending on availability and cost. During FY 2018-19, the Vijayanagar and Salem facilities benefited from the captive iron ore supply while Dolvi Works sourced from Chhattisgarh, Odisha and through imports.

The Company has acquired international and domestic entities and forged strategic tie-ups to bolster its integration process. It has also invested in upgraded technologies to transform low grade iron ore into higher grade usable inputs.

7.2 COAL

India's coking coal supply is dependent on imports. JSW Steel has diversified its sources well to ensure uninterrupted coke supply. The Company has taken a conscious decision to reduce its dependency on Australia, which was mired in mine, rail and port issues.

The Company restarted coking coal mining operations in the US in FY 2018-19, after a gap of almost three years, as the rise in coking coal prices has made it viable. Though the Company does not plan to import the coking coal produced in the US to India, this coal production will provide a financial hedge as it will be sold in the open market. To reduce import dependency and ensure partial security of raw material, JSW Steel engaged in domestic steel supply initiatives by participating in coal linkage auctions for the non-regulated sectors. It acquired one coal mine in Jharkhand in FY 2018-19.

To ensure that its dependence on premium coking coal is optimised with a customised blend of carbon bearing materials of improved quality, the Company continues to leverage its in-house state-of-the-art blend management system. To increase cost benefits by optimising coal usage, PCI injection has also been undertaken in the units. Such measures have reduced production costs and coking coal consumption substantially, while improving resource efficiency, maintaining smooth operations, and keeping costs under check.

Strategic sourcing from diversified channels has enabled uninterrupted production, controlled inventory levels, diversified risks, reduced costs and enhanced bargaining power for JSW Steel.

8. Talent management

JSW Steel invests in its talent pool as much as it does in business processes to generate value over time. It involves multiple facets, from tracking career paths, creating opportunities and mentoring, to creating an ambient workspace. In FY 2018-19, JSW Steel formulated a 'people first' approach in diverse domains using technical knowhow, data analysis from surveys and a solid understanding of organisational behaviour.

8.1 LEARNING & DEVELOPMENT – PEOPLE AND SKILLS

Given the dynamic business environment, it is important to focus on continuous learning and development of the workforce. JSW Steel has created a framework to hone the skills and capabilities of its people to succeed in their line of service. The Company conducted three critical surveys in FY 2018-19 to advance the career paths of existing workforce.

These were related to:

- Performance Management System
- Future Fit Assessment
- Great Place to Work

The data collected from these surveys was decisive in creating a grade-wise systematic learning intervention aimed at instilling leadership skills, enhancing functional skills and building next role capabilities.

*JSW Steel achieved a total of **41,040** training hours in FY 2018-19*

8.2 FUTURE FIT LEADERS

Shifting workplace expectations have led to a parallel need for effective leaders. These leaders not only serve critical business needs but also adapt to emerging changes better. With this in mind, JSW Steel launched the 'Future Fit Leaders' programme, to identify potential Future Fit Leaders or FFLs, nurture their talent and make a positive impact on their career progress. In FY 2018-19, 68 Future Fit Leaders were trained across different business units within the JSW Group. The programme involves a comprehensive leadership capability development journey that includes a structured framework to impart training and development. In partnership with leading business schools, FFLs' development journey is further sustained by Action Learning Projects and Individual Development Plans (IDPs) specific to their next identified role.

Highlights of Future Fit Leaders Programme in FY 2018-19

1,104

Total number of employees in Initial Assessment Process

196

Total number of employees shortlisted for 1 day in-person development centres

68

Total number of Future Fit Leaders

22

Total number of Band-3 FFLs who started their leadership development with Cornell University

515

Total number of shortlisted Band-4 and Band-5 employees for programme

46

Total number of Band-4 and Band-5 FFLs who begun their development with the Indian School of Business

8.3 IIM AHMEDABAD STRATEGIC LEADERSHIP PROGRAMME

As the name suggests, JSW IIM Ahmedabad Executive Education programme is intended to develop analytic, strategic and leadership skills. The programme's objective is to upskill employees and make them quick thinkers, better decision makers and efficient managers. In FY 2018-19, as a part of the second batch of the programme, 28 participants embarked on this journey of personal and professional progress.

8.4 JSW DIVERSITY AND INCLUSION – SPRINGBOARD

As one of the leading steel companies in India, JSW Steel has been working towards creating an empowering and rewarding working environment for women. The Company puts gender equality on top of its agenda and makes diversity one of its key business and people strategy components.

The Diversity and Inclusion Policy for JSW Steel was unveiled in FY 2018-19. This policy aims to ensure that all those participating in its workplace are treated with respect, dignity and fairness, thus creating an environment which promotes positive working relationships.

8.4.1 IIM Bangalore Women Leadership Journey – Batch of 2018

With a focus on creating next generation women leaders, JSW Steel launched the IIM Bangalore Women Leadership programme. A batch of 67 high performing women employees were selected to propel their careers around the organisation's business needs. They were trained in self awareness, career management, personal branding and in strategic subjects such as macroeconomics, industry analysis and design thinking. These women will be JSW Steel's drivers of change.

8.4.2 Gender sensitisation workshops

In order to reduce workplace deviance behaviours and generate respect for individuals irrespective of gender, JSW Steel conducted gender sensitisation workshops for the leadership team and all the line managers. These workshops helped close gender gaps and further workplace equality.

The workshop helped achieve the following:

- Addressed concepts of diversity and inclusion
- Imparted concepts of bias and its origin
- Conveyed impact of cultural programming and stereotypes
- Contrasted impact of implicit bias and explicit bias
- Elaborated on unconscious bias

8.5 PRE-RETIREMENT WORKSHOPS

To help employees and their spouses understand important aspects of retirement, prepare them for challenges ahead of time and ensure that they make the most out of their post retirement time, JSW Steel conducted pre-retirement workshops. Conducted by the Senior Leadership Team at the Vijayanagar and Kalmeshwar facilities, the workshop covers four important aspects, as listed below.

- Psychological Preparedness
- Social Preparedness
- Financial Preparedness
- Health Preparedness

8.6 SAMMAAN- SAFE SPACES MAKE GREAT WORKPLACES

In FY 2018-19, the Company revised the Prevention of Sexual Harassment (POSH) policy under an initiative called 'Samman'. This was done with the objective of emphasising safe and harmonious work culture within the Company. The revised policy was an effort to create awareness on the subject, often considered a taboo and develop 'speak up' culture to receive help from the organisation. Going a step further, JSW Steel specially curated e-learning modules to maximise awareness and highlight various nuances of sexual harassment. Using the forum theatre technique, the facilitators enacted scenarios and provided techniques to handle such situations effectively and raise concerns, as and when necessary.

8.7 JSW CAMPUS CONNECT INITIATIVES

JSW Group has been playing a key role in shaping the careers of young professionals across India. Its various internship programmes with their structured approach, strong mentorship and meticulous evaluation process act as a career launchpad for aspiring talents.

Internship Programmes	Duration	Programme Details
Summer Internship Programme (SIP)	8 weeks	Graduates from India's premier institutes such as IITs / BITS Pilani / LSR / SRCC / St. Stephens / GLC / Symbiosis are trained at a grassroot level and the best performers are presented with Pre-Placement Offers (PPOs).
Graduate Rotation Programme (GRP)	2 years	Post the acceptance of their SIP PPOs, students join the organisation and are given an opportunity for immense learning and exposure in the core businesses. On programme completion, GRPs are assessed basis which they are sponsored by JSW Steel for higher education in Ivy League colleges
Management Internship Programme (MIP)	8 weeks	Management degree holders from Premier B-Schools such as IIMs / JBIMS / TISS / XLRI are exposed to business process and systems. Their performance during the programme period is evaluated and the best candidates are presented with PPOs.
Management Trainee (MT)	Not Applicable	Post accepting the MIP PPOs, the MTs join the organisation as laterals across the Company's businesses. They are groomed in business acumen and are made future ready to assume leadership roles.

8.8 E-LEARNING INITIATIVES IN FY 2018-19

To adapt to the dynamic business environment, JSW Steel has curated a wide spectrum of courses ranging from behavioural, interpersonal and functional skills. These are hosted on the 'Learning Academy' platform. Employees can always avail the system and propel their learning curve. The response of this initiative can be judged by its rise in utilisation metrics and registrations, which rose from 69% to 85% during FY 2018-19. The Company held a spot at the Skillsoft Global Innovation Awards for creating an impact in the manufacturing sector.

#GirlswannaLearn: Skillsoft online learning courses spread over a month for women employees to enhance business performance

Desktop courses: Additional courses to supplement employees learning on MS Excel and MS PowerPoint skills

HMM Spark: Harvard Managementor Spark (HMM Spark) is a mobile application intended to provide personalised, best-in-class leadership and management content to employees on-the-go

Skills 2020: An initiative where Skillsoft courses were categorised based on the most important skills employees should possess by 2020 according to the World Economic Forum

8.8.1 Way forward for FY 2019-20

Steel University courses: In partnership with the World Steel Association, JSW Steel will make Steel University courses available on the 'Learning Academy' online platform. The courses will be powered by exciting simulations and 3D models, gamification and interactive learning helping employees learn courses on steel manufacturing, applications and basics of metallurgy. The Company has plans to partner with DuPont to develop e-learns on safety measures.

Kwench library services: Another service catapulting learning among employees. The utilisation for this service went up to 70% in FY 2018-19.

8.9 EMPLOYEE ENGAGEMENT AT JSW STEEL

JSW Steel gives due priority to employee satisfaction metrics. It had conducted an employee engagement survey administered by the Great Places To Work (GPTW) Institute in 2016. The insights derived from the survey gave birth to a host of activities. Some of the key actionable areas included:

- Emotionally and mentally safe place to work.
- Improve perception on respect and fairness by building people manager capability.
- Build culture of appreciation through non-monetary recognition.

Candid Conversations	A platform encouraging employee-leadership interaction. In an informal set up, a group of high performing individuals are nominated every month to meet and learn from leaders at JSW Steel.
JSW Voice Pulse Survey	Launched at JSW Steel to empower employees speak up on key business areas. Such response coming right from the employees at ground level helped churn out essential initiatives for FY 2019-20
'Samvedna'	A series of mental and emotional wellbeing and awareness workshops to help employees understand the importance of mental health and develop fundamental coping mechanisms
JSW We Care	First ever Employee Assistance Programme (EAP) was launched in December 2018 in partnership with 1to1help, a leading Employee Assistance Programme service provider. The initiative is aimed at providing psychological and emotional counselling support to the employees along with online self-help tools, e-workshops and assessments.
'How's the Josh' Awareness sessions and contests	Awareness sessions and contests for local HR SPOCS conducted to spread awareness among the employees at various locations. This has helped to engage the stakeholders and employees and in turn led to a boost in adoption of the EAP among the employees.

9. Digital initiatives at JSW Steel

JSW Steel has always taken conscious efforts to be a step ahead of its peers in adopting digital technologies to achieve efficiencies and thus create value for the business. Towards this end, the digital transformation journey, named 'Athena' commenced in 2017.

JSW Steel's Digital Vision

Deliver wow by digitally transforming and nurturing JSW Steel's ecosystem, thereby creating sustainable value.

The Company uses various technologies, including Industry 4.0 interventions such as machine learning, Internet of Things (IoT) and Artificial Intelligence (AI); big data and advanced analytics; powered simulations and optimisation engines; and computer vision. These tools have helped enhance productivity, minimise human intervention and ensure greater safety. The scope of digital tools implemented at Dolvi Works facility is a case in point. The expansion projects at this facility enhance tracking and predictability of the project schedule to drive on-time completion within the budgeted cost.

The Company has also created 'connected factories' in procurement and large capital projects to track and manage various processes. Using digital applications, the processes results in better transparency and lower dependency on manual intervention.

Direct impacts of going digital

Computer vision-aided video analytics is used to drive manual process time reduction, enhance throughput and improve productivity of Steel Melting Shops (SMS).

Big data and analytics driven real time models used to reduce power consumption and associated losses.

In the past two years, the Company has launched over 100 projects in digital across manufacturing, supply chain, sales and procurement. Its accruals for FY 2018-19 from digital projects was approximately ₹180 crore. It has also helped improve governance, boost sales, enhance customer delight and reduce discrepancies in forecasting.

Using analytics, robotics and hybrid cloud, JSW Steel is aligning business processes to dynamic sectoral and economic realities. The Company leverages the SAP platform enabling smooth data collation, decision making, and data security. The year in review witnessed several such levers to innovate, enhance and strengthen business operations, using information technology (IT) and digital platforms.

The Company has envisaged generating additional cost saving of more than ₹300 crore in FY 2019-20 from digital-led projects in potential areas of operations. It aims to pursue further digital technology initiatives to create differentiation and innovation, providing an edge to the organisation's efficiency.

Digital initiatives	Project details
Contract workforce management	FY 2018-19 saw successful completion of the workforce management pilot project at its Vijayanagar plant. The system will be deployed in all other plants in FY 2019-20.
Cloud adoption	JSW Steel is using hybrid cloud to modernise its data centre operations. The existing server will be migrated to SAP HANA platform in FY 2019-20.
Large scale capital project management tools	Deploying the tool across all its facilities to help in predictive risk analysis methods in budgeting and scheduling.
Procure to pay processes	The process adopted the digital route in FY 2018-19. Using best-in-breed tools, this move resulted in high partner satisfaction due to value delivery, process visibility and use of analytics.
Robotics Process Automation	Bots were deployed at the global business services domain, saving significantly on full-time resources (FTEs) and enhancing overall process efficiency.
Cybersecurity	The Company implemented robust security framework with vulnerability assessment, penetration testing and firewalls rule assessment. Roadmap for cybersecurity is charted and strictly adhered to in order to prevent any loss or data breach.
Digital invoicing	Invoices are digitally signed to enhance security and efficiency.
Hire to retire process	The Company deployed best-in-class solutions for compensation management, career development, succession planning along with existing performance management, recruitment, learning and onboarding modules.

10. Risk management

JSW Steel follows the globally recognised 'COSO' framework of Enterprise Risk Management. ERM brings together the understanding of the potential upside and downside of all those factors which can affect the organisation with an objective to maximise sustainable value to all the activities of the organisation and to its stakeholders.

The Company recognises that the emerging and identified risks need to be managed and mitigated, in order to:

- protect its shareholders and other stakeholders' interests.
- achieve its business objective.
- enable sustainable growth.

Pursuant to the requirement of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 49 of the erstwhile Listing Agreement, the Company has constituted a sub-committee of Directors to oversee Enterprise Risk Management framework to ensure resilience such that:

- Intended risks, say growth, are taken prudently so as to plan for the best and be prepared for the worst.
- Execution of decided strategies and plan with focus on action.
- Unintended risks like performance, incident, process and transaction risks are avoided, mitigated, transferred (like in insurance) or shared (like through sub-contracting). The probability or impact thereof is reduced through tactical and executive management, policies, processes, inbuilt systems controls, MIS, internal audit reviews etc.

10.1 KEY RISKS AND RESPONSE STRATEGIES

Risk type	Movement	Impact	Response strategies
		Strategic	
Competitive dynamics & industry cyclicality	↔	The following can affect sales & margin: 1)Adverse global and domestic demand-supply dynamics 2)Cyclical nature of steel industry 3) Unfair trade practices resulting into surge in imports 4)Trade barriers imposed by other countries like US, Europe.	Company de-risks by - 1) Widening and deepening customer reach in domestic & international markets. This gives flexibility in switching over from domestic to export market & vice versa. 2) Better market intelligence with inputs from marketing team. 3) Broadening product range like CRM, auto grade etc. 4) Increased Value added products like galvanised, galvalume. 5) Strong retail footprint leveraging the network of distributors and dealers and branded products to focus on retail sales.
Marketing	↑	Increasing competition post the recent consolidation in steel industry driven by IBC process	1) In India Steel output is expected to increase marginally as against the steel demand growth @ 7-8%. 2) Expanding market share and customer retention by focusing on: • Developing strong customer relationship and gaining brand equity. • New product development and value added special steel segments. • Exports to various countries across various geographies. • High potential areas where presence via Shoppe Connect can be increased to widen the customer base. 3) Leveraging channel financing for providing additional liquidity. 4) High level of focus on cost has made JSW Steel one of the lowest conversion cost producers in the world. The Company's timely response on cost control helps to remain competitive across cycles.

Risk type	Movement	Impact	Response strategies
		Strategic	
Raw material availability and cost – Iron ore	↔	High cost of iron ore impacting the EBITDA. Availability and cost of required grade of Iron ore are impacted by: 1) Global movement and parity of landed cost considering price, freight, tariff and exchange rates. 2) Domestic demand-supply gap, constraints and vendor actions 3) Government policies on mining, allocation and tariff - NMDC stopped mining at Donimalai (which contributes to 10% of the requirements) due to substantial increase in lease rent by GOI.	1) Successfully participated in auction of iron ore mines and bagged leasing rights for 6 mines (approx 5 MTPA capacity in Karnataka state). 2) Focusing on the captive mines for the requirements through participation of iron ore auctions in Karnataka and Odisha. 3) Exploring iron ore from international sources. The imported iron ore on value-in-use basis has certain productivity gains and to a large extent offsets the difference in price. 3) Government policies and their impact on ore availability are being tracked regularly.
Raw material availability & cost – Coking coal	↑	Risk of production stoppage due to non- availability of coking coal for the capacity expansion at Dolvi and other locations since JSW Steel is solely dependent on import. a) availability will be a risk considering increasing demand from China b) no additional capacities are being added globally constraining the supply side and demand from India continues to increase.	1) Buying on Annual Rate Contract where price is linked to TSI and PLATTS index. 2) The Company plans to ensure availability of coking coal and minimise the impact of rising price by diversifying the sources across various geographies.
Exchange rate fluctuation	↔	Foreign currency - rupee depreciation against USD from ₹65 to ₹74 during the year. Such volatility may increase the cost of the imported raw material and increase the dollar denominated borrowings.	1) The Company has an advantage of natural economic hedge as domestic prices of steel are linked with international steel prices. 2) The Company has a robust hedging policy approved by Board. 3) For Exports – continue to hedge entire exports through forwards. 4) For Imports – to the extent of exports to be covered through forwards. 5) For Net Gap– the flexibility retained to do options up to 100% of net gap in case rupee appreciates or remains range bound.

Risk type	Movement	Impact	Response strategies
Strategic			
Interest rate	⟷	Risk of high borrowing cost impacting the profitability. Globally there is increasing trend of the interest rate - Fed raised the key rate in the range of 2% to 2.25%. LIBOR increased 50 bps since March 2018. During the year RBI has cut repo rate by 50bps there by signaling accommodative stance.	1) The Company has divided its Foreign Currency Loan (FCL) in fixed and floating interest rate in an appropriate ratio. 2) In order to mitigate the risk of increasing interest rate, the Company has hedged its floating rate FCL through Interest Rate Swap (IRS).
Mergers & Acquisitions	⟷	1) Risk of acquisition at value greater than fair value. This will have an impact on the Return On Capital Employed (ROCE). It will also have adverse impact on debt and interest serving. 2) Challenges in turnaround and scale up. Delay may drag the profitability. 3) Old litigation may dent the JSW brand and reputation.	De-risking strategies - 1) Conduct site visit of target. 2) M&A team has access to data room of the target. 3) Carry out due diligence that mainly includes Finance, Tax and Legal aspects. This helps to identify risks and plan strategies for mitigations. 4) Finance model designed taking input from Strategy, Business Development and then the M&A team decide the capital structure. 5) Overall leverage ratios to be within targeted threshold levels of 3.75 x Net debt / EBITDA and 1.75 x Net debt / Equity. 6) Leverage cost leadership strength in merged entity. 7) As per NCLT process, the entire contingent liability of target is extinguished.

Risk type	Movement	Impact	Response strategies
Operational			
Infrastructure and logistics	↑	Company is in process of brownfield expansion at its Dolvi plant. Various factors can affect movement of enhanced quantity of inbound raw material and outbound goods like - 1) Port congestion, unloading / loading infrastructure, rail connectivity and channel blockage. 2) Storage and material handling (RMHS) system to protect material from exposure to weather thereby its metallurgical property.	Various measures are being taken such as – 1) Pipe conveyor system at Vijayanagar facility to transport iron ore from mines to the plant. 2) Additional gates for smooth movement of vehicular traffic, dedicated gate for project equipment movement. 3) Extending the internal rail track and rail yard. 4) Higher capacity barges (RSV – River Sea vessels) being procured for transportation of inbound raw material and outbound finished goods. This will also reduce pressure on road movement. 5) Improving infrastructure facilities at Dharamtar jetty like – increasing jetty length, dredging for deeper draft, additional barge unloaders. 6) Additional storage yards for iron ore fines and coal are constructed to handle the enhanced volumes.

Risk type	Movement	Impact	Response strategies
		Operational	
Availability of power for production	↑	Company's proposed expansion at Dolvi would increase the power requirement. Inadequate power supply and network bandwidth may lead to operational interruptions and affect production.	1) The power required would be met partly through self-generation from Coke oven / Blast Furnace gases and balance from JSW Energy, Ratnagiri and MSEDCL through open access. 2) In order to have network bandwidth, 200 KV additional transmission line of 20 kms is planned from Nagothane to Plant. 3) Commissioning of the 160 MW Captive Power Plant at Dolvi to secure power requiments for the expanded operations.
Environment	↑	1) Steel making process involves emission of CO2, dust and other hazardous gases / waste (slag). These emissions pose risk to environment and sustainable growth. 2) India is also a part of Paris agreement (COP 21) which aims at reducing carbon emissions.	1) The Company ensures compliance with norms through selecting right equipment, technology, processes, inputs and tracks emissions. Additional capex allocation for advanced technologies like Electrostatic Precipitators (ESPs) in sinter to further reduce the dust emissions. 2) The Company regularly tracks changes in technology and future norms to plan in advance. In discussion with vendor for processing of additional LD slag that would be generated after proposed expansions at Vijayanagar and Dolvi. 3) The Company gives thrust on sustainable products that are safe for consumers. It has developed products that are environment friendly and safe for usage like high-strength low carbon steel, low thickness steel used in auto sector that makes the vehicle lighter, which in turn helps in reducing the carbon footprint as well as safety of travellers.
Health and safety	↔	Any safety lapses would result in damage to property, assets and human capital. The steel sector is subject to extensive health and safety laws, regulations and standards	1) Compliance with local and international regualtions and standards, protecting the employees and communities from harm and operations from business interuptions are the primary focus. 2) International consultant DuPont has been engaged for rolling out their international safety standards. 3) Periodic safety training, mandatory usage of safety gadgets such as safety shoes, helmets, hand gloves, masks on shop floor / plants. 4) Monthly apex safety meetings are held for review of safety aspect, fatal accidents / near miss accidents, if any. 5) Fire protection systems such as fire extinguishers and fire tenders are in place; Medical facilities, medi-claim policy cover for employees and their families; group insurance policy for employees. 6) Strong Security arrangements like security check-post, entry pass / identity cards, access control system, CCTVs at critical locations.

Risk type	Movement	Impact	Response strategies
		Operational	
Human resource	↔	Human workforce with required skillset and experience is critical for maintaining current level of operations and upcoming expansions at plants.	1) Senior leadership support helps in setting the tone at the top. 2) For building strong relationships, a platform called Candid Conversation launched that enables greater interaction between employees and senior leaders. 3) Strong HR policies and processes in place for hiring & retaining of talent. 4) Robust performance management system to reward performers which helps attract and retain the talent. 5) Training across all departments through structured initiatives such as Project Laksya for workmen level employees for developing self-motivation, time management, communication and other skills. 6) Identified and created a separate pool of employees across bands and grooming them for next level roles through specially designed Future-Fit Leadership Development programmes from IIM Ahmedabad, ISB Hyderabad and Cornell University, USA. 7) Gender diversity initiative SPRINGBOARD launched for high performing female employees to encourage leadership development at IIM Bangalore.
Cyber security	↑	Cyber security risk could result in substantial reputation and financial loss arising from: 1. Theft of corporate information 2. Theft of financial information (e.g. Financial results, bank details etc.) 3. Ransomware – cyber extortion. 4. Disruption to business (e.g. inability to carry out SAP transactions, online payments) 5. Loss of business or contract.	The Company de-risks by: 1. Periodically assessing the current state and prioritise the foundational components of cyber security. 2. Conducting periodic audits of security systems and procedures. 3. Developing a new capability, technologies and processes to combat cyber-threats. 4. Incorporating cybersecurity and privacy into everyday business decisions and processes. (like Information Security Awareness Program) 5. Assessing readiness to adapt advanced technologies in IS domain. 6. Monitor threats and respond, investigate and remediate cybersecurity related incidents and data breaches.

Forward looking statements

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

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2018-19

(PURSUANT TO REGULATION 34 (3) AND SCHEDULE V (C) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AS AMENDED)

1. Company's Governance Philosophy:

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

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

Your Company confirms the compliance of Corporate Governance as contained in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI (LODR) Regulations"), the details of which are given below:

2. Board of Directors:

2.1 APPOINTMENT AND TENURE:

The Directors of the Company (except Nominee Directors) are appointed by the shareholders at General Meetings. All Executive Directors are subject to retirement by rotation and at every Annual General Meeting, 1/3rd of such Directors as are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of Section 152 of the Companies Act, 2013 and that of the Articles of Association of the Company.

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

2.2 BOARD MEMBERSHIP CRITERIA:

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

i. assess the appointee against a range of criteria including qualification, age, experience, positive attributes, independence, relationships, diversity of gender, background, professional skills and personal qualities required to operate successfully in the position and has discretion to decide adequacy of such criteria for the concerned position;

ii. assess the appointee on the basis of merit, related skills and competencies. No discrimination is made on the basis of religion, caste, creed or gender.

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

The Company has a balanced mix of executive and non-executive Independent Directors. As at 31.03.2019, the Board of Directors comprises of 12 Directors, of which 8 are non-executive, including 3 woman directors. The Chairman is executive and a Promoter of the Company. The number of Independent Directors is 6 which is in compliance with the stipulated one half of the total number of Directors. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company. A brief profile of the Directors is available on the Company's website www.jsw.in.

All Independent Directors meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16 (1) (b) of the SEBI (LODR) Regulations.

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

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

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

The details of composition of the Board as at 31.03.2019, the attendance record of the Directors at the Board Meetings held during financial year 2018-19 and at the last Annual General Meeting (AGM), as also the number of Directorships, Committee Chairmanships and Memberships held by them in other Public Companies, the names of other listed entities where they have Directorship and their category of directorship in such listed entities, the number of Board Meetings and dates on which held and the number of shares and convertible instruments held by non-executive directors are given here below:

Category	Name of Director	Position	Date of Joining the Board	No. of Board Meetings held	No. of Board meetings attended	Attendance at last AGM	No. of Directorships in other Indian Public Limited Cos.	No. of Chairmanship(s) of Committees in other Indian Public Limited Cos. **	No. of Membership(s) of Committees in other Indian Public Limited Cos., **	No. of Shares and Convertible Instruments held by Non-Executive Directors
Executive Directors	Mr. Sajjan Jindal	Chairman & Managing Director	15.03.1994	4	4	Yes	2	0	0	NA
	Mr. Seshagiri Rao MVS	Jt. Managing Director & Group CFO	06.04.1999	4	4	Yes	3	0	0	NA
	Dr. Vinod Nowal	Dy. Managing Director	30.04.2007	4	4	Yes	1	0	0	NA
	Mr. Jayant Acharya	Director (Commercial & Marketing)	07.05.2009	4	4	Yes	2	0	1	NA
Independent Non-Executive	Mr. Malay Mukherjee	Director	29.07.2015	4	4	Yes	1	0	1	-
	Dr. (Mrs.) Punita Kumar Sinha	Director	28.10.2012	4	4	Yes	8	1	7	-
	Mr. Haigreve Khaitan	Director	30.09.2015	4	3	Yes	8	3	5	- -
	Mr. Seturaman Mahalingam	Director	27.07.2016	4	4	Yes	7	4	3	- -
Nominee Director	Mr. Hiroyuki Ogawa	Nominee of JFE Steel Corporation, Japan (Equity Investor & Foreign Collaborator)	17.05.2017	4	4	Yes	0	0	0	-
Part of the year										
Independent Non-Executive	Dr. Vijay Kelkar (ceased to be Director w.e.f 24.07.2018)	Director	20.01.2010	1*	1*	Yes	--	--	--	-
	Mr. K. Vijayaraghavan (ceased to be Director w.e.f 24.07.2018)	Director	16.06.2008	1*	1*	No	--	--	--	-
	Mr. Harsh C. Mariwala	Director	25.07.2018	3*	2*	NA#	3	0	1	-
	Mrs. Nirupama Rao	Director	25.07.2018	3*	2*	NA#	2	0	0	-
Nominee Director	Mr. N. Jayaram, IAS (Ceased to be Director w.e.f 19.07.2018)	Nominee of KSIIDC (Equity Investor)	31.10.2017	1*	0	No	--	--	--	-
	Mrs. Gunjan Kinnu, IAS	"	25.07.2018	3*	1*	NA#	8	3	--	-

Notes:

1. During the Financial Year 2018-19, four Board Meetings were held and the gap between two meetings did not exceed four months. Board Meetings were held on 16.05.2018, 25.07.2018, 25.10.2018 & 06.02.2019.

2. * No. of Board Meetings indicated is with reference to date of join/cessation of the Director.

3. ** Only two Committees, namely, Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. # Not a Director at the time of last AGM.

The names of other listed entities where the Directors have Directorship and their category of directorship in such listed entities:

Name of the Director	Name of listed Entity	Cateogry of Directorship
Mr. Sajjan Jindal	JSW Energy Limited	Chairman & Managing Director
	JSW Holdings Limited	Chairman
Mr. Seshagiri Rao MVS	Monnet Ispat and Energy Limited	Non-Executive Non-Independent
Mr. Malay Mukherjee	Va Tech Wabag Limited	Independent Director
Dr. (Mrs). Punita Kumar Sinha	Sobha Limited	Independent Director
	Infosys Limited	Independent Director
	Rallis India Limited	Independent Director
	SREI Infrastructure Finance Limited	Independent Director
	Bharat Financial Inclusion Limited	Independent Director
Mr. Haigreve Khaitan	Ambuja Cement Limited *	Independent Director
	Ceat Limited	Independent Director
	Harrisons Malayalam Limited	Independent Director
	Inox Leisure Limited	Independent Director
	Torrent Pharmaceuticals Limited	Independent Director
Mr. Seturaman Mahalingam	City Union Bank Limited	Non-Executive Chairman
	Sundaram Finance Limited	Independent Director
	Sundaram Fasteners Limited	Independent Director
Mr. Harsh Charandas Mariwala	L & T Finance Holdings Limited **	Independent Director
	Thermax Limited	Independent Director
	Kaya Limited	Chairman & Managing Director
	Marico Limited	Chairman & Non-executive Director
	Zensar Technologies Limited	Independent Director
Mrs. Nirupama Rao	ITC Limited	Independent Director
	KEC International Limited	Independent Director

*resigned as an Independent Director w.e.f 31.03.2019

** resigned as an Independent Director upon the close of business hours of 31.03.2019

2.4 BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND PROCEDURES:

A. Institutionalised decision making process:

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

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

B. Scheduling and selection of Agenda Items for Board Meetings:

i. A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

ii. The meetings are usually held at the Company's Registered Office at JSW Centre, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.

All divisions/departments of the Company are advised to schedule their work plans well in advance, with regard to matters requiring discussion/ approval/decision at the Board/ Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same can be included in the Agenda for the Board/Committee Meetings.

iii. In addition to items which are mandated to be placed before the Board for its noting and/ or approval, information is provided on various significant issues.

iv. The Board is given presentations covering Global Steel Scenario, Global/Indian Economy, Company's Financials, Sales, Production, Business Strategy, Subsidiary's performance, Competitor's Performance and Risk Management practices before taking on record the Quarterly/ Half Yearly/ Nine Monthly/ Annual financial results of the Company.

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

C. Distribution of Board Agenda material:

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

D. Recording Minutes of proceedings at Board and Committee Meetings:

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

E. Post-Meeting Follow-up Mechanism:

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

F. Compliance:

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

2.5 STRATEGY MEET:

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

2.6 TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS:

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

2.7 MEETINGS OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company meet as and when required before the Board Meeting without the presence of Executive Directors or management personnel. These meetings are conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to the affairs of the Company and put forth their views to the Chairman and Managing Director.

During the year under review, the Independent Directors met on 25.10.2018 and 20.03.2019, inter alia, to discuss:

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

  All the Independent Directors were present at the Meetings.

2.8 LEAD INDEPENDENT DIRECTOR:

Mr. Malay Mukherjee is the Lead Independent Director appointed by the Board in its meeting held on 25.07.2018.

2.9 FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

The Company believes that the Board be continuously empowered with the knowledge of the latest developments in the Company's business and the external environment affecting the industry as a whole. To this end, the Directors were given presentations on the global business environment, as well as all business areas of the Company including business strategy, risks opportunities. Monthly updates on performance/ developments giving highlights of performance of the Company during each month including the developments/ events having impact on the business of the Company are also sent to all the Directors. The details of familiarization programmes imparted to Independent Directors is disclosed on the company's website, http://www.jsw.in/investors/ investor-relations-steel.

2.10 FULFILMENT OF THE INDEPENDENCE CRITERIA BY THE INDEPENDENT DIRECTORS:

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI (LODR) Regulations read with Section 149(6) of the Companies Act, 2013 along with rules framed thereunder. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations and that they are independent of the management. In terms of Regulation 25(8) of SEBI (LODR) Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

2.11 SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS:

The Board in its meeting held on 06.02.2019 identified the following core skills/expertise/ competencies as required in the context of the Company's business(es) and sector(s) for it to function effectively and are currently available with the Board:

Sl. No	Skill/ Competency
1.	**Industry Knowledge/ experience**
a.	Industry experience
b.	Knowledge of Sector
c.	Knowledge of Government/ Public Policy
2.	**Technical Skills/ experience**
a.	Projects
b.	Accounting
c.	Finance
d.	Law
e.	Marketing Experience
f.	IT and Digital outreach
g.	Public Relations

Sl. No	Skill/ Competency
h.	Risk Management Systems
i.	Human Resource management
J.	Strategy Development and implementation
k.	Global Management
3.	**Governance Competencies**
a.	Strategic Thinking/ planning from governance perspective
b.	Executive performance management
c.	Governance related risk management
d.	Compliance focus
e.	Profile/ reputation
4.	**Behavioural Competencies**
a.	Ability and willingness to challenge and probe
b.	Sound judgement
c.	Integrity and high ethical standards
d.	Mentoring abilities
e.	Interpersonal relations
f.	Listening Skills
g.	Verbal Communication Skills
h.	Understanding of effective decision-making processes.
i.	Willingness and ability to devote time and energy to the role.

2.12 PERFORMANCE EVALUATION:

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

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

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

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc

The Directors expressed their satisfaction with the evaluation process.

2.13 RESIGNATION OF INDEPENDENT DIRECTOR:

None of the Independent Directors of the Company have resigned before the expiry of his/ her tenure.

3. Audit Committee:

The Audit Committee comprises of three Non-Executive Directors, all of whom are Independent Directors and one Executive Director. Mr. Seturaman Mahalingam is the Chairman of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets the requirements as per the Section 177 of the Companies Act, 2013 and Regulation 18(1) of the SEBI (LODR) Regulations.

The Broad terms of reference of Audit Committee are:

a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

b) Reviewing with the management the financial statements and auditor's report thereon before submission to the Board, focusing primarily on:

   1. Matters to be included in the Directors Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.

   2. Changes to any accounting policies and practices.

   3. Major accounting entries based on the exercise of judgement by Management.

4. Significant adjustments if any, arising out of audit findings.
5. Compliance with respect to accounting standards, listing agreements and legal.
6. requirements concerning financial statements.
7. Disclosure of any related party transactions.
8. Modified opinion (s) in the draft audit report.

c) Re-commending to the Board, the appointment, re-appointment, remuneration and terms of appointment of Auditors of the Company.

d) To review reports of the Management Auditors and Internal Auditors and discussion on any significant findings and follow up there on.

e) Reviewing with the management, external and internal auditors, the adequacy of internal control systems, and the Company's statement on the same prior to endorsement by the Board.

f) Evaluation of the internal financial controls and risk management systems.

g) To review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

h) To approve transactions of the Company with related parties and subsequent modifications of the transactions with related parties.

i) In addition, the powers and role of Audit Committee are as laid down under Regulation 18(3) and Part C of Schedule II of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013.

Seven meetings of the Audit Committee were held during the financial year 2018-19, as against the minimum requirement of four meetings. The Committee meetings were held on 15.05.2018, 18.06.2018, 24.07.2018, 20.09.2018, 24.10.2018, 05.02.2019 & 20.03.2019.

The composition of the Committee as at 31.03.2019, name of members and Chairperson and the attendance of each member at the Committee Meetings are as given below:

Sl. No.	Name of the Members	Category	No. of Meetings attended
01.	Mr. Seturaman Mahalingam (Chairman)	Non-Executive Independent Director	7/7
02.	Mr. Seshagiri Rao MVS	Executive Director	5/6*
03.	Mr. Malay Mukherjee	Non-Executive Independent Director	7/7
04.	Mr. Haigreve Khaitan	Non-Executive Independent Director	3/4**

Note:- Mr. K. Vijayaraghavan, upon completion of his term as an Independent Director on the Board w.e.f 24.07.2018, ceased to be the Chairman and Member of the Audit Committee w.e.f 24.07.2018.

*inducted on the Committee on 16.05.2018

**inducted on the Committee on 25.07.2018

The Dy. Managing Director, Director (Commercial & Marketing), Chief Financial Officer, Accounts Heads of each Unit, Sr. Vice President (Internal Audit), Financial Controller, the Company Secretary and the representatives of the Statutory Auditors attend the Audit Committee meetings. The representatives of Management Auditors attend the Audit Committee Meeting whenever matters relating to management audit are considered. The representatives of the Cost Auditor attend the Audit Committee meeting when the Cost Audit Report is tabled for discussion. The Company Secretary is the Secretary of the Audit Committee.

Mr. Seturaman Mahalingam, Chairman of the Audit Committee was present at the last Annual General Meeting held on 25.07.2018.

4. Nomination & Remuneration Committee:

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

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

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.
- Formulating criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulating criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Whether to extend or continue the term of appointment of independent director on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- Three meetings of Nomination and Remuneration Committee were held on 16.05.2018, 25.07.2018 & 07.12.2018.

  The composition of the Nomination & Remuneration Committee as at 31.03.2019 and the attendance of each member at the Committee Meetings are as given below:

Sl. No.	Name of the Member	Category	No. of Meetings attended
01.	Mr. Seturaman Mahalingam	Non-Executive Independent Director	3/3
02.	Mr. Sajjan Jindal	Executive Director	2/3
03.	Mr. Malay Mukherjee	Non-Executive Independent Director	2/2*
04.	Mr. Harsh Charandas Mariwala	Non-Executive Independent Director	1/1**
05.	Mrs. Nirupama Rao	Non-Executive Independent Director	1/1**

Note:- Dr. Vijay Kelkar & Mr. K. Vijayaraghavan, upon completion of their term as Independent Directors on the Board w.e.f 24.07.2018, ceased to be the Chairman and Member of the Nomination & Remuneration Committee w.e.f 24.07.2018.

* inducted on the committee on 24.07.2018

**inducted on the committee on 25.07.2018

Mr. Seturaman Mahalingam, Chairman of the Nomination & Remuneration Committee was present at the last Annual General Meeting held on 24.07.2018.

4.1 PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

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

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

- The Nomination and Remuneration Committee (NRC) shall carry out evaluation of every Director's Performance.
- In addition, the evaluation of the Independent Directors shall be done by the entire Board, excluding the director being evaluated, which shall include:

  a) Performance of the directors; and

  b) Fulfilment of the independence criteria as specified in 16(1) (b) of SEBI (LODR) Regulations and their independence from the management.

  This is to be done on an annual basis for determining whether to extend or continue the term of appointment of the independent director.

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

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

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

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

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

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

4.2 REMUNERATION POLICY AND DETAILS OF REMUNERATION PAID TO DIRECTORS:

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

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

ii. Motivate KMP and Senior Management to achieve excellence in their performance.

iii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

iv. Ensuring that the remuneration to Directors, KMP and Senior Management involves a balance between fixed & incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

v. Retain, motivate and promote talent and to ensure long term sustainability of talented employees.

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

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

The present remuneration structure of Executive Directors comprises of salary, perquisites, allowances, performance linked incentive, ESOPs and contribution to PF and Gratuity.

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

The details of remuneration paid/payable to the Non-Executive Directors for the period 01.04.2018 to 31.03.2019 are as follows:

Name of the Director	Commission paid/payable (2018-19) (₹ in Lakhs)	Sitting fees @ ₹ 20,000 per meeting (₹ in Lakhs)	Total (₹ in lakhs)
Mr. Kannan Vijayaraghavan *	10.77	1.60	12.37
Dr. Vijay Kelkar *	10.45	0.40	10.85
Mr. Jayaraman N/Mrs. Gunjan Kinnu	31.00#	0.20	31.20
Mr. Hiroyuki Ogawa (JFE Steel Corporation Nominee Director)	34.00#	1.60#	35.60#
Dr. (Mrs) Punita Kumar Sinha	34.00	2.40	36.40
Mr. Malay Mukerjee	34.50	4.40	38.70
Mr. Haigreve Khaitan	34.50	1.40	35.90
Mr. Seturaman Mahalingam	34.84	4.40	39.24
Mr. Harsh C Mariwala	22.54	0.80	23.34
Mrs. Nirupama Rao	22.54	1.20	23.74
Total	**269.14**	**18.40**	**287.54**

*Ceased to be director.

Payable to the respective Institutions/Companies they represent.

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

The details of Remuneration paid / payable to the Whole-time Directors for the financial year 2018- 19 are as given below:

Name of Director and Designation	Salary including Provident Fund (₹ in Crores)	Perks (₹ in crores)	Profit linked commission (₹ in crores)	Total	Period of contract	Notice Period
Mr. Sajjan Jindal Chairman & Managing Director	11.81	1.30	57.16	70.27	From 07.07.2017 to 06.07.2022	NA
Mr. Seshagiri Rao MVS Jt. Managing Director & Group CFO	5.57	0.24	--	5.81	From 06.04.2017 to 05.04.2020	3 months from either side or salary in lieu thereof.
Dr. Vinod Nowal Dy. Managing Director	4.31	0.18	--	4.49	From 30.04.2017 to 29.04.2022	3 months from either side or salary in lieu thereof.
Mr. Jayant Acharya Director (Commercial & Marketing)	3.46	0.16	--	3.62	From 07.05.2014 to 06.05.2019	3 months from either side or salary in lieu thereof.

Note: The above figures exclude provision for leave encashment and contribution to the approved Group Gratuity Fund, which are actuarially determined for the Company as a whole. There is no separate provision for payment of severance fees.

5. Stakeholders Relationship Committee:

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

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

The role of the Committee shall inter-alia include the following:

1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

2) Review of measures taken for effective exercise of voting rights by shareholders.

3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Stakeholders Relationship Committee met twice during the financial year 2018-19 on 20.09.2018 and on 20.03.2019. The composition of the Committee and the details of the meetings attended by the Members are as given below:

Sl. No.	Name of the Members	Category	No. of Meetings attended
1	Mr. Seturaman Mahalingam (Chairman)	Non-Executive Independent Director	2/2
2	Dr (Mrs) Punita Kumar Sinha	Non-executive Independent Director	2/2
3	Mrs. Nirupama Rao	Non-executive Independent Director	1/2

Note:- Mr. K. Vijayaraghavan, upon completion of his term as an Independent Director on the Board w.e.f 24.07.2018, ceased to be the Chairman and Member of the Stakeholders Relationship Committee w.e.f 24.07.2018.

Mr. Seturaman Mahalingam, Chairman of the Stakeholders' Relationship Committee was present at the last Annual General Meeting held on 24.07.2018.

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

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

Phone : 022-42861000

Fax : 022-42863000

Email : jswsl.investor@jsw.in

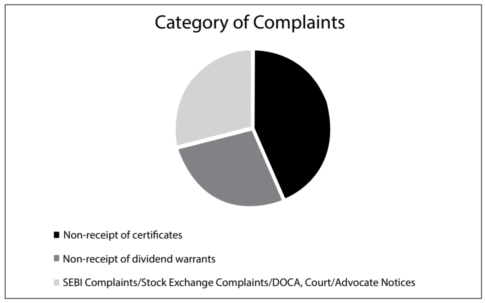
INVESTOR GRIEVANCE REDRESSAL

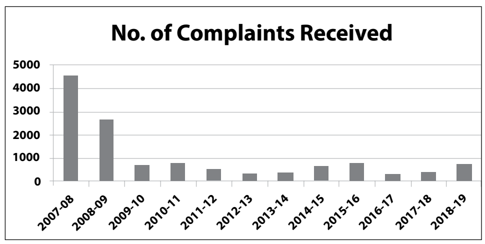
Number of complaints received and resolved to the satisfaction of Shareholders / Investors during the year under review and their break-up is as under:

No. of Shareholders' Complaints received during the year ended 31.03.2019	:	733
Number not solved to the satisfaction of Shareholders	:	0
No. of pending Complaints as on 31.03.2019	:	0

None of the Complaints were pending for a period exceeding 30 days. All requests for transfer of shares have been processed on time and there are no transfers pending for more than 15 days.

CATEGORY OF COMPLAINTS





Note: Complaints pertaining to the years subsequent to 2007-08 include investor complaints received from shareholders of Southern Iron & Steel Co. Limited and JSW Ispat Steel Limited upon its merger with the Company in the financial years 2007-2008 and 2013-14 respectively.

6 Risk Management Committee:

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

The terms of reference of the Committee are as follows:

1. To periodically review risk assessment and minimisation procedures to ensure that Executive Management controls risk through means of a properly defined framework including cyber security.
2. To review major risks and proposed action plan.

   The Risk Management Committee met twice during the financial year 2018-19 on 18.06.2018 and 07.12.2018. The composition of the Committee as on 31.03.2019 and the details of the meetings attended by the Members are as given below:

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

Note:- Mr. K. Vijayaraghavan, upon completion of his term as an Independent Director on the Board w.e.f 24.07.2018, ceased to be the Member of the Risk Management Committee w.e.f 24.07.2018.

*inducted on the committee on 25.07.2018

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

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

ii. Locational Committees namely (a) Corporate Locational Committee (b) Vijayanagar Locational Committee (c) Dolvi Locational Committee and (d) Salem Locational Committee to further review risk assessment at Location Level.

7 Other Major Committees of Directors:

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

1. PROJECT REVIEW COMMITTEE:

	Terms of reference of the Committee	Composition	Frequency of meetings
1.	To closely monitor the progress of Large Projects, in addition to ensuring a proper and effective co-ordination amongst the various project modules essentially with the objective of timely project completion within the budgeted project outlay.	Mr. Malay Mukherjee, Chairman Non-Executive Independent Director. Dr. Vinod Nowal (Member) Executive Director Mr. Seturaman Mahalingam, (Member) Non-Executive Independent Director	4 Meetings were held on 15.05.2018, 24.07.2018, 24.10.2018 & 05.02.2019
2.	To review new strategic initiatives	Mr. Hiroyuki Ogawa (Member) Nominee Director (JFE Steel Corporation)	

2. BUSINESS RESPONSIBILITY/SUSTAINABILITY REPORTING COMMITTEE:

Terms of reference of the Committee	Composition	Frequency of Meetings
1. Responsible for the adoption of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) in business practices of JSW Steel.	1. Mr. Malay Mukherjee (Chairman) DIN No. 02861065 Non-Executive Independent Director Tel. No. 911141032905 malayumauk@googlemail.com	2 Meetings were held on 15.05.2018 & 07.12.2018.
2. Responsible for the policies created for or linked to the 9 key principles of the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business'.	2. Mr. Seshagiri Rao MVS (Member) DIN No. 00029136 Executive Director Tel. No. 42861000 seshagiri.rao@jsw.in	
3. Review the progress of initiatives under the purview of business responsibility (sustainability) policies mentioned above.	3. Dr. Vinod Nowal (Member) DIN No. 00046144 Executive Director, Tel No. 42861000 vinod.nowal@jsw.in	
4. Review business responsibility reporting disclosures on a pre-decided frequency (monthly, quarterly, bi-annually).	4. Mr. Jayant Acharya (Member), DIN No. 00106543 Executive Director, Tel. 42861000 jayant.acharya@jsw.in	
5. Review the progress of business responsibility initiatives at JSW Steel.	5. Dr. (Mrs.) Punita Kumar Sinha (Member) DIN No.05229262 Non-Executive Independent Director Tel. No. 091-9833363533 punitakumarsinha@gmail.com	
6. Review the annual business responsibility report and present it to the Board for approval.	6. Mrs. Nirupama Rao (Member) Din No.06954879 Non-Executive Independent Director Tel. No. 7022621529 nirupamamenonrao@hotmail.com	

3. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

Terms of reference of the Committee	Composition	Frequency of Meetings
1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy), which shall indicate a list of CSR projects or programs which a Company plans to undertake falling within the purview of the Schedule VII of the Companies Act, 2013, as may be amended. 2. To recommend the amount of expenditure to be incurred on each of the activities to be undertaken by the Company, while ensuring that it does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013. 3. To approve the Annual Report on CSR activities to be included in the Director's Report forming part of the Company's Annual Report and Attribute reasons for short comings in incurring expenditures. 4. To monitor the CSR policy of the Company from time to time; and 5. To institute a transparent monitoring mechanism for implementation of the CSR Projects or programs or activities under taken by the Company.	1. Mrs. Nirupama Rao (Chairperson) Non-Executive Independent Director 2. Mr. Seshagiri Rao MVS (Member) Executive Director 3. Dr. Vinod Nowal (Member) Executive Director 4. Mr. Jayant Acharya (Member) Executive Director 5. Dr. (Mrs) Punita Kumar Sinha (Member) Non-Executive Independent Director 6. Mrs. Gunjan Kinnu (Member) Nominee Director (KSIIDC)	One meeting was held on 20.03.2019

4. HEDGING POLICY REVIEW COMMITTEE:

Terms of reference of the Committee	Composition	Frequency of Meetings
1. To take protective measures to hedge forex losses 2. To decide on all matters related to commodities hedging and to take measures to hedge commodity prices fluctuations.	1. Dr. (Mrs.) Punita Kumar Sinha (Chairperson) Non-Executive Independent Director 2. Mr. Seshagiri Rao MVS (Member) Executive Director 3. Mr. Seturaman Mahalingam (Member) Non-Executive Independent Director	Three meetings were held on 18.06.2018, 20.09.2018 & 20.03.2019

5. FINANCE COMMITTEE:

Terms of reference of the Committee	Composition	Frequency of Meetings
1. To approve availing of credit / financial facilities of any description from Banks/ financial Institutions/ Bodies Corporate within the limits approved by the Board. 2. To approve investments and dealings with any monies of the Company upon such security or without security in such manner as the committee may deem fit, and from time to time to vary or realise such investments within the frame work of the guidelines laid down by the Board. 3. To open new Branch Offices of the Company, to declare the same as such and to authorise personnel by way of Power of Attorney or otherwise, to register the aforesaid branches and to deal with various authorities such as the Central Excise, Profession Tax, Commercial Tax, State & Central Sales Tax, VAT Authorities and other Local Authorities. 4. To make loans to Individuals / Bodies Corporate and/or to place deposits with other Companies/ firms upon such security or without security in such manner as the committee may deem fit within the limits approved by the Board. 5. To open Current Account(s), Collection Account(s), Operation Account(s), or any other Account(s) with Banks and also to close such accounts, which the 'said Committee' may consider necessary and expedient.	1. Mr. Seshagiri Rao MVS (Chairman) Executive Director 2. Dr. Vinod Nowal, (Member) Executive Director 3. Mr. Jayant Acharya, (Member) Executive Director	Need based. Meetings were held on 24.04.2018, 24.05.2018, 12.06.2018, 18.06.2018, 05.07.2018, 24.07.2018, 27.07.2018, 06.08.2018, 27.08.2018, 28.08.2018, 10.09.2018, 15.11.2018, 03.12.2018, 15.12.2018, 09.01.2019, 31.01.2019, 06.02.2019, 15.03.2019 & 30.03.2019

6. JSWSL ESOP COMMITTEE:

Terms of reference of the Committee	Composition	Frequency of Meetings
1. Determine the terms and conditions of grant, issue, re-issue, cancellation and withdrawal of Employee Stock Options from time to time. 2. Formulate, approve, evolve, decide upon and bring into effect, suspend, withdraw or revive any sub-scheme or plan for the purpose of grant of Options to the employees and to make any modifications, changes, variations, alterations or revisions in such sub-scheme or plan from time to time. 3. To issue any direction to the trustees of the JSW Steel Employees Welfare Trust to sell, transfer or otherwise dispose-off any Shares held by them. 4. To make necessary amendments to the JSW Steel Employees Welfare Trust Deed, if need be. 5. Lay down the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of change in the Capital Structure and/or Corporate Action. 6. Lay down the method for satisfaction of any tax obligation arising in connection with the Options or such Shares. 7. Lay down the procedure for cashless exercise of Options, if any; and 8. Provide for the Grant, Vesting and Exercise of Options in case of Employees who are on long leave or whose services have been seconded to any other Company or who have joined Holding Company or a Subsidiary or an Associate Company at the instance of the Employer Company.	1. Mr. Malay Mukherjee (Chairman) Non-Executive Independent Director 2. Mr. Seshagiri Rao M.V.S (Member) Executive Director 3. Mr. Seturaman Mahalingam (Member) Non-Executive Independent Director 4. Mr. Haigreve Khaitan (Member) Non-Executive Independent Director	Need based. One Meeting was held on 15.05.2018

8. General Body Meetings:

A) ANNUAL GENERAL MEETINGS:

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

AGM	Date	Time	Venue	Special Resolutions Passed
24th AGM	24.07.2018	11.00 am	Y.B.Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman point, Mumbai - 400 021	1. Re-appointment of Dr. (Mrs) Punita Kumar Sinha in the category of Independent Director for a term upto July 23, 2023 or upto the conclusion of the 29th Annual General meeting of the Company in the calendar Year 2023, whichever is earlier. 2. Private placement of redeemable non-convertible debentures of ₹ 10,000 crores.

AGM	Date	Time	Venue	Special Resolutions Passed
				3. Consent for issue of NCD with convertible warrant upto ₹ 4000 crores and/or Specified Securities for an aggregate amount not exceeding ₹ 4,000 crores to QIB. 4. Authority to the Board of Directors to give any loan, guarantee or provide security to any person or other body corporate and to acquire securities of any other Body Corporates upto a maximum aggregate amount of ₹ 20,000 crores.
23rd AGM	29.06.2017	11.00am	Y.B.Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman point, Mumbai - 400 021	1. Private placement of redeemable non-convertible debentures of ₹10,000 crores. 2. Consent for issue of NCD with convertible warrant upto ₹4000 crores and/or Specified Securities for an aggregate amount not exceeding ₹4,000 crores to QIB. 3. Authority to the Board of Directors for issue and allotment of Foreign Currency Denominated Bonds/ GDRs/ADRs/Warrants convertible instruments aggregating up to USD 1 Billion.
22nd AGM	26.07.2016	11.00 am	Y.B.Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman point, Mumbai - 400 021	1. Private Placement of redeemable non-convertible debentures of ₹ 10,000 crores. 2. Consent for Issue of Securities to Qualified Institutional Buyers for an aggregate amount not exceeding ₹4,000 crores. 3. Authority to the Board of Directors for issue and allotment of Foreign Currency Denominated Bonds aggregating up to USD 2 Billion. 4. Authority to the Board of Directors to give any loan, guarantee or provide security to any person or other body corporate and to acquire securities of any other Body Corporates upto a maximum aggregate amount of ₹15,000 crores. 5. Increase in borrowing powers of the Board to upto ₹60,000 crores. 6. Consent to hypothecate/ mortgage and/or charge all or any part of the movable and/or immovable properties of the Company.

B) SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT DURING 2018-19:

No Special Resolution was passed through Postal Ballot during the financial year 2018-19. None of the Business proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

9. Disclosures:

i. Related Party Transactions: All transactions entered into with Related Parties as defined under the Companies Act, 2013, Regulation 23 of the SEBI (LODR) Regulations during the financial year were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by the Indian Accounting Standard (Ind AS 24) has been made in the notes to the Financial Statements.

The Board approved policy for related party transactions is available on the Company's website http://www.jsw.in/investors/investor-relations-steel.

ii. The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures, which are periodically reviewed.

iii. **Whistle Blower Policy/Vigil Mechanism:** The Whistle Blower Policy/Vigil Mechanism has been formulated by the Company with a view to provide a mechanism for directors and employees of the Company to approach the Ethics Counsellor / Chairman of the Audit Committee of the Board to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or ethics policy or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements and incidents of leak or suspected leak of unpublished price sensitive information. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The Whistle Blower Policy / Vigil Mechanism also provides safeguards against victimization or unfair treatment of the employees who avail of the mechanism. The Company affirms that no personnel have been denied access to the Audit Committee.

The Whistle Blower Policy/Vigil Mechanism adopted by the Company in line with Section 177 of the Companies Act, 2013 and Regulation 22 of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, which is a mandatory requirement, has been posted on the Company's website http://www.jsw.in/ investors/investor-relations-steel.

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

a) The financial statements along with the investments made by the unlisted subsidiaries are placed before the Audit Committee and the Company's Board, quarterly.

b) A copy of the Minutes of the Meetings of the Board of Directors of the Company's subsidiaries along with Exception Reports and quarterly Compliance Certificates issued by CEO/CFO/CS are tabled before the Company's Board, quarterly.

c) A summary of the Minutes of the Meetings of the Board of Directors of the Company's subsidiaries are circulated to the Company's Board, quarterly.

d) A statement containing all significant transactions and arrangements entered into by the subsidiary companies is placed before the Company's Board.

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. However, a policy for determination of Material Subsidiaries has been formulated and has been posted on the Company's website http://www.jsw.in/investors/investor-relations-steel.

v. **Internal Controls:** The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/regulatory compliances. The Company's business processes are on SAP-ERP platforms and has a strong monitoring and reporting process resulting in financial discipline and accountability.

vi. **Compliance with Indian Accounting Standards:** The Company has followed Indian Accounting Standards ("Ind AS") in the preparation of the Financial Statements for accounting periods beginning on or after 01.04.2016, as per the roadmap announced by Ministry of Corporate Affairs Companies. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

10. Means of Communication:

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

a) **Quarterly/Half Yearly/Nine Monthly/ Annual Results:** The Quarterly, Half Yearly, Nine Monthly and Annual Results of the Company are intimated to the Stock Exchanges immediately after they are approved by the Board. Quarterly financial results were sent to the Shareholders' through e-mail.

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

The quarterly financial results during the financial year 2018-19 were published in The Financial Express and Navshakti Newspapers as detailed below:

Quarter (F. Y. 2018-19)	Date of Board Meeting	Date of publication
1	25.07.2018	26.07.2018
2	25.10.2018	26.10.2018
3	06.02.2019	07.02.2019

c) **Monthly production figures and other press releases:** To provide information to Investors, monthly production figures and other press releases are sent to the Stock Exchanges as well as displayed on the Company's website before it is released to the media.

d) **Website:** The Company's website www.jsw.in contains a separate dedicated section "Investors" where information for shareholders is available. The Quarterly/Annual Financial Results, annual reports, analysts presentations, investor forms, stock exchange information, shareholding pattern, corporate benefits, polices, investors' contact details, etc., are posted on the website in addition to the information stipulated under Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The latest official press releases are also available on the website.

e) **Presentations to Analysts:**

The Company arranged 4 Conference Calls with Analysts on 16.05.2018, 25.07.2018, 25.10.2018 & 06.02.2019. The presentation for the aforesaid were uploaded on the Company's website www.jsw.in before the Conference Call. The Presentations broadly covered the operational and financial performance of the Company and industry outlook. The same are available on the Company's website.

f) **Filing with BSE "Listing Centre":** Pursuant to Regulation 10 (1) of the SEBI (LODR) Regulations, BSE has mandated the Listing Centre as the "Electronic Platform" for filing all mandatory filings and any other information to be filed with the Stock Exchanges by Listed Entities. BSE also mandated XBRL submissions for Financial Results, Shareholding Pattern, Corporate Governance Report, Reconciliation of Share Capital Audit Report & Voting Results. All the data relating to financial results, various quarterly/ half yearly /annual submissions/ disclosure documents etc., have been filed Electronically/ XBRL mode with the Exchange on the "Listing Centre" (http://listing.bseindia. com).

g) **NSE Electronic Application Processing System (NEAPS):** NEAPS is a web based application designed by NSE for corporates. The Financial Results, Shareholding pattern and Corporate Governance Report, various submissions/ disclosure documents etc. are filed electronically on NEAPS.

h) **Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report along with relevant annexures, Business Responsibility/ Sustainability Report, Auditor's Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.

i) **Chairman's Communiqué:** Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings. The same is also placed on the website of the Company.

11. General Shareholders Information:

I. ANNUAL GENERAL MEETING:

Date and Time :	25.07.2019 at 11.00 a.m.
Venue:	Y B Chavan Auditorium, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021, Maharashtra
Dates of Book closure:	10.07.2019 to 12.07.2019 (both days inclusive
Dividend Payment date:	29.07. 2019

II. FINANCIAL CALENDAR 2019-20:

First quarterly results :	July 2019
Second quarterly results :	October 2019
Third quarterly results :	January, 2020
Annual results for the year ending on 31.03.2020 :	May, 2020
Annual General Meeting for the Year 2019 :	July, 2020

III. E-VOTING:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 and Regulation 44 of the SEBI (LODR) Regulation, 2015, members have been provided the facility to exercise their right to vote at General Meetings by electronic means, through e-Voting Services provided by Karvy Fintech Pvt Ltd.,

IV. CORPORATE IDENTITY NUMBER (CIN):

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

V. LISTING ON STOCK EXCHANGES:

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

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

National Stock Exchange of India Limited (NSE)

Exchange Plaza, Bandra-Kurla Complex, Bandra East, Mumbai - 400051

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

Sl. No.	Description	Face Value (as on issue date)
1.	10.34% Secured Redeemable Non-convertible Debentures	₹10 Lakhs eDach
2.	10.60% Secured Redeemable Non-convertible Debentures	₹10 Lakhs each
3.	10.60% Secured Redeemable Non-convertible Debentures	₹10 Lakhs each
4.	10.02% Secured Redeemable Non-convertible Debentures	₹10 Lakhs each
5.	10.02% Secured Redeemable Non-convertible Debentures	₹10 Lakhs each
6.	10.40% Secured Redeemable Non-convertible Debentures	₹10 Lakhs each
7.	10.60% Secured Redeemable Non-convertible Debentures.	₹10 Lakhs each
8.	9.72% Secured Redeemable Non-convertible Debentures.	₹10 Lakhs each

The Company has paid Annual Listing Fees as applicable, to the BSE and the NSE for the financial years 2018-19 and 2019-20.

The 4.75% Fixed Rate Senior Unsecured Foreign Currency Denominated Notes due 2019 (FCNs) aggregating to US $ 500 million and the 5.25% Fixed Rate Senior Unsecured Foreign Currency Denominated Notes due 2022 (FCNs) aggregating to US $ 500 million issued by the Company in the International Market have been listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"), 2 Shenton Way,#19-00 SGX Centre 1,Singapore 068804. The one time Listing fees has been paid by the Company to the SGX.

VI. STOCK CODE:

BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
Equity	Preference	Debentures	Equity	Preference	Debentures
500228	717502 (0.01% Cumulative Redeemable Preference Shares)	949242	JSW STEEL	JSWSTEEL P2 (0.01% Cumulative Redeemable Preference Shares)	NA
		949396			
		950815			
		950820			
		951447			
		946501			
		948841			
		946364			

ISIN No. for Dematerialisation of listed Shares and Debentures:]

Equity :	INE019A01038
Preference : (0.01% Cumulative redeemable preference shares)	INE019A04024
Debentures:	INE019A07258 – 10.02% NCDs of ₹10 Lakhs each
	INE019A07266 – 10.02% NCDs of ₹10 Lakhs each
	INE019A07324 – 10.40% NCDs of ₹10 Lakhs each
	INE019A07357 – 10.60% NCDs of ₹10 Lakhs each
	INE019A07407 – 9.72% NCDs of ₹10 Lakhs each
	INE019A07183 – 10.60% NCDs of ₹10 Lakhs each
	INE019A07241 – 10.34% NCDs of ₹10 Lakhs each
	INE019A07167 – 10.60% NCDs of ₹10 Lakhs each
FCNs:	XS1133588233
	XS1586341981

Debenture Trustees:

IDBI Trusteeship Services Limited

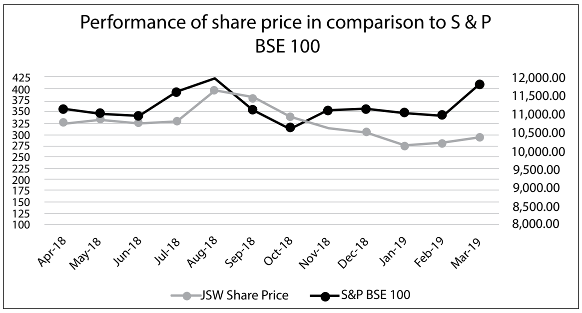
Asian Building, Ground Floor, 17th R. Kamani Marg, Ballard Estate, Mumbai – 400001

VII. Market Price Data:

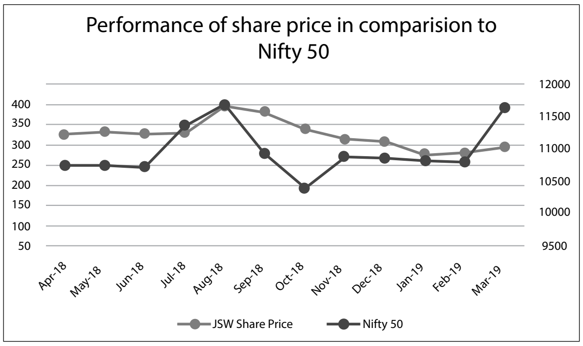
The monthly high/low market price of the shares and the quantities traded during the year 2018- 19 on BSE Limited and National Stock Exchange of India Limited are as under:

	BSE LIMITED			NATIONAL STOCK EXCHANGE OF INDIA LIMITED		
Month	Month's High Price (In ₹ Per share)	Month's Low Price (In ₹ Per share)	No. of Shares traded	Month's High Price (In ₹ Per share)	Month's Low Price (In ₹ Per share)	No. of Shares traded
Apr-18	331.30	288.10	48,24,762	331.20	288.20	8,37,47,509
May-18	343.00	307.00	47,96,424	342.75	307.40	9,50,51,364
Jun-18	346.40	313.90	29,84,327	346.50	313.90	7,21,31,977
Jul-18	332.65	293.95	57,92,266	332.85	293.55	10,14,68,969
Aug-18	408.65	321.65	90,87,812	408.80	321.85	16,11,78,218
Sep-18	427.33	375.00	75,71,477	427.55	374.20	14,82,93,946
Oct-18	386.95	326.70	64,44,798	387.50	326.50	11,92,20,405
Nov-18	359.70	300.00	44,89,401	359.90	299.50	8,96,19,447
Dec-18	324.95	286.10	58,16,925	325.00	286.30	11,13,44,682
Jan-19	309.95	262.45	56,52,688	308.90	262.20	11,93,86,685
Feb-19	293.90	256.80	69,08,376	293.80	256.60	16,23,98,313
Mar-19	298.00	276.00	61,75,940	298.00	276.00	15,77,74,637

VIII. PERFORMANCE OF SHARE PRICE IN COMPARISON TO S&P BSE 100:



IX PERFORMANCE OF SHARE PRICE IN COMPARISON TO NIFTY 50:



X. PERCENTAGE CHANGE IN COMPARISON TO BROAD BASED INDICES – SENSEX AND NIFTY AS ON 31.03.2019:

Financial Year	JSW Share Price (%)	Sensex (%)	JSW Share Price (%)	Nifty (%)
2018-19	01.66	16.92	01.70	14.93
2017-18	53.05	11.30	53.25	10.24
2016-17	46.28	16.88	46.52	33.92
2015-16	41.08	-9.36	41.55	-3.50
2014-15	-12.35	24.88	-12.50	26.65
2013-14	154.39	118.00	154.09	117.97
2012-13	85.03	108.23	85.24	104.00

XI. REGISTRAR & SHARE TRANSFER AGENTS:

Karvy Fintech Private Limited

Karvy Selenium Tower B, Plot 31-32,

Gachibowli, Financial District Nanakramguda,

Hyderabad – 500 032

Tel. No. 040 67161500

Fax No. 040 23001153

E-mail: einward.ris@karvy.com

Website: www.karvyFintech.com

XII. SHARE TRANSFER/TRANSMISSION SYSTEM:

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

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

a) Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.

b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder.

The Board has delegated the authority for approving transfers, transmissions etc. of the Company's securities to the Share/ Debenture Transfer Committee. The decisions of Share/ Debenture Transfer Committee are placed at the next Board Meeting. The Company obtains from a Company Secretary in Practice, a half yearly certificate of compliance with the share transfer formalities as required under the Regulation 40(9) of the SEBI (LODR Regulations) and files a copy of the certificate with the Stock Exchanges.

XIII. DISTRIBUTION OF SHAREHOLDING:

The distribution of shareholding by size as on 31.03.2019 is given below:

Sl. No	No. of Equity Shares Category	No. of Shareholders	% of Shareholders	No.of Shares held	% of shareholding
1	1 - 500	564494	93.87	42421198	1.75
2	501 - 1000	18606	3.09	14498723	0.60
3	1001 - 2000	9527	1.58	13492316	0.56
4	2001 - 3000	3835	0.64	9316007	0.39
5	3001 - 4000	1103	0.18	3873744	0.16
6	4001 - 5000	858	0.14	3962013	0.16
7	5001 - 10000	1323	0.22	9390277	0.39
8	10001 - 20000	582	0.10	8166248	0.34
9	20001 and above	1032	0.17	2312099914	95.65
	TOTAL:	**601360**	**100.00**	**2417220440**	**100.00**

XIV. SHAREHOLDING PATTERN: AS ON 31.3.2019

Category	As on 31.03.2019			As on 31.03.2018		
	No. of Holders	No. of Shares	% of holding	No. of Holders	No. of Shares	% of holding
Promoters	45	1031105450	42.66	42	1009155180	41.75
Promoters Trust	6	600	0.00	6	600	0.00
NRI	9419	30451920	1.26	9266	30865014	1.28
FII	519	449123255	18.58	542	480062536	19.86
OCB	2	9660	0.00	2	9660	0.00
FBC	3	362584730	15.00	3	362584730	15.00
IFI	8	21570492	0.89	7	8369980	0.35
IMF	112	47376216	1.96	86	58562246	2.42
Banks	37	453140	0.02	29	240117	0.01
Employees	675	367385	0.02	744	381242	0.02
Bodies Corporate	2462	202814438	8.39	2473	199207352	8.24
Public	582280	221996483	9.18	588499	225104609	9.31
Trust	22	17249515	0.71	19	313622	0.01
HUF	5743	19003731	0.79	5679	19305731	0.80
Employees Welfare Trust	0	0	0.00	1	10988860	0.45
NBFC	24	61960	0.00	15	25845	0.00
I E P F	1	13049760	0.54	1	12027406	0.50
A I F	1	995	0.00	1	15000	0.00
Transit A/C	1	710	0.00	1	710	0.00
Total	**601360**	**2417220440**	**100.00**	**607416**	**2417220440**	**100.00**

XV. TOP 10 SHAREHOLDERS AS ON 31.03.2019:

S.No	Name	Shares	%
1	JFE STEEL INTERNATIONAL EUROPE B.V.	362583070	15.00
2	JSW TECHNO PROJECTS MANAGEMENT LTD	247328450	10.23
3	JSW HOLDINGS LIMITED	178837230	7.40
4	VIVIDH FINVEST PRIVATE LIMITED	141995690	5.87
5	SAHYOG HOLDINGS PRIVATE LIMITED	111672860	4.62
6	JSW ENERGY LIMITED	70038350	2.90
7	DANTA ENTERPRISES PRIVATE LIMITED	60368250	2.50
8	VIRTUOUS TRADECORP PRIVATE LIMITED	60368250	2.50
9	GAGANDEEP CREDIT CAPITAL PVT LTD	47632650	1.97
10	NALWA SONS INVESTMENTS LTD	45486370	1.88

XVI. GEOGRAPHICAL DISTRIBUTION OF SHAREHOLDERS AS ON 31.03.2019:

Sr. No.	City	Physcial Holders			Electronic Holders			Total Shareholders		
		No. of Cases	No. of Shares	%	No. of Cases	No. of Shares	%	No. of Cases	No. of Shares	%
1	AGRA	1102	76530	0.00	2010	225121	0.01	3112	301651	0.01
2	AHMEDABAD	6276	637170	0.03	22183	152290832	6.30	28459	152928002	6.33
3	BANGALORE	4301	5235850	0.22	14773	20790323	0.86	19074	26026173	1.08
4	KOLKATA	6654	738150	0.03	15852	6405990	0.27	22506	7144140	0.30
5	CHANDIGARH	1133	103750	0.00	2014	334468	0.01	3147	438218	0.02
6	CHENNAI	3678	492040	0.02	10657	15092677	0.62	14335	15584717	0.64
7	COIMBATORE	2885	907630	0.04	3642	1609842	0.07	6527	2517472	0.10
8	GANDHI NAGAR	2131	130690	0.01	8423	749712	0.03	10554	880402	0.04
9	GHAZIABAD	759	76770	0.00	2655	353363	0.01	3414	430133	0.02
10	HISSAR	1090	197280	0.01	1213	46170202	1.91	2303	46367482	1.92
11	HOWRAH	887	102490	0.00	2508	387752	0.02	3395	490242	0.02
12	HYDERABAD	2581	297520	0.01	8921	2310125	0.10	11502	2607645	0.11
13	INDORE	1243	104930	0.00	3645	553377	0.02	4888	658307	0.03
14	JAIPUR	2423	194670	0.01	7849	1018944	0.04	10272	1213614	0.05
15	JAMNAGAR	1060	83530	0.00	2781	268986	0.01	3841	352516	0.01
16	KANPUR	1795	147700	0.01	3757	636607	0.03	5552	784307	0.03
17	LUCKNOW	1292	91890	0.00	3077	382934	0.02	4369	474824	0.02
18	MEHSANA	1371	78430	0.00	3772	411779	0.02	5143	490209	0.02
19	MUMBAI	18387	3233030	0.13	62401	2006844160	83.02	80788	2010077190	83.16
20	NEW DELHI	13641	1634850	0.07	27414	43527729	1.80	41055	45162579	1.87
21	PATNA	732	63390	0.00	2125	282653	0.01	2857	346043	0.01
22	PUNE	2587	276770	0.01	10652	4821290	0.20	13239	5098060	0.21
23	RAJKOT	1538	119910	0.00	6424	978390	0.04	7962	1098300	0.05
24	SURAT	2264	171960	0.01	10145	1244326	0.05	12409	1416286	0.06

Sr. No.	City	Physcial Holders			Electronic Holders			Total Shareholders		
		No. of Cases	No. of Shares	%	No. of Cases	No. of Shares	%	No. of Cases	No. of Shares	%
25	THANE	1576	228840	0.01	8718	1328231	0.05	10294	1557071	0.06
26	VADODARA	3178	240170	0.01	10160	1435925	0.06	13338	1676095	0.07
27	OTHERS	74045	9424260	0.39	182980	81674502	3.38	257025	91098762	3.77
	TOTAL:	**160609**	**25090200**	**1.04**	**440751**	**2392130240**	**98.96**	**601360**	**2417220440**	**100.00**

XVII. CORPORATE BENEFITS TO SHAREHOLDERS:

a) Dividend declared for the last eight years:

Financial Year	Dividend Declaration Date	Dividend Rate (%)
2017-18	24.07.2018	320.00
2016-17	29.06.2017	225.00
2015-16	26.07.2016	75.00
2014-15	28.07.2015	110.00
2013-14	31.07.2014	110.00
2012-13	30.07.2013	100.00
2011-12	25.07.2012	75.00
2010-11	25.07.2011	122.50

b) Unclaimed Dividends:

The Ministry of Corporate Affairs ('MCA') has notified the provisions of section 124 of the Companies Act, 2013 ('Act, 2013) and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF RULES") w.e.f 07.09.2016.

Under Section 124 (5) of the Companies Act, 2013, dividends that are unclaimed / un-paid for a period of seven years, are to be transferred statutorily to the Investor Education and Protection Fund (IEPF) administered by the Central Government. To ensure maximum disbursement of unclaimed dividend, the Company sends reminders to the concerned investors at appropriate intervals. The status of dividend remaining unclaimed is given hereunder:

Period	Status	To be claimed from	How it can be claimed
Upto the financial year ended 31.03.1995	Transferred to the General Revenue Account of the Central Government	Registrar of Companies, Maharashtra	Claim to be forwarded in prescribed Form No. II of the Companies Unpaid Dividend (Transfer to General Revenue Account of The Central Government) Rules, 1978.
For the Financial Years 1995-96 to 2010-11	Transferred to the IEPF of the Central Govt.	IEPF Authority	Submit e-form IEPF-5 alongwith annexures to the company's RTA or at the registered office of the Company
For the Financial Years 2011-12 to 2017-18	Lying in respective unpaid/unclaimed Dividend Accounts	RTA of the Company	By written request to RTA i.e. Karvy Fintech Pvt Ltd.

Pursuant to Section 124 (5) of the Companies Act, 2013, the unpaid dividends that are due for transfer to the Investor Education and Protection Fund are as follows:

Financial Year	Date of Declaration of Dividend	Percentage of Dividend Declared	Unclaimed Dividend Amount as on 31.03.2019	Due for transfer to IEPF
2011-2012	25.07.2012	75%	142,09,889.00	31.08.2019
2012-2013	30.07.2013	100%	225,43,831.00	06.09.2020
2013-2014	31.07.2014	110%	235,57,870.00	07.09.2021
2014-2015	28.07.2015	110%	241,82,541.66	04.09.2022
2015-2016	26.07.2016	75%	181,47,804.00	05.09.2023
2016-2017	29.06.2017	225%	495,59,325.00	05.08.2024
2017-2018	24.07.2018	320%	453,57,000.00	30.08.2025

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

c) Transfer of Shares to Investor Education and Protection Fund:

Pursuant to the provisions of the Companies Act, 2013 read with the second proviso to Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, transfer and refund) Rules, 2016 ("the rules"), all shares in respect of which dividend has not been en-cashed or claimed by the shareholders for seven consecutive years or more should be transferred by the Company to the Demat Account opened by the IEPF Authority within a period of 30 days from which the shares become due to transfer to the IEPF.

Accordingly, 10,24,994 equity shares pertaining to 9203 folios in respect of which dividend has been not been paid or claimed for seven consecutive years or more by shareholders, has been transferred to the designated demat account of the IEPF Authority maintained with CDSL through SBI Cap Securities during December 2018.

Refund process guidelines to facilitate the Claimants refund by IEPF Authority:

1) Any person, whose shares, unclaimed dividend, sale proceeds of fractional shares, redemption proceeds of preference shares, etc. has been transferred to the IEPF, may claim the shares under proviso to sub-section (6) of section 124 or apply for refund under clause (a) of sub-section (3) of section 125 or under proviso to sub-section (3) of section 125, as the case may be, to the Authority by making an application in Form IEPF- 5 available online on website www.iepf.gov.in.

2) Fill the required fields of the Form and submit the duly filled form by following the instructions given in the upload link on the website. On successful uploading of Form on MCA Portal, an acknowledgement will be generated indicating the SRN. Please note the SRN for future tracking of the form.

3) Applicant has to send the printout of form IEPF-5, copy of challan and other documents as prescribed in the Form IEPF-5 to the Nodal Officer of the Company at its registered office or RTA i.e. Karvy Fintech Pvt Limited in an envelope marked “claim for refund from IEPF Authority” for initiating the verification for claim.

4) The Company shall within fifteen days of receipt of claim form, send a verification report to the IEPF Authority in the format specified by the Authority along with all documents submitted by the claimant.

5) After verification of the entitlement of the claimant- (a) to the amount claimed, the Authority and then the Drawing and Disbursement Officer of the Authority shall present a bill to the Pay and Accounts Office for e- payment as per the guidelines (b) to the shares claimed, the Authority shall issue a refund sanction order with the approval of the Competent Authority and shall either credit the shares which are lying with depository participant in IEPF suspense account name of the company) to the demat account of the claimant to the extent of the claimant’s entitlement.

d) Unclaimed shares:

As per Clause 5A(II) of the erstwhile Listing Agreement, the Company after sending three reminders on June 23, 2011, August 25, 2011 and October 31, 2011 to the registered address of the shareholders of the Company and on 23.01.2014, 21.03.2014 and 02.05.2014 to the registered address of the shareholders of the erstwhile JSW Ispat Steel Limited who became shareholders of the Company consequent to the merger, requesting for correct particulars to dispatch the undelivered share certificates, for shares issued in physical form which remained unclaimed, transferred 7,07,359 shares to a dedicated demat account styled as "Unclaimed Suspense Account" opened with Stock Holding Corporation of India.

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

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

As per Schedule V (F) of the SEBI (LODR) Regulations, the Company reports the following details in respect of equity shares and Preference Shares lying in the suspense account:

JSW Steel Ltd - Equity Shares Unclaimed Suspense Account:

Description	Number of Share Holders	Number of Equity Shares of ₹ 1/- each
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 01.04.2018.	13981	1773290
Number of Shareholders who approached issuer for transfer of shares from suspense account during the year ended 31.3.2019	99	31620
Number of shareholders to whom shares were transferred from suspense account during the year ended 31.3.2019	99	31620
Number of unclaimed shares transferred to IEPF on 26.12.2018	1230	161290
Aggregate number of shareholders and the outstanding shares in the suspense account lying as at year ended 31.3.2019	12652	1580380

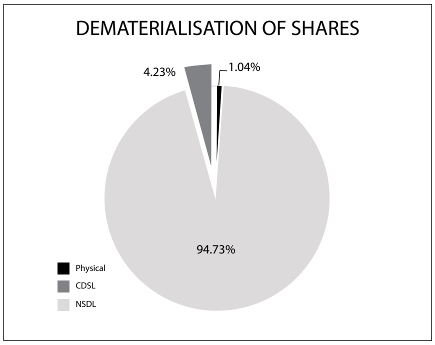
JSW Steel Ltd - Preference Shares Unclaimed Suspense Account:

Description	Number of Share Holders	Number of Preference Shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 01.04.2018.	25058	2701370
Number of Shareholders who approached issuer for transfer of shares from suspense account during the year ended 31.3.2019	58	6056
Number of shareholders to whom shares were transferred from suspense account during the year ended 31.3.2019	58	6056
Aggregate number of shareholders and the outstanding shares in the suspense account lying as at year ended 31.3.2019	25000	2695314

The voting rights on the shares outstanding in the suspense accounts as on March 31, 2019 shall remain frozen till the rightful owner of such shares claims the shares.

e) De-materialisation of Shares and Liquidity:

The Company has arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility. 2392130240 Equity Shares aggregating to 98.96% of the total Equity Capital is held in dematerialised form as on 31.03.2019 of which 94.73% (2289815226 Equity Shares) of total equity capital is held in NSDL & 4.23% (102315014 Equity Shares) of total equity capital is held in CDSL as on 31.3.2019.



f) Physical Share Purchase Scheme:

Having regard to the difficulties experienced by the shareholders in disposing off their shares held in physical form and to mitigate the hardship caused to them, the Company had in consultation with Karvy Computershare Private Limited framed a scheme for purchase of Equity Shares in physical mode at the prevailing market price.

In terms of the amended Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, except in case of transmission or transposition, requests for effecting transfer of securities of listed companies shall not be processed unless the securities are held in dematerialised form with a Depository.

In view of the above, the Physical Share Purchase Scheme has been discontinued w.e.f 31.03.2019.

g) National Electronic Clearing Service (NECS):

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

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

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

The Company in compliance with SEBI circular dated 20th April 2018, had sent 3 reminder letters on 04.06.2018,18.08.2018 & 25.10.2018 to Shareholders holding physical shares seeking their Pan, Bank Details and email address. The shareholders who have not yet responded with their details are requested to furnish the same to Karvy Fintech Pvt. Limited immediately.

h) Green Initiative for Paperless Communications:

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

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

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

i) Nomination Facility:

Pursuant to the provisions of the Companies Act, 2013, members are entitled to make nominations in respect of shares held by them. Members holding shares in physical form and intending to make/change the nomination in respect of their shares in the Company may submit their requests in Form No. 2B to the Company's Registrar, Karvy Fintech Private Limited. Members holding shares in electronic form may submit their nomination requests to their respective Depository Participants directly. Form No. 2B can be obtained from Company's Registrar, Karvy Fintech Private Limited or downloaded from the Company's website www. jsw.in under the section 'Investors'

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

There are no outstanding GDRs/ADRs or Warrants or any Convertible Instrument as on 31.3.2019.

k) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

A comprehensive financial and commodity risk management program supports the achievement of an organisation's objectives by enabling the identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks and implementing policies and procedures to manage and monitor the risks.

The Company has in place a Board approved policy which establishes the financial and commodity risk management framework and defines the procedures and controls for the effective management of the Company's risks that arise due to imports of raw material, capex, debt servicing and exports of finished steel.

Currency Hedging and Commodity Hedging is as guided by Risk management policy approved by Board and the same is reviewed by Board committee of independent directors each quarter.

l) **List of all credit ratings obtained by the entity:**

List of all credit ratings obtained by the entity alongwith revisions thereto during the financial year 2018-19, for all debt instruments of the Company or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad, are furnished herein below:

CARE Ratings Limited			
Particulars	**Rating Month**	**Rating during FY 2019**	**Previous Rating**
Issuer Rating	January 2019	CARE AA (Is); Stable	N.A.
Long Term Bank Facilities – Term Loan	October 2018	CARE AA; Stable	CARE AA-; Stable
Long Term Bank Facilities – Fund Based		CARE AA; Stable	CARE AA-; Stable
Short Term Bank Facilities – Non Fund Based		CARE A1+	CARE A1+
Long/Short Term Bank Facilities – Non Fund Based		CARE AA; Stable	CARE AA-; Stable
Non-Convertible Debentures		CARE AA; Stable	CARE AA-; Stable
Commercial Paper issue		CARE A1+	CARE A1+
ICRA Limited			
Particulars	**Rating Month**	**Rating during FY 2019**	**Previous Rating**
Term Loans / Standby Letter of Credit Facilities	August 2018	ICRA AA; Stable	ICRA AA-; Stable
Short Term Fund Based Limits		ICRA A1+	ICRA A1+
Short Term Non-Fund Based Limits		ICRA A1+	ICRA A1+
Long/Short Term Fund Based/Non-Fund Based Limits		ICRA AA; Stable / ICRA A1+	ICRA AA-; Stable / ICRA A1+
Non-Convertible Debenture Programme		ICRA AA; Stable	ICRA AA-; Stable
Commercial Paper issue		ICRA A1+	ICRA A1+

India Ratings and Research Pvt Ltd			
Particulars	**Rating Month**	**Rating during FY 2019**	**Previous Rating**
Long Term Issuer Rating	March 2019	IND AA; Stable	IND AA-; Stable
Non-Convertible Debentures		IND AA; Stable	IND AA-; Stable

Fitch			
Particulars	**Rating Month**	**Rating during FY 2019**	**Previous Rating**
Long term Issuer Default Rating	February 2019	BB; Stable	BB; Stable
Senior Unsecured Notes		BB; Stable	BB; Stable

Moody's Investors Service:			
Particulars	**Rating Month**	**Rating during FY 2019**	**Previous Rating**
Corporate Family Rating	February 2019	Ba2; Positive	Ba2; Stable
Senior Unsecured Notes		Ba2; Positive	Ba2; Stable

m) **Utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

No funds were raised by the Company through Preferential allotment or by way of a Qualified Institutions Placement during the F.Y 2018-19

n) There are no cases where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required during the Financial Year 2018-19.

o) Total fees for all services paid by the Company and its subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

₹in crores

Statutory audit fees (including limited reviews)	9
Audit related fees (certification, tax audit & capital market transctions)	3
Other services	1
Out of pocket expenses	#
Total	13

p) **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

a) No. of complaints filed during the financial year 2018-19 : 1

b) No. of complaints disposed of during the financial year 2018-19: 1

c) No. of complaints pending as on 31.03.2019 : 0

q) **Registered Office:**

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

r) **Plant Locations:**

Vijayanagar : P.O. Vidyanagar, Toranagallu Village, Sandur Taluk, Dist. Bellary, Karnataka - 583 275

Dolvi : Geetapuram, Dolvi Village, Pen Taluk, Dist. Raigad, Maharashtra - 402 107

Salem : Pottaneri, M Kalipatti Village, Mecheri Post, Mettur Taluk, Salem Dist., Tamil Nadu - 636 453.

s) **Address for Investor Correspondence:**

1. Retail Investors

a) **For Securities held in Physical form**

Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 008 Tel. No. 040 – 67161500 , Fax. No. 040 - 23001153 E-mail: einward.ris@karvy.com Website: www.karvy.com

b) **For Securities held in Demat form**

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

c) **JSW Steel Limited – Investor Relation Centre**

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

2. **Institutional Investors:**

Mr. Pritesh Vinay, Vice President (Capital Markets and Investor Relations), JSW Centre, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051

Tel. No. 022 – 42861000

Fax No. 022 – 42863000

3. **Designated exclusive email-id for Investor servicing: jswsl.investor@jsw.in**

4. **Toll Free Number of R & T Agent's exclusive call Centre: 1-800-3454001**

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

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

XVIII. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE:

There are no instances of non-compliance of any requirement of Corporate Governance Report as mentioned in sub-paras (2) to (10) of Para (C) of Schedule V. The Company has been regularly submitting the quarterly compliance report to the Stock Exchanges as required under Regulation 27 of the SEBI (LODR) Regulations 2015.

XIX. ADOPTION OF DISCRETIONARY REQUIREMENTS:

The status of adoption of discretionary requirements of Regulation 27(1) as specified under Part E of Schedule II of the SEBI (LODR) Regulations 2015 is provided below:

i. Non-Executive Chairperson's entitlement to maintain Chairman's Office and reimbursement of expenses incurred: Not applicable as the Company does not have a Non-Executive Chairperson.

ii. Shareholders' Rights: Quarterly financial results are sent to the Shareholders' through e-mail. The Quarterly, Half Yearly, Nine Monthly and Annual financial performance including summary of significant events are published in the newspapers, communicated to the stock exchanges and also posted on the Company's website.

iii. Modified Opinion in Auditors Report: The Company's financial statement for the financial year 2018-19 does not contain modified audit opinion.

iv. Separate posts of Chairman and Managing Director or CEO: The Chairman's Office is not separate from that of the Managing Director.

v. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

12. Corporate Ethics:

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings. A Code of Conduct for Board Members and Senior Management and JSWSL Code of Conduct to Regulate, Monitor and Report Trading by Insiders (formerly known as Code of Conduct for Prevention of Insider Trading) as detailed below has been adopted pursuant to the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

A) CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT:

The Board of Directors of the Company has adopted a Code of Conduct for Board Members and Senior Management which includes a Code of Conduct for Independent Directors and also suitably incorporates the duties of Independent Directors as laid down under the Companies Act, 2013. The Code highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

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

Declaration affirming compliance of Code of Conduct

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

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

B) JSWSL CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS:

The Company adopted a Code of Conduct for Prevention of Insider Trading for its Management, Staff and Directors on 29 October, 2002. The Code (known as the "JSWSL Code of Conduct to Regulate, Monitor and Report Trading by Insiders") lays down guidelines and procedures to be followed and disclosures to be made by Directors, Top Level Executives and Staff whilst dealing in shares of the Company.

Minor modifications were made to the Code in line with the amendments made to the "Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2008, by SEBI. The amended code was adopted by the Board in its meeting held on 7.5.2009.

SEBI thereafter, to put in place a framework for prohibition of Insider Trading and to strengthen the legal framework, notified the "Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. In order to comply with the mandatory requirement of the Regulations, the Code of Conduct for prevention of Insider Trading was revised to bring it in line with the new 2015 Regulations. The new code "JSWSL Code of Conduct to Regulate, Monitor and Report Trading by Insiders" was adopted by the Board in its meeting held on 21.10.2015. This Code supersedes the earlier "JSWSL Code of Conduct for Prevention of Insider Trading".

The policy and the procedures are periodically communicated to the employees who are considered as insiders of the Company. Trading window closure is intimated to all employees and to the Stock Exchange in advance, whenever required. The Company affirms that no personnel have been denied access to the Audit Committee.

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

C) RECONCILIATION OF SHARE CAPITAL AUDIT REPORT :

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

D) INTERNAL CHECKS AND BALANCES:

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

E) LEGAL COMPLIANCE OF THE COMPANY'S SUBSIDIARIES:

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

F) HUMAN RIGHTS POLICY

In line with JSW's heritage as a responsible corporate citizen and its commitment to respecting the economic, social, cultural, political and civil rights of individuals involved in and impacted by its operations, the Board of Directors in its meeting held on 20.1.2010 has approved a Formal Human Rights Policy for adoption by the Company and all its Subsidiaries as part of its global personnel policies, in line with the practice followed internationally by Companies of Repute. A few minor changes were made to the policy by the Board in its meeting held on 28.1.2013 to bring it in line with the requirements of Business responsibility reporting. JSW's policy on human rights applies to all its businesses processes and is a part of its commitment to ethical and socially responsible behaviour across its value chain.

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

Compliance Certificate by Auditors:

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated under Schedule V (E) of the SEBI (LODR) Regulations which is annexed herewith.

Compliance Certificate by Practicing Company Secretary

The Company has obtained a certificate from the Secretarial Auditor pursuant to the provisions of Regulation 34(3) read with Schedule V Para C Clause (10)(i) of the SEBI (LODR) Regulations which is annexed herewith.

Declaration Affirming Compliance of Code of Conduct

As provided under Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31.03.2019.

For **JSW Steel Limited**
Sd/-

Place: Mumbai **Seshagiri Rao MVS**
Date : 24.05. 2019 Jt. Managing Director & Group CFO

CERTIFICATE PURSUANT TO THE PROVISIONS OF REGULATION 34(3) AND SCHEDULE V PARA C CLAUSE (10)(i) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

To,
The Members of
JSW Steel Limited,
JSW Centre,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400051

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of JSW Steel Limited having CIN L27102MH1994PLC152925 and having registered office at JSW Centre Bandra Kurla Complex, Bandra (East) Mumbai, 400051 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	SAJJAN JINDAL	00017762	15/03/1994
2.	SESHAGIRI RAO MVS	00029136	06/04/1999
3.	VINOD NOWAL	00046144	30/04/2007
4.	JAYANT ACHARYA	00106543	07/05/2009
5.	MAHALINGAM SETURAMAN	00121727	27/07/2016
6.	HARSH CHARANDAS MARIWALA	00210342	25/07/2018
7.	MALAY MUKHERJEE	02861065	29/07/2015
8.	PUNITA KUMAR SINHA	05229262	28/10/2012
9.	HAIGREVE KHAITAN	00005290	30/09/2015
10.	NIRUPAMA RAO	06954879	25/07/2018
11.	HIROYUKI OGAWA	07803839	17/05/2017
12.	GUNJAN KINNU	08184500	25/07/2018

Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For *S. Srinivasan & Co.*
Company Secretaries

Sd/-
S. Srinivasan
Practicing Company Secretary
FCS: 2286
CP. No.: 748
Place: Mumbai
Date: May 24, 2019

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED

The Members of JSW Steel Limited

1. The Corporate Governance Report prepared by JSW Steel Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2019. This report is as required by the Company for annual submission to the Stock exchanges and to be sent to the shareholders of the Company..

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on March 31, 2019 and verified that atleast one woman director was on the Board of Directors throughout the year;

   iv. Obtained and read the minutes of the following meetings held from April 01, 2018 to March 31, 2019:

      (a) Board of Directors;

      (b) Audit Committee;

      (c) Annual General Meeting (AGM);

      (d) Nomination and Remuneration Committee;

      (e) Stakeholders Relationship Committee;

      (f) Risk Management Committee

   v. Obtained necessary declarations from the directors of the Company.

   vi. Obtained and read the policy adopted by the Company for the related party transactions.

   vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved by the audit committee.

   viii. Performed necessary inquiries with the management and also obtained necessary specific representations from the management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vikram Mehta
Partner
Membership Number: 105938

UDIN: 19105938AAAAAF1667

Place of Signature: Mumbai
Date: May 24, 2019

STANDALONE FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of JSW Steel Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of JSW Steel Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Recoverability of investments in and loans / advances given to certain subsidiaries and a Joint venture and financial guarantees given on behalf of certain subsidiaries *(as described in note 50 of the standalone Ind AS financial statements)*	
The Company has investments in certain subsidiaries and a joint venture with a carrying value of ₹ 1,018 crores. Further, Company has also provided loans and/or guarantees to or on behalf of these subsidiaries and the joint venture amounting to ₹ 8,632 crores. These subsidiaries and joint venture, have either been incurring losses or the investments made by them in the step down subsidiaries have been making losses. Assessment of the recoverable amount of the investments in and loans/advances including interest thereon given to these subsidiaries and a joint venture and financial guarantees given on behalf of these subsidiaries has been identified as a key audit matter due to: • Significance of the carrying amount of these balances. • The assessment requires management to make significant estimates concerning the estimated future cash flows, qualitative assessments of the status of the project and its future depending on balance work to be performed or approvals to be received, associated discount rates and growth rates based on management's view of future business prospects. • Changes to any of these assumptions could lead to material changes in the estimated recoverable amount, impacting both potential impairment charges and also potential reversals of impairment taken in prior years. Further, the Company has not recognized interest income of ₹ 454 crores during the year from some of its subsidiaries due to uncertainty of recoverability of such income.	Our audit procedures included the following: • We have obtained and read management's assessment for identification of indicators of impairment. • We performed test of controls over impairment process through inspection of evidence of performance of these controls. • Assessed the impairment model prepared by the management and the assumptions used, with particular attention to the following: - Benchmarking or assessing key market related assumptions used in the impairment models, including discount rates, long term growth rate, risk free rate of return, weight average cost of capital, Production schedule against external data. - assessing the cash flow forecasts through analysis of actual past performance and comparison to previous forecasts; - testing the mathematical accuracy and performing sensitivity analyses of the models; - understanding the commercial prospects of the assets/projects, and comparison of assumptions with external data sources; • We assessed the competence, capabilities and objectivity of the experts used by the Management in the process of evaluating impairment models. • We assessed the compliance of the disclosures made in note 50 of the standalone Ind AS financial statements with accounting standards.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2"><u>Recoverability of VAT deferral under the GST regime</u> (as described in note 29 of the standalone Ind AS financial statements)</td></tr>
<tr><td>
The Company's units at Dolvi in Maharashtra and Vijayanagar in Karnataka are eligible and have been availing for interest free VAT deferral loan as an incentive under the incentive schemes notified by the State of Maharashtra and Karnataka.

The Company has recognised income in relation these grants being the difference between the net present value of these interest free loans granted to the Company and the nominal value of such loans to the extent of SGST collected by the Company in respect of sales eligible for such grants, in accordance with notifications issued by the State of Maharashtra and Karnataka.

The State Government of Maharashtra ('GoM') vide its Government Resolution dated 20 December 2018, revised on 8 March 2019, has issued the modalities for sanction and disbursement of Incentives under GST regime, which includes certain additional conditions for eligibility and prescribed a new formula for determination of the incentives.

The State Government of Karnataka vide its circular dated 26 February 2019, has issued guidelines for certification of the eligible incentive amount.

The amount of incentive recognized during the year amounts to ₹ 1,111 crores and cumulative balance of these receivables amount to ₹ 1,806 crores.

We considered VAT deferral incentive as a Key audit matter due to:

• Significance of amount accrued during the year and carrying amount of these receivables as at March 31, 2019.

• Significant judgement involved in assessment of the eligibility of incentive under the new GST regime.
</td><td>
Our audit procedures included the following:

• We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to the recognition of government grants and income accruing therefrom, including the controls in respect of measurement of the grants.

• We have read eligibility certificates in respect of VAT deferral incentives available to Company.

• We have read the notification issued by the Government of Maharashtra and Government of Karnataka stating eligibility of VAT deferral under the GST regime.

• We have read Government Resolution dated 20 December 2018 and revision made on 8 March 2019, issued by Government of Maharashtra in respect of modalities for sanction and disbursement of Incentives under GST regime.

• We have read circular dated 26 February 2019 issued by the State Government of Karnataka in respect of guidelines for certification of the eligible incentive amount.

• Read the legal opinion obtained by the management for assessing the impact of new eligibility conditions and formula for determination incentives based on latest Government Resolution issued by GoM

• We involved specialists to assist us in reviewing and evaluating the management's assessment of latest Government Resolution issued by GoM.

• We have tested the calculation of incentives accrued for the year ended March 31, 2019.
</td></tr>
</table>

Independent Auditor's Report

Key audit matters	How our audit addressed the key audit matter
Accuracy and completeness of disclosure of related party transactions and compliance with the provisions of Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI (LODR) 2015') *(as described in note 43 of the standalone Ind AS financial statements)*	
We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the standalone Ind AS financial statements as a key audit matter due to: • the significance of transactions with related parties during the year ended March 31, 2019. • Related party transactions are subject to the compliance requirement under the Companies Act 2013 and SEBI (LODR) 2015.	Our procedures in relation to the disclosure of related party transactions included: • Obtaining an understanding of the Company's policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been disclosed in the standalone Ind AS financial statements. • Obtaining an understanding of the Company's policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors. • Agreeing the amounts disclosed to underlying documentation and reading relevant agreements, evaluation of arms-length, on a sample basis, as part of our evaluation of the disclosure. • Assessing management evaluation of compliance with the provisions of Section 177 and Section 188 of the companies Act 2013 and SEBI (LODR) 2015. • Evaluating the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2"><u>Claims and exposures relating to taxation and litigation</u> (as described in note 44 of the standalone Ind AS financial statements)</td></tr>
<tr><td>The Company has disclosed in Note 44 contingent liabilities of ₹ 3,015 crores in respect of disputed claims/ levies under various tax and legal matters and ₹ 2,160 crores towards Claims related to Forest development tax/ fee. In addition, the Company has assessed several claims as 'Remote' and hence are not required to be disclosed as contingent liabilities.

Taxation and litigation exposures have been identified as a key audit matter due to:

• Significance of these amounts and large number of disputed matters with various authorities.

• Significant judgement and assumptions required by management in assessing the exposure of each case to evaluate whether there is a need to set up a provision and measurement of exposures as well as the disclosure of contingent liabilities.

We focused on this matter because of the potential financial impact on the financial statements. Additionally, the treatment of taxation and litigation cases require significant judgement due to the complexity of the cases, timescales for resolution and involvement of various authorities.</td><td>Our audit procedures included the following:

• Understanding and assessing the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities.

• Obtaining the details of legal and tax disputed matters and evaluation made by the management and assessed management's position through discussions on both the probability of success in significant cases, and the magnitude of any potential loss.

• Read external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of the risk profile in respect of legal claims.

• We involved tax specialists to assist us in evaluating tax positions taken by management.

• We assessed the relevant disclosures made in the standalone Ind AS financial statements for compliance in accordance with the requirements of Ind AS 37.</td></tr>
</table>

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 44 to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

per Vikram Mehta
Partner
Membership Number: 105938

Place of Signature: Mumbai
Date: 24 May 2019

Annexure 1

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company except for

i. leasehold land aggregating to ₹ 67 crores wherein the lease deed has expired. As explained to us, the Company is in the process of converting the title into freehold as per the lease cum sale agreement.

ii. freehold land aggregating to ₹ 9 crores as noted below for which title deeds were not available with the Company and hence we are unable to comment on the same

Nature of immovable Property	Total Number of Cases	As at March 31, 2019 (₹ in Crores)	
		Gross Block	Net Block
Land located at Maharashtra	12	9	9

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of its products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales- tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of Statue	Nature of Dues	Amount (₹ In Crores)*	Period	Forum
The Central Excise Act, 1944	Excise Duty	98	1995-2015	High Court
		455	1997-2018	Central Excise Service Tax Appellate Tribunal (CESTAT)
		2	1998-2016	Asst. Commissioner/Commissioner
The Custom Act, 1962	Custom Duty	185	1995-2012	High Court
		354	2009-2018	Central Excise Service Tax Appellate Tribunal (CESTAT)
		12	2014-2017	Commissioner
Karnataka VAT, 2003	VAT	2	2006-2008	Assistant Commissioner
The Central Sales Tax Act, 1956	CST	29	2011-2012	High Court
		33	2012-2013	Commissioner
Chapter V of the Finance Act, 1994	Service Tax	162	2004-2018	Central Excise Service Tax Appellate Tribunal (CESTAT)
		0.15	2008-2018	Commissioner
Income Tax Act, 1961	Income Tax	14	2014-2015	Commissioner

* Net of amounts paid under protest.

The above table does not include cases decided in favour of the Company for which the department has preferred an appeal at higher levels amounting to ₹ 616 crores.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer (including debt instruments) and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act wherever applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Vikram Mehta
Partner
Membership Number: 105938

Place of Signature: Mumbai
Date: 24 May 2019

Annexure 2

Annexure 2 to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of JSW Steel Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of JSW Steel Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these standalone Ind AS financial statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these standalone Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Vikram Mehta
Partner
Membership Number: 105938

Place of Signature: Mumbai
Date: 24 May 2019

BALANCE SHEET
AS AT 31 MARCH 2019

₹ in crores

	Notes	As at 31 March 2019	As at 31 March 2018
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	49,245	49,503
(b) Capital work-in-progress	5	9,577	3,071
(c) Intangible assets	6	172	65
(d) Intangible assets under development		344	321
(e) Investments in subsidiaries, associates and joint ventures	7	4,853	3,848
(f) Financial assets			
(i) Investments	8	1,424	1,030
(ii) Loans	9	7,674	5,165
(iii) Other financial assets	10	45	746
(g) Current tax assets (net)		195	250
(h) Other non-current assets	11	3,364	2,299
Total non-current assets		**76,893**	**66,298**
Current assets			
(a) Inventories	12	10,599	10,082
(b) Financial assets			
(i) Trade receivables	13	6,746	4,692
(ii) Cash and cash equivalents	14	5,258	451
(iii) Bank balances other than (ii) above	15	422	150
(iv) Loans	9	136	158
(v) Derivative Assets	16	228	147
(vi) Other financial assets	10	2,621	503
(c) Other current assets	11	1,999	3,070
Total current assets		**28,009**	**19,253**
Total Assets		**104,902**	**85,551**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	301	302
(b) Other equity	18	34,861	27,605
Total equity		**35,162**	**27,907**
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	26,748	29,551
(ii) Other financial liabilities	20	1,015	698
(b) Provisions	21	226	115
(c) Deferred tax liabilities(net)	22	3,270	2,071
(d) Other non-current liabilities	23	4,083	4
Total non-current liabilities		**35,342**	**32,439**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	5,368	2,172
(ii) Trade payables	25		
(a) Total outstanding, dues of micro and small enterprises		30	10
(b) Total outstanding, dues of creditors other than micro and small enterprises		13,022	13,978
(iii) Derivative Liabilities	26	332	90
(iv) Other financial liabilities	27	13,786	7,111
(b) Provisions	21	52	111
(c) Other current liabilities	28	1,616	1,381
(d) Current tax liabilities(net)		192	352
Total current liabilities		**34,398**	**25,205**
Total liabilities		**69,740**	**57,644**
Total equity and liabilities		**104,902**	**85,551**

See accompanying notes to the standalone financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

per VIKRAM MEHTA
Partner
Membership No.:105938

Place: Mumbai
Date : 24 May 2019

For and on behalf of Board of Directors

RAJEEV PAI
Chief Financial Officer

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

LANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407

SESHAGIRI RAO M.V.S
Jt. Managing Director & Group CFO
DIN 00029136

Place: Mumbai
Date : 24 May 2019

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2019

₹ in crores

		Notes	For the year ended 31 March 2019	For the year ended 31 March 2018*
I	**Revenue from operations**	29	76,727	67,723
II	**Other income**	30	519	213
III	Total income (I + II)		77,246	**67,936**
IV	**Expenses:**			
	Cost of materials consumed		39,589	35,995
	Purchases of stock-in-trade		498	1,063
	Changes in inventories of finished goods and work-in-progress	31	(188)	412
	Employee benefits expense	32	1,400	1,260
	Finance costs	33	3,708	3,591
	Depreciation and amortization expense	34	3,397	3,054
	Excise duty expense		-	1,259
	Other expenses	35	17,025	13,993
	Total expenses		65,429	**60,627**
V	**Profit before exceptional items and tax (III-IV)**		11,817	**7,309**
VI	Exceptional items (refer note 49)		-	234
VII	**Profit before tax (V-VI)**		11,817	**7,075**
VIII	**Tax expense/(benefit):**	22		
	Current tax		2,348	1,578
	Deferred tax		1,210	872
			3,558	2,450
IX	**Profit for the year (VII-VIII)**		8,259	**4,625**
X	**Other comprehensive income**			
A	i) Items that will not be reclassified to profit or loss			
	(a) Re-measurements of the defined benefit plans		(15)	(3)
	(b) Equity instruments through other comprehensive income		4	82
	ii) Income tax relating to items that will not be reclassified to profit or loss		5	1
	Total (A)		(6)	**80**
B	i) Items that will be reclassified to profit or loss			
	(a) The effective portion of gains and loss on hedging instruments		31	(341)
	(b) Changes in Foreign Currency Monetary Item translation difference account (FCMITDA)		(49)	(33)
	ii) Income tax relating to items that will be reclassified to profit or loss		6	130
	Total (B)		(12)	**(244)**
	Total Other comprehensive income / (loss) (A+B)		(18)	**(164)**
XI	**Total comprehensive income / (loss) (IX + X)**		8,241	**4,461**
XII	**Earnings per equity share of Re. 1 each**	37		
	Basic (₹)		34.35	19.24
	Diluted (₹)		34.17	19.14

* Restated (refer note 29(c))

See accompanying notes to the standalone financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

For and on behalf of Board of Directors

per VIKRAM MEHTA
Partner
Membership No.:105938

RAJEEV PAI
Chief Financial Officer

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

Place: Mumbai
Date : 24 May 2019

LANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407
Place: Mumbai
Date : 24 May 2019

SESHAGIRI RAO M.V.S
Jt. Managing Director & Group CFO
DIN 00029136

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

A. Equity share capital

₹ in crores

Particulars	Amount
As at 01 April 2017	301
Movement during the year	@
As at 31 March 2018	302
Movement during the year	@@
As at 31 March 2019	301

@ = 0.32 crores

@@ = (0.45) crores

B. Other equity

₹ in crores

Particulars	Reserves and surplus							Items of Other Comprehensive Income/ (Loss) (OCI)			Total
	Capital reserve	Securities premium	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Equity settled share based payment reserve	General reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	FCMITDA	
Opening balance as at 01 April 2017	3,585	5,417	10	433	3,337	13	10,417	353	236	(4)	23,797
Profit for the year	-	-	-	-	4,625	-	-	-	-	-	4,625
Other comprehensive income for the year, net of income tax	-	-	-	-	(2)	-	-	82	(223)	(21)	(164)
Dividend including dividend distribution tax	-	-	-	-	(655)	-	-	-	-	-	(655)
Impact of ESOP trust consolidation	-	-	-	-	(26)	-	-	-	-	-	(26)
Recognition of share-based payments	-	-	-	-	-	28	-	-	-	-	28
Transfer to Capital redemption reserve	-	-	139	-	-	-	(139)	-	-	-	-
Transfer from Debenture redemption reserve	-	-	-	(292)	292	-	-	-	-	-	-
Closing balance as at 31 March 2018	3,585	5,417	149	141	7,571	41	10,278	435	13	(25)	27,605
Profit for the year	-	-	-	-	8,259	-	-	-	-	-	8,259
Other comprehensive income for the year, net of income tax	-	-	-	-	(10)	-	-	4	20	(32)	(18)
Dividend including dividend distribution tax	-	-	-	-	(886)	-	-	-	-	-	(886)
Impact of ESOP trust consolidation	-	-	-	-	(149)	-	-	-	-	-	(149)
Recognition of share-based payments	-	-	-	-	-	50	-	-	-	-	50
Transfer to Capital redemption reserve	-	-	383	-	-	-	(383)	-	-	-	-
Transfer to retained earnings realised profit on FVTOCI (refer note 8 (a))	-	-	-	-	36	-	-	(36)	-	-	-
Transfer to Debenture redemption reserve	-	-	-	144	(144)	-	-	-	-	-	-
Closing balance as at 31 March 2019	3,585	5,417	532	285	14,677	91	9,895	403	33	(57)	34,861

See accompanying notes to the standalone financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

per VIKRAM MEHTA
Partner
Membership No.:105938

Place: Mumbai
Date : 24 May 2019

For and on behalf of Board of Directors

RAJEEV PAI
Chief Financial Officer

LANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407
Place: Mumbai
Date : 24 May 2019

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

SESHAGIRI RAO M.V.S
Jt. Managing Director & Group CFO
DIN 00029136

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

₹ in crores

	For the year ended 31 March 2019		For the year ended 31 March 2018	
Cash flow from operating activities				
Profit before tax		11,817		7,075
Adjustments for :				
Depreciation and amortisation expenses	3,397		3,054	
Loss on sale of property, plant & equipment (net)	6		124	
Gain on sale of financial investments designated as FVTPL	(10)		(16)	
Interest income	(239)		(176)	
Gain arising of financial instruments designated as FVTPL	(8)		(9)	
Unwinding of interest on financial assets carried at amortised cost	(31)		-	
Loss arising from Financial instruments designated as FVTPL	18		30	
Dividend income	(224)		(5)	
Interest expense	3,452		3,442	
Share based payment expense	50		28	
Export obligation deferred income amortisation	(160)		(67)	
Unrealised exchange gain/(loss)	201		44	
Allowance for doubtful debts, loans & advances	132		381	
Government grant - GST incentive income	-		(53)	
Non cash expenditure	6		-	
		6,590		6,777
Operating profit before working capital changes		18,407		13,852
Adjustments for :				
(Increase) in inventories	(517)		(812)	
(Increase) in trade receivables	(2,056)		(661)	
(Increase) in other assets	(924)		(1,339)	
Increase in trade payable and other liabilities	3,609		2,325	
Increase in provisions	38		16	
		150		(471)
Cash flow from operations		18,557		13,381
Income taxes paid (net of refund received)		(2,453)		(1,207)
Net cash generated from operating activities (A)		16,104		12,174
Cash flow from investing activities				
Purchase of property, plant & equipment, intangible assets including under development		(7,902)		(3,776)
Proceeds from sale of property, plant & equipment		31		7
Investment in subsidiaries and joint ventures including advances and preference shares		(1,237)		(175)
Sale of other non-current investments in equity instruments through FVTOCI		50		-
Purchase of current investments		(8,340)		(7,804)
Sale of current investments		8,350		8,120
Bank deposits not considered as cash and cash equivalents (net)		(268)		169
Loans given to related parties		(3,317)		(2,858)
Loans repaid by related parties		877		-
Interest received		202		178
Dividend received		224		5
Net cash used in investing activities (B)		(11,330)		(6,134)

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

₹ in crores

	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flow from financing activities		
Proceeds from sale of treasury shares	-	49
Payment for purchase of treasury shares	(153)	(76)
Proceeds from non-current borrowings	6,017	5,571
Repayment of non-current borrowings	(4,244)	(4,774)
Proceeds from/Repayment of current borrowings (net)	3,196	(2,703)
Repayment of finance lease obligation	(365)	(296)
Interest paid	(3,532)	(3,417)
Dividend paid (including corporate dividend tax)	(886)	(655)
Net cash used in financing activities (C)	**33**	**(6,301)**
Net increase/(decrease) in cash and cash equivalents(A+B+C)	**4,807**	**(261)**
Cash and cash equivalents - opening balances	**451**	**712**
Cash and cash equivalents - closing balances (note 14)	**5,258**	**451**

Reconciliations part of cash flows

₹ in crores

Particulars	1 April 18	Cash flows(net)	Foreign exchange (Gain)/Loss	Changes in fair values	New leases	Other	31 March 19
Borrowings other than finance lease obligation (including Current maturities of long term borrowing included in other financial liabilities note 28)	29,427	1,773	772	(70)	-	39	31,941
Finance Lease Obligations (including Current maturities)	4,582	(365)	-	-	411	-	4,628
Borrowings (Current)	2,172	3,196	-	-	-	-	5,368

₹ in crores

Particulars	1 April 17	Cash flows(net)	Foreign exchange (Gain)/Loss	Changes in fair values	New leases	Other	31 March 18
Borrowings other than finance lease obligation (including Current maturities of long term borrowing included in other financial liabilities note 28)	28,541	797	89	(52)	-	52	29,427
Finance Lease Obligations (including Current maturities)	4,857	(296)	-	-	22	(1)	4,582
Borrowings (Current)	4,875	(2,703)	-	-	-	-	2,172

Other comprises of Upfront Fees Amortization and Interest Cost accrual on preference shares.

Notes:

1. The cash flow statement is prepared using the "indirect method" set out in IND AS 7 – Statement of Cash Flows.
2. The Company has acquired property, plant and equipment of ₹ 411 crores (previous year ₹ 22 crores) on finance lease.

See accompanying notes to the standalone financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

For and on behalf of Board of Directors

per VIKRAM MEHTA
Partner
Membership No.:105938

RAJEEV PAI
Chief Financial Officer

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

Place: Mumbai
Date : 24 May 2019

LANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407
Place: Mumbai
Date : 24 May 2019

SESHAGIRI RAO M.V.S
Jt. Managing Director & Group CFO
DIN 00029136

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

1. General Information

JSW Steel Limited ("the Company") is primarily engaged in the business of manufacture and sale of Iron and Steel Products.

The Company is an integrated manufacturer of diverse range of steel products with its manufacturing facilities located at Vijaynagar Works in Karnataka, Dolvi Works in Maharashtra and Salem works in Tamil Nadu.

JSW Steel Limited is a public limited company incorporated in India on March 15, 1994 under the Companies Act, 1956 and listed on the Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

2. Significant Accounting policies

I. Statement of compliance

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III of the Companies Act 2013 , (Ind AS Compliant Schedule III),as applicable to standalone financial statement.

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2019, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements" or "financial statements").

These financial statements are approved for issue by the Board of Directors on 24 May, 2019.

II. Basis of preparation and presentation

The Standalone Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting year, as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statement is presented in INR and all values are rounded to the nearest crores except when otherwise stated.

Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle. it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

III. Revenue recognition

A. Sale of Goods

The Company recognizes revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognized when such freight services are rendered.

In revenue arrangements with multiple performance obligations, the Company accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their stand-alone selling prices. Revenue from sale of by products are included in revenue.

Revenue from sale of power is recognised when delivered and measured based on the bilateral contractual arrangements.

Contract balances

i) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration including Trade receivables

ii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract including Advance received from Customer

iii) Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer including volume rebates and discounts. The Company updates its estimates of refund liabilities at the end of each reporting period.

B. Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

IV. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect

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a constant periodic rate of return on the net investment outstanding in respect of the lease.

Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight-line basis over the lease term.

The Company as a lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Standalone balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the years in which they are incurred.

Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the year in which they are incurred.

Arrangements in the nature of lease

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 17 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 17 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

V. Foreign currencies

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the year in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below the policy on hedge accounting in 2 (XVIII) (B) (g));

- exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognized in the financial statements for the year ended 31 March, 2016 prepared under previous GAAP, are capitalized as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity year / upto the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable.

VI. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the year in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs

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incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

VII. Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the years in which the Company recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

The benefit of a government loan at a below-market rate of interest and effect of this favorable interest is treated as a government grant. The Loan or assistance is initially recognized at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognised to the income statement immediately on fulfillment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

VIII. Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting year. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the year of a plan amendment or when the company recognizes corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

IX. Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 38.

The fair value determined at the grant date of the equity-

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settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

The Company has created an Employee Benefit Trust for providing share-based payment to its employees. The Company uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Company from the market, for giving shares to employees. The Company treats Trust as its extension and shared held by the Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from Equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in capital reserve. Share options exercised during the reporting year are satisfied with treasury shares.

X. Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they are relating to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

XI. Property, plant and equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

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An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed. Revenue (net of cost) generated from production during the trial period is capitalised.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of assets	Years
Plant and equipment	8 to 40 years
Work-rolls (shown under Plant and equipment)	1 - 5 years

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Freehold land and leasehold land where the lease is convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

XII. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Class of assets	Years
Computer Software & Licenses	3-5 years

Mining assets are amortised over the useful life of the mine or lease period whichever is lower.

The Company has elected to continue with carrying value of all its intangible assets recognised ason transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

XIII. Mining Assets

Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment indicators at least annually.

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The Company measures its exploration and evaluation assets at cost and classifies as Property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

Acquisition costs - costs associated with acquisition of licenses and rights to explore, including related professional fees.

General exploration costs - costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

Costs of exploration drilling and equipping exploration - Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered.

Stripping cost

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

Production stripping costs are incurred to extract the ore in the form of inventories and/or to improve access to an additional component of an ore body or deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realized in the form of inventories.

Such costs are presented within mining assets. After initial recognition, stripping activity assets are carried at cost less accumulated amortisation and impairment. The expected useful life of the identified component of the ore body is used to depreciate or amortise the stripping asset.

Site restoration, rehabilitation and environmental costs:

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised. The provision for decommissioning assets is based on the current estimates of the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate. A corresponding provision is created on the liability side. The capitalised asset is charged to profit or loss over the life of the asset through depreciation over the life of the operation and the provision is increased each period via unwinding the discount on the provision. Management estimates are based on local legislation and/or other agreements. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology. Details of such provisions are set out in note 21.

XIV. Impairment of Property, plant and equipment and intangible assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is

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reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

XV. Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

XVI. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

XVII. Investment in subsidiaries, associates and joint ventures

Investment in subsidiaries, associates and joint ventures are shown at cost. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

XVIII. Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

A. Financial assets

a) Recognition and initial measurement

A financial asset is initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

b) Classification of financial assets

On initial recognition, a financial asset is measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

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- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any gains and losses arising on remeasurement recognized in statement of profit or loss. The net gain or loss recognized in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognized when:

- The Company's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

c) **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

d) **Impairment**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash

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shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous year, but determines at the end of a reporting year that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous year, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet

e) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in statement of profit or loss and is included in the 'Other income' line item.

B. Financial liabilities and equity instruments

a) Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

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- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the Statement of Profit and Loss. For Liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Other financial liabilities:

The Company enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for import of raw materials and property, plant and equipment. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements for raw materials are recognized as Acceptances (under trade payables) and arrangements for property, plant and equipment are recognised as other financial liabilities. Interest borne by the company on such arrangements is accounted as finance cost. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss .

d) **Derivative financial instruments**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, commodity price and foreign exchange rate risks, including foreign exchange forward contracts, commodity forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting year. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge item.

e) **Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted

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for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

f) Hedge accounting

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency, interest rate and commodity risk, as either cash flow hedge, fair value hedge. Hedges of foreign currency risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to hedged risk.

(i) Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognized in the Statement of Profit and Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognized in the Statement of Profit and Loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. For fair value hedges relating to items carried at amortised cost, the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

(ii) Cash flow hedges

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the years when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

XIX. Cash and cash equivalents:

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalent consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

XX. Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average

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number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

3. Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year.

A) Key sources of estimation uncertainty

i) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. This reassessment may result in change in depreciation and amortisation expected in future periods.

ii) Impairment of investments in subsidiaries, joint- ventures and associates

Determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have anticipated the future commodity prices, capacity utilization of plants, operating margins, mineable resources and availability of infrastructure of mines, discount rates and other factors of the underlying businesses / operations of the investee companies as more fully described in note 50. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

iii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized. The cases which have been determined as remote by the Company are not disclosed.

Contingent assets are neither recognized nor disclosed in the financial statements unless when an inflow of economic benefits is probable.

iv) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

v) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

MAT is assessed on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a specified period in which MAT credit arises, subject to the limits prescribed.

B) Critical accounting judgements

i) Control over JSW Realty & Infrastructure Private Limited (RIPL)

RIPL has developed a residential township in Vijayanagar, Karnataka on the land taken on lease from the Company for a period of 30 years and provides individual housing units on rent to the employees of the Company or other group companies. RIPL is not allowed to sub-let or assign its rights under the arrangement without prior written consent of the Company. Though the Company does not hold any ownership interest in RIPL, the Company has concluded that the Company has practical ability to direct the relevant activities of RIPL unilaterally, considering RIPL's dependency on the Company for funding significant portion of its operation through subscription to 74.57% of preference share capital amounting to ₹ 199 crore issued by RIPL and significant portion of RIPL's activities

ii) Separating payments of lease from the other payments

If an arrangement contains a lease, the parties to the arrangement shall apply the requirements of Ind AS 17 to the lease element. Therefore, the Company is required to separate payments and other consideration required by the arrangement into those for the lease and for other elements on the basis of their relative fair values.

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

However, Management has concluded that it is impracticable to separate both the elements reliably and has recognized an asset and a liability at an amount equal to the carrying value of the specified asset in the books of the lessor. Subsequently, the liability has been reduced as payments are made and an imputed finance charges on the liability recognized using the Company's incremental borrowing rate of interest over the tenure of the arrangement. The total payments less payments made towards lease obligation and imputed finance charges have been considered to be the consideration for elements other than lease.

In case of arrangements which are identified to be in the nature of finance lease, the management concluded that it is impracticable to derive the relative fair values of lease and other elements of the arrangement and has accordingly determined the consideration for elements other than lease as a residual post appropriation of lease payments derived based on lessee's incremental borrowing rate of interest on the lease obligation corresponding to the respective gross asset values in the books of lessor.

iii) Joint control over Monnet Ispat and Energy Limited

The consortium of JSW Steel Limited and AION Investments Private II Limited. completed the acquisition of Monnet Ispat and Energy Limited ("MIEL") through their jointly controlled entity Creixent Special Steels Limited ("CSSL") on 31 August 2018. The Company has made an investment of ₹ 375 crores through equity and redeemable preference shares in CSSL to acquire joint control in MIEL and have an effective shareholding of 23.1% in MIEL.

As per the Shareholding agreement, all the relevant activities of CSSL that affect the Company's variable returns from its involvement with CSSL/ MIEL have to be decided unanimously by a Steering Committee on which the Company has representation and thus the Company has concluded that it has joint control over CSSL.

iv) Incentives under the State Industrial Policy

The Company units at Dolvi in Maharashtra and Vijayanagar in Karnataka are eligible for incentives under the respective State Industrial Policy and have been availing incentives in the form of VAT deferral / CST refunds.

The State Government of Maharashtra ('GOM') vide its Government Resolution (GR) issued the modalities for sanction and disbursement of incentives, under GST regime, and introduced certain new conditions / restrictions for accruing incentive benefits granted to the Company including denying incentives in certain cases.

The management has evaluated the impact of other conditions imposed and has obtained legal advice on the tenability of these changes in the said scheme. Based on such legal advice, the Company has also made the representation to GOM and believes that said Incentives would continue to be made available to the Company under the GST regime, since the new conditions are not tenable legally and will contest these changes appropriately.

Accordingly, the Company has recognized grant income without giving effect to the above restrictions and the cumulative amount receivable towards the same is considered to be good and recoverable.

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

4. Property, Plant and Equipment

₹ in crores

Particulars	Freehold land	Leasehold land	Buildings (Owned)	Buildings (On finance lease)	Plant and equipment (Owned)	Plant and equipment (On finance lease)	Furniture and fixtures	Vehicles and aircrafts	Office equipment	Total
Cost/deemed cost										
At 1 April 2017	**951**	**168**	**6,287**	**178**	**42,478**	**5,633**	**78**	**123**	**48**	**55,944**
Additions	18	#	271	2	2,032	20	30	19	11	2,403
Deductions	-	-	#		172	-	-	7	#	179
Other adjustments (refer note c)	-	-	-		42	-	-	-	-	42
At 31 March 2018	**969**	**168**	**6,558**	**180**	**44,380**	**5,653**	**108**	**135**	**59**	**58,210**
Additions	6	1	466	18	1,963	393	13	17	11	2,888
Deductions	6	-	-	-	254	-	4	9	1	274
Other adjustments (refer note c)	-	-	-	-	262	-	-	-	-	262
At 31 March 2019	**969**	**169**	**7,024**	**198**	**46,351**	**6,046**	**117**	**143**	**69**	**61,086**
Accumulated depreciation										
At 1 April 2017	**-**	**-**	**536**	**54**	**4,398**	**670**	**27**	**25**	**19**	**5,729**
Depreciation	-	1	292	27	2,278	393	13	14	8	3,026
Deductions	-	-	#		45	-	-	3	#	48
At 31 March 2018	**-**	**1**	**828**	**81**	**6,631**	**1,063**	**40**	**36**	**27**	**8,707**
Depreciation	-	#	303	12	2,615	402	13	15	11	3,371
Deductions	-	-	-	-	231	-	1	5	#	237
At 31 March 2019	**-**	**1**	**1,131**	**93**	**9,015**	**1,465**	**52**	**46**	**38**	**11,841**
Net book value										
At 31 March 2019	**969**	**168**	**5,893**	**105**	**37,336**	**4,581**	**65**	**97**	**31**	**49,245**
At 31 March 2018	969	167	5,730	99	37,749	4,590	68	99	32	49,503

represents amounts below ₹ 0.5 crores

Notes:

₹ in crores

Description		As at 31 March 2019	As at 31 March 2018
a) Freehold land which is yet to be registered in the Company's name	Acre	19	19
	Deemed cost	9	9
b) Freehold land and buildings which has been/agreed to be hypothecated/ mortgaged to lenders of related parties	Deemed cost	294	288
c) Other adjustments comprises:			
Borrowing cost	₹ in crores	25	23
Foreign exchange loss / (gain)	₹ in crores	237	19

d) For details of assets given on operating lease, refer note 47

e) For details of assets given on finance lease, refer note 48

f) Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in Note 19 and Note 24.

g) The title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company except for leasehold land aggregating to ₹ 67 crores wherein the lease deed has expired and the Company has a right to convert the land into freehold land subject to complying with certain conditions. The Company is in the process of converting the title into freehold as per the lease cum sale agreement.

h) Property, plant and equipment includes proportionate share (50%) of assets under joint operation as below:

₹ in crores

Particulars	Buildings (Owned)	Plant and Equipment (Owned)
Cost/deemed cost		
At 1 April 2017	**476**	**7**
Additions	-	-
At 31 March 2018	**476**	**7**
Additions	-	-
At 31 March 2019	**476**	**7**
Accumulated depreciation		
At 1 April 2017	**32**	**1**
Depreciation	16	1
At 31 March 2018	**48**	**2**
Depreciation	16	1
At 31 March 2019	**64**	**3**
Net book value		
At 31 March 2019	**412**	**4**
At 31 March 2018	428	5

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5. Capital work in progress includes exchange fluctuation loss (including regarded as an adjustment to borrowing costs) of ₹ 307 crores (previous year ₹ 54 crores) and borrowing cost of ₹ 166 crores (previous year ₹ 50 crores) capitalised during the year.

6. Intangible assets

₹ in crores

Particulars	Computer software	License fees	Mining Assets	Total
Cost/deemed cost				
At 1 April 2017	**73**	**22**	**-**	**95**
Additions	20	4	18	42
At 31 March 2018	**93**	**26**	**18**	**137**
Additions	28	-	105	133
At 31 March 2019	**121**	**26**	**123**	**270**
Accumulated depreciation				
At 1 April 2017	**36**	**8**	**-**	**44**
Depreciation	20	7	1	28
At 31 March 2018	**56**	**15**	**1**	**72**
Depreciation	15	4	7	26
At 31 March 2019	**71**	**19**	**7**	**98**
Net book value				
At 31 March 2019	**50**	**7**	**115**	**172**
At 31 March 2018	37	11	17	65

7. Investments in subsidiaries, associates and joint ventures

Particulars	Paid up value	As at 31 March 2019		As at 31 March 2018	
		No. of shares	₹ in crores	No. of shares	₹ in crores
A Investment in equity instruments					
Unquoted					
Subsidiaries (at cost or deemed cost)					
Amba River Coke Limited (refer note a)	₹ 10 each	93,18,98,670	932	93,18,98,670	932
JSW Bengal Steel Limited	₹ 10 each	45,22,05,000	449	44,79,15,000	445
JSW Jharkhand Steel Limited	₹ 10 each	8,80,33,853	88	8,37,85,953	84
JSW Natural Resources Limited	USD 10 each	13,65,500	4	13,65,500	4
JSW Steel Processing Centres Limited	₹ 10 each	5,00,00,000	50	5,00,00,000	50
JSW Steel(Netherlands) B.V.	Euro 1 each	7,07,625	4	7,07,625	4
Periama Holding LLC	0.1% Interest in members capital	NA	&	NA	&
JSW Steel Coated Products Limited	₹ 10 each	5,00,50,000	1,314	5,00,50,000	1,314
Arima Holdings Limited	USD 100 each	50,390	***	50,390	***
Erebus Limited	USD 100 each	2,15,420	$$$	2,15,420	$$$
Nippon Ispat Singapore (Pte) Limited	SGD 1 each	7,84,502	-	7,84,502	-
Peddar Realty Private Limited	₹ 10 each	10,000	57	10,000	57
Lakeland Securities Limited	USD 100 each	351	@@	351	@@
JSW Steel (Salav) Limited (refer note b)	₹10 each	1,33,48,57,243	424	1,33,48,57,243	424
JSW Steel UK Limited	GBP 1 each	5,55,200	3	5,55,200	3
JSW Industrial Gases Private Limited	₹ 10 each	9,20,83,826	267	9,20,83,826	267
Dolvi Minerals & Metals Private Limited (refer note c)	₹ 10 each	35,00,10,000	399	4,00,00,000	40
JSW Utkal Steel Limited	₹ 10 each	3,94,39,000	39	500,000	1
Acero Junction Holdings	USD 0.001 each	100	536	-	-
Hasaud Steel Limited	₹ 10 each	10,000	^	-	-
Aferpi SpA	Euro 1 each	93,600	^^	-	-
GSI Lucchini SpA	Euro 1 each	2,736	&&	-	-
JSW Retail Limited	₹ 10 each	10,000	$$	-	-
Joint ventures (at cost or deemed cost)					
Gourangdih Coal Limited	₹ 10 each	24,50,000	2	24,50,000	2
JSW MI Service Centre Private Limited	₹ 10 each	6,65,00,000	67	6,65,00,000	67
JSW Severfield Structures Limited	₹ 10 each	19,79,37,940	198	16,04,37,940	160
Rohne Coal Company Private Limited	₹ 10 each	4,90,000	""	4,90,000	""
JSW Vallabh Tinplate Private Limited	₹ 10 each	2,50,19,600	30	2,50,19,600	30
Vijayanagar Minerals Private Limited	₹ 10 each	4,000	@	4,000	@
Creixent Special Steels Limited	₹ 10 each	48,00,000	25	-	-
Monnet Ispat and Energy Limited	₹ 10 each	399	&&&	-	-

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Particulars	Paid up value	As at 31 March 2019 No. of shares	As at 31 March 2019 ₹ in crores	As at 31 March 2018 No. of shares	As at 31 March 2018 ₹ in crores
B Investment in limited liability partnership firm					
Unquoted subsidiary (at cost or deemed cost)					
Inversiones Eroush Limitada (unquoted)	5% Equity Interest in the capital	NA	^^^	NA	^^^
Total			4,890		3,884
Less: Aggregate amount of provision for impairment in the value of investments			(37)		(36)
			4,853		3,848
Unquoted					
Aggregate carrying value			4,853		3,848

*** ₹ 0.25 crores $$$ ₹ 0.27 crores @@ ₹ 0.22 crores "" ₹ 0.49 crores ^^^ ₹ 0.01 crores @ ₹ 40,000 & $1 @@@ ₹ 0.50 crores

^ ₹ 0.01 crores ^^ ₹ 0.19 crores && ₹ 0.19 crores $$ ₹ 0.01 crores &&& ₹ 3,990

Note:

(a) 304,373,882 shares (as at 31 March 2018 304,373,882 shares) are pledged to the subsidiary's banker.

(b) 400,605,365 shares (as at 31 March 2018 400,605,365 shares) are pledged to the subsidiary's banker.

(c) 40,000,000 shares (as at 31 March 2018 40,000,000 shares) are pledged to the subsidiary's banker.

8. Investments (non-current)

Particulars	Paid up value	As at 31 March 2019 No. of shares	As at 31 March 2019 ₹ in crores	As at 31 March 2018 No. of shares	As at 31 March 2018 ₹ in crores
A Investment in equity instruments					
Quoted-Others (at fair value through OCI)					
Fully paid up					
JSW Energy Limited (refer Note (a))	₹ 10 each	8,53,63,090	619	9,14,74,090	666
Unquoted					
Others (at fair value through OCI)					
Toshiba JSW Power Systems Private Limited	₹ 10 each	1,10,00,000	-	1,10,00,000	-
MJSJ Coal Limited	₹ 10 each	1,04,61,000	9	1,04,61,000	9
SICOM Limited	₹ 10 each	6,00,000	5	6,00,000	5
Kalyani Mukand Limited	₹ 1 each	4,80,000	$	4,80,000	$
Ispat Profiles India Limited	₹ 1 each	15,00,000	$	15,00,000	$
			14		14
B Investments in preference shares	**Terms**				
Unquoted- (at fair value through profit or loss)					
Subsidiaries					
JSW Steel(Netherlands) B.V.	5% redeemable, non-cumulative of Euro 1 each	3,99,00,250	254	3,99,00,250	254
JSW Steel (Salav) Limited	0% redeemable, non-cumulative of ₹ 10 each	2,31,34,494	7	2,31,34,494	6
JSW Realty & Infrastructure Private Limited	10% redeemable, non-cumulative of ₹ 100 each	1,99,15,000	89	1,99,15,000	82
JSW Realty & Infrastructure Private Limited	10% redeemable, non-cumulative of ₹ 100 each(Series 1)	50,00,000	34	-	-
JSW Realty & Infrastructure Private Limited	10% redeemable, non-cumulative of ₹ 100 each(Series 2)	53,00,000	27	-	-
Joint ventures					
Rohne Coal Company Private Limited	1% non-cumulative of ₹ 10 each	2,36,42,580	-	2,36,42,580	-
Rohne Coal Company Private Limited	1% Series-A non-cumulative of ₹ 10 each	71,52,530	5	71,52,530	7
Rohne Coal Company Private Limited	1% Series-B non-cumulative of ₹ 10 each	13,70,786	1	11,43,486	1
			417		350

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Particulars	Paid up value	As at 31 March 2019 No. of shares	As at 31 March 2019 ₹ in crores	As at 31 March 2018 No. of shares	As at 31 March 2018 ₹ in crores
C Investments in preference shares	**Terms**				
Unquoted- (at amortised cost)					
Subsidiaries					
Creixent Special Steels Limited	0.01% redeemable, cumulative of ₹ 10 each	17,19,69,200	184	-	-
Creixent Special Steels Limited	0.01% redeemable, cumulative of ₹ 10 each	19,83,00,410	190	-	-
Monnet Ispat and Energy Limited	0.01% compulsorily convertible, non-cumulative of ₹ 10 each	601	@	-	-
			374		-
D Investments in Government securities (unquoted- Others) (at amortised cost)					
National Savings Certificates (Pledged with commercial tax department)			^^		^^
Total (A+B+C+D)			1,424		1,030
Quoted					
Aggregate book value			620		666
Aggregate market value			620		666
Unquoted					
Aggregate carrying value			804		364
Investment at amortised cost			374		-
Investment at fair value through other comprehensive income			633		680
Investment at fair value through profit and loss			417		350

^^ ₹ 0.07 crores $ ₹ 1 @ ₹ 6,010

Note:

(a) Sale of shares to Amba River Coke Limited (14,56,000 shares) and JSW Steel Coated Products Limited (46,55,000 shares). Sale of 61,11,000 shares at fair value of ₹ 82.21 which is the quoted price on date of sale, resulting in cumulative gain recognized ₹ 36 crores which is transferred from Equity Instruments through Other Comprehensive Income to Retained Earnings.

9. Loans (Unsecured)

₹ in crores

Particulars	As at 31 March 2019 Non -current	As at 31 March 2019 Current	As at 31 March 2018 Non -current	As at 31 March 2018 Current
Loans				
to related parties*	8,070	47	5,400	4
to other body corporate	9	-	9	-
Security deposits	280	89	288	154
Less : Allowance for doubtful loans	(685)	-	(532)	-
Total	7,674	136	5,165	158
Note :				
Loans Receivable Considered good - Secured				
Loans Receivable Considered good - Unsecured	7,674	136	5,165	158
Loans Receivable which have significant increase in Credit Risk	-	-	-	-
Loans Receivable – credit impaired				
Loans and advances to other body corporate	9	-	9	-
Loans and advances to related parties	676	-	523	-

*Loans are given for business purpose. refer note 43 for terms of Loan

Movement in Allowance for doubtful loans

₹ in crores

Particulars	As at 31 March 2019
Opening Balance	532
Towards Incremental Loan given during the year (refer note 20)	153
Closing Balance	685

The Company had recognised financial guarantee obligation in the earlier years towards lenders of a subsidiary, against which incremental loans have been advanced to the subsidiary during the current year. Consequently, the financial guarantee obligation has been released and basis of the recoverability of the said loans provision for doubtful allowances has been recognised resulting in net impact of ₹ Nil in the statement of profit and loss.

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

Details of loans and advances in the nature of loans to subsidiaries:

₹ in crores

Particulars	As at 31 March 2019 Maximum amount outstanding during the year	As at 31 March 2019 Amount outstanding	As at 31 March 2018 Maximum amount outstanding during the year	As at 31 March 2018 Amount outstanding
JSW Steel (Netherlands) B.V.	1,364	1,318	527	525
JSW Natural Resources Limited	146	124	190	115
Inversiones Eroush Limitada	773	744	694	694
Periama Holdings, LLC	5,206	4,936	3,988	3,988
JSW Steel UK Limited	11	10	10	10
Arima Holding Ltd.	#	#	#	#
Lakeland Securities Limited	#	#	#	#
Erebus Limited	#	#	#	#
Monnet Ispat and Energy Limited	125	125	-	-
JSW Global Business Solutions	18	14	-	-
Acero Junction Holdings	832	799	-	-

represents amounts below ₹ 0.5 crores

10. Others financial assets (Unsecured, Considered Good)

₹ in crores

Particulars	As at 31 March 2019 Non -current	As at 31 March 2019 Current	As at 31 March 2018 Non -current	As at 31 March 2018 Current
Export benefits and entitlements	1	70	1	53
Insurance claim receivable	43	-	43	-
Application money paid towards securities	1	-	121	-
Government grant incentive income receivable (refer note 29(a))	-	1,806	-	234
Interest receivable on loans to related parties	-	637	581	-
Indirect tax balances Refund due	-	73	-	184
Others	-	35	-	32
Total	**45**	**2,621**	**746**	**503**

11. Other assets (Unsecured)

₹ in crores

Particulars	As at 31 March 2019 Non -current	As at 31 March 2019 Current	As at 31 March 2018 Non -current	As at 31 March 2018 Current
Capital advances	1,689	-	933	-
Less : Allowance for doubtful advances	(3)	-	(3)	-
Advance to suppliers	571	1,135	174	1,679
Export benefits and entitlements	56	84	56	106
Security deposits	34	118	33	51
Indirect tax balances/recoverable/credits	1,208	529	1,185	1,159
Prepayments and others	63	133	46	75
Less : Allowance for doubtful advances	(254)	-	(125)	-
Total	**3,364**	**1,999**	**2,299**	**3,070**
Other Assets constitute:				
Capital advances				
Considered good	1,686	-	930	-
Considered doubtful, provided	3	-	3	-
Others				
Considered good	1,678	1,999	1,369	3,070
Considered doubtful, provided				
Advances to suppliers	250	-	121	-
Prepayment and others	2	-	2	-
Indirect tax balances/recoverable/credits	2	-	2	-

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

12. Inventories

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Raw materials (at cost)	4,975	4,774
Work-in-progress (at cost)	476	690
Semi-finished/ finished goods (at cost or net realisable value)	3,229	2,826
Production consumables, fuel stock and stores and spares (at cost)	1,919	1,792
Total	**10,599**	**10,082**

Inventories have been pledged as security against certain bank borrowings, details relating to which has been described in note 19 and note 24

Details of Stock-in-transit

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Raw materials	1,551	1,867
Production consumables and stores and spares	146	189
Total	**1,697**	**2,056**

13. Trade receivables

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Trade Receivables considered good - Secured		
Trade Receivables considered good - Unsecured	6,658	4,604
Trade Receivables which have significant increase in Credit Risk	160	160
Less: Allowance for doubtful debts	(72)	(72)
Trade Receivables – credit impaired	10	6
Less: Allowance for doubtful debts	(10)	(6)
Total	**6,746**	**4,692**

Ageing of receivables that are past due

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
60-90 days	79	149
90-180 days	298	58
>180 days	524	393
Total	**901**	**600**

The credit period on sales of goods ranges from 7 to 60 days with or without security.

Before accepting any new customer, the Company uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed once a year.

The Company does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Trade receivables have been given as collateral towards borrowings details relating to which has been described in note 19 and note 24.

Credit risk management regarding trade receivables has been described in note 41 (8).

Trade receivables from related parties details has been described in note 43.

Trade receivables does not include any receivables from directors and officers of the company.

14. Cash and cash equivalents

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with Banks		
In current accounts	420	188
In term deposit with maturity less than 3 months at inception	4,737	262
Cheques on hand	100	-
Cash on hand	1	#
Total	**5,258**	**451**

represents amounts below ₹ 0.5 crores

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

15. Bank balance other than cash and cash equivalents

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Earmarked balances in current accounts	29	26
Balances with Banks		
In term deposit		
with maturity more than 3 months but less than 12 months at inception	265	122
with maturity more than 12 months at inception	127	1
In margin money	1	1
Total	**422**	**150**

Earmarked bank balances are restricted in use and it relates to unclaimed dividend and Balances with banks held as margin money for security against the guarantees

16. Derivative Assets

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Forward contract	201	82
Commodity contract	6	8
Interest rate swap	20	37
Currency option	1	20
Total	**228**	**147**

17. Equity share capital

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
	Number of Shares		Amount (₹ in crores)	
Share capital				
(a) Authorised				
Equity shares of the par value of Re.1 each	60,15,00,00,000	60,15,00,00,000	6,015	6,015
(b) Issued and subscribed				
(i) Outstanding at the beginning of the year, fully paid up	2,41,72,20,440	2,41,72,20,440	242	242
(ii) Less: Treasury shares held under ESOP Trust (refer note (a) below)	(1,55,08,976)	(1,09,88,860)	(2)	(1)
(iii) Outstanding at the end of the year, fully paid up	2,40,17,11,464	2,40,62,31,580	240	241
(c) Equity shares forfeited (amount originally paid-up)			61	61
Total			301	302

a) Note for Shares Held Under Esop Trust:

The Company has created an Employee Stock Ownership Plan (ESOP) for providing share-based payment to its employees.

ESOP is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the Company and it's subsidiaries in India. For the purpose of the scheme, the Company purchases shares from the open market under ESOP trust. The Company treats ESOP trust as its extension and shares held by ESOP trust are treated as treasury shares.

For the details of shares reserved for issue under the Employee Stock Ownership Plan (ESOP) of the Company refer note 38.

Movement in treasury shares

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Shares of Re. 1 each fully paid up held under ESOP Trust	Number of Shares		Amount (₹ in crores)	
Equity shares as at 1 April	1,09,88,860	1,42,35,750	1	2
Changes during the year	45,20,116	(32,46,890)	*	@
Equity shares as at 31 March	1,55,08,976	1,09,88,860	2	1

* ₹ 0.45 crores @ ₹ (0.32) crores

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

b) Rights, Preferences and Restrictions Attached to Equity Shares

The Company has a single class of equity shares having par value of Re. 1 per share. 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 ensuing Annual General Meeting. 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.

c) Shareholders Holding More Than 5% Share in the Company are set out Below

Particulars	As at 31 March 2019		As at 31 March 2018	
	No of shares	% of shares	No of shares	% of shares
Equity shares				
JFE Steel International Europe BV	36,25,83,070	15.00%	36,25,83,070	15.00%
JSW Holdings Limited	17,88,37,230	7.40%	17,73,06,230	7.34%
Vividh Finvest Private Limited (Formerly Vividh Consultancy & Advisory Services Private Limited)	14,19,95,690	5.87%	14,07,26,690	5.82%
JSW Techno Projects Management Ltd	24,73,28,450	10.23%	22,93,26,950	9.49%

d) Shares Alloted as Fully Paid-Up Pursuant to Contracts Without Payment Being Received in Cash During the year of Five Years Immediately Preceding the Date of the Balance Sheet are as Under:

Nil

18. Other equity

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
General reserve	9,895	10,278
Retained Earnings	14,677	7,571
Other Comprehensive Income :		
Equity instruments through other comprehensive income	403	435
Effective portion of cash flow hedges	33	13
Foreign currency monetary item translation difference account (FCMITDA)	(57)	(25)
Other Reserves		
Equity settled share based payment reserve	91	41
Capital reserve	3,585	3,585
Capital redemption reserve	532	149
Securities premium	5,417	5,417
Debenture redemption reserve	285	141
Total	34,861	**27,605**

(i) General reserve

Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10.00% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserves for that year.

Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit or loss to the General reserves. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

(ii) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

(iii) Equity Instruments through other comprehensive income

The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(iv) Effective portion of cash flow hedges

Effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

(v) Foreign currency monetary item translation difference account (FCMITDA)

The Company has continued with the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the standalone financial statements prepared under previous GAAP for the year ended 31 March 2016. The reserve pertains to exchange differences relating to long term foreign currency monetary items in so far as they do not relate to acquisition of depreciable capital assets, which are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortized in the Statement of Profit and Loss over the balance year of such long term foreign currency monetary item.

(vi) Equity settled share based payment reserve

The Company offers ESOP, under which options to subscribe for the Company's share have been granted to certain employees and senior management. The share based payment reserve is used to recognise the value of equity settled share based payments provided as part of the ESOP scheme.

(vii) Capital reserve

Reserve is primarily created on amalgamation as per statutory requirement. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

(viii) Capital redemption reserve

Reserve is created for redemption of preference shares as per statutory requirement. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

(ix) Securities Premium

The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

(x) Debenture redemption reserve

The Indian Companies Act requires companies that issue debentures to create a debenture redemption reserve (DRR) from annual profits until such debentures are redeemed. Companies are required to maintain 25% as a reserve of outstanding redeemable debentures. Accordingly, the company creates DRR at 25% in the penultimate year to the year in which the repayment obligation arises on the company. The amounts credited to the debenture redemption reserve will not be utilised except to redeem debentures. On redemption the amount will be reclassified to Retained Earnings.

19. Borrowings (at amortised cost)

₹ in crores

Particulars	As at 31 March 2019		As at 31 March 2018	
	Non -current	Current	Non -current	Current
Bonds (unsecured)	3,459	3,459	6,504	-
Debentures (secured)	2,000	1,141	3,141	563
Term loans				
Secured	8,640	1,767	9,309	1,748
Unsecured	8,483	2,849	6,242	1,459
Deferred government loans (unsecured)	79	31	65	18
Other Loans				
Finance Lease obligations (unsecured)	4,211	417	4,223	359
Preference Shares (unsecured)	-	231	195	383
	26,872	**9,895**	**29,679**	**4,530**
Unamortised upfront fees on borrowing	(124)	(74)	(128)	(72)
	26,748	**9,821**	**29,551**	**4,458**
Less: Current maturities of long-term debt clubbed under Other financial liabilities (note 27)	-	(9,821)	-	(4,458)
Total	**26,748**	**-**	**29,551**	**-**

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

₹ in crores

As at 31 March 2019		As at 31 March 2018			
Non-Current	Current	Non-Current	Current	Terms of Repayments	Security
A. Bonds/Debentures					
Bonds (Unsecured)					
-	3,459	3,252	-	4.75% Repayable on 12 November 2019	-
3,459	-	3,252	-	5.25% Repayable on 13 April 2022	-
3,459	3,459	**6,504**	**-**		
Debentures(secured)					
1,000	-	1,000	-	10.02% secured NCDs of ₹ 10,00,000 each are redeemable in two tranches a. ₹ 500 crores on 20 May 2023 b. ₹ 500 crores on 19 July 2023	First pari passu charge on 3.8 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
1,000	-	1,000	-	10.34% secured NCDs of ₹ 10,00,000 each are redeemable in three tranches a. ₹ 330 crores on 18 January 2022 b. ₹ 330 crores on 18 January 2023 c. ₹ 340 crores on 18 January 2024	First pari passu charge on property, plant and equipments related to 2.8 mtpa expansion project located at Vijayanagar Works, Karnataka and a flat at Vasind, Maharashtra.
-	400	400	-	9.72% secured NCDs of ₹ 10,00,000 each are redeemable on 23 December 2019.	First pari passu charge on 3.2 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	250	250	-	10.40% secured NCDs of ₹ 10,00,000 each are redeemable on 19 August 2019 .	First pari passu charge on 3.2 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
	425	425	-	10.60% secured NCDs of ₹ 10,00,000 each are redeemable on 19 August 2019.	First pari passu charge on 3.2 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	-	-	300	9.665% secured NCDs of ₹ 10,00,000 each are redeemed on 21 December 2018.	First pari passu charge on 3.2 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	-	-	175	10.50% secured NCDs of ₹ 10,00,000 each are redeemed on 18 August 2018.	First pari passu charge on 3.2 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	44	44	44	10.60% secured NCDs of ₹ 2,50,000 each are redeemable as 2 half yearly instalments of ₹21.875 crores each from 02 August 2019 to 02 February 2020.	Pari passu first charge by way of legal mortgage on land situated in the State of Gujarat. Pari passu first charge by way of equitable mortgage on property, plant and equipments of the new 5 mtpa Hot Strip Mill at Vijayanagar Works, Karnataka
-	22	22	44	10.60% secured NCDs of ₹ 1,25,000 each are redeemable as 1 half yearly instalment of ₹21.875 crores on 02 July 2019.	Pari passu first charge by way of legal mortgage on land situated in the State of Gujarat. Pari passu first charge by way of equitable mortgage on property, plant and equipments of the new 5 mtpa Hot Strip Mill at Vijayanagar Works, Karnataka
2,000	1,141	**3,141**	**563**		

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

₹ in crores

As at 31 March 2019		As at 31 March 2018			
Non-Current	Current	Non-Current	Current	Terms of Repayments	Security
B. Term Loans					
Rupee Term Loans From Banks (Secured)				Weighted average interest rate as on 31 March 2019 is 9.21%	
638	75	712	38	06 Quarterly instalments of ₹ 18.75 crores each from 27 April 2019 to 27 July 2020 16 Quarterly instalments of ₹ 37.50 crores each from 27 October 2020 to 27 July 2024	First charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra.
750	125	875	100	03 Quarterly instalment of ₹ 25 crores each from 30 June 2019 to 31 December 2019 16 Quarterly instalment of ₹ 50 crores each from 31 March 2020 to 31 December 2023	First charge on 3.2 mtpa expansion property, plant and equipments situated at Vijayanagar Works Karnataka
1,031	63	1,094	62	06 Quarterly instalments of ₹ 15.625 crores each from 30 April 2019 to 31 July 2020 04 Quarterly instalments of ₹ 62.50 crores each from 31 October 2020 to 31 July 2021 08 Quarterly instalments of ₹ 93.75 crores each from 31 October 2021 to 31 July 2023	First charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra.
812	150	962	75	11 quarterly instalments of ₹ 37.5 crores each from 30 June 2019 to 31 December 2021 04 quarterly instalments of ₹ 43.75 crores each from 31 March 2022 to 31 December 2022 02 quarterly instalments of ₹ 187.5 crores each from 31 March 2023 to 30 June 2023	First pari passu charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka.
1,400	200	1,600	150	08 Quarterly instalments of ₹ 50 crores each from 30 June 2019 to 31 March 2021 04 Quarterly installmets of ₹ 125 crores each from 30 June 2021 to 31 March 2022 02 Quarterly instalments of ₹ 350 crores each from 30 June 2022 to 30 September 2022.	First charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra.
500	150	650	150	08 quarterly instalments of ₹ 37.5 crores each from 30 June 2019 to 31 March 2021 04 quarterly instalments of ₹ 43.75 crores each from 30 June 2021 to 31 March 2022 02 quarterly instalments of ₹ 87.5 crores each from 30 June 2022 to 30 September 2022.	First pari passu charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka.
902	192	1,094	192	10 quarterly instalments of ₹ 48 crores each from 30 June 2019 to 30 September 2021 09 quarterly instalments of ₹ 64 crores each from 31 December 2021 to 31 December 2023 01 quarterly instalment of ₹ 38.35 crores on 31 March 2024.	First charge on entire movable and immovable property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra (excluding those specifically charged and equipment/machinery procured out of proceeds of ECA/ECB/FCL) both present and future.
163	50	213	50	17 Quarterly instalments of ₹ 12.5 crores each from 30 June 2019 to 30 June 2023.	First charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra.

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

₹ in crores

As at 31 March 2019		As at 31 March 2018			
Non-Current	Current	Non-Current	Current	Terms of Repayments	Security
215	125	340	75	01 quarterly instalment of ₹ 20 crores on 30 June 2019 04 quarterly instalments of ₹ 35 crores each from 30 September 2019 to 30 June 2020 04 quarterly instalments of ₹ 45 crores each from 30 September 2020 to 30 June 2021	First charge on 3.2 mtpa expansion property, plant and equipments (other than assets specifically carved out) situated at Vijayanagar Works Karnataka
325	100	425	75	17 quarterly instalments of ₹ 25 crores each from 03 June 2019 to 01 June 2023	First charge on 3.2 mtpa expansion property, plant and equipments situated at Vijayanagar Works Karnataka
338	337	675	712	01 quarterly installment of ₹ 225 crores on 30 June 2019 04 quarterly instalments of ₹ 37.50 crores each from 30 September 2019 to 30 June 2020 02 quarterly instalments of ₹ 150 crores each from 30 September 2020 to 31 December 2020	First charge on 3.2 mtpa expansion property, plant and equipments (other than assets specifically carved out) situated at Vijayanagar Works Karnataka
375	75	450	38	08 quarterly instalments of ₹ 18.75 crores each from 30 June 2019 to 31 March 2021 12 quarterly instalments of ₹ 25 crores each from 30 June 2021 to 31 March 2024	First pari passu charge on 3.8 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out).
450	37	-	-	04 quarterly instalments of ₹ 9.375 crores each from 30 June 2019 to 31 March 2020 08 quarterly instalments of ₹ 18.75 crores each from 30 June 2020 to 31 March 2022 12 quarterly instalments of ₹ 25 crores each from 30 June 2022 to 31 March 2025	First pari passu charge on 3.8 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out).
156	63	219	31	14 quarterly instalments of ₹ 15.625 crores each from 30 June 2019 to 30 September 2022	First pari passu charge on 3.8 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) .
110	-	-	-	12 quarterly instalments of ₹ 1.375 crores each from 31 June 2021 to 31 March 2024 04 quarterly instalments of ₹ 6.875 crores each from 30 June 2024 to 31 March 2025 08 quarterly instalments of ₹ 8.25 crores each from 30 June 2025 to 31 March 2027	First pari passu charge on expansion project at Dolvi Works, Maharashtra from 5 MTPA to 10 MTPA capacity (other than specifically carved out) .
475	25	-	-	20 quarterly instalments of ₹ 25 crores each from 15 March 2020 to 15 December 2024	First pari passu charge on property, plant and equipments situated at Salem Works, Tamil Nadu.
8,640	**1,767**	**9,309**	**1,748**		
Rupee Term Loans From Banks (Unsecured)				**Weighted average interest rate as on 31 March 2019 is 8.98%**	
-	-	-	250	02 quarterly instalments of ₹ 125 crores each repaid on 30 June 2018 and 30 September 2018	
-	-	-	400	02 Instalments repaid ₹ 150 crores on 30 July 2018 ₹ 250 crores on 30 December 2018	
-	-	-	250	02 Instalments repaid ₹ 50 crores on 15 November 2018 ₹ 200 crores on 15 December 2018	

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

₹ in crores

As at 31 March 2019		As at 31 March 2018			
Non-Current	Current	Non-Current	Current	Terms of Repayments	Security
150	120	-	-	08 quarterly instalments of ₹ 30 crores each from 20 June 2019 to 20 March 2021 Final installment of ₹ 30 crores on 20 May 2021	
250	500			03 equal instalments of ₹ 250 crores each on i. 20 December 2019, ii. 20 February 2020 and iii. 20 May 2020	
400	620	-	900		
Foreign Currency Term Loans From Banks (Unsecured)				Weighted average interest rate as on 31 March 2019 is 4.94%	
475	200	634	188	05 half yearly instalments of ₹ 57.53 crores each from 31 May 2019 to 31 May 2021. 09 half yearly instalments of ₹ 36.76 crores each from 30 April 2019 to 30 April 2023 10 half yearly instalments of ₹ 5.60 crores each from 18 September 2019 to 18 March 2024.	-
53	13	62	12	10 half yearly instalments of ₹ 6.585 crores each from 28 August 2019 to 28 February 2024	-
103	20	116	19	10 half yearly instalments of ₹ 3.12 crores each from 31 July 2019 to 31 January 2024. 11 half yearly instalments of ₹ 1.11 crores each from 30 April 2019 to 30 April 2024 14 semi annual instalments of ₹2 crores each from 25 September 2019 to 25 March 2026 14 semi annual instalments of ₹ 2.08 crores each from 25 September 2019 to 25 March 2026. 15 semi annual instalments of ₹ 1.46 crores each from 25 June 2019 to 25 June 2026.	-
53	13	58	12	10 half yearly instalments of ₹ 6.62 crores each from 30 September 2019 to 31 March 2024	-
-	1,729	1,626	-	Repayable on 20 March 2020	-
300	76	361	73	10 half yearly instalments of ₹ 16.16 crores each from 19 July 2019 to 19 January 2024. 09 half yearly instalments of ₹ 22.04 crores each from 19 July 2019 to 19 July 2023 and 1 half yearly instalment of ₹ 16.74 crores on 19 January 2024.	- -
172	35	198	34	11 equal semi annual instalments of ₹ 5.68 crores each from 09 July 2019 to 09 July 2024 and 1 semi annual instalment of ₹ 5.00 crores on 09 January 2025 11 equal semi annual instalments of ₹ 11.93 crores each from 09 July 2019 to 09 July 2024 and 1 semi annual instalment of ₹ 8.65 crores on 09 January 2025	-

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

₹ in crores

As at 31 March 2019		As at 31 March 2018			
Non-Current	Current	Non-Current	Current	Terms of Repayments	Security
231	102	313	9	11 equal semi annual instalments of ₹ 3.17 crores each from 25 September 2019 to 25 September 2024 and 1 semi annual instalment of ₹ 2.67 crores on 25 March 2025	-
				3 equal annual instalments of ₹ 92.23 crores from 13.8.2019 to 13.8.2021	
				12 equal semi annual instalments of ₹ 1.56 crores each from 25 September 2018 to 25 March 2025	
-	-	-	85	1 yearly instalment of ₹ 84.72 crores repaid on 26 July 2018.	
37	9	48	10	10 equal semi annual instalments of ₹ 4.65 crores each from 15 June 2019 to 15 December 2023.	-
493		463	98	Repayable in two tranches	-
				a.₹ 238.84 crores on 27 April 2020	
				b.₹ 253.76 crores on 27 April 2021	
59	8	66	8	16 semi annual instalments of ₹ 4.24 crores each from 31 July 2019 to 31 January 2027	-
1,037	-	976	-	3 equal instalments of ₹ 345.86 crores each on 02 April 2020, 21 September 2020 and 21 March 2021	-
76	13	85	11	14 semi annual instalments of ₹ 4.33 crores each from 23 July 2019 to 23 January 2026	-
				14 semi annual instalments of ₹ 2.03 crores each from 06 August 2019 to 05 February 2026	
623	-	586	-	Repayable in three tranches	-
				a.₹ 345.86 crores on 21 February 2022	
				b.₹ 34.59 crores on 06 March 2022	
				c.₹ 242.10 crores on 06 July 2022	
1,452	-	650	-	04 annual instalments of ₹ 363.15 crores from 12 October 2021 to 12 October 2024	
277	-	-	-	04 annual instalments of ₹ 69.17 crores from 12 July 2022 to 12 July 2025	
865	-	-	-	04 annual instalments of ₹ 216.16 crores from 16 July 2022 to 16 July 2025	
692	-	-	-	Repayable on 05 April 2024	
519	-	-	-	04 equal installment of ₹ 129.70 crores from 19 October 2022 to 19 October 2025	
110	-	-	-	20 equal semi-annual installment of ₹ 5.51 crores from 31 August 2020 to 28 February 2030	
78	-	-	-	20 equal semi-annual installment of ₹ 3.92 crores from 30 June 2020 to 31 December 2029	
210	11	-	-	20 equal semi-annual installment of ₹ 6.70 crores from 25 March 2020 to 25 September 2029	
				20 equal semi-annual installment of ₹ 4.34 crores from 25 March 2020 to 25 September 2029	
168	-	-	-	20 equal semi-annual installment of ₹ 4.27 crores from 25 June 2020 to 25 December 2029	
				20 equal semi-annual installment of ₹ 4.14 crores from 25 June 2020 to 25-12-2029	
8,083	2,229	**6,242**	**559**		

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

₹ in crores

As at 31 March 2019		As at 31 March 2018			
Non-Current	Current	Non-Current	Current	Terms of Repayments	Security
Total Term Loan-Unsecured					
8,483	2,849	6,242	1,459		
Total Term Loan					
17,123	4,616	15,551	3,207		
C. Deferred Payment Liabilities					
Deferred Sales Tax Loan (Unsecured)					
21	31	46	18	Interest free loan and payable in 30 varying monthly instalments starting from 12 April 2019 to 12 September 2021.	-
58	-	19	-	Interest free loan Payable after 14 years from receipt date	
79	31	65	18		
D. Financial Lease Obligations					
4,211	417	4,223	359	Varying monthly instalments from 8 to 15 years (refer note 48)	
E. Preference Shares					
-	-	-	140	10% CRPS Redeemable at par in 2 equal quarterly instalments redeemed on 15 June 2018 and 15 September 2018	-
-	231	195	243	0.01% CRPS Redeemable at par in 4 quarterly instalments from 15 June .2019,15 September 2019,15 December 2019,15 March 2020	-
-	231	195	383		
F. Unamortised Upfront Fees on Borrowing					
(124)	(74)	(128)	(72)		-
Total Amount in ₹ crores					
26,748	9,821	29,551	4,458		

20. Other financial liabilities (Non-current, at amortised cost)

₹ in crores

Particulars	As at 31 March 2019		As at 31 March 2018	
	Non -current	Current	Non -current	Current
Rent and other deposits	33	47	27	88
Retention money for capital projects	466	85	29	250
Allowance for financial guarantees	516	-	642	-
	1,015	132	698	338
Less: Amount clubbed under Other financial liabilities(refer note 27)	-	(132)	-	(338)
Total	1,015	-	698	-

Movements in allowances for financial guarantees

₹ in crores

Particulars	Amount
As at 1 April 2017	**886**
Release of financial guarantees	(248)
Exchange fluctuations	4
As at 31 March 2018	**642**
Release of financial guarantees (refer note 9)	(153)
Exchange fluctuations	27
As at 31 March 2019	**516**

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

21. Provisions

₹ in crores

Particulars	As at 31 March 2019		As at 31 March 2018	
	Non -current	Current	Non -current	Current
Provision for employee benefits				
Provision for compensated absences (refer note 40)	91	14	81	12
Provision for gratuity (refer note 40)	127	37	32	99
Provision for PF (refer note 40)	-	1	-	-
Other provisions				
Mine closure provision	8	-	2	-
Total	**226**	**52**	**115**	**111**

Movements in allowances for financial guarantees

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Opening Balance	2	-
Additions during the year	5	2
Unwinding of discount and changes in the discount rate	#	-
Closing Balance	**8**	**2**

represents amounts below ₹ 0.5 crores

Site restoration expenditure is incurred on an ongoing basis until the closure of the site. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure

22. Income tax

Indian companies are subject to Indian income tax on a standalone basis. For each fiscal year, the entity profit or loss is subject to the higher of the regular income tax payable or the Minimum Alternative Tax ("MAT").

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income Tax Act, 1961 Statutory income tax is charged at 30% plus a surcharge and education cess.

MAT is assessed on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. MAT for the fiscal year 2018-19 is 21.55%. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a period of fifteen years succeeding the fiscal year in which MAT credit arises subject to the limits prescribed.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period .

A. Income tax expense

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax :		
Current tax (MAT)	2,348	1,598
Tax refund / reversal pertaining to earlier years	-	(20)
	2,348	**1,578**
Deferred tax :		
Deferred tax	1,303	2,397
MAT credit entitlement	(93)	(1,598)
(Restoration)/reversal of MAT credit entitlement	-	20
Provision/(reversal) due to change in tax rate from 34.61% to 34.94%	-	39
Tax provision/(reversal) for earlier years	-	14
Total deferred tax	**1,210**	**872**
Total tax expense	**3,558**	**2,450**

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax	11,817	7,075
Enacted tax rate in India	34.94%	34.61%
Expected income tax expense at statutory tax rate	4,129	2,448
Expenses not deductible in determining taxable profit	28	154
Income not recognized in book profit	158	-
Income exempt from taxation/taxable separately	(386)	(228)
Tax holiday and allowances	(371)	(1)
Provision/(reversal) due to change in tax rate from 34.61% to 34.94%	-	63
Tax provision/(reversal) for earlier years	-	14
Tax expense for the year	3,558	2,450
Effective income tax rate	30.11%	34.63%

There are certain income-tax related legal proceedings which are pending against the company. Potential liabilities, if any have been adequately provided for, and the company does not currently estimate any probable material incremental tax liabilities in respect of these matters (refer note 44).

B. Deferred tax liabilities (net)

Significant components of deferred tax assets/(liabilities) recognised in the financial statements are as follows:

₹ in crores

Deferred tax balance in relation to	As at 31 March 2018	Recognised / reversed through profit and loss	Recognised in / reclassified from other comprehensive income	As at 31 March 2019
Property, plant and equipment	(9,609)	(355)	-	(9,964)
Carried forward business loss/ unabsorbed depreciation	1,114	(1,114)	-	-
Cash flow hedges / FCMITDA	7	-	6	13
Provisions for employee benefit / loans and advances and guarantees	560	64	5	629
Finance Lease obligation	1,601	16	-	1,617
Others	(67)	86	-	19
MAT credit entitlement	4,323	93	-	4,416
Total	**(2,071)**	**(1,210)**	**11**	**(3,270)**

₹ in crores

Deferred tax balance in relation to	As at 31 March 2018	Recognised / reversed through profit and loss	Recognised in / reclassified from other comprehensive income	As at 31 March 2018
Property, plant and equipment	(9,255)	(354)	-	(9,609)
Carried forward business loss/ unabsorbed depreciation	3,249	(2,135)	-	1,114
Cash flow hedges / FCMITDA	(123)	-	130	7
Provisions for employee benefit / loans and advances and guarantees	425	134	1	560
Finance Lease obligation	1,681	(80)	-	1,601
Others	(51)	(15)	-	(67)
MAT credit entitlement	2,745	1,578	-	4,323
Total	**(1,329)**	**(872)**	**131**	**(2,071)**

The Company expects to utilize the MAT credit within a period of 15 years.

Deferred tax asset on long term capital losses of ₹ 203 crores and ₹ 2,025 crores expiring in fiscal year 2021-22 and 2024-25 respectively has not been recognised in the absence of probable future taxable capital gains.

Deferred tax asset on short term capital losses of ₹ 689 crores expiring in fiscal year 2024-25 has not been recognised in the absence of probable future taxable capital gains

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

23. Other Liabilities (Non-current)

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Employees Car Deposits	4	4
Advances from customer	4,079	-
Total	**4,083**	4

Advance from customer includes the amount relating to a five year Advance Payment and Supply Agreement ("APSA") agreement with Duferco S.A. for supply of Steel Products. Duferco S.A has provided an interest bearing advance amount of US $ 700 million under this agreement. The advance and interest will be adjusted by export of steel products to Duferco S.A . Current portion of ₹ 763 crores has been included in note 28.

24. Borrowings (current, at amortised cost)

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Loan repayable on demand		
Working capital loans from banks (secured)		
Rupee loan	727	157
Foreign currency loan	-	96
Packing Credit in Foreign Currency loan from bank (unsecured)	-	662
Export Packing Credit in Rupee from banks (unsecured)	69	24
Commercial papers (unsecured)	4,572	1,233
Total	**5,368**	**2,172**

Borrowing have been drawn at following rate of interest

₹ in crores

Particulars	Rates of interest
Cash Credit (CC)	8.80% p.a. to 9.65% p.a.
Commercial Papers (CP)	6.80% p.a. to 9.10% p.a.
Export Packing Credit (EPC)	8.50% p.a. to 8.65% p.a.

Working capital loans of ₹ 727 crores (31 March 2018 ₹ 253 crores) are secured by:

i) pari passu first charge by way of hypothecation of stocks of raw materials, finished goods, work-in-process, consumables (stores and spares) and book debts / receivables of the Company, both present and future.

ii) pari passu second charge on movable properties and immovable properties forming part of the property, plant and equipments of the Company, both present and future except such properties as may be specifically excluded.

25. Trade payables

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Total outstanding, dues of micro and small enterprises	30	10

Disclosure pertaining to micro, small and medium enterprises (as per information available with the Company):

₹ in crores

Description	As at 31 March 2019	As at 31 March 2018
Principal amount due outstanding as at end of year	30	10
Principal amount overdue more than 45 days	-	-
Interest due and unpaid as at end of year	-	#
Interest paid to the supplier	-	-
Payments made to the supplier beyond the appointed day during the year	-	-
Interest due and payable for the year of delay	-	-
Interest accrued and remaining unpaid as at end of year	-	-
Amount of further interest remaining due and payable in succeeding year	-	1

₹ 0.28 crores

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

₹ in crores

Description	As at 31 March 2019	As at 31 March 2018
(b) Total outstanding, dues of creditors other than micro and small enterprises		
Acceptances	8,926	8,098
Other than acceptances	4,096	5,880
Total	**13,022**	**13,978**

Acceptances include credit availed by the Company from banks for payment to suppliers for raw materials purchased by the Company. The arrangements are interest-bearing and are payable within one year.

Payables Other than acceptances are normally settled within 180 days.

Trade payables from related parties details has been described in note 43.

26. Derivative Liabilities

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Forward contract	305	42
Commodity contract	-	45
Interest rate swap	27	2
Currency option	-	1
Total	**332**	**90**

27. Other financial liabilities (Current, at amortised cost)

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of long-term debt (refer note 19)	9,404	4,099
Current maturities of finance lease obligations (refer note 19)	417	359
Current dues of other long-term liabilities (refer note 20)	132	338
Payables for capital projects		
Acceptances	1,104	670
Other than acceptances	1,466	508
Interest accrued but not due on borrowings	409	374
Payables to employees	157	152
Unclaimed matured debentures and accrued interest thereon	#	#
Unclaimed dividends	26	23
Unclaimed amount of sale proceeds of fractional shares	3	3
Others	668	585
Total	**13,786**	**7,111**

represents amounts below ₹ 0.5 crores

Acceptances include credit availed by the Company from Banks for payment to suppliers for capital items. The arrangements are interest-bearing and are payable within one year.

28. Other current liabilities

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Advances from customers	986	280
Statutory liabilities	476	934
Export obligation deferred income	154	167
Total	**1,616**	**1,381**

Advance from customer includes current portion ₹ 763 crores relating to APSA. Refer note 23.

Export obligation deferred income represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipments accounted for as government grant and accounted in revenue on fulfillment of export obligation. Refer note and being amortised over the useful life of such assets.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

29. Revenue from operations

₹ in crores

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of products (including shipping services)			
Domestic turnover		66,841	54,869
Export turnover		7,928	11,366
	A	**74,769**	**66,235**
Other operating revenues			
Government grant income			
GST Incentive income (refer note (a) below)		1,111	934
Export obligation deferred income amortization		160	67
Export benefits and entitlements income		242	300
Unclaimed liabilities written back		263	118
Miscellaneous income		182	69
	B	**1,958**	**1,488**
	A+B	**76,727**	**67,723**

Product-wise turnover

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Tonnes	₹ in crores	Tonnes	₹ in crores
MS slabs	347,603	1,274	360,187	1,164
Hot rolled coils/steel plates/sheets*	8,756,033	39,316	8,549,548	34,102
Galvanized coils/sheets	463,278	2,527	473,098	2,389
Cold rolled coils/sheets	2,068,763	10,603	2,145,068	9,776
Steel billets & blooms	428,573	1,728	542,900	1,780
Long rolled products	3,691,473	16,762	3,551,250	13,957
Others	-	2,560	-	3,067
Total		**74,769**		**66,235**

* Includes Hot rolled coils converted into SAW Pipes on Jobwork basis – Sales – NIL tonnes (previous year: 89,820 tonnes) Value – ₹ NIL (previous year: ₹429 crores)

Note :

a) Incentives under the State Industrial Policy

The Company units at Dolvi in Maharashtra and Vijayanagar in Karnataka are eligible for incentives under the respective State Industrial Policy and have been availing incentives in the form of VAT deferral / CST refunds historically. The Company currently recognises income for such government grants, on the basis using State Goods & Service Tax rates instead of VAT rates, in accordance with the relevant notifications issued by the State of Maharashtra and the State of Karnataka post implementation of Goods & Services Tax (GST).

The State Government of Karnataka vide its circular dated 26 February 2019, has issued guidelines for determining the eligible incentive amount under the GST regime.

The State Government of Maharashtra ('GOM') vide its Government Resolution (GR) dated 20 December 2018 issued the modalities for sanction and disbursement of incentives, under GST regime, and introduced certain new conditions / restrictions for accruing incentive benefits granted to the Company including denying incentives on related party transactions and certain other restrictions. Subsequently, the GOM issued a corrigendum dated 08 March 2019 to the above mentioned GR allowing eligible units to claim incentives on related party transactions.

The management has evaluated the impact of other conditions imposed and has obtained legal advice on the tenability of these changes in the said scheme. Based on such legal advice, the Company has also made the representation to GOM and believes that said Incentives would continue to be made available to the Company under the GST regime, since the new conditions are not tenable legally and will contest these changes appropriately.

Accordingly, the Company has recognized grant income without giving effect to the above restrictions amounting to ₹ 161 crores (previous year ₹ 110 crores) for the year ended 31 March 2019. The cumulative amount receivable towards the same as at 31 March 2019 amounting to ₹ 271 crores has been considered good and recoverable.

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

b) Implementation of Goods and Service Tax (GST)

Revenue from operations for periods up to 30 June 2017 includes excise duty, which is discontinued with effect from 1 July 2017 upon implementation of Goods and Service Tax (GST). In accordance with 'Ind AS 115 - Revenue', GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended 31 March 2019 is not comparable to the year ended 31 March 2018.

c) Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1 April 2018 replaces the existing revenue recognition standards. The application of Ind AS 115 did not have any significant impact on financial statement of the Company.

However, the Company has determined that, in case of certain contracts, shipping services provided to customer is a separate performance obligation and accordingly the revenue attributable to such shipping services has been recognised as Revenue from operations, which was hitherto netted off against the corresponding freight expenses included as part of other expenditure in the Statement of Profit and Loss. The Company has applied the full retrospective approach and restated the previous periods presented.

The restated revenue for the year ended 31 March 2018 is higher by ₹ 1,489 crores with the corresponding increase in Other expenses. Further, the export benefits amounting to ₹ 300 crores for the year ended 31 March 2018 which was earlier included as part of Revenue from sale of products has been reclassified to Other operating revenue

The above adjustments have no impact on the balance sheet and cash flow statement for the previous period.

The restated revenue and restated other expenses for the year ended 31 March 2018 are:

₹ in crores

Particulars	For the year ended 31 March 2018
Revenue from operations	67,723
Other expenses	13,993

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from contracts with customer - Sale of products (including shipping services)	74,769	66,235
Other operating revenue	1,958	1,488
Total revenue from operations	**76,727**	**67,723**
India	68,799	56,357
Outside India	7,928	11,366
Total revenue from operations	**76,727**	**67,723**
Timing of revenue recognition		
At a point in time	76,727	67,723
Total revenue from operations	**76,727**	**67,723**

Contract Balances

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Trade Receivables (Gross) (refer note 13)	6,828	4,770
Contract liabilities		
Advance from customers (refer note 23 and 28)	5,065	280

The credit period on sales of goods ranges from 7 to 60 days with or without security.

As at 31 March 2019, ₹ 82 crores (previous ₹ 78 crores) was recognised as provision for allowance for doubtful debts on trade receivables.

Contract liabilities include long term and short term advances received for sale of goods. The outstanding balances of these accounts increased in due to the continuous increase in the customer base. Long term advances is detailed in note 23.

Amount of revenue recognized from amounts included in the contract liabilities at the beginning of the year ₹ 232 crores (previous year ₹260 crores) and performance obligations satisfied in previous years ₹ NIL (previous year ₹ NIL).

Out of the total contract liabilities outstanding as on 31 March 2019, ₹ 986 crores will be recognized by 31 March 2020, and remaining thereafter.

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

Refund liabilities

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Arising from volume rebates and discount (included in Other Financial Liabilities- note 27)	637	527

The Company does not have any significant adjustments between the contracted price and revenue recognized in the Statement of profit and loss account.

30. Other income

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest Income earned on financial assets that are not designated as FVTPL		
Loans to related parties	144	105
Bank deposits	9	20
Other Interest income	86	51
Gain on sale of current investments designated as FVTPL	10	16
Fair value gain arising from financial instruments designated as FVTPL	8	8
Unwinding of interest on financial assets carried at amortised cost	31	1
Guarantees/Standby letter of credit commission	7	7
Dividend income		
Investments in equity instruments designated as FVTOCI	-	5
Investments in subsidiaries, associates and joint ventures	224	-
Total	**519**	**213**

31. Changes in inventories of finished goods and work-in-progress

₹ in crores

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Opening stock :			
Semi-finished /finished goods		2,826	3,702
Work-in-progress		690	747
	A	3,516	4,449
Closing stock :			
Semi-finished /finished goods		3,228	2,826
Work-in-progress		476	690
	B	3,704	3,516
	C (A-B)	(188)	933
Excise duty on stock of finished goods (net)	D	-	(521)
	C-D	(188)	412

32. Employee benefits expense

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	1,200	1,091
Contribution to provident and other funds (refer note 40)	82	73
Expenses on employees stock ownership plan	43	26
Staff welfare expenses	75	70
Total	**1,400**	**1,260**

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

33. Finance costs

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest		
Bonds and Debentures	734	810
Others	2,080	1,960
Dividend on redeemable preference shares	41	72
Interest on finance lease obligations	579	587
Unwinding of interest on financial liabilities carried at amortised cost	18	12
Exchange differences regarded as an adjustment to borrowing costs	141	22
Other borrowing costs	110	105
Interest on Income Tax	5	23
Total	3,708	**3,591**

34. Depreciation and amortization expense

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant and equipment	3,371	3,026
Amortization of intangible assets	26	28
Total	3,397	**3,054**

35. Other expenses

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Stores and spares consumed	3,558	2,636
Power and fuel	5,746	4,771
Royalty/premium on captive mines	272	-
Rent	27	31
Repairs and maintenance		
Plant and machinery	967	851
Buildings	33	25
Others	11	14
Insurance	66	52
Rates and taxes	60	44
Carriage and freight	3,549	3,419
Jobwork and processing charges	885	810
Commission on sales	29	41
Net loss/ (gain) on foreign currency transactions and translation #	450	88
Donations and contributions	24	3
CSR Expenditure	63	53
Miscellaneous expenses	1,129	857
Allowances for doubtful debts ,loans and advances (net)	132	144
Fair value Loss arising from financial instruments designated as FVTPL	18	30
Loss on sale of property, plant and equipment (net)	6	124
Total	17,025	**13,993**

including hedging cost of ₹ 429 crores (previous year ₹ 223 crores)

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

Note :

a) Auditors remuneration (excluding tax) included in miscellaneous expenses:

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Statutory audit fees (including limited reviews)	5	5
Tax audit fees *	1	#
Fees for capital market transactions and other certifications	2	1
Other services	#	-
Out of pocket expenses	#	#
Total	8	6

represents amounts below ₹ 0.5 crores
* Tax audit fees ₹ 0.53 crores (previous year ₹ 0.46 crores)

b) Corporate Social Responsibility (CSR)

The Company has incurred an amount of ₹ 63 crores (March 31, 2018 ₹ 53 crores) towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 and is included in other expenses

₹ in crores

	Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
		In- Cash	Yet to be Paid in Cash	In- Cash	Yet to be Paid in Cash
(a)	Gross amount required to be spend by the Company during the year	63		35	
(b)	Amount spend on:				
(i)	Construction / acquisition of assets	-	-	-	-
(ii)	On purposes other than (i) above (for CSR projects)	54	9	44	9

36. Research and development activities

Details of expenditure incurred in respect of research and development activities under taken during the year is as follows

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Manufacturing and other expenditure	33	25
Depreciation expenses	13	12
Capital expenditure (including capital work in progress)	12	16

37. Earnings per share (EPS)

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit/(Loss) attributable to equity shareholders (₹ in crores) (A)	8,259	4,625
Weighted average number of equity shares for basic EPS (B)	2,40,46,25,681	2,40,41,52,929
Effect of dilution :		
Weighted average number of treasury shares held through ESOP trust	1,25,94,759	1,30,67,511
Weighted average number of equity shares adjusted for the effect of dilution (C)	2,41,72,20,440	2,41,72,20,440
Basic EPS (Amount in ₹) (A/B)	34.35	19.24
Diluted EPS (Amount in ₹) (A/C)	34.17	19.14

For details regarding treasury shares held through ESOP trust (refer note 17(a) and 38)

38. Employee share based payment plans

ESOP SCHEME 2012

The Employees Stock Ownership Plan was effective from 26 July 2012. The eligible employees could exercise the option anytime between the vesting period till 30 September 2017.

The number of options granted to each eligible employee is determined by dividing the Award Value (amount equivalent to percentage of Annual Fix Pay) by the Fair Value of option provided. The Fair Value of option on the date of each grant is determined by using Black Scholes model.

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ESOP SCHEME 2016

The Board of Directors of the Company at its meeting held on 29 January 2016, formulated the JSWSL EMPLOYEES STOCK OWNERSHIP PLAN 2016 ("ESOP Plan"). At the said meeting, the Board authorized the ESOP Committee for the superintendence of the ESOP Plan.

ESOP is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the Company and it's subsidiaries in India.

Three grants would be made under ESOP plan 2016 to eligible employees on the rolls of the Company as at 01 April 2016, 01 April 2017 and 01 April 2018.

The maximum value and share options that can be awarded to eligible employees is calculated by reference to certain percentage of individuals fixed salary compensation. 50% of the grant would vest at the end of the third year and 50% of the grant would vest at the end of the fourth year with a vesting condition that the employee is in continuous employment with the Company till the date of vesting.

The exercise price is determined by the ESOP committee at a certain discount to the primary market price on the date of grant.

A total of 28,687,000 options are available for grant to the eligible employees of the Company and a total of 3,163,000 options would be available for grant to the eligible employees of the Indian subsidiaries of the Company under the ESOP Plan.

These options are equity settled and are accounted for in accordance with the requirement applying to equity settled transactions.

The details of an employee share based payments plan operated through a trust for ESOP 2016 are as follows:

Option series	Options granted	Options vested	Grant date	Vesting period	Exercise price	Fair value at grant date	Method of settlement
1st Grant- 17 May 2016	68,04,820	31,19,225	17 May 2016	17 May 2016 till 31 March 2019 (for 50% of the grant) and 17 May 2016 to 31 March 2020 (for remaining 50% of the grant)	103.65	67.48	Equity
2nd Grant- 16 May 2017	47,00,461	NIL	16 May 2017	16 May 2017 till 31 March 2020 (for 50% of the grant) and 16 May 2017 to 31 March 2021 (for remaining 50% of the grant)	161.36	104.04	Equity
3rd Grant- 14 May 2018	31,23,407	NIL	14 May 2018	14 May 2018 till 31 March 2021 (for 50% of the grant) and 14 May 2018 to 31 March 2022 (for remaining 50% of the grant)	263.24	167.15	Equity

The outstanding position as at 31 March 2019 is summarised below:

Particulars	ESOP 2016		
	1st Grant	2nd Grant	3rd Grant
Date of grant	17 May 2016	16 May 2017	14 May 2018
Share Price on date of grant	129.56	201.70	329.05
Outstanding as on 1 April 2017	65,80,170	-	-
Transfer in	-	-	-
Transfer Out	-	-	-
Granted during the period	-	47,00,461	-
Forfeited during the period	1,26,640	70,405	-
Lapsed during the period	-	-	-
Exercised during the period	-	-	-
Outstanding as on 31 March 2018	64,53,530	46,30,056	-
Granted during the period	-	-	31,23,407
Transfer in	2,82,140	1,67,243	19,690
Transfer Out	4,97,220	2,68,017	13,027
Forfeited during the period	-	-	-
Lapsed during the period	-	-	-
Exercised during the period	-	-	-
Outstanding as on 31 March 2019	62,38,450	45,29,282	31,30,070
of above - vested outstanding options	31,19,225	-	-
of above - unvested outstanding options	31,19,225	45,29,282	31,30,070

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Particulars	ESOP 2016		
	1st Grant	2nd Grant	3rd Grant
Vesting Period	17 May 2016 till 31 March 2019 (for 50% of the grant) and 17 May 2016 to 31 March 2020 (for remaining 50% of the grant)	16 May 2017 till 31 March 2020 (for 50% of the grant) and 16 May 2017 to 31 March 2021 (for remaining 50% of the grant)	14 May 2018 till 31 March 2021 (for 50% of the grant) and 14 May 2018 to 31 March 2022 (for remaining 50% of the grant)
Exercise Period	4 years from vesting date	4 years from vesting date	4 years from vesting date
Weighted average remaining contract life	54 months	66 months	78 months
Exercise price	103.65	161.36	263.24
Weighted average share price on exercise date	Not applicable	Not applicable	Not applicable
A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are:	The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are:	The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are:
Weighted-average values of share price	Not applicable	Not applicable	Not applicable
Weighted-average exercise price	Not applicable	Not applicable	Not applicable
Expected volatility	Volatility was calculated using standard deviation of daily change in stock price. The volatility used for valuation is 39.23 % for options with 3 year vesting and 39.62 % with 4 years vesting	Volatility was calculated using standard deviation of daily change in stock price. The volatility used for valuation is 33.76 % for options with 3 year vesting and 37.43 % with 4 years vesting	Volatility was calculated using standard deviation of daily change in stock price. The volatility used for valuation is 33.23 % for options with 3 year vesting and 33.28 % with 4 years vesting
Expected option life	The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2	The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2	The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2
Expected dividends	₹ 1.10 per share	Re. 0.75 per share	₹ 2.25 per share
Risk-free interest rate	Zero coupon sovereign bond yields were utilized with maturity equal to expected term of the option	Zero coupon sovereign bond yields were utilized with maturity equal to expected term of the option	Zero coupon sovereign bond yields were utilized with maturity equal to expected term of the option
	The rate used for calculation is 7.36% (for 3 years vesting) & 7.44%(for 4 years vesting)	The rate used for calculation is 6.87% (for 3 years vesting) & 6.96%(for 4 years vesting)	The rate used for calculation is 7.85% (for 3 years vesting) & 7.92%(for 4 years vesting)
The method used and the assumptions made to incorporate the effects of expected early exercise	Black-Scholes Options pricing model	Black-Scholes Options pricing model	Black-Scholes Options pricing model
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The following factors have been considered: (a) Share price (b) Exercise prices (c) Historical volatility (d) Expected option life (e) Dividend Yield		
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition			

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

39. Segment reporting

The Company is in the business of manufacturing steel products having similar economic characteristics, primarily with operations in India and regularly reviewed by the Chief Operating Decision Maker for assessment of Company's performance and resource allocation.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below

a) Revenue from operations

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018*
Domestic	68,799	56,357
Export	7,928	11,366
Total	**76,727**	**67,723**

* Restated (refer note 29)

Revenue from operations have been allocated on the basis of location of customers.

b) Non-current assets

All non-current assets other than financial instruments of the Company are located in India.

c) Customer contributing more than 10% of Revenue

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
JSW Steel Coated Products Limited	10,128	9,793

40. Employee benefits

a) Defined contribution plan

The Company operates defined contribution retirement benefit plans for all qualifying employees. Under these plans, the Company is required to contribute a specified percentage of payroll costs.

Company's contribution to provident fund & family pension scheme recognized in statement of profit and loss of ₹ 47 crores (31 March 2018: ₹ 42 crores) (included in note 32).

Contribution towards Company owned trust is detailed in Defined benefit plans

b) Defined benefit plans

The Company sponsors funded defined benefit plans for all qualifying employees. The level of benefits provided depends on the member's length of service and salary at retirement age.

The gratuity plan is covered by The Payment of Gratuity Act, 1972. Under the gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 58, 60 and 62, without any payment ceiling. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

The fund is managed by JSW Steel limited Employee Gratuity Trust and it is governed by the Board of trustees. The Board of trustees is responsible for the administration of the plan assets and for defining the investment strategy.

Under the compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. Employee are entitled to encash leave while serving in the Company. At the rate of daily salary, as per current accumulation of leave days.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in Government securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the value of the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2019 by Independent, Qualified Actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(i) Gratuity (funded):

₹ in crores

		For the year ended 31 March 2019	For the year ended 31 March 2018
a)	**Liability recognised in the balance sheet**		
i)	**Present value of obligation**		
	Opening balance	196	175
	Service cost	14	13
	Interest cost	15	13
	Actuarial loss on obligation	14	3
	Benefits paid	(9)	(7)
	Liability in	2	#
	Liability transfer	(2)	(1)
	Closing balance	231	196
	Less:		
ii)	**Fair value of plan assets**		
	Opening balance	65	53
	Interest Income	5	4
	Actuarial (loss)/gain on plan assets	#	#
	Employers' contribution	3	13
	Asset transfer	#	#
	Benefits paid	(5)	(5)
	Closing balance	68	65
	Amount recognised in balance sheet(refer note 22)	164	131
b)	**Expenses recognized in statement of profit and loss**		
	Service cost	14	13
	Interest cost	15	13
	Expected return on plan assets	(5)	(4)
	Component of defined benefit cost recognized in statement of profit and loss	24	22
	Remeasurement of net defined benefit liability		
	- Actuarial (gain)/loss on defined benefit obligation	14	3
	- Return on plan assets (excluding interest income)	#	#
	Component of defined benefit cost recognised in other comprehensive income	15	3
	Transferred to preoperative expenses	(2)	-
Total		37	25
c)	**Actual return on plan assets**	5	4
d)	**Break up of plan assets:**		
	(i) ICICI Prudential Life Insurance Co. Limited		
	Balanced fund	3	2
	Debt fund	#	#
	Short term debt fund	#	#
	Group Short Term Debt Fund III	3	-
	(ii) HDFC Standard Life Insurance Co. Limited		
	Defensive managed fund	#	#
	Secure managed fund	6	6
	Stable managed fund	#	#
	(iii) SBI Life Insurance Co. Limited – Cap assured fund	47	48
	(iv) LIC of India – Insurer managed fund	9	9
Total		68	65

represents amounts below ₹ 0.5 crores

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

e) Principal actuarial assumptions :

Particulars	Valuation as at 31 March 2019	Valuation as at 31 March 2018
Discount rate	7.79%	7.85%
Expected rate(s) of salary increase	6% p.a.	6% p.a.
Expected return on plan assets	7.79%	7.85%
Attrition rate	2% p.a.	2% p.a.
Mortality rate during employment	Indian assured lives mortality (2006-2008)	

f) Experience adjustments:

₹ in crores

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Defined benefit obligation	231	196	175	143	126
Plan assets	68	65	53	50	40
Surplus / (deficit)	(164)	(131)	(122)	(93)	(85)
Experience adjustments on plan liabilities – Loss/(gain)	14	3	17	3	23
Experience adjustments on plan assets – Gain/(loss)	#	#	#	#	#

represents amounts below ₹ 0.5 crores

g) The Company expects to contribute ₹ 37 crores (previous year ₹ 32 crores) to its gratuity plan for the next year.

h) In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-to-date mortality tables, the base being the Indian assured lives mortality (2006-08) ultimate.

i) Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.

j) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

k) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plan is as follows:

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Defined benefit obligation	231	196
Plan assets	68	65
- net liability/(asset) arising from defined benefit obligation	164	131

Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year, while holding all other assumptions constant.

₹ in crores

	As at 31 March 2019		As at 31 March 2018	
Particulars	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(18)	21	(16)	18
Future salary growth (1% movement)	21	(18)	18	(16)
Attrition rate (1% movement)	3	(3)	3	(3)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

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Fund Allocation

Particulars	SBI	HDFC	ICICI	LIC
As on 31 March 2019	**68.76%**	**9.68%**	**8.57%**	**12.99%**
As on 31 March 2018	73.27%	9.25%	3.98%	13.49%

Category of assets average percentage allocation fund wise as on 31 March 2019

Particulars	SBI	HDFC	ICICI	LIC
Government securities	-	33.21%	36.77%	20%
Debt	93.23%	62.63%	46.22%	Balance invested in approved investments as specified in schedule 1 of IRDA guidelines
Equity	6.20%	0.15%	6.99%	
Others	0.57%	4.01%	10.02%	

Maturity analysis of projected benefit obligation

₹ in crores

Particulars	Less than a year	Between 1 to 5 years	Over 5 years	Total
As at 31 March 2019				
Projected benefit payable	19	67	450	536
As at 31 March 2018				
Projected benefit payable	15	56	398	469

Each year an Asset-Liability-Matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles.

(ii) Provident fund:

Provident Fund for certain eligible employees is managed by the Company through JSW Steel Employees Provident Fund Trust, in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The Company makes monthly contributions to provident fund managed by trust for qualifying employees. The Trustees of JSW Steel Employees Provident Fund Trust are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and the relevant provisions prescribed under the law.

The members of the Provident Fund Trust are entitled to the rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. The shortfall, if any, is made good by the Company in the year in which it arises.

As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. According to the defined benefit obligation of interest rate guarantee on exempted provident fund in respect of employees of the Company as at 31 March 2019 is 8.65%.

Out of the total contribution made for Provident Fund in Defined Contribution Plan, ₹ 20 crores (previous year ₹ 17 crores) is made to the JSW Steel Employees Provident Fund Trust.

The funds of the Trust have been invested under various securities in accordance with the rules prescribed by the Government of India.

The Company has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund and interest rate guarantee shortfall of ₹ 1 crores (Previous year - Nil) is recognised in the Statement of Profit and Loss.

Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Total plan assets @	505	453
Total plan liabilities @	499	435
Discount rate	7.79%	7.85%
Rate of return on assets	8.55%	8.88%
Guaranteed rate of return	8.65%	8.55%

@ JSW Steel Employees Provident Fund Trust as at 31 March 2019 as per the unaudited financial statements

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41. Financial Instruments

41.1 Capital risk management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximize the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

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

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

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Long term borrowings	26,748	29,551
Current maturities of long term debt and finance lease obligations	9,821	4,458
Short term borrowings	5,368	2,172
Less: Cash and cash equivalent	(5,258)	(451)
Less: Bank balances other than cash and cash equivalents	(422)	(150)
Net debt	**36,257**	**35,580**
Total equity	**35,162**	**27,907**
Gearing ratio	**1.03**	**1.27**

(i) Equity includes all capital and reserves of the Company that are managed as capital.

(ii) Debt is defined as long and short term borrowings (excluding derivatives and financial guarantee contracts), as described in notes 19 and 24.

41.2 Categories of financial instruments

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31 March 2019

₹ in crores

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Derivatives in hedging relationship	Total carrying value	Total fair value
Financial assets						
Investments	374	633	417	-	1,424	1,425
Trade receivables	6,746	-	-	-	6,746	6,746
Cash and cash equivalents	5,258	-	-	-	5,258	5,258
Bank balances other than cash and cash equivalents	422	-	-	-	422	422
Loans	7,810	-	-	-	7,810	7,810
Derivative Assets	-	-	147	81	228	228
Other financial assets	2,666	-	-	-	2,666	2,666
Total	**23,276**	**633**	**564**	**81**	**24,554**	**24,555**
Financial liabilities						
Long term Borrowings *	36,569	-	-	-	36,569	37,357
Short term Borrowings	5,368	-	-	-	5,368	5,368
Trade payables	13,052	-	-	-	13,052	13,052
Derivative liabilities	-	-	296	36	332	332
Other financial liabilities	4,980	-	-	-	4,980	4,980
Total	**59,969**	**-**	**296**	**36**	**60,301**	**61,089**

* including current maturities of long term debt and finance lease obligations

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As at 31 March 2018

₹ in crores

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Derivatives in hedging relationship	Total carrying value	Total fair value
Financial assets						
Investments	#	680	350	-	1,030	1,030
Trade receivables	4,692	-	-	-	4,692	4,692
Cash and cash equivalents	451	-	-	-	451	451
Bank balances other than cash and cash equivalents	150	-	-	-	150	150
Loans	5,323	-	-	-	5,323	5,323
Derivative Assets	-	-	85	62	147	147
Other financial assets	1,249	-	-	-	1,249	1,249
Total	**11,865**	**680**	**435**	**62**	**13,042**	**13,042**
Financial liabilities						
Long term borrowings *	34,009	-	-	-	34,009	34,709
Short term borrowings	2,172	-	-	-	2,172	2,172
Trade payables	13,988	-	-	-	13,988	13,988
Derivative liabilities	-	-	32	58	90	90
Other financial liabilities	3,351	-	-	-	3,351	3,352
Total	**53,520**	**-**	**32**	**58**	**53,610**	**54,311**

* including current maturities of long term debt and finance lease obligations
# represents amounts below ₹ 0.5 crores

41.3 Financial risk management

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

41.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

41.5 Foreign currency risk management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency. In order to hedge exchange rate risk, the Company has a policy to hedge cash flows up to a specific tenure using forward exchange contracts and options. At any point in time, the Company hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months. In respect of imports and other payables, the Company hedges its payables as when the exposure arises. Short term exposures are hedged progressively based on their maturity.

All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates.

The carrying amounts of the Company's monetary assets and monetary liabilities at the end of the reporting year are as follows:

Currency exposure as at 31 March 2019

₹ in crores

Particulars	USD	EURO	INR	JPY	Other	Total
Financial assets						
Non-current investments	-	254	1,170	-	-	1,424
Loans	7,253	2	545	-	10	7,810
Trade receivables	806	272	5,668	-	-	6,746
Cash and cash equivalents	-	-	5,258	-	-	5,258
Bank balances other than cash and cash equivalents	-	-	422	-	-	422
Derivative assets	228	-	-	-	-	228
Other financial assets	637	-	2,029	-	-	2,666
Total financial assets	**8,924**	**528**	**15,092**	**-**	**10**	**24,554**
Financial liabilities						
Long term borrowings	10,746	268	15,320	414	-	26,748
Short term borrowings	-	-	5,368	-	-	5,368
Trade payables	9,819	71	3,129	32	1	13,052
Derivative liabilities	332	-	-	-	-	332
Other financial liabilities	6,694	1,445	6,178	463	21	14,801
Total financial liabilities	**27,591**	**1,784**	**29,995**	**909**	**22**	**60,301**

Currency exposure as at 31 March 2018

₹ in crores

Particulars	USD	EURO	INR	JPY	Other	Total
Financial assets						
Non-current investments	-	254	776	-	-	1,030
Loans	4,807	-	506	-	10	5,323
Trade receivables	124	97	4,471	-	-	4,692
Cash and cash equivalents	-	-	451	-	-	451
Bank balances other than cash and cash equivalents	-	-	150	-	-	150
Derivative Assets	147	-	-	-	-	147
Other financial assets	701	-	548	-	-	1,249
Total financial assets	**5,779**	**351**	**6,902**	**-**	**10**	**13,042**
Financial liabilities						
Long term borrowings	12,281	110	16,911	249	-	29,551
Short term borrowings	758	-	1,414	-	-	2,172
Trade payables	10,457	21	3,454	54	2	13,988
Derivative liabilities	86	4	-	-	-	90
Other financial liabilities	1,973	85	5,600	143	8	7,809
Total financial liabilities	**25,555**	**220**	**27,379**	**446**	**10**	**53,610**

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

₹ in crores

Particulars	Increase		Decrease	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Receivable				
USD/INR	90	57	(90)	(57)
Payable				
USD/INR	108	99	(108)	(99)

The forward exchange contracts entered into by the Company and outstanding are as under:

As at	Nature	No. of Contracts	Type	US$ Equivalent (Millions)	INR Equivalent (crores)	MTM (₹ in crores)
31 March 2019	Assets	18	Buy	175	1,207	4
		48	Sell	503	3,481	159
	Liabilities	125	Buy	1,207	8,351	(304)
		0	Sell	0	0	0
31 March 2018	Assets	42	Buy	463	3,015	20
		37	Sell	443	2,879	25
	Liabilities	60	Buy	670	4,358	(24)
		31	Sell	339	2,205	(17)

Currency options to hedge against fluctuations in changes in exchange rate:

As at	Nature	No. of Contracts	US$ equivalent(Million)	INR equivalent (crores)	MTM of Option (₹ in crores)
31 March 2019	Assets	3	40	277	1
	Liabilities	1	10	69	(#)
31 March 2018	Assets	25	471	3,063	20
	Liabilities	3	61	397	(1)

represents amounts below ₹ 0.5 crores

Unhedged currency risk position :

I) Amounts receivable in foreign currency

	As at 31 March 2019		As at 31 March 2018	
	US$ equivalent (Millions)	INR Equivalent (crores)	US$ equivalent (Millions)	INR Equivalent (crores)
Trade receivables	156	1,078	34	221
Balances with banks				
- in Fixed deposit account	-	-	-	-
- in Current account	-	-	-	-
Advances/Loans to subsidiaries	1,142	7,902	848	5,518

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II) Amounts payable in foreign currency

	As at 31 March 2019		As at 31 March 2018	
	US$ equivalent (Millions)	INR Equivalent (crores)	US$ equivalent (Millions)	INR Equivalent (crores)
Loans payable	2,466	17,060	2,134	13,881
Acceptances	-	-	-	-
Trade payables	5	35	8	52
Payable for capital projects	319	2,206	79	514
Interest accrued but not due on borrowings	37	255	32	206
Other provisions	75	516	99	642

41.6 Commodity price risk:

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its steel products. Market forces generally determine prices for the steel products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its steel products.

The Company is subject to fluctuations in prices for the purchase of iron ore, coking coal, ferro alloys, zinc, scrap and other raw material inputs. The Company purchased primarily all of its iron ore and coal requirements at prevailing market rates during the year ended 31 March 2019.

The Company aims to sell the products at prevailing market prices. Similarly the Company procures key raw materials like iron ore and coal based on prevailing market rates as the selling prices of steel prices and the prices of input raw materials move in the same direction.

Commodity hedging is used primarily as a risk management tool to secure the future cash flows in case of volatility by entering into commodity forward contracts.

Hedging commodity is based on its procurement schedule and price risk. Commodity hedging is undertaken as a risk offsetting exercise and, depending upon market conditions hedges, may extend beyond the financial year. The Company is presently hedging maximum up to 25 % of its consumption.

The following table details the Company's sensitivity to a 5% movement in the input price of iron ore and coking coal. The sensitivity analysis includes only 5% change in commodity prices for quantity purchased or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit or equity where the commodity prices decrease by 5% and vice-versa.

₹ in crores

	Increase for the year ended		Decrease for the year ended	
Commodity	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Iron ore lumps/fines	611	598	(611)	(598)
Coal/Coke	1,178	1,027	(1,178)	(1,027)

The commodity forward and option contracts entered into by the Company and outstanding at the year-end are as under:

As at	Nature	No. of Contracts	Commodity Name	Quantity (Iron Ore, Coking Coal - MT) (Brent Crude - Mio Barrels)	US$ Equivalent of notional value (Millions)	INR equivalent (crores)	MTM of Commodity contract (₹ in crores)
31 March 2019	Assets	1	BRENT CRUDE	45,000	2	17	4
		6	COKING COAL	45,000	9	65	#
31 March 2018	Assets	5	BRENT CRUDE	1,68,750	10	68	6
		3	IRON ORE	1,16,000	7	47	1
	Liabilities	44	IRON ORE	13,46,000	92	601	(43)

represents amounts below ₹ 0.5 crores

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

41.7 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The company hedges up to 20% of interest risk in US dollars. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible bonds and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Fixed rate borrowings	19,663	19,723
Floating rate borrowings	17,104	14,486
Total gross borrowings	**36,767**	**34,209**
Less: Upfront fees	(198)	(200)
Total borrowings (refer note 19)	**36,569**	**34,009**

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, after the impact of hedge accounting, assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2019 would decrease / increase by ₹ 171 crores (for the year ended 31 March 2018: decrease / increase by ₹ 145 crores). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings

The following table details the nominal amounts and remaining terms of interest rate swap contracts outstanding at the year-end.

As at	Nature	No. of Contracts	US$ Equivalent of notional value (Millions)	MTM of IRS (₹ in crores)
31 March 2019	Assets	13	220	20
	Liablities	15	245	(27)
31 March 2018	Assets	14	237	37
	Liabilities	5	128	(2)

41.8 Credit risk management:

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans, other financial assets, financial guarantees and derivative financial instruments.

Moreover, given the diverse nature of the Company's business trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer (other than the Group Companies) accounted for 10% or more of the trade receivables in any of the years presented. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties.

Movements in allowances for bad and doubtful debts

₹ in crores

Particulars	Amount
As at 1 April 2017	**6**
Additional Allowance	72
As at 31 March 2018	**78**
Additional Allowance	4
As at 31 March 2019	**82**

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

For current investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for Company's mutual fund and bond investments. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 24,554 crores as at 31 March 2019 and ₹ 13,042 crores as at March 31, 2018, being the total carrying value of trade receivables, balances with bank, bank deposits, Current investments and other financial assets.

In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. The Company based on past experiences does not expect any material loss on its receivables and hence no provision is deemed necessary on account of ECL.

The credit quality of the Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The Company uses simplified approach for impairment of financial assets. If credit risk has not increased significantly, 12-month expected credit loss is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime expected credit loss is used. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.

41.9 Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting year. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Liquidity exposure as at 31 March 2019

₹ in crores

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Non-current investments	-	#	1,424	1,424
Loans	136	7,639	35	7,810
Trade receivables	6,746	-	-	6,746
Cash and cash equivalents	5,258	-	-	5,258
Bank balances other than cash and cash equivalents	422	-	-	422
Derivative assets	228	-	-	228
Other financial assets	2,621	45	-	2,666
Total financial assets	**15,411**	**7,684**	**1,459**	**24,554**
Financial liabilities				
Long term borrowings	-	21,906	4,842	26,748
Short term borrowings	5,368	-	-	5,368
Trade payables	13,052	-	-	13,052
Derivative liabilities	332	-		332
Other financial liabilities	13,786	1,008	7	14,801
Total financial liabilities	**32,538**	**22,914**	**4,849**	**60,301**
Interest payout liability	1,827	4,393	241	6,461

represents amounts below ₹ 0.5 crores

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

Liquidity exposure as at 31 March 2018

₹ in crores

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Non-current investments	-	#	1,030	1,030
Loans	158	4,996	169	5,323
Trade receivables	4,692	-	-	4,692
Cash and cash equivalents	451	-	-	451
Bank balances other than cash and cash equivalents	150	-	-	150
Derivative Assets	147	-	-	147
Other financial assets	271	978	-	1,249
Total financial assets	**5,869**	**5,974**	**1,199**	**13,042**
Financial liabilities				
Long term borrowings	-	24,350	5,201	29,551
Short term borrowings	2,172	-	-	2,172
Trade payables	13,988	-	-	13,988
Derivative Liabilities	90	-	-	90
Other financial liabilities	7,080	716	13	7,809
Total financial liabilities	**23,330**	**25,066**	**5,214**	**53,610**
Interest payout liability	1,560	4,777	304	6,641

represents amounts below ₹ 0.5 crores

The amount of guarantees/standby letter of credit given on behalf of subsidiaries included in Note 45 represents the maximum amount the Company could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting year, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

Collateral

The Company has pledged part of its trade receivables, short term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Company. There is obligation to return the securities to the Company once these banking facilities are surrendered. (Refer note 19 and 24).

42. Level wise disclosure of financial instruments

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018	Level	Valuation techniques and key inputs
Quoted investments in equity shares measured at FVTOCI	620	666	1	Quoted bid prices in an active market
Unquoted investments in equity shares measured at FVTOCI	9	9	3	Net Asset value of share arrived has been considered as fair value
Unquoted investments in equity shares measured at FVTOCI	5	5	3	Cost is approximate estimate of fair value,
Non-current investments in unquoted preference shares measured at FVTPL	417	350	3	Discounted cash flow - Future cash flows are based on terms of Preference Shares discounted at a rate that reflects market risks
Derivative Assets	228	147	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Derivative Liabilities	332	90		

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities (other than those specifically disclosed) are considered to be the same as their fair values, due to their short term nature.

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TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

Sensitivity Analysis of Level 3:

	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Investments in unquoted Preference shares	DCF method	Discounting Rate of 9.1 %	0.50%	0.50% Increase (decrease) in the discount would decrease (increase) the fair value by ₹ 6 crores (₹ 6 crores)

Reconciliation of Level 3 fair value measurement

₹ in crores

Particulars	Amount
Balance as at 1 April 2017	**404**
Additions made during the period	-
Allowance for loss	(48)
Gain recognised in the statement of profit and loss	7
Balance as at 31 March 2018	**364**
Additions made during the period	103
Allowance for loss	(2)
Gain recognised in the statement of profit and loss	(34)
Balance as at 31 March 2019	**431**

Details of Financial assets/ liabilities measured at amortized cost but fair value disclosed in category wise

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018	Level	Valuation techniques and key inputs
Loans				
Carrying value	7,810	5,323	2	Discounted cash flow on observable Future cash flows are based on terms of discounted at a rate that reflects market risks
Fair value	7,810	5,323		
Investments			2	Discounted cash flow on observable Future cash flows are based on terms of discounted at a rate that reflects market risks
Carrying value	374	-		
Fair value	375	-		
Long Term Borrowing			2	Discounted cash flow on observable Future cash flows are based on terms of discounted at a rate that reflects market risks
Carrying value	36,570	34,009		
Fair value	37,357	34,709		

43. Related party disclosures

A	**Name of related parties**
1	**Subsidiaries**
	JSW Steel (Netherlands) B.V.
	JSW Steel (UK) Limited
	JSW Steel (USA) Inc.
	Periama Holdings, LLC
	Purest Energy, LLC
	Meadow Creek Minerals, LLC
	Hutchinson Minerals, LLC
	R.C. Minerals, LLC
	Keenan Minerals, LLC
	Peace Leasing, LLC
	Prime Coal, LLC
	Planck Holdings, LLC
	Rolling S Augering, LLC
	Periama Handling, LLC
	Lower Hutchinson Minerals, LLC
	Caretta Minerals, LLC
	JSW Panama Holdings Corporation
	Inversiones Eurosh Limitada
	Santa Fe Mining
	Santa Fe Puerto S.A.
	JSW Natural Resources Limited
	JSW Natural Resources Mozambique Limitada

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A	**Name of related parties**
	JSW ADMS Carvao Limitada
	Nippon Ispat Singapore (PTE) Limited
	Erebus Limited
	Arima Holding Limited
	Lakeland Securities Limited
	JSW Steel Processing Centres Limited
	JSW Bengal Steel Limited
	JSW Natural Resources India Limited
	JSW Energy (Bengal) Limited
	JSW Natural Resource Bengal Limited
	JSW Jharkhand Steel Limited
	Amba River Coke Limited
	JSW Steel Coated Products Limited
	Peddar Realty Private Limited
	JSW Steel (Salav) Limited
	Dolvi Minerals & Metals Private Limited
	Dolvi Coke Projects Limited
	JSW Industrial Gases Private Limited
	JSW Realty & Infrastructure Private Limited
	JSW Steel Italy S.r.l.
	JSW Utkal Steel Limited (w.e.f. 16.11.2017)
	Hasaud Steel Limited (w.e.f. 13.02.2018)
	Creixent Special Steels Limited (w.e.f. 27.02.2018, ceased w.e.f. 27.08.2018)
	Milloret Steel Limited (w.e.f. 08.03.2018, ceased w.e.f. 31.08.2018)
	Acero Junction Holdings, Inc. (w.e.f. 15.06.2018)
	JSW Steel USA Ohio, Inc. (w.e.f. 15.06.2018)
	Aferpi S.p.A. (w.e.f. 24.07.2018)
	Piombino Logistics S.p.A. (w.e.f. 24.07.2018)
	GSI Lucchini S.p.A. (w.e.f. 24.07.2018)
	JSW Retail Limited (w.e.f. 20.09.2018)
2	**Joint Ventures**
	Vijayanagar Minerals Private Limited
	Rohne Coal Company Private Limited
	JSW Severfield Structures Limited
	Gourangdih Coal Limited
	GEO Steel LLC
	JSW Structural Metal Decking Limited
	JSW MI Steel Service Centre Private Limited
	JSW Vallabh Tin Plate Private Limited
	Accialtalia S.p.A. (ceased w.e.f. 16.04.2018)
	Creixent Special Steels Limited (w.e.f. 28.08.2018)
	Monnet Ispat & Energy Limited (w.e.f. 31.08.2018)
3	**Key Management Personnel**
a	**Non-Independent Executive Director**
	Mr. Sajjan Jindal
	Mr. Seshagiri Rao M V S
	Dr. Vinod Nowal
	Mr. Jayant Acharya
b	**Independent Non-Executive Director**
	Mr. Kannan Vijayaraghavan (upto 24.07.2018)
	Dr. Vijay Kelkar (upto 24.07.2018)
	Mr. N. Jayaram - Nominee Director, KSIIDC (upto 24.07.2018)
	Mrs. Gunjan Krishna - Nominee Director, KSIIDC (w.e.f. 21.07.2018)
	Mr. Hiroyuki Ogawa - Nominee Director, JFE Steel Corporation
	Mrs. Punita Kumar Sinha
	Mr. Malay Mukerjee
	Mr. Haigreve Khaitan
	Mr. Seturaman Mahalingam
	Mrs. Nirupama Rao (w.e.f. 21.07.2018)
	Mr. Harsh Charandas Mariwala (w.e.f. 21.07.2018)
c	Mr. Rajeev Pai - Chief Financial Officer
d	Mr. Lancy Varghese - Company Secretary
4	**Relatives of Key Management Personnel**
	Mrs. Savitri Devi Jindal
	Mr. Prithvi Raj Jindal
	Mr. Naveen Jindal
	Mrs. Nirmala Goyal
	Mrs. Urmila Bhuwalka

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A	Name of related parties
	Mrs. Sangita Jindal
	Mrs. Tarini Jindal Handa
	Mrs. Tanvi Shete
	Mr. Parth Jindal
5	**Other Related Parties**
	JSW Energy Limited
	JSW Energy (Barmer) Limited (formerly known as Raj West Power Limited)
	JSW Power Trading Company Limited (formerly known as JSW Green Energy Limited)
	JSW Hydro Energy Limited (formerly known as Himachal Baspa Power Company Limited)
	JSW Solar Limited
	Jindal Stainless Limited
	JSL Lifestyle Limited
	Jindal Saw Limited
	Jindal Saw USA LLC
	Jindal Tubular (India) Limited
	Jindal Urban Waste Management Limited
	Jindal Rail Infrastructure Limited
	Jindal Steel & Power Limited
	India Flysafe Aviation Limited
	JSW Infrastructure Limited
	JSW Jaigarh Port Limited
	South West Port Limited
	JSW Dharamatar Port Private Limited
	JSW Paradip Terminal Private Limited
	Jaigarh Digni Rail Limited
	JSW Cement Limited
	JSW Cement, FZE
	South West Mining Limited
	JSW Projects Limited
	JSW IP Holdings Private Limited
	JSoft Solutions Limited
	Reynold Traders Private Limited
	JSW Techno Projects Management Limited
	JSW Global Business Solutions Limited
	Jindal Industries Private Limited
	JSW Foundation
	Jindal Technologies & Management Services Private Limited
	Epsilon Carbon Private Limited
	JSW Living Private Limited
	JSW International Trade Corp PTE Limited
	Jindal Education Trust
	JSW Paints Private Limited
	Toshiba JSW Power System Private Limited
	MJSJ Coal Limited
	JSW Bengaluru Football Club Private Limited
	Utkarsh Advisory Services Private Limited
	Epsilon Aerospace Private Limited
	Khaitan & Company#
	Vinar Systems Private Limited ## (ceased w.e.f.31.05.2018)
	Danta Enterprises Private Limited
	Glebe Trading Private Limited
	JSW Holdings Limited
	JSW Investments Private Limited
	JSW Logistics Infrastructure Private Limited
	Sahyog Holdings Private Limited
	Virtuous Tradecorp Private Limited
	S K Jindal and Sons HUF
	P R Jindal HUF
6	**Post Employment Benefit Entity**
	JSW Steel EPF Trust
	JSW Steel Group Gratuity Trust
	JSW Steel Limited Employee Gratuity Fund

Mr. Haigreve Khaitan is a partner in Khaitan & Company
Mr. Haigreve Khaitan was a director in Vinar Systems Private Limited upto 31.05.2018

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

B. Transactions with related parties for year ended

₹ in crores

Particulars	Subsidiaries		Joint Ventures		Other related parties*		Total	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Purchase of goods / power & fuel / services								
Amba River Coke Limited	4,416	4,405	-	-	-	-	4,416	4,405
JSW International Tradecorp PTE Limited	-	-	-	-	16,038	16,369	16,038	16,369
Others	2,308	1,078	104	30	4,376	3,574	6,788	4,682
Total	**6,724**	**5,483**	**104**	**30**	**20,414**	**19,943**	**27,242**	**25,456**
Reimbursement of expenses incurred on our behalf by								
JSW Steel Processing Centres Limited	1	-	-	-	-	-	1	-
JSW Steel (Salav) Limited	1	2	-	-	-	-	1	2
JSW Retail Limited	2	-	-	-	-	-	2	-
JSW MI Steel Service Centre Private Limited	-	-	1	-	-	-	1	-
JSW Energy Limited	-	-	-	-	3	3	3	3
Others	#	#	-	-	#	#	#	#
Total	**4**	**2**	**1**	**-**	**3**	**3**	**8**	**6**
Sales of goods / power & fuel								
JSW Steel Coated Products Limited	10,128	9,793	-	-	-	-	10,128	9,793
Others	637	1,322	873	547	3,122	2,225	4,632	4,094
Total	**10,765**	**11,115**	**873**	**547**	**3,122**	**2,225**	**14,760**	**13,887**
Other income/ interest income/ dividend income								
JSW Steel Processing Centres Limited	100	-	-	-	-	-	100	-
JSW Steel Coated Products Limited	50	32	-	-	-	-	50	32
Amba River Coke Limited	44	58	-	-	-	-	44	58
JSW Steel (Salav) Limited	19	25	-	-	-	-	19	25
JSW Industrial Gases Private Limited	125	2	-	-	-	-	125	2
Others	30	3	11	3	35	30	76	36
Total	**368**	**120**	**11**	**3**	**35**	**30**	**414**	**153**
Liabilities written back								
JSW Steel Coated Products Limited	3	-	-	-	-	-	3	-
JSW MI Steel Service Centre Private Limited	-	-	3	-	-	-	3	-
South West Port Limited	-	-	-	-	3	-	3	-
Jindal Saw Limited	-	-	-	-	3	-	3	-
JSW Projects Limited	-	-	-	-	3	-	3	-
JSW Infrastructure Limited	-	-	-	-	11	-	11	-
Others	-	-	-	-	1	-	1	-
Total	**3**	**-**	**3**	**-**	**21**	**-**	**27**	**-**

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

₹ in crores

Particulars	Subsidiaries		Joint Ventures		Other related parties*		Total	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Purchase of assets								
JSW Severfield Structures Limited	-	-	416	136	-	-	416	136
Jindal Steel & Power Limited	-	-	-	-	228	25	228	25
JSW Cement Limited	-	-	-	-	124	47	124	47
Others	19	2	6	-	17	6	42	8
Total	**19**	**2**	**422**	**136**	**369**	**78**	**810**	**216**
Advance given/(received back)								
Amba River Coke Limited	300	-	-	-	-	-	300	-
India Flysafe Aviation Limited	-	-	-	-	(11)	214	(11)	214
Others	6	(2)	-	-	-	-	6	(2)
Total	**306**	**(2)**	**-**	**-**	**(11)**	**214**	**295**	**212**
Lease and other deposits given								
Utkarsh Advisory Services Private Limited	-	-	-	-	59	-	59	-
Total	**-**	**-**	**-**	**-**	**59**	**-**	**59**	**-**
Lease deposit received								
JSW Cement Limited	-	-	-	-	11	-	11	-
Total	**-**	**-**	**-**	**-**	**11**	**-**	**11**	**-**
Lease and other advances refunded								
JSW Infrastructure Limited	-	-	-	-	53	48	53	48
Total	**-**	**-**	**-**	**-**	**53**	**48**	**53**	**48**
Provision for loans and advances made during the year								
JSW Steel (Netherlands) B.V.	-	22	-	-	-	-	-	22
Inversiones Eurosh Limitada	-	197	-	-	-	-	-	197
Total	**-**	**219**	**-**	**-**	**-**	**-**	**-**	**219**
Donation/ CSR expenses								
JSW Foundation	-	-	-	-	25	11	25	11
Total	**-**	**-**	**-**	**-**	**25**	**11**	**25**	**11**
Recovery of expenses incurred by us on their behalf								
JSW Steel Coated Products Limited	73	68	-	-	-	-	73	68
Amba River Coke Limited	1	26	-	-	-	-	1	26
Dolvi Coke Projects Limited	9	57	-	-	-	-	9	57
JSW Cement Limited	-	-	-	-	43	17	43	17
Others	32	24	18	3	49	19	99	46
Total	**115**	**175**	**18**	**3**	**92**	**36**	**225**	**214**

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

₹ in crores

Particulars	Subsidiaries		Joint Ventures		Other related parties*		Total	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Investments / share application money given during the period								
Creixent Special Steels Limited	5	-	370	-	-	-	375	-
JSW Reality & Infrastructure Private Limited	103	-	-	-	-	-	103	-
Dolvi Minerals & Metals Private Limited	359	-	-	-	-	-	359	-
JSW Severfield Structures Limited	-	-	38	45	-	-	38	45
Others	131	10	#	1	-	-	131	11
Total	**598**	**10**	**408**	**46**	**-**	**-**	**1,006**	**56**
Interest expenses								
JSW Energy Limited	-	-	-	-	-	#	-	#
Total	**-**	**-**	**-**	**-**	**-**	**#**	**-**	**#**
Guarantees and collaterals provided by the company on behalf:								
JSW Steel (Netherlands) B.V.	323	-	-	-	-	-	323	-
JSW Steel (USA) Inc.	913	-	-	-	-	-	913	-
Acero Junction Holdings, Inc.	983	-	-	-	-	-	983	-
Aferpi S.p.A.	589	-	-	-	-	-	589	-
Others	26	-	-	-	-	-	26	-
Total	**2,834**	**-**	**-**	**-**	**-**	**-**	**2,834**	**-**
Guarantees and collaterals released								
JSW Steel (USA) Inc.	363	-	-	-	-	-	363	-
JSW Steel (Netherlands) B.V.	582	195	-	-	-	-	582	195
Periama Holdings, LLC	343	258	-	-	-	-	343	258
Total	**1,288**	**453**	**-**	**-**	**-**	**-**	**1,288**	**453**
Adjustment of receivable/(payable)								
JSW Steel Coated Products Limited	110	-	-	-	-	-	110	-
Dolvi Coke Projects Limited	17	113	-	-	-	-	17	113
Total	**127**	**113**	**-**	**-**	**-**	**-**	**127**	**113**
Finance lease interest cost								
Amba River Coke Limited	290	299	-	-	-	-	290	299
JSW Steel (Salav) Limited	69	74	-	-	-	-	69	74
JSW Projects Limited	-	-	-	-	156	177	156	177
JSW Techno Projects Management Limited	-	-	-	-	54	25	54	25
Total	**359**	**373**	**-**	**-**	**210**	**202**	**569**	**575**

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

₹ in crores

Particulars	Subsidiaries		Joint Ventures		Other related parties*		Total	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Finance lease obligation repayment								
Amba River Coke Limited	80	44	-	-	-	-	80	44
JSW Steel (Salav) Limited	59	53	-	-	-	-	59	53
JSW Projects Limited	-	-	-	-	204	183	204	183
JSW Techno Projects Management Limited	-	-	-	-	8	4	8	4
Total	**139**	**97**	**-**	**-**	**212**	**187**	**351**	**284**
Redemption/Sale of Shares								
Amba River Coke Limited	38	-	-	-	-	-	38	-
JSW Steel Coated Products Limited	12	-	-	-	-	-	12	-
Total	**50**	**-**	**-**	**-**	**-**	**-**	**50**	**-**
Loan given								
JSW Steel (Netherlands) B.V.	779	374	-	-	-	-	779	374
Periama Holdings, LLC	975	2,419	-	-	-	-	975	2,419
Acero Junction Holdings, Inc.	1,406	-	-	-	-	-	1,406	-
Others	32	65	125	-	-	-	157	65
Total	**3,192**	**2,858**	**125**	**-**	**-**	**-**	**3,317**	**2,858**
Dividend paid								
JSW Holdings Limited	-	-	-	-	57	40	57	40
JSW Techno Projects Management Limited	-	-	-	-	74	52	74	52
Sahyog Holdings Private Limited	-	-	-	-	35	25	35	25
Others	-	-	-	-	76	53	76	53
Total	**-**	**-**	**-**	**-**	**242**	**170**	**242**	**170**
Loans given received back								
Acero Junction Holdings, Inc.	580	-	-	-	-	-	580	-
Periama Holdings LLC	274	-	-	-	-	-	274	-
Others	12	-	-	-	11	-	23	-
Total	**866**	**-**	**-**	**-**	**11**	**-**	**877**	**-**

Less than ₹ 0.5 crores, * Includes relatives of Key Management Personnel

Notes:

1. The Company makes monthly contributions to provident fund managed by JSW Steel EPF Trust for qualifying Vijayanagar employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Company contributed ₹ 20 crores (FY 2017-18: ₹ 17 crores).
2. The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (JSW Steel Group Gratuity Trust and JSW Steel Limited Employee Gratuity Fund). During the year, the Company contributed ₹ 3 crores (FY 2017-18: ₹ 13 crores).
3. In view of the uncertainty involved in collectability, revenue as interest income of ₹ 454 crores have not been recognised on loan provided to certain overseas subsidiaries.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

Compensation to key management personnel

₹ in crores

Particulars	FY 2018-19	FY 2017-18
Nature of transaction		
Short-term employee benefits	86	95
Post-employment benefits	1	1
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
Total compensation to key management personnel	**87**	**96**

Notes:

1. As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.
2. The remuneration includes perquisite value of ESOPs in the year it is exercised ₹ Nil (previous year ₹ 32 crores). The Company has recognised an expenses of ₹ 4 crores (previous year ₹ 2 crores) towards employee stock options granted to Key Managerial Personnel. The same has not been considered as managerial remuneration of the current year as defined under Section 2(78) of the Companies Act, 2013 as the options have not been exercised.
3. Dividend paid to key management personnel is ₹0.14 crores (previous year ₹ 0.09 crores), not included above.
4. The Independent Non-Executive Directors are paid remuneration by way of commission and sitting fees. The commission payable to the Non-Executive Directors is based on the number of meetings of the Board attended by them and their Chairmanship/ Membership of Audit Committee during the year, subject to an overall ceiling of 1% of the net profits approved by the Members. The Company pays sitting fees at the rate of ₹ 20,000/- for each meeting of the Board and sub-committees attended by them. The amount paid to them by way of commission and sitting fees during FY 2018-19 is ₹ 3 crores (FY 2017-18 is ₹ 4 crores), which is not included above.

Terms and conditions

Sales:

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Sales transactions are based on prevailing price lists and memorandum of understanding signed with related parties. For the year ended 31st March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

Purchases:

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Purchase transactions are based on made on normal commercial terms and conditions and market rates.

Loans to overseas subsidiaries:

The Company had given loans to subsidiaries for business and general corporate purposes. The loan balances as at 31st March, 2019 was ₹ 8,116 crores (As on 31st March, 2018: ₹ 5,404 crores). These loans are unsecured and carry an interest rate ranging from LIBOR + 400-530 basis points and repayable within a period of three years.

Guarantees to subsidiaries:

Guarantees provided to the lenders of the subsidiaries are for availing term loans and working capital facilities from the lender banks.

The transactions other than mentioned above are also in the ordinary course of business and at arms' length basis.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

C. Amount due to/ from related parties

₹ in crores

Particulars	Subsidiaries		Joint Ventures		Other related parties		Total	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Party's Name								
Trade payables								
JSW Energy Limited	-	-	-	-	214	155	214	155
JSW International Trade Corp PTE Limited	-	-	-	-	1,241	2,010	1,241	2,010
Others	89	60	7	#	194	249	290	309
Total	**89**	**60**	**7**	**#**	**1,649**	**2,414**	**1,745**	**2,474**
Advance received from customers								
Aferpi S.p.A.	1	-	-	-	-	-	1	-
JSW Jaigarh Port Limited	-	-	-	-	-	25	-	25
Jindal Saw USA LLC	-	-	-	-	#	#	#	#
Others	-	-	-	-	#	2	#	2
Total	**1**	**-**	**-**	**-**	**#**	**27**	**2**	**27**
Lease & other deposit received								
Amba River Coke Limited	6	6	-	-	-	-	6	6
JSW Severfield Structures Limited	-	-	13	13	-	-	13	13
JSW Energy Limited	-	-	-	-	11	11	11	11
Jindal Saw Limited	-	-	-	-	5	5	5	5
JSW Cement Limited	-	-	-	-	11	-	11	-
Others	4	4	-	-	11	11	15	21
Total	**10**	**10**	**13**	**13**	**38**	**27**	**61**	**50**
Lease & other deposit given								
Utkarsh Advisory Services Private Limited	-	-	-	-	59	-	59	-
JSW Energy Limited	-	-	-	-	-	#	-	#
Total	**-**	**-**	**-**	**-**	**59**	**#**	**59**	**#**
Trade receivables								
Peddar Realty Private Limited	155	155	-	-	-	-	155	155
JSW Steel Coated Products Limited	700	447	-	-	-	-	700	447
Others	-	9	129	70	190	141	319	219
Total	**855**	**611**	**129**	**70**	**190**	**141**	**1,174**	**821**
Share application money given								
JSW Jharkhand Steel Limited	-	1	-	-	-	-	-	1
Gourangdih Coal Limited	-	-	#	#	-	-	#	#
Others	-	#	#	-	-	-	#	#
Total	**-**	**1**	**#**	**#**	**-**	**-**	**#**	**1**
Capital / revenue advance								
Amba River Coke Limited	444	369	-	-	-	-	444	369
JSW Steel (Salav) Limited	211	244	-	-	-	-	211	244
India Flysafe Aviation Limited	-	-	-	-	203	214	203	214
Others	#	37	66	28	99	148	166	213
Total	**655**	**650**	**66**	**28**	**302**	**362**	**1,024**	**1,040**

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

₹ in crores

Particulars	Subsidiaries		Joint Ventures		Other related parties		Total	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Loan given								
Inversiones Eurosh Limitada	744	694	-	-	-	-	744	694
Periama Holdings, LLC	4,936	3,988	-	-	-	-	4,936	3,988
JSW Steel (Netherlands) B.V.	1,318	525	-	-	-	-	1,318	525
Others	979	197	125	#	14	-	1,118	197
Total	**7,977**	**5,404**	**125**	**#**	**14**	**-**	**8,116**	**5,404**
Interest receivable								
Inversiones Eurosh Limitada	192	181	-	-	-	-	192	181
Periama Holdings, LLC	396	372	-	-	-	-	396	372
Others	49	28	-	-	-	-	49	28
Total	**637**	**581**	**-**	**-**	**-**	**-**	**637**	**581**
Allowances for loans and advances given (refer note 9)								
JSW Steel (Netherlands) B.V.	476	322	-	-	-	-	476	322
Inversiones Eurosh Limitada	197	197	-	-	-	-	197	197
Others	3	4	-	-	-	-	3	4
Total	**676**	**523**	**-**	**-**	**-**	**-**	**676**	**523**
Loans / advances/ deposits taken								
JSW Infrastructure Limited	-	-	-	-	-	51	-	51
Total	**-**	**-**	**-**	**-**	**-**	**51**	**-**	**51**
Finance lease obligation								
Amba River Coke Limited	2,032	2,112	-	-	-	-	2,032	2,112
JSW Steel (Salav) Limited	631	690	-	-	-	-	631	690
JSW Projects Limited	-	-	-	-	1,280	1,484	1,280	1,484
JSW Techno Projects Management Limited	-	-	-	-	164	173	164	173
Total	**2,663**	**2,802**	**-**	**-**	**1,444**	**1,657**	**4,107**	**4,459**
Guarantees and collaterals provided by the company on behalf:								
JSW Steel (Netherlands) B.V.	518	644	-	-	-	-	518	644
Periama Holdings, LLC	922	1,626	-	-	-	-	922	1,626
JSW Steel (USA) Inc.	488	85	-	-	-	-	488	85
Acero Junction Holdings, Inc.	968	-	-	-	-	-	968	-
Aferpi S.p.A.	396	-	-	-	-	-	396	-
Others	143	127	-	-	-	-	143	127
Less : Loss allowance against aforesaid	(516)	(642)	-	-	-	-	(516)	(642)
Total	**2,919**	**1,840**	**-**	**-**	**-**	**-**	**2,919**	**1,840**

Less than ₹ 0.5 crores

Notes:

The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (JSW Steel Group Gratuity Trust and JSW Steel Limited Employee Gratuity Fund). As on 31st Mar'19, the fair value of plan assets was as ₹ 68 crores (As at 31st Mar'18: ₹ 65 crores).

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

44. Contingent liabilities:

(i) Disputed claims/levies (excluding interest, if any) in respect of:

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Excise Duty	448	414
Custom Duty	456	514
Income Tax	18	18
Sales Tax / VAT / Special Entry tax	1,243	156
Service Tax	598	593
Miscellaneous	-	#
Levies by local authorities – Statutory	2	3
Levies relating to Energy / Power Obligations	208	317
Claims by suppliers and other parties	42	42
Total	**3,015**	**2,057**

#represents amounts below ₹ 0.5 crores

a) Excise duty cases includes disputes pertaining to availment of CENVAT credit, valuation methodologies, classification of gases under chapter heading.

b) Custom duty cases includes disputes pertaining to import of Iron ore fines and lumps under wrong heading, utilisation of SHIS licences for clearance of imported equipment, payment of customs duty for Steam Coal through Krishnapatnam Port and anti-dumping duty on Met Coke used in Corex.

c) Sales Tax/ VAT/ Special Entry tax cases includes disputes pertaining to demand of special entry tax in Karnataka and demand of cess by department of transport in Goa.

d) Service Tax cases includes disputes pertaining to availment of service tax credit on ineligible services, KKC amount paid but no credit not availed, denial of credit distributed as an ISD, service tax on railway freight not taken as per prescribed documents.

e) Income Tax cases includes disputes pertaining to transfer pricing, deduction u/s 80-IA and other matters.

f) Levies by local authorities - Statutory cases includes disputes pertaining to payment of water charges and enhanced compensation.

g) Levies relating to Energy / Power Obligations cases includes disputes pertaining to uninterrupted power charges by Karnataka Power Transmission Company Ltd., belated payment surcharge, claims for the set off of renewable power obligations against the power generated in its captive power plants and dues relating to additional surcharge imposed on captive consumption by Maharashtra State Electricity Distribution Company Ltd.

h) Miscellaneous cases includes provident fund relating to contractors.

i) Claims by Suppliers and other parties includes quality claims issues raised by suppliers and others.

j) There are several other cases which has been determined as remote by the Company and hence not been disclosed above.

(ii) Forest Development Tax/Fee:

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Claims related to Forest Development Tax/Fee	2,160	1,799
Amount paid under protest	920	920

In response to a petition filed by the iron ore mine owners and purchasers (including the Company) contesting the levy of Forest Development Tax (FDT) on iron ore on the ground that the State does not have jurisdiction to legislate in the field of major minerals which is a central subject, the Honourable High Court of Karnataka vide its judgement dated 3 December 2015 directed refund of the entire amount of FDT collected by Karnataka State Government on sale of iron ore by private lease operators and National Mineral Development Corporation Limited (NMDC). The Karnataka State Government has filed an appeal before the Supreme Court of India ("SCI"). SCI has not granted stay on the judgement but stayed refund of FDT. The matter is yet to be heard by SCI. Based on merits of the case and supported by a legal opinion, the Company has not recognised provision for FDT of ₹ 1,043 crores (including paid under protest – ₹ 665 crores) and treated it as a contingent liability.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

The State of Karnataka on 27 July 2016, has amended Section 98-A of the Forest Act retrospectively substituting the levy as Forest Development Fee (FDF) instead of FDT. In response to the writ petition filed by the Company and others, the Honourable High Court of Karnataka has vide its order dated 4 October 2017, held that the amendment is ultra-vires the Constitution of India and directed the State Government to refund the FDF collected. The State Government has filed an appeal before the SCI, and based on merits of the case duly supported by a legal opinion and a favorable order from the High Court, the Company has not recognised provision for FDF amount of ₹ 1,117 crores (including paid under protest - ₹ 255 crores) pertaining to the private lease operators & NMDC and treated it as contingent liability.

(iii) Supreme Court (SC) passed a judgement dated 28 February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are numerous interpretative issues relating to the Supreme Court (SC) judgement including the effective date of application. The Company continues to assess any further developments in this matter for the implications on financial statements, if any.

45. Financial guarantees

The Company has issued financial guarantees to banks on behalf of and in respect of loan facilities availed by its group companies.

Refer below for details of financial guarantees issued:

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Guarantees	2,386	638
Standby letter of credit facility	922	1,717
Less: Loss allowance against aforesaid	(516)	(642)
Total	**2,792**	**1,713**

46. Commitments

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	13,948	9,801

Other commitments:

(a) The Company from time to time provides need based support to subsidiaries and joint ventures entity towards capital and other requirements.

(b) The Company entered a five year Advance Payment and Supply Agreement ("APSA") agreement with Duferco S.A. ("DSA") for supply of Steel Products. Duferco S.A has provided an interest bearing advance amount of US $ 700 million under this agreement, secured by committed export of steel products to Duferco S.A .

(c) The Company has imported capital goods under the export promotion capital goods scheme to utilise the benefit of a zero or concessional customs duty rate. These benefits are subject to future exports within the stipulated year. Such export obligations at year end aggregate to

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Export promotion capital goods scheme	10,146	4,455

(d) The Company has given guarantees aggregating ₹ 127 crores (previous year ₹ 127 crores) on behalf of subsidiaries to Commissioner of Customs in respect of goods imported.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

47. Operating lease

a) As lessor:

i. The Company has entered into lease arrangements, for renting the following:

Category of Asset	Area	Period
Land at Vijayanagar	726 acres	8 months to 30 years
Land at Dolvi along with certain buildings	227 acres	3 years to 20 years
Land at Palwal	6 acres	15 years
Office Premises at Mittal Tower	1,885 sq. feet	24 months
Office Premises at CBD Belapur	33,930 sq. feet	5 years
Houses at Vijayanagar Township	14,11,027 sq. feet (2,279 Houses)	120 months
Building for Vijayanagar Sports Institute	1,96,647 sq. feet	3 years

The agreements are renewable & cancellable by mutual consent of both parties. The rent paid on above is based on mutually agreed rates.

ii. Disclosure in respect of assets given on operating lease :

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Land		
Cost/Deemed cost	156	150
Building		
Cost/Deemed cost	215	210
Accumulated depreciation	18	12
Depreciation for the year	6	5

b) As lessee:

(i) Lease rentals charged to profit and loss for right to use following assets are:

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Office premises, residential flats etc.	18	22
Total:	**18**	**22**

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

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

Lease rentals charged to profit and loss for right to use these assets are

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Property, plant and equipment	9	9
Total:	**9**	**9**

Future minimum rentals payable under non-cancellable operating leases are as follows:

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Not later than one year	5	6
Later than one year but not later than five years	6	11
Later than five years	-	-
Total	**11**	**17**

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

48. The Company has evaluated certain arrangements for purchase or processing of raw materials based on facts and circumstances existing at the date of transition to Ind AS and have identified them in the nature of lease as the fulfillment of the arrangements depend upon a specific asset and the Company has committed to obtain substantially all the production capacity of the asset. After separating lease payments from the other elements in these arrangements, the Company has recognized plant and equipment and building as Assets taken under finance leases (refer note 4). In certain arrangements related to purchase or processing of raw materials, the Company also has an option to purchase the said assets at the end of the lease term.

The minimum lease payments and the present value of minimum lease payments as at 31 March 2019 in respect of aforesaid plant and equipment acquired under the finance leases are as follows:

₹ in crores

	As at 31 March 2019		As at 31 March 2018	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than 1 year	985	418	916	362
Later than one year but not later than five years	3,769	2,092	3,864	2,142
Later than five years	3,082	2,118	3,111	2,078
Total	**7,836**	**4,628**	**7,891**	**4,582**
Less: Future finance charges	3,208		3,309	
Total:	**4,628**		**4,582**	

49. During the previous year a subsidiary of the Company had surrendered one of its iron ore mine in Chile considering its economic viability and accordingly the Company had reassessed the recoverability of the loans given to and investments made in subsidiaries and recognised an impairment provision of ₹ 234 crores which was disclosed as an exceptional item.

50. In assessing the carrying amounts of Investments in and loans / advances (net of impairment loss / loss allowance) to certain subsidiaries and a Joint Venture and financial guarantees to certain subsidiaries (listed below), the Company considered various factors as detailed there against and concluded they are recoverable.

(a) Investments aggregating to ₹ 259 crores (₹ 259 crores as at March 31, 2018) in equity and preference shares of JSW Steel (Netherlands) B.V ("NBV"), loans of ₹ 848 crores (₹ 209 crores as at March 31, 2018), ₹ 5,332 crores (₹ 4,361 crores as at March 31, 2018) and ₹ 739 crores (₹ 678 crores as at March 31, 2018) to NBV, Periama Holdings LLC ("PHL") and JSW Panama Holdings Corporation respectively and the financial guarantees of ₹ 1,410 crores (₹ 1,626 crores as at March 31, 2018) and ₹ NIL (₹ 85 crores as at March 31, 2018) on behalf of PHL and JSW Steel (USA) Inc. respectively – Estimate of values of the businesses and assets by independent external valuers based on cash flow projections/implied multiple approach. In making the said projections, reliance has been placed on estimates of future prices of iron ore and coal, mineable resources, and assumptions relating to operational performance including significant improvement in capacity utilisation and margins based on forecasts of demand in local markets, and capacity expansion/availability of infrastructure facilities for mines.

(b) Equity shares of JSW Steel Bengal Limited, a subsidiary (carrying amount: ₹ 446 crores (₹ 442 crores as at March 31, 2018)) - Evaluation of the status of its integrated Steel Complex (including power plant) to be implemented in phases at Salboni of district Paschim Medinipur in West Bengal by the said subsidiary and the plans for commencing construction of the said complex.

(c) Equity shares of JSW Jharkhand Steel Limited, a subsidiary (carrying amount: ₹ 88 crores as at March 31, 2019; ₹ 84 crores as at March 31, 2018) - Evaluation of the status of its integrated Steel Complex to be implemented in phases at Ranchi, Jharkhand by the said subsidiary and the plans for commencing construction of the said complex.

(d) Equity shares of Peddar Realty Private Limited (PRPL) (carrying amount of investments: ₹ 24 crores as at March 31, 2019; ₹ 24 crores as at March 31, 2018, and loans of ₹ 155 crores as at March 31, 2019; ₹ 155 crores as at March 31, 2018) -Valuation by an independent valuer of the residential complex in which PRPL holds interest.

(e) Investment of ₹ 4 crores (₹ 4 crores as at March 31, 2018) and loan of ₹ 147 crores (₹ 137 crores as at March 31, 2018) relating to JSW Natural Resources Mozambique Limitada and JSW ADMS Carvo Limitada (step down subsidiaries) - Assessment of minable reserves by independent experts based on the plans to commence operations after mining lease arrangements are in place for which application has been submitted to regulatory authorities, and infrastructure is developed.

(f) Equity shares of JSW Severfield Structures Limited, a joint venture (carrying amount: ₹ 198 crores as at March 31, 2019; ₹ 160 crores as at March 31, 2018) - Cash flow projections approved by the said JV which are based on estimates and assumptions relating to order book, capacity utilisation, operational performance, market prices of materials, inflation, terminal value, etc.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

51. a. On 15 June 2018, the Company completed acquisition of 100% equity stake in Acero Junction Holdings, Inc (Acero) for a cash consideration of ₹ 536 crores (USD 80.85 million). Acero, along with its wholly owned subsidiary JSW Steel USA Ohio, Inc (Formerly known as Acero Junction, Inc.).

b. Pursuant to the Corporate Insolvency Resolution process for Monnet Ispat & Energy Limited ("MIEL") under the Insolvency Bankruptcy Code, 2016 initiated on 18 July 2017, the National Company Law Tribunal ('NCLT') on 24 July 2018 (Order date) approved (with modifications) the resolution plan submitted by the consortium of JSW Steel Limited and AION Investments Private II Limited. The consortium completed the acquisition of MIEL through their jointly controlled entity Creixent Special Steels Limited ("CSSL") on 31 August 2018. The Company has made an investment of ₹ 375 crores through equity and redeemable preference shares in CSSL to acquire joint control in MIEL and have an effective shareholding of 23.1% in MIEL.

c. The Resolution Plan submitted by the Company for Vardhman Industries Limited (VIL) was approved with some modifications, by the Hon'ble National Company Law Tribunal (NCLT) New Delhi, by its order dated April 16, 2019. The Company filed an appeal challenging the said NCLT Order before National Company Law Appellate Tribunal (NCLAT), in which an interim order was passed on April 30, 2019 suggesting that the Resolution Plan as approved by the Committee of Creditors may be implemented subject to the decision of the appeal. The Company further filed an Appeal before the Hon'ble Supreme Court against the interim order of NCLAT in which the Hon'ble Supreme Court vide an order dated May 10, 2019 has ordered status quo and the matter is posted for hearing before the NCLAT on May 28, 2019.

d. On 24 July 2018, the Company through its wholly owned subsidiary in Italy, JSW Steel Italy S.r.l, completed acquisition of 100% shares each of Aferpi S.p.A and Piombino Logistics S.p.A and 69.27% of the shares of GSI Lucchini S.p.A (collectively referred to as "Targets") for a consideration of ₹ 489 crores (Euro 60.70 million) towards acquisition of equity shares and ₹ 100 crores (Euro 12.38 million) towards acquisition of loans provided by erstwhile shareholders of the targets.

e. On 23 October 2018, the Company has acquired an additional stake of 60.004% of the share capital of Dolvi Minerals and Metals Private Limited ("DMMPL"), a subsidiary, for a cash consideration of ₹109 crores. Pursuant to the acquisition of shares of DMMPL, DMMPL along with its wholly owned subsidiary Dolvi Coke Projects Limited ("DCPL"), have become wholly owned subsidiaries of the Company.

52. The Board of Directors of the Company at their meeting held on 25 October 2018, considered and approved the Scheme of Amalgamation pursuant to sections 230 - 232 and other applicable provisions of the Companies Act, 2013, providing for the merger of its wholly owned subsidiaries, Dolvi Minerals and Metals Private Limited, Dolvi Coke Projects Limited, JSW Steel Processing Centre Limited, and JSW Steel (Salav) Limited with the Company. The said scheme has been filed with NCLT and the merger is subject to regulatory approvals.

53. Previous year figures have been re-grouped /re-classified wherever necessary.

54. Subsequent Events

a) The Company has raised US$ 500 million in April 2019 by the allotment of fixed rate senior unsecured notes ("Notes") in accordance with Regulation S of the U.S. Securities Act, 1933 as amended, and applicable Indian regulations. The Notes are listed on Singapore Exchange Securities Trading Limited.

b) On 24 May 2019 the board of directors recommended a final dividend of ₹ 4.10 per equity share be paid to shareholders for financial year 2018-19, which is subject to approval by the shareholders at the Annual General Meeting to be held on 25 July 2019. If approved, the dividend would result in a cash outflow of ₹ 1,195 crores inclusive of dividend distribution tax of ₹ 204 crores.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

55. Standards issued but not yet effective

New Standard Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company is in the process of evaluating the effect of these amendments on the financial statements.

Amendments to other Ind AS

i) Amendments to Ind AS 109, Financial Instruments:

The amendments notified to Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied.

ii) Amendments to Ind AS 12, Income Taxes:

The first amendment requires an entity to create a corresponding liability for Dividend Distribution Tax (DDT) when it recognises a liability to pay a dividend. The liability for DDT shall be recorded in statement of profit & loss, other comprehensive income or equity, as the case may be.

The second amendment relates to tax consequence of an item whose tax treatment is uncertain. Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not.

If there is uncertainty over tax treatment of an item an entity should predict the resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. In vice-versa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related items by using either the most likely outcome or the expected outcome of the uncertainty.

iii) Amendment to Ind AS 19, Employee Benefits:

The amendments to Ind AS 19, Employee Benefits relate to effects of plan amendment, curtailment and settlement. When an entity determines the past service cost at the time of plan amendment or curtailment, it shall remeasure the amount of net defined benefit liability/asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement.

iv) Amendments to Ind AS 28, Investments in Associates and Joint Ventures:

Ind AS 109 excludes interest in associates and joint ventures that are accounted for in accordance with Ind AS 28, Investments in Associates and Joint Ventures from its scope. According to the amendments, Ind AS 109 should be applied to the financial instruments, including long-term interests in associates and joint venture, that, in substance, form part of an entity's net investment in associate or joint venture, to which the equity method is not applied.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

56. Additional information

A) C.I.F. value of imports:

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
-Capital goods	3,121	557
-Raw materials (including power and fuel)	21,937	19,837
-Stores & spare parts	1,321	683

B) Expenditure in foreign currency:

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest and finance charges	1,126	877
Ocean freight	361	550
Technical know-how	64	19
Commission on sales	17	31
Legal & professional fees	7	6
Others	61	57

C) Earnings in foreign currency:

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
F.O.B. value of exports	7,604	10,938

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Reg. No.: 324982E/E300003

For and on behalf of Board of Directors

per VIKRAM MEHTA

Partner

Membership No.:105938

RAJEEV PAI

Chief Financial Officer

SAJJAN JINDAL

Chairman & Managing Director

DIN 00017762

Place: Mumbai

Date : 24 May 2019

LANCY VARGHESE

Company Secretary

ICSI Membership No. FCS 9407

Place: Mumbai

Date : 24 May 2019

SESHAGIRI RAO M.V.S

Jt. Managing Director & Group CFO

DIN 00029136

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of JSW Steel Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of JSW Steel Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its joint ventures, comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2"><u>Recoverability of Goodwill, Property plant and Equipment (PPE), Capital work in progress (CWIP), Leasehold land and Advances related to certain business</u> (as described in note 49 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>As at March 31, 2019, the Group has carrying amount of :
• Goodwill of ₹ 746 crores,
• Property plant and Equipment, capital work in progress, advances and license fees of ₹ 5,009
• Inventories ₹ 121 crores
• Lease hold land ₹74 crores
related to certain businesses incurring losses or where projects are under implementation.
Assessment of the recoverable amount of Goodwill, Property plant and Equipment (PPE), capital work in progress, Capital work in progress (CWIP), Leasehold land, Inventories and Advances related to certain businesses has been identified as a key audit matter due to:
• Significance of the carrying amount of these balances.
• The assessment requires management to make significant estimates concerning the estimated future cash flows, qualitative assessments of the status of the project and its future depending on balance work to be performed or approvals to be received, associated discount rates and growth rates based on management's view of future business prospects.
• Changes to any of these assumptions could lead to material changes in the estimated recoverable amount, impacting both potential impairment charges and also potential reversals of impairment taken in prior years.</td><td>Our audit procedures included the following:
• We have obtained and read management's assessment for impairment.
• We performed test of controls over impairment process through inspection of evidence of performance of these controls.
• Assessed the impairment model prepared by the management and the assumptions used, with particular attention to the following:
- Benchmarking or assessing key market related assumptions used in the impairment models, including discount rates, long term growth rate, risk free rate of return, weight average cost of capital, production schedule against external data.
- assessing the cash flow forecasts through analysis of actual past performance and comparison to previous forecasts;
- testing the mathematical accuracy and performing sensitivity analyses of the models;
- understanding the commercial prospects of the assets/projects, and comparison of assumptions with external data sources;
• We assessed the competence, capabilities and objectivity of the experts used by the Group in the process of determining recoverable amounts.
• We assessed the compliance of the disclosures made in note 49 of the consolidated Ind AS financial statements with the accounting standards.</td></tr>
<tr><td colspan="2"><u>Recoverability of VAT / deferral / refunds under the GST regime</u> (as described in note 30 of the consolidated Ind AS financial statements)</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
The Group's units at Dolvi in Maharashtra and Vijayanagar in Karnataka are eligible and have been availing for interest free VAT deferral loan / refunds as an incentive under the incentive schemes notified by the State of Maharashtra and Karnataka. The Group has recognised income in relation these grants being the difference between the net present value of these interest free loans granted to the Company and the nominal value of such loans to the extent of SGST collected by the Group in respect of sales eligible for such grants, in accordance with notifications issued by the State of Maharashtra and Karnataka. The State Government of Maharashtra ('GoM') vide its Government Resolution dated 20 December 2018, revised on 8 March 2019, has issued the modalities for sanction and disbursement of Incentives under GST regime, which includes certain additional conditions for eligibility and prescribed a new formula for determination of the incentives. The State Government of Karnataka vide its circular dated 26 February 2019, has issued guidelines for certification of the eligible incentive amount. The amount of incentive recognized during the year amounts to ₹ 1,174 crores and cumulative balance of these receivables amount to ₹ 2,047 crores. We considered VAT / deferral / refunds incentive as a Key audit matter due to: • Significance of amount accrued during the year and carrying amount of these receivables as at March 31, 2019 • Significant judgement involved in assessment of the eligibility of incentive under the new GST regime.	Our audit procedures included the following: • We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to the recognition of government grants and income accruing therefrom, including the controls in respect of measurement of the grants. • We have read eligibility certificates in respect of VAT/ deferral / refund incentives available to Company. • We have read the notification issued by the Government of Maharashtra and Government of Karnataka stating eligibility of VAT / deferral / refunds under the GST regime. • We have read Government Resolution dated 20 December 2018 and revision made on 8 March 2019, issued by Government of Maharashtra in respect of modalities for sanction and disbursement of Incentives under GST regime. • We have read circular dated 26 February 2019 issued by the State Government of Karnataka in respect of guidelines for certification of the eligible incentive amount. • Read the legal opinion obtained by the management for assessing the impact of new eligibility conditions and formula for determination incentives based on latest Government Resolution issued by GoM • We involved specialists to assist us in reviewing and evaluating the management's assessment of latest Government Resolution issued by GoM. We have tested the calculation of incentives accrued for the year ended March 31, 2019.
Accounting for Acquisitions *(as described in note 39 and Note 3(B) of the consolidated Ind AS financial statements)*	

Independent Auditor's Report

Key audit matters	How our audit addressed the key audit matter
During the financial year ended 31 March 2019, the Group has completed following acquisitions: I. Acero Junction Holdings Inc (or "Acero") along with its wholly owned subsidiary on 15 June 2018. The Group has acquired 100% equity stake in the Acero. II. Monnet Ispat and Energy Limited (or "MIEL") through its jointly controlled entity Creixent Special Steels Limited on 31 August 2018, in accordance with the resolution plan approved by the National Company Law Tribunal for consortium of JSW Steel Limited and AION Investments Private II Limited. III. Aferpi S.p.A, Piombino Logistics S.p.A and GSI Lucchini S.p.A ("Aferpi") through its wholly owned subsidiary in Italy, JSW Steel Italy S.r.l on 24 July 2018. We considered the audit of accounting for these acquisitions to be a key audit matter as these are significant transactions during the year which require significant management judgement regarding: • Assessment of control or joint control over the entities acquired. • Allocation of the purchase price to the assets and liabilities acquired and adjustments made to align accounting policies of the newly acquired entities with the Group. • fair valuation of the assets and liabilities acquired and to identify intangible assets acquired in the acquisition. • Accounting and disclosures given in the financial statements in accordance with the applicable Ind AS.	Our audit procedures included the following: • We have, amongst others, read the Shareholders agreements, the Resolution plan approved by the National Company Law Tribunal and other related documents to obtain an understanding of the transactions and the key terms and conditions. • Evaluating the control assessment made by the management and assessing whether the appropriate accounting treatment has been applied to these transactions. • Read the valuation reports for the purchase price considerations paid for these acquisitions. We tested the identification and fair valuation of the acquired assets including: intangible assets acquired and liabilities by corroborating this identification based on our discussion with management and understanding of the business. • Understanding valuation methodologies used by management and the external valuation experts in the fair valuation of acquired assets and liabilities. • We assessed the valuation assumptions such as discount and long term growth rates risk free rate of return and weight average cost of capital by comparing these assumptions to source data and external data. • Understanding the commercial prospects of the assets /projects acquired. • We have also assessed the competence, capabilities and relevant experience of the experts engaged by management to determine fair valuation of the assets and liabilities acquired. • We also assessed the compliance of the disclosures made in the consolidated Ind AS financial statements with the relevant accounting standards with respect to the assessment of control over MIEL in Note 3(B) and in respect to the acquisition of Acero and Aferpi in Note 39 (a) and (b).

Key audit matters	How our audit addressed the key audit matter
Accuracy and completeness of disclosure of related party transactions and compliance with the provisions of Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI (LODR) 2015') *(as described in note 43 of the consolidated Ind AS financial statements)*	
We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the consolidated Ind AS financial statements as a key audit matter due to : • the significance of transactions with related parties during the year ended March 31, 2019. • Related party transactions are subject to the compliance requirement under the Companies Act 2013 and SEBI (LODR) 2015.	Our procedures in relation to the disclosure of related party transactions included: • Obtaining an understanding of the Group's policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been disclosed in the consolidated Ind AS financial statements. • Obtaining an understanding of the Group's policies and procedures in respect of evaluating arms-length pricing and approval process by the audit committee and the board of directors. • Agreeing the amounts disclosed to underlying documentation and reading relevant agreements, evaluation of arms-length on a sample basis, as part of our evaluation of the disclosure. • Assessing management evaluation of compliance with the provisions of Section 177 and Section 188 of the companies Act 2013 and SEBI (LODR) 2015. • Evaluating the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.
Claims and exposures relating to taxation and litigation *(as described in note 44 of the consolidated Ind AS financial statements)*	
The Group has disclosed in Note 44 contingent liabilities of ₹ 3,578 crores in respect of disputed claims/ levies under various tax and legal matters and ₹ 2,160 crores towards Claims related to Forex development tax/ fee. Taxation and litigation exposures have been identified as a key audit matter due to: • Significance of these amounts and large number of disputed matters with various authorities. • Significant judgement and assumptions required by management in assessing the exposure of each case to evaluate whether there is a need to set up a provision and measurement of exposures as well as the disclosure of contingent liabilities. We focused on this matter because of the potential financial impact on the financial statements. Additionally, the treatment of taxation and litigation cases require significant judgement due to the complexity of the cases, timescales for resolution and involvement of various authorities.	Our audit procedures included the following: • Understanding and assessing the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities. • Obtaining the details of legal and tax disputed matters and evaluation made by the management and assessed management's position through discussions on both the probability of success in significant cases, and the magnitude of any potential loss. • Read external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of the risk profile in respect of legal claims. • We involved tax specialists to assist us in evaluating tax positions taken by management. • We assessed the relevant disclosures made in the consolidated Ind AS financial statements for compliance in accordance with the requirements of Ind AS 37.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 28 subsidiaries, whose Ind AS financial statements include total assets of Rs 12,810 crores as at March 31, 2019, and total revenues of Rs 8,313 crores and net cash inflows of Rs 136 crores for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 30 crores for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of 8 joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of such other auditors.

Independent Auditor's Report

Certain subsidiaries and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 1 subsidiary, whose financial statements and other financial information reflect nil total assets as at March 31, 2019, and nil total revenues and nil net cash outflows for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 0.07 crores for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of 2 joint ventures, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint ventures, none of the directors of the Group's companies, its joint ventures incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, and joint ventures incorporated in India, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiaries and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint ventures in its consolidated Ind AS financial statements – Refer Note 44 to the consolidated Ind AS financial statements;

ii. The Group and its joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint ventures incorporated in India during the year ended March 31, 2019.

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

per Vikram Mehta
Partner
Membership Number: 105938

Place of Signature: Mumbai
Date: May 24, 2019

Annexure 1

Annexure 1 to the Independent Auditor's Report of even date on the consolidated Ind AS financial statements of JSW Steel Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of JSW Steel Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of JSW Steel Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these consolidated Ind AS financial statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these consolidated Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to these 16 subsidiary companies and 9 joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and joint ventures incorporated in India.

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

per Vikram Mehta
Partner
Membership Number: 105938

Place of Signature: Mumbai
Date: May 24, 2019

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2019

₹ in crores

		Notes	As at 31 March 2019	As at 31 March 2018
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, plant and equipment	4	61,604	57,054
	(b) Capital work-in-progress	5	11,540	5,629
	(c) Goodwill	6	840	707
	(d) Other intangible assets	7	200	87
	(e) Intangible assets under development		349	321
	(f) Investments in joint ventures	8	628	360
	(g) Financial assets			
	(i) Investments	9	1,184	797
	(ii) Loans	10	433	378
	(iii) Other financial assets	11	299	293
	(h) Current tax assets (net)		240	271
	(i) Deferred tax assets (net)	23	117	48
	(j) Other non-current assets	12	3,925	2,881
	Total non-current assets		**81,359**	**68,826**
(2)	**Current assets**			
	(a) Inventories	13	14,548	12,594
	(b) Financial assets			
	(i) Investments	14	82	312
	(ii) Trade receivables	15	7,160	4,704
	(iii) Cash and cash equivalents	16(a)	5,581	582
	(iv) Bank balances other than (iii) above	16(b)	606	481
	(v) Loans	10	561	230
	(vi) Derivative assets	17	321	151
	(vii) Other financial assets	11	2,217	530
	(c) Current tax assets (net)		6	6
	(d) Other current assets	12	2,461	3,599
	(e) Assets classified as held for sale		12	3
	Total current assets		**33,555**	**23,192**
	TOTAL - ASSETS		**114,914**	**92,018**
II	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	(a) Equity share capital	18	301	302
	(b) Other equity	19	34,494	27,696
	Equity attributable to owners of the Company		**34,795**	**27,998**
	Non-controlling interests		(450)	(464)
	Total equity		**34,345**	**27,534**
	Liabilities			
(2)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	20	29,656	31,723
	(ii) Other financial liabilities	21	532	919
	(b) Provisions	22	258	138
	(c) Deferred tax liabilities (net)	23	3,894	2,604
	(d) Other non-current liabilities	24	4,221	136
	Total non-current liabilities		**38,561**	**35,520**
(3)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	25	6,333	2,177
	(ii) Trade payables	26		
	a) Total outstanding, dues of micro and small enterprises		39	23
	b) Total outstanding, dues of creditors other than micro and small enterprises		16,120	15,921
	(iii) Derivative liabilities	27	379	96
	(iv) Other financial liabilities	28	16,831	8,615
	(b) Provisions	22	134	184
	(c) Other current liabilities	29	1,976	1,564
	(d) Current tax liabilities (net)		196	384
	Total current liabilities		**42,008**	**28,964**
	Total liabilities		**80,569**	**64,484**
	TOTAL – EQUITY AND LIABILITIES		**114,914**	**92,018**

See accompanying notes to the Consolidated Financial Statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per VIKRAM MEHTA
Partner
Membership No. 105938

Place: Mumbai
Date: 24 May 2019

For and on behalf of Board of Directors

RAJEEV PAI
Chief Financial Officer

LANCY VARGHESE
Company Secretary

ICSI Membership No. FCS 9407
Place: Mumbai
Date: 24 May 2019

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2019

₹ in crores

		Notes	For the year ended 31 March 2019	For the year ended 31 March 2018*
I	Revenue from operations	30	84,757	73,211
II	Other income	31	204	167
III	**Total income (I + II)**		**84,961**	**73,378**
IV	**Expenses**			
	Cost of materials consumed		43,476	38,779
	Purchases of stock-in-trade		320	2
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	(590)	244
	Employee benefits expense	33	2,489	1,843
	Finance costs	34	3,917	3,701
	Depreciation and amortisation expense	35	4,041	3,387
	Excise duty expense		-	1,278
	Other expenses	36	20,110	16,271
	Total expenses		73,763	65,505
V	**Profit before share of profit / (loss) from joint ventures (net), exceptional items and tax (III-IV)**		11,198	7,873
VI	Share of profit / (loss) from joint ventures (net)		(30)	42
VII	**Profit before exceptional items and tax (V+VI)**		11,168	7,915
VIII	Exceptional items	48	-	264
IX	**Profit before tax (VII-VIII)**		11,168	7,651
X	**Tax expense/(benefit)**	23		
	Current tax		2,473	1,826
	Deferred tax		1,171	(288)
			3,644	1,538
XI	**Profit for the year (IX-X)**		7,524	6,113
XII	**Other comprehensive income / (loss)**			
A	(i) Items that will not be reclassified to profit or loss			
	a) Remeasurement losses of the defined benefit plans	41	(19)	(5)
	b) Equity instruments through other comprehensive income		(2)	92
	(ii) Income tax relating to items that will not be reclassified to profit or loss		7	2
	Total (A)		(14)	89
B	(i) Items that will be reclassified to profit or loss			
	a) The effective portion of gain /(loss) on hedging instruments		85	(401)
	b) Changes in Foreign currency monetary item translation difference account (FCMITDA)		(49)	(33)
	c) Foreign currency translation reserve (FCTR)		(60)	9
	(ii) Income tax relating to items that will be reclassified to profit or loss		(12)	150
	Total (B)		(36)	(275)
	Total other comprehensive income/(loss) (A+B)		(50)	(186)
XIII	**Total comprehensive income/(loss) (XI+XII)**		7,474	5,927
	Total Profit /(loss) for the year attributable to:			
	- Owners of the Company		7,639	6,214
	- Non-controlling interests		(115)	(101)
			7,524	6,113
	Other comprehensive income/(loss) for the year attributable to:			
	- Owners of the Company		(24)	(184)
	- Non-controlling interests		(26)	(2)
			(50)	(186)
	Total comprehensive income/(loss) for the year attributable to:			
	- Owners of the Company		7,615	6,030
	- Non-controlling interests		(141)	(103)
			7,474	5,927
XIV	**Earnings per equity share of Re 1 each**	37		
	Basic (in ₹)		31.77	25.85
	Diluted (in ₹)		31.60	25.71

* Restated (refer note 30(c))

See accompanying notes to the Consolidated Financial Statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per VIKRAM MEHTA
Partner
Membership No. 105938

Place: Mumbai
Date: 24 May 2019

For and on behalf of Board of Directors

RAJEEV PAI
Chief Financial Officer

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

LANCY VARGHESE
Company Secretary

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

ICSI Membership No. FCS 9407
Place: Mumbai
Date: 24 May 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

A. Equity share capital

₹ in crores

As at 1 April 2017	Movement during 2017-18	As at 31 March 2018	Movement during 2018-19	As at 31 March 2019
301	@	302	@@	301

@ - ₹ 0.32 crores ; @@ – ₹ (0.45) crores

B. Other equity

₹ in crores

	Reserves and surplus								Other comprehensive income / (loss)						
	Capital reserve	Securities premium reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Equity settled share based payment reserve	General reserve	Capital reserve on bargain purchase	FCTR	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	FCMITDA	Attributable to owners of the parent	Non-controlling interest	Total
Balance as at 1 April 2017	3,585	5,417	10	433	1,735	13	10,420	605	(527)	386	273	(4)	22,346	(246)	22,100
Profit for the year	-	-	-	-	6,214	-	-	-	-	-	-	-	6,214	(101)	6,113
Other comprehensive income for the year, net of income tax (refer note 23)	-	-	-	-	(2)	-	-	-	10	92	(263)	(21)	(184)	(2)	(186)
Dividends including dividend distribution tax	-	-	-	-	(655)	-	-	-	-	-	-	-	(655)	-	(655)
Impact of ESOP trust consolidation	-	-	-	-	(27)	-	-	-	-	-	-	-	(27)	-	(27)
Recognition of share based payments	-	-	-	-	-	28	-	-	-	-	-	-	28	-	28
Transfer between reserves	-	-	139	(292)	292	-	(139)	-	-	-	-	-	-	-	-
Acquisition of NCI	-	-	-	-	(30)	-	-	-	-	-	-	-	(30)	(165)	(195)
Equity component of compound financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	50	50
Others	-	-	-	-	1	-	-	4	(1)	-	-	-	4	-	4
Balance as at 31 March 2018	3,585	5,417	149	141	7,528	41	10,281	609	(518)	478	10	(25)	27,696	(464)	27,232
Balance as at 1 April 2018	3,585	5,417	149	141	7,528	41	10,281	609	(518)	478	10	(25)	27,696	(464)	27,232
Profit for the year	-	-	-	-	7,639	-	-	-	-	-	-	-	7,639	(115)	7,524
Other comprehensive income for the year, net of income tax (refer note 23)	-	-	-	-	(12)	-	-	-	(34)	(2)	56	(32)	(24)	(26)	(50)
Dividends including dividend distribution tax	-	-	-	-	(933)	-	-	-	-	-	-	-	(933)	-	(933)
Impact of ESOP trust consolidation	-	-	-	-	(149)	-	-	-	-	-	-	-	(149)	-	(149)
Recognition of share based payments	-	-	-	-	-	50	-	-	-	-	-	-	50	-	50
Transfer between reserves	-	-	382	144	(144)	-	(382)	-	-	-	-	-	-	-	-
Acquisition of business (refer note 39)	-	-	-	-	-	-	-	408	-	-	-	-	408	59	467
Acquisition of non-controlling interests (refer note 39)	-	-	-	-	(190)	-	-	-	-	-	-	-	(190)	81	(109)
Equity component of compound financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	15	15
Others	-	-	-	-	(3)	-	-	-	-	-	-	-	(3)	-	(3)
Balance as at 31 March 2019	3,585	5,417	531	285	13,736	91	9,899	1,017	(552)	476	66	(57)	34,494	(450)	34,044

See accompanying notes to the Consolidated Financial Statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per VIKRAM MEHTA
Partner
Membership No. 105938

Place: Mumbai
Date: 24 May 2019

For and on behalf of Board of Directors

RAJEEV PAI
Chief Financial Officer

LANCY VARGHESE
Company Secretary

ICSI Membership No. FCS 9407
Place: Mumbai
Date: 24 May 2019

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

₹ in crores

	For the year ended 31 March 2019		For the year ended 31 March 2018	
A. Cash flow from operating activities				
Net profit before tax		11,168		7,651
Adjustments for:				
Depreciation and amortization expense	4,041		3,387	
Loss on sale of property, plant and equipment	8		122	
Gain on sale of current investments designated as FVTPL	(19)		(19)	
Export obligation deferred income amortization	(165)		(68)	
Fair value gain on deferral sales tax / VAT Loan	-		(53)	
Interest income	(134)		(120)	
Dividend income	-		(5)	
Interest expense	3,582		3,500	
Unrealised exchange gains / (loss)	155		31	
Fair value gain on financial instruments designated as FVTPL	(6)		(2)	
Unwinding of interest on financial assets carried at amortised cost	(25)		(1)	
Share based payment expense	50		28	
Share of loss / (profit) from joint ventures (net)	30		(42)	
Fair value loss on financial instrument designated as FVTPL	1		111	
Allowances for doubtful receivable and advances	152		136	
Impairment of property plant and equipment, goodwill and investments	-		264	
Donation of land	6		-	
		7,676		7,269
Operating profit before working capital changes		18,844		14,920
Adjustments for:				
Increase in inventories	(1,741)		(1,199)	
Increase in trade receivables	(2,203)		(640)	
Increase in other assets	(1,084)		(1,793)	
Increase in trade payable and other liabilities	3,406		2,514	
Increase in provisions	41		17	
		(1,581)		(1,101)
Cash flow from operations		17,263		13,819
Income taxes paid (net of refund received)		(2,630)		(1,440)
Net cash generated from operating activities		14,633		12,379
B. Cash flow from investing activities				
Payments for property, plant and equipment and intangibles (including capital advances)		(10,206)		(4,736)
Proceeds from sale of property, plant and equipment		44		60
Net cash outflow for acquisition of a subsidiary / acquisition of NCI		(1,014)		(315)
Investment in joint ventures		(413)		(46)
Purchase of current investments		(8,340)		(8,111)
Sale of current investments		8,591		8,120
Bank deposits not considered as cash and cash equivalents (net)		(268)		373
Interest received		158		121
Dividend received		-		5
Net cash used in investing activities		(11,448)		(4,529)
C. Cash flow from financing activities				
Proceeds from sale of treasury shares		-		49
Payment for purchase of treasury shares		(153)		(76)
Proceeds from non-current borrowings		8,999		6,209
Repayment of non-current borrowings		(6,273)		(7,298)
Proceeds from / repayment of current borrowings (net)		4,155		(2,703)
Repayment of finance lease obligations		(227)		(200)
Interest paid		(3,815)		(3,511)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

₹ in crores

	For the year ended 31 March 2019	For the year ended 31 March 2018
Dividend paid (including corporate dividend tax)	(933)	(635)
Net cash generated from / (used in) financing activities	**1,753**	**(8,185)**
Net increase / (decrease) in cash and cash equivalents(A+B+C)	**4,938**	**(335)**
Cash and cash equivalents at the beginning of year	582	917
Add: Translation adjustment in cash and cash equivalents	3	@
Add: Cash and cash equivalents pursuant to business combinations (refer note 39)	58	-
Cash and cash equivalents at the end of year	**5,581**	**582**

@ - Less than ₹ 0.50 crores

Reconciliation forming Statement of Cash flows

₹ in crores

Particulars	1 April 2018	Cash flows (net)	Foreign exchange difference	Changes in fair values	New leases	Others	31 March 2019
Borrowings (non-current) other than finance lease obligations (including current maturities of long term borrowing included in other financial liabilities note 28)	35,435	2,726	926	32	-	(13)	39,106
Finance lease obligations (including current maturities of finance lease obligations)	1,781	(227)	-	-	403	-	1,957
Borrowings (current)	2,177	4,155	1	-	-	-	6,333

₹ in crores

Particulars	1 April 2017	Cash flows (net)	Foreign exchange difference	Changes in fair values	New leases	Other	31 March 2018
Borrowings (non-current) other than finance lease obligations (including current maturities of long term borrowing included in other financial liabilities note 28)	36,472	(1,089)	93	(52)	-	11	**35,435**
Finance lease obligations (including current maturities of finance lease obligations)	1,981	(200)	-	-	-	-	**1,781**
Borrowings (current)	4,881	(2,703)	(1)	-	-	-	**2,177**

Other comprises of upfront fees amortization and interest cost accrual on preference shares.

Notes:

1. The cash flow statement is prepared using the "indirect method" set out in Ind AS 7 - Statement of Cash Flows.
2. The group has acquired property, plant and equipment of ₹ 403 crores (previous year ₹ Nil crores) on finance lease.

See accompanying notes to the Consolidated Financial Statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per VIKRAM MEHTA
Partner
Membership No. 105938

Place: Mumbai
Date: 24 May 2019

For and on behalf of Board of Directors

RAJEEV PAI
Chief Financial Officer

LANCY VARGHESE
Company Secretary

ICSI Membership No. FCS 9407
Place: Mumbai
Date: 24 May 2019

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General Information

JSW Steel Limited ("the Company" or 'the Parent') is primarily engaged in the business of manufacture and sale of Iron and Steel Products.

The Parent and its subsidiaries (together referred to as "the Group") are manufacturer of diverse range of steel products with it's manufacturing facilities located in states of Karnataka, Maharashtra and Tamil Nadu in India and also in the United States of America.

JSW Steel Limited is a public limited company incorporated in India on 15th March, 1994 under the Companies Act, 1956 and listed on the Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400051.

2. Significant Accounting policies

I. Statement of compliance

Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III of the Companies Act 2013 , (Ind AS Compliant Schedule III),as applicable to Consolidated financial statements.

Accordingly, the Company has prepared these Consolidated Financial Statements which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended 31 March 2019, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements" or "financial statements").

These financial statements have been approved by the Board of Directors on 24 May 2019.

II. Basis of preparation and presentation

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period as explained in the accounting policies below, and acquisition of subsidiaries where assets and liabilities are measured at fair values as at the date of acquisition in accordance with Ind AS 103.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, that are quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statement is presented in INR and all values are rounded to the nearest crores except when otherwise stated.

Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle. it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

III. Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee
- is exposed to, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including;

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

IV. Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. Acquisition-related costs are generally recognised in Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of bargain purchase, before recognizing gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognizes any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

If the initial accounting for a business combination is incomplete by the end of the financial year, the provisional amounts for which the accounting is incomplete shall be disclosed in the financial statements and provisional amounts recognized at the acquisition date shall be retrospectively adjusted during the measurement period. During the measurement period, the group shall also recognize additional assets or liabilities if the new information is obtained about facts and circumstances that existed as of the acquisition date and if known, would have resulted in the recognition of those assets and liabilities as of that date. However, the measurement period shall not exceed the period of one year from the acquisition date.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method.

V. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in the consolidated Statement of Profit and Loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 2(VI) below.

VI. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or a joint venture is initially

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in consolidated statement of profit and loss in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

VII. Revenue recognition

A. Sale of goods

The Company recognizes revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided.

The amount of revenue excludes any amount collected on behalf of third parties. The Company recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognized when such freight services are rendered.

In revenue arrangements with multiple performance obligations, the Company accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their stand-alone selling prices.

Revenue from sale of by products are included in revenue. Revenue from sale of power is recognised when delivered and measured based on the bilateral contractual arrangements.

Contract balances

i. Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration including Trade receivables

ii. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract including Advance received from Customer

iii. Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer including volume rebates and discounts. The Company updates its estimates of refund liabilities at the end of each reporting period.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

B. Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentives payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract cost incurred that it is probable will be recoverable. Contract costs are recognized 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 recognized as an expense immediately.

C. Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

VIII. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight-line basis over the lease term.

The Group as a lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Arrangements in the nature of lease

The Group enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Group applies the requirements of Ind AS 17 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 17 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

IX. Foreign currencies

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below the policy on hedge accounting in 2 (XX) (B) (g));
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items; and
- exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognized in the financial statements for the year ended March 31, 2016 prepared under previous GAAP, are capitalized as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Goodwill, capital reserve on bargain purchase and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

X. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

The Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

XI. Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Consolidated Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated Statement of profit and loss over the expected useful lives of the assets concerned.

The benefit of a government loan at a below-market rate of interest and effect of this favorable interest is treated as a government grant. The Loan or assistance is initially recognized at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognised to the income statement immediately on fulfillment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

XII. Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment or when the Company recognizes corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

1. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
2. net interest expense or income; and
3. remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

XIII. Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 38.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

The Company has created an Employee Benefit Trust for providing share-based payment to its employees. The Company uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Company from the market, for giving shares to employees. The Company treats Trust as its extension and shares held by the Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from Equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Share options exercised during the reporting period are satisfied with treasury shares.

XIV. Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the

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taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

XV. Property, plant and equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed. Revenue (net of cost) generated from production during the trial period is capitalised.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Group has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets located in India, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past

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history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of assets	Years
Plant and machinery	8 to 40 years
Work-rolls	1 to 5 years

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on estimate of their specific useful lives.

Freehold land and leasehold land where the lease is convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

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

Class of assets	Years
Buildings	15 to 50 years
Plant and machinery	3 to 30 years
Furniture and fixtures	3 to 10 years
Vehicles and aircrafts	4 to 5 years
Office equipment	3 to 10 years

XVI. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

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

The Group has elected to continue with carrying value of all its intangible assets recognised as on transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

XVII. Mining Assets

Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment indicators at least annually.

The Company measures its exploration and evaluation assets at cost and classifies as Property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

Acquisition costs - costs associated with acquisition of licenses and rights to explore, including related professional fees. General exploration costs - costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

Costs of exploration drilling and equipping exploration - Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered.

Stripping cost

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

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Production stripping costs are incurred to extract the ore in the form of inventories and/or to improve access to an additional component of an ore body or deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realized in the form of inventories.

Such costs are presented within mining assets. After initial recognition, stripping activity assets are carried at cost less accumulated amortisation and impairment. The expected useful life of the identified component of the ore body is used to depreciate or amortise the stripping asset.

Site restoration, rehabilitation and environmental costs:
Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised. The provision for decommissioning assets is based on the current estimates of the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate. A corresponding provision is created on the liability side. The capitalised asset is charged to profit or loss over the life of the asset through depreciation over the life of the operation and the provision is increased each period via unwinding the discount on the provision. Management estimates are based on local legislation and/or other agreements. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology. Details of such provisions are set out in note 22.

XVIII. Impairment of Property, plant and equipment and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent of revaluation reserve.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

XIX. Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

XX. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain

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that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

XXI. Financial Instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Consolidated Statement of Profit and Loss.

A. Financial assets

a) Recognition and initial measurement

A financial asset is initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

b) Classification of financial assets

On initial recognition, a financial asset is classified to be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

  The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both the of the following conditions and is not recognised at FVTPL;

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Consolidated Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Consolidated Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognized in

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consolidated statement of profit or loss. The net gain or loss recognized in consolidated statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognized when:

- The Group's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

c) **Derecognition of financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

d) **Impairment**

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, The Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and

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considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, The Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

e) **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in the consolidated statement of profit or loss and is included in the 'Other income' line item.

B. Financial liabilities and equity instruments

a) **Classification as debt or equity**

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

c) **Financial liabilities**

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Consolidated Statement of Profit and Loss. The net gain or loss recognised in Consolidated Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the Consolidated Statement of Profit and Loss. For liabilities designated at FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Other financial liabilities:

The Group enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for import of raw materials and property, plant and equipment. The banks and financial institutions are subsequently repaid by the Group at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements for raw materials are recognized as Acceptances (under trade payables) and arrangements for property, plant and equipment are recognised as other financial liabilities. Interest borne by the Group on such arrangements is accounted as finance cost. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities:

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of profit or loss.

d) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate, commodity price and foreign exchange rate risks, including foreign exchange forward contracts, commodity foreign exchange options, forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Consolidated Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Consolidated Statement of Profit and Loss depends on the nature of the hedge item.

e) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

f) Hedge accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency, interest rate and commodity risk, as either cash flow hedge, fair value hedge or hedges of net investments in foreign operations. Hedges of foreign currency risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to hedged risk.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(i) Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognized in the consolidated statement of profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognized in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. For fair value hedges relating to items carried at amortised cost, the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

(ii) Cash flow hedges

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recosnised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(iii) Hedges of net investments in a foreign operation

Hedges of net investments in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gains or losses relating to the ineffective portion are recognised immediately in the profit or loss.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to Consolidated Statement of Profit and Loss on the disposal of the foreign operation.

XXII. Cash and cash equivalents:

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

XXIII. Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

3. Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

A) Key sources of estimation uncertainty

i) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

ii) Impairment of property plant and equipment

Determining whether the property, plant and equipment are impaired requires an estimate in the value in use of plant and equipment. The value in use calculation requires the Management to estimate the future cash flows expected to arise from the property, plant and equipment and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.

iii) Impairment of investments in joint ventures and associate

Determining whether the investments in joint ventures and associate are impaired requires an estimate in the value in use of investments. In considering the value in use, the Management have anticipated the future commodity prices, capacity utilization of plants, operating margins, mineable resources and availability of infrastructure of mines, discount rates and other factors of the underlying businesses / operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

iv) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized. The cases which have been determined as remote by the Group are not disclosed.

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

v) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 41.

vi) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

MAT is assessed on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a specified period in which MAT credit arises, subject to the limits prescribed.

vii) Impairment of Goodwill

Determining whether the goodwill acquired in business combinations are impaired, requires an estimate of recoverable amount of the Group's cash Generating unit (or groups of cash generating units). In considering the recoverable value of cash generating unit, the management have anticipated the future benefits to arise from commodity prices, capacity utilization of plants, mineable resources and availability of infrastructure of mines, discount rates and other factors of the underlying unit. If the recoverable amount of cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any Impairment loss for goodwill is recognised directly in the consolidated statement of profit and loss.

B) Critical accounting judgements

i) Control over JSW Realty & Infrastructure Private Limited (RIPL)

RIPL has developed a residential township in Vijayanagar, Karnataka on the land taken on lease from the Company for a period of 30 years and provides individual housing units on rent to the employees of the Company or other group companies. RIPL is not allowed to sub-let or assign its rights under the arrangement without prior written consent of the Company. Though the Company does not hold any ownership interest in RIPL, the Company has concluded that it has practical ability to direct the relevant activities of RIPL unilaterally, considering RIPL's dependency on the Company for funding significant portion of its operation through subscription to 74.57% of preference share capital amounting to

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

₹ 302 crores issued by RIPL and significant portion of RIPL's activities either involve or are conducted on behalf of the Company on the land provided on long-term lease by the Company.

ii) **Assessment of control over JSW Projects Limited (JSWPL)**

JSWPL operates Direct Reduced Iron Processing Plant (DRI), Coal Dry Quenching Plant (CDQ) and two thermal power plants. Although the long-term take or pay arrangements entered into by the Company with JSWPL for processing of DRI and CDQ have been identified to be the arrangements in the nature of lease, the Company has concluded that it does not have any ownership interest, voting right or representation in the Board of Directors of JSWPL to direct its relevant activities unilaterally and accordingly it is not controlled by the Company.

iii) **Arrangements in the nature of lease**

The Company has entered into long-term arrangements with third parties to facilitate continuous supply of gases to its steel plant at Vijaynagar. These arrangements involve setting up of gas plants by the vendor/ supplier in the Company's premises to supply minimum specified gas quantities to the Company on take or pay basis. Based on assessment of the terms of the arrangements, review of past trends and confirmations received from the counter parties, the Company has concluded that these arrangements are not in the nature of lease considering more than insignificant amount of output from these plants are being also supplied by the vendor / suppliers to third parties on consistent basis.

iv) **Separating payments of lease from the other payments**

If an arrangement contains a lease, the parties to the arrangement shall apply the requirements of Ind AS 17 to the lease element. Therefore, the Group is required to separate payments and other consideration required by the arrangement into those for the lease and for other elements on the basis of their relative fair values.

However, the Group has concluded that it is impracticable to separate both the elements reliably and has recognized an asset and a liability at an amount equal to the carrying value of the specified asset in the books of the lessor. Subsequently, the liability has been reduced as payments are made and an imputed finance charges on the liability recognized using the Company's incremental borrowing rate of interest over the tenure of the arrangement, where it is impracticable to determine the interest rate implicit in the lease. The total payments less payments made towards lease obligation and imputed finance charges have been considered to be the consideration for elements other than lease.

In case of arrangements which are identified to be in the nature of finance lease, the Company concluded that it is impracticable to derive the relative fair values of lease and other elements of the arrangement and has accordingly determined the consideration for elements other than lease as a residual post appropriation of lease payments derived based on lessee's incremental borrowing rate of interest on the lease obligation corresponding to the respective gross asset values in the books of lessor.

v) **Joint control over Monnet Ispat & Energy Limited (MIEL)**

The consortium of JSW Steel Limited and AION Investments Private II Limited completed the acquisition of MIEL through their jointly controlled entity Creixent Special Steels Limited ("CSSL") on 31 August 2018. The Company has made an investment of ₹ 375 crores through equity and redeemable preference shares in CSSL to acquire joint control in MIEL and have an effective shareholding of 23.1% in MIEL. As per the Shareholding agreement, all the relevant activities of CSSL that affect the Company's variable returns from its involvement with CSSL/ MIEL have to be decided unanimously by a Steering Committee on which the Company has representation and thus the Company has concluded that it has joint control over CSSL/MIEL.

vi) **Incentives under the State Industrial Policy**

The Company units at Dolvi in Maharashtra and Vijayanagar in Karnataka are eligible for incentives under the respective State Industrial Policy and have been availing incentives in the form of VAT deferral / CST refunds.

The State Government of Maharashtra ('GOM') vide its Government Resolution (GR) issued the modalities for sanction and disbursement of incentives, under GST regime, and introduced certain new conditions / restrictions for accruing incentive benefits granted to the Company including denying incentives in certain cases.

The management has evaluated the impact of other conditions imposed and has obtained legal advice on the tenability of these changes in the said scheme. Based on such legal advice, the Company has also made the representation to GOM and believes that said Incentives would continue to be made available to the Company under the GST regime, since the new conditions are not tenable legally and will contest these changes appropriately.

Accordingly, the Company has recognized grant income without giving effect to the above restrictions and the cumulative amount receivable towards the same is considered to be good and recoverable.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

4. Property, plant and equipment

₹ in crores

Particulars	Freehold land	Leasehold land	Buildings (owned)	Buildings (on finance lease)	Plant and equipments (owned)	Plant and equipments (on finance lease)	Furniture and fixtures	Vehicles and aircrafts	Office equipments	Mining development and projects	Total
Cost / deemed cost											
At 1 April 2017	1,402	710	8,160	9	51,176	2,772	88	131	56	887	65,391
Additions	24	2	275	-	2,392	-	31	22	13	51	**2,810**
Deductions	-	1	2	-	327	-	@	9	@	-	**339**
Other adjustments (refer note d below)	-	-	-	-	42	-	-	-	-	-	**42**
Translation reserve	@	-	21	-	16	-	-	@	@	4	**41**
At 31 March 2018	1,426	711	8,454	9	53,299	2,772	119	144	69	942	67,945
Additions	103	53	700	18	5,002	385	28	23	16	21	**6,349**
Acquired pursuant to business combination (refer note 39)	254	-	205	-	1,262	-	-	@	1	-	**1,722**
Deductions	6	-	3	-	296	-	5	10	1	-	**321**
Other adjustments (refer note d below)	-	-	-	-	263	-	-	-	-	-	**263**
Translation reserve	(5)	-	49	-	289	-	@	@	@	61	**394**
At 31 March 2019	1,772	764	9,405	27	59,819	3,157	142	157	85	1,024	76,352
Accumulated depreciation and impairment											
At 1 April 2017	4	16	793	@	5,902	318	27	27	20	498	7,605
Depreciation	-	9	369	1	2,689	169	20	15	9	77	**3,358**
Disposals	-	@	-	-	152	-	@	4	@	-	**156**
Impairment (refer note 48)	-	-	-	-	76	-	-	-	-	-	**76**
Translation reserve	@	-	1	-	5	-	@	-	@	2	**8**
At 31 March 2018	4	25	1,163	1	8,520	487	47	38	29	577	10,891
Depreciation	-	9	390	1	3,382	180	14	17	13	6	**4,012**
Disposals	-	-	1	-	261	-	1	6	1	-	**270**
Translation reserve	@	-	10	-	67	-	@	@	-	38	**115**
At 31 March 2019	4	34	1,562	2	11,708	667	60	49	41	621	14,748
Net book value											
At 31 March 2019	1,768	730	7,843	25	48,111	2,490	82	108	44	403	61,604
At 31 March 2018	1,422	686	7,291	8	44,779	2,285	72	106	40	365	57,054

@ - between ₹ (0.50) crores to ₹ 0.50 crores

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Notes:

₹ in crores

			As at 31 March 2019	As at 31 March 2018
a)	Freehold land which is yet to be registered in the name group entities	Acre	21	29
		Deemed cost	14	19
b)	Freehold land and buildings which have been/agreed to be hypothecated/ mortgaged to lenders of related parties	Deemed cost	82	64
c)	Leasehold land which is yet to be registered in the name of group entities	Acre	-	21
		Deemed cost	-	14
		Carrying amount	-	13
d)	Other adjustments comprises:			
	Borrowing cost		26	23
	Foreign exchange loss / (gain) (net)		237	19

e) For details of assets given on operating lease (refer note 46)

f) For details of assets taken on finance lease (refer note 47)

g) Certain property, plant and equipments are pledged against borrowings, the details relating to which have been described in Note 20 and 25.

h) The title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company except for leasehold land aggregating to ₹ 67 crores wherein the lease deed has expired and the Company has a right to convert the land into freehold land subject to complying with certain conditions. The Company is in the process of converting the title into freehold as per the lease cum sale agreement.

i) Property, plant and equipments includes proportionate share (50%) of assets under joint operation as below:

₹ in crores

Particulars	Buildings (Owned)	Plant and equipments (Owned)
Cost / deemed cost		
At 31 March 2017	476	7
Additions	-	-
At 31 March 2018	476	7
Additions	-	-
At 31 March 2019	476	7
Accumulated depreciation		
At 31 March 2017	32	1
Depreciation expense	16	1
At 31 March 2018	48	2
Depreciation expense	16	1
At 31 March 2019	64	3
Net book value		
At 31 March 2019	412	4
At 31 March 2018	428	5

5. Capital work in progress includes exchange fluctuation of ₹ 317 crores (previous year ₹ 57 crores) and borrowing cost of ₹ 194 crores (previous year ₹ 78 crores), capitalised during the year.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

6. Goodwill

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Cost / deemed cost		
Balance at the beginning of the year	1,642	1,637
Acquired pursuant to business combination (Refer note 39)	90	-
Translation reserve	99	5
Balance at the end of the year (a)	1,831	1,642
Accumulated amortisation and impairment		
Balance at the beginning of the year	935	765
Impairment (refer note 48)	-	166
Translation reserve	56	4
Balance at the end of the year (b)	991	935
Net book value (a-b)	840	707

Allocation of goodwill to Cash Generating Units (CGU's)

₹ in crores

CGU	As at 31 March 2019	As at 31 March 2018
Coal mines at West Virginia, USA	244	229
Iron ore mines at Chile	471	443
Steel plant at Mingo Junction, USA (refer note 39)	90	-
Others	35	35
Total	840	707

Alawest coal mines at West Virginia, USA

The recoverable amount of Alawest coal mines is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering the mining lease concession period, and a pre-tax discount rate of 18.0% per annum.

Cash flow projections during the budget period are based on estimated coal extraction schedule and future prices of coal determined based on the average of coal prices published in various analyst reports. The projections do not consider growth rate in the coal prices from the year 2027-28 onwards.

Considering past trend of movement in coal prices, the management believes that the following changes in these key estimates would result into carrying amount exceeding the recoverable amount:

a) Decrease in coal prices by 1% would result into change in recoverable value by ₹ 25 Crores.
b) Decrease in extraction schedule by 5% would result into change in recoverable value by ₹ 53 crores.

Iron ore mines at Chile (Bellavista and Vinita):

The recoverable amount of Bellavista iron ore mine is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering the mining lease concession period, and a pre-tax discount rate of 18.9% per annum. Recoverable amount of Vinita mine has been determined through implied multiple of Bellavista reserve.

Cash flow projections during the budget period are based on estimated iron ore extraction schedule and future prices of iron ore determined based on the average of iron ore prices published in various analyst reports. The projections do not consider growth rate in the iron ore production schedule and iron ore prices from the year 2023-24 onwards.

Considering past trend of movement in iron ore prices, the management believes that the following changes in these key estimates would result into carrying amount exceeding the recoverable amount.

a) Decrease in iron ore prices by 1% would result into change in recoverable value by ₹ 57 crores.
b) Decrease in extraction schedule by 5% would result into change in recoverable value by ₹ 37 crores.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

7. Other intangible assets

₹ in crores

Particulars	Computer software	Licences	Mining concession	Port concession	Total
Cost / deemed cost					
At 1 April 2017	**82**	**32**	**5**	**1**	**120**
Additions	23	4	18	-	**45**
Translation reserve	-	@	@	-	**@**
At 31 March 2018	**105**	**36**	**23**	**1**	**165**
Additions	29	-	105	-	**134**
Acquired pursuant to business combination (refer note 39)	2	5	-	-	**7**
Disposals	@	-	-	-	**@**
Translation reserve	@	@	@	@	**@**
At 31 March 2019	136	41	128	1	**306**
Accumulated amortisation and impairment					
At 1 April 2017	**40**	**8**	**-**	**-**	**48**
Amortization	22	6	1	-	**29**
Translation reserve	-	1	-	-	**1**
At 31 March 2018	**62**	**15**	**1**	**-**	**78**
Amortization	18	5	6	-	**29**
Disposals	@	-	-	-	**@**
Translation reserve	(1)	@	-	-	**(1)**
At 31 March 2019	**79**	**20**	**7**	**-**	**106**
Net book value					
At 31 March 2019	**57**	**21**	**121**	**1**	**200**
At 31 March 2018	**43**	**21**	**22**	**1**	**87**

@ - Less than ₹ 0.50 crores

8. Investments in joint ventures

Particulars	Paid up value	As at 31 March 2019		As at 31 March 2018	
		No. of Shares	₹ in crores	No. of Shares	₹ in crores
Investment in equity shares accounted for using equity method					
Joint ventures					
Gourangdih Coal Limited					
Equity shares	₹ 10 each	2,450,000	2	2,450,000	2
Add: Share of profit/(loss) (net)			@		@
			2		2
JSW MI Service Centre Private Limited					
Equity shares	₹ 10 each	66,500,000	67	66,500,000	67
Add: Share of profit/(loss) (net)			14		7
			81		74
JSW Severfield Structures Limited					
Equity shares	₹ 10 each	198,937,940	198	160,437,940	160
Add: Share of profit/(loss) (net)			(65)		(79)
			133		81
Rohne Coal Company Private Limited					
Equity shares	₹ 10 each	490,000	@@	490,000	@@
Add: Share of profit/(loss) (net)			@@@		@@@
			-		-
JSW Vallabh Tinplate Private Limited					
Equity shares	₹ 10 each	25,019,600	30	25,019,600	30
Add: Share of profit/(loss) (net)			(1)		1
			29		31

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Particulars	Paid up value	As at 31 March 2019		As at 31 March 2018	
		No. of Shares	₹ in crores	No. of Shares	₹ in crores
Vijayanagar Minerals Private Limited					
Equity shares	₹ 10 each	4,000	@@@@	4,000	@@@@
Add: Share of profit/(loss) (net)			2		2
			2		2
Accialtalia S.p.A.					
Equity shares	Euro 3 each		-	17,675	12
Add: Share of profit/(loss) (net)			-		(12)
			-		-
Creixent Special Steels Limited					
Equity shares	₹ 10 each	4,800,000	255		-
Add: Share of profit/(loss) (net)			(78)		-
			177		-
Geo Steel LLC					
Investment			26		26
Add: Share of profit/(loss) (net)			178		144
			204		170
Total			628		360
Unquoted					
Aggregate book value			628		360

@ - ₹ 0.15 crores (previous year ₹ 0.13 crores)
@@ - ₹ 0.49 crores
@@@ - ₹ (0.49) crores
@@@@ - ₹ 40,000/-

9. Investments (non-current)

	Particulars	Paid up value	As at 31 March 2019		As at 31 March 2018	
			No. of Shares	₹ in crores	No. of Shares	₹ in crores
A	**Investment in equity instruments**					
	Fully paid up					
	Quoted (at fair value through other comprehensive income)					
	JSW Energy Limited	₹ 10 each	101,605,500	738	101,605,500	740
	Unquoted (at fair value through other comprehensive income)					
	Tarapur Environment Protection Society	₹ 100 each	244,885	4	244,885	4
	Toshiba JSW Power Systems Private Limited	₹ 10 each	11,000,000	-	11,000,000	-
	MJSJ Coal Limited	₹ 10 each	10,461,000	9	10,461,000	9
	SICOM Limited	₹ 10 each	600,000	5	600,000	5
	Kalyani Mukand Limited	₹ 1 each	480,000	$	480,000	$
	Ispat Profiles India Limited	₹ 1 each	1,500,000	$	1,500,000	$
B	**Investments in preference shares**					
	Fully paid up					
	Joint ventures					
	Unquoted (at fair value through profit or loss)					
	Rohne Coal Company Private Limited					
	1% non-cumulative preference shares	₹ 10 each	23,642,580	-	23,642,580	-
	1% Series-A non-cumulative preference shares	₹ 10 each	7,152,530	5	7,152,530	7
	1% Series-B non-cumulative preference shares	₹ 10 each	1,370,786	1	1,128,686	1
	Unquoted (at amortised cost)					
	Creixent Special Steels Limited					
	0.01% Redeemable preference shares I	₹ 10 each	171,969,200	184	-	-
	0.01% Redeemable preference shares II	₹ 10 each	198,300,410	190	-	-

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Particulars	Paid up value	As at 31 March 2019		As at 31 March 2018	
		No. of Shares	₹ in crores	No. of Shares	₹ in crores
Others					
Unquoted (at fair value through profit or loss)					
JSW Investments Private Limited					
8% Non-Cumulative Non-Convertible Preference shares	₹ 10 each	100,000,000	45	100,000,000	41
Unquoted (at cost)					
Metal re-connector	EUR 1 each	1,192,772	13	-	-
C **Investments in government securities (unquoted- Others) (at amortised cost)**					
National Savings Certificates (pledged with commercial tax department)			@		@
Total			1,194		807
Less: Aggregate amount of provision for impairment in the value of investments			(10)		(10)
Total			1,184		797
Quoted					
Aggregate book value			738		740
Aggregate market value			738		740
Unquoted					
Aggregate book value			446		57
Investment at cost/deemed cost			13		-
Investment at fair value through other comprehensive income			756		758
Investment at fair value through profit and loss			41		39
Investment at amortised cost			374		@

$ Re. 1, @ - ₹ 0.15 crores

10. Loans (unsecured)

₹ in crores

Particulars	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
Loans				
to related parties	140	411	59	61
to other body corporates	9	57	20	12
Security deposits	294	93	309	157
Less: Allowance for doubtful loans	(10)	-	(10)	-
Total	**433**	**561**	**378**	**230**
Notes:				
Loans Receivable Considered good - Unsecured	433	561	378	230
Loans Receivable which have significant increase in Credit Risk				
Loans Receivable – credit impaired	1	-	1	-
Loans and advances to other body corporate	9	-	9	-

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

11. Other financial assets (unsecured)

₹ in crores

Particulars	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
Export benefits and entitlements	25	115	1	57
Insurance claim receivable	43	-	45	-
Application money paid towards securities	@	-	121	-
Receivable for coal block development expenditure	117	-	117	-
Indirect tax balances refund due	-	73	-	184
Government grant incentive income receivable (refer note 30(a))	98	1,949	-	234
Others	16	160	11	131
Less: Allowance for doubtful balances	-	(80)	(2)	(76)
Total	**299**	**2,217**	**293**	**530**
Notes:				
Considered good	299	2,217	293	530
Considered doubtful, provided	-	80	2	76

@ - Less than ₹ 0.50 crores

12. Other assets (unsecured)

₹ in crores

Particulars	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
Capital advances	2,064	-	1,186	-
Less: Allowances for doubtful advances	(8)	-	(9)	-
(A)	2,056	-	1,177	-
Advances to suppliers	272	882	174	1,133
Export benefits and entitlements	56	87	81	161
Advance royalty	90	-	69	-
Security deposits	156	159	34	51
Indirect tax balances/ recoverable /credits	1,365	1,132	1,322	2,150
Prepayments and others	184	221	146	104
Less: Allowances for doubtful advances	(254)	(20)	(122)	-
(B)	1,869	2,461	1,704	3,599
Total (A+B)	**3,925**	**2,461**	**2,881**	**3,599**
Notes:				
Capital advances				
Considered good	2,056	-	1,177	-
Considered doubtful, provided	8	-	9	-
Other advances				
Considered good	1,869	2,461	1,704	3,599
Considered doubtful, provided				
Advance to suppliers	253	20	121	-
Others	1	-	1	-

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

13. Inventories

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Raw materials (at cost)	7,153	6,119
Work-in-progress (at cost)	583	773
Semi-finished/ finished goods (at cost or net realisable value)	4,564	3,700
Production consumables, fuel stock and stores and spares (at cost)	2,248	2,002
Total	**14,548**	**12,594**
Notes:		
Details of stock-in-transit		
Raw materials	2,189	2,232
Production consumables and stores and spares	151	191
Total	**2,340**	**2,423**

Write down of inventories to net realisable value amounted to ₹ 47 crores (31 March 2018 – ₹ Nil). These were recognised as an expense during the year and included in 'cost of materials consumed and changes in inventories of finished goods, work-in-progress and stock-in-trade.

Inventories have been pledged as security against certain bank borrowings, the details relating to which have been described in note 20 and 25.

14. Investments (current)

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Mutual funds (quoted)	82	312
Total	**82**	**312**
Quoted		
Aggregate book value	82	312
Aggregate market value	82	312

15. Trade receivables

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables considered good - Secured	4	-
Trade receivables considered good - Unsecured	7,068	4,616
Trade receivables which have significant increase in credit risk	160	160
Less: Allowance for doubtful debts	(72)	(72)
Trade Receivables – credit impaired	34	24
Less: Allowance for doubtful debts	(34)	(24)
Total	**7,160**	**4,704**

Ageing of receivables that are past due but not impaired

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
60 – 90 days	97	150
91 – 180 days	315	61
>180 days	382	241
Total	**794**	**452**

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The credit period on sales of goods ranges from 7 to 60 days with or without security

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed once a year.

The Group does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right to offset against any amounts owed by the Group to the counterparty.

Trade receivable have been given as collateral towards borrowings, the details relating to which has been described in note 20 and 25.

Credit risk management regarding trade receivables has been described in note 42 (H).

Trade receivables from related party has been disclosed in note 43.

Trade receivables does not include any receivables from directors and officers of the company.

16. (a) Cash and cash equivalents

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with banks		
In current accounts	566	237
In term deposit accounts with maturity less than 3 months at inception	4,908	344
Cheques on hand	100	-
Cash on hand	7	1
Total	**5,581**	**582**

16. (b) Bank balances other than cash and cash equivalents

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Earmarked balances In current account	29	26
Balance with banks		
In term deposit accounts		
with maturity more than 3 months but less than 12 months at inception	285	146
with maturity more than 12 months at inception	150	20
In margin money	142	289
Total	**606**	**481**

Earmarked bank balance are restricted in use and it relates to unclaimed dividend and balance with banks held as margin money for security against the guarantee.

17. Derivative assets

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Forward contracts	250	84
Commodity contracts	50	9
Commodity options	@	-
Interest rate swaps	20	37
Currency options	1	21
Total	**321**	**151**

@ - Less than ₹ 0.50 crores

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

18. Equity share capital

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
	Number of shares		Amount (₹ in crores)	
Share Capital				
(a) Authorised				
Equity shares of the par value of Re. 1 each	60,15,00,00,000	60,15,00,00,000	6,015	6,015
(b) Issued and subscribed				
(i) Outstanding at the beginning of the year fully paid up	2,41,72,20,440	2,41,72,20,440	242	242
(ii) Less: Treasury shares held under ESOP trust (refer note a below)	(1,55,08,976)	(1,09,88,860)	(2)	(1)
(iii) Outstanding at the end of the year fully paid up	2,40,17,11,464	2,40,62,31,580	240	241
(c) Equity shares forfeited (amount originally paid-up)			61	61
Total			301	302

A) Shares Held Under ESOP Trust:

The Company has created an Employee Stock Ownership Plan (ESOP) for providing share-based payment to its employees.

ESOP is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the company and it's subsidiaries in India. For the purpose of the scheme, the Company purchases shares from the open market under ESOP trust. The Company treats ESOP trust as its extension and shares held by ESOP trust are treated as treasury shares.

For the details of shares reserved for issue under the Employee Stock Ownership Plan (ESOP) of the Company (refer note 38).

Movement in treasury shares

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Shares of Re. 1 each fully paid up held under ESOP Trust	Number of shares		Amount (₹ in crores)	
Equity shares as at 1 April	1,09,88,860	1,42,35,750	1	2
Changes during the year	45,20,116	(32,46,890)	@	@
Equity shares as at 31 March	1,55,08,976	1,09,88,860	2	1

@ - ₹ 0.45 crores (previous year – ₹ (0.32) crores)

B) 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.

C) Shareholders Holding More than 5% Share in the Company are set out Below

₹ in crores

Particulars	As at 31 March 2019		As at 31 March 2018	
	No of shares	% of shares	No of shares	% of shares
Equity shares				
JFE Steel International Europe BV	36,25,83,070	15.00%	36,25,83,070	15.00%
JSW Holdings Limited	17,88,37,230	7.40%	17,73,06,230	7.34%
Vividh Finvest Private Limited (formerly known as Vividh Consultancy and Advisory Services Private Limited)	14,19,95,690	5.87%	14,07,26,690	5.82%
JSW Techno Projects Management Limited	24,73,28,450	10.23%	22,93,26,950	9.49%

D) Shares Alloted as Fully Paid-Up Pursuant to Contracts Without Payment being Received in Cash During the Period of Five Years Immediately Preceding the Date of the Balance Sheet

NIL

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

19. Other equity

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
General reserve	9,899	10,281
Retained earnings	13,736	7,528
Other comprehensive income		
Equity instruments through other comprehensive income	476	478
Effective portion of cash flow hedges	66	10
Foreign currency translation reserve	(552)	(518)
Foreign currency monetary item translation difference account	(57)	(25)
Other reserves		
Equity settled share based payment reserve	91	41
Capital reserve	3,585	3,585
Capital redemption reserve	531	149
Capital reserve on bargain purchase	1,017	609
Securities premium reserve	5,417	5,417
Debenture redemption reserve	285	141
Total	34,494	27,696

(i) **General reserve**

Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10.0% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year.

Consequent to introduction of Companies Act 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit or loss account to the general reserves.

(ii) **Retained earnings**

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Consolidated Statement of Profit and Loss. Retained earnings is a free reserve available to the Group.

(iii) **Equity instruments through other comprehensive income**

The Group has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

(iv) **Effective portion of cash flow hedges**

Effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which shall be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Group accounting policy.

(v) **Foreign currency translation reserve**

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Indian rupees) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gains and losses on hedging instruments that are designated as hedging instruments for hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

(vi) **Foreign currency monetary item translation difference account**

The Group has continued with the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the consolidated financial statements prepared under previous GAAP for the year ended 31 March, 2016. The reserve pertains to exchange differences relating to long term foreign currency monetary items in so far as they do not relate to acquisition of depreciable capital assets, which are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortized in the Statement of Profit and Loss over the balance period of such long term foreign currency monetary items.

(vii) **Equity settled share based payment reserve**

The Group offers ESOP, under which options to subscribe for the Company's shares have been granted to certain employees and senior management.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The share based payment reserve is used to recognise the value of equity settled share based payments provided as part of the ESOP scheme.

(viii) **Capital reserve**

Reserve is created primarily on amalgamation as per statutory requirement.

(ix) **Capital redemption reserve**

Reserve is created on redemption of preference shares as per statutory requirement.

(x) **Securities Premium**

The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

(xi) **Debenture redemption reserve**

The Indian Companies Act requires companies that issue debentures to create a debenture redemption reserve (DRR) from annual profits until such debentures are redeemed. Companies are required to maintain 25% as a reserve of outstanding redeemable debentures. Accordingly, the Company creates DRR at 25% in the penultimate year to the year in which the repayment obligation arises on the Company. The amounts credited to the debenture redemption reserve will not be utilised except to redeem debentures.

20. Borrowings

₹ in crores

Particulars	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
Bonds (unsecured)	3,459	3,459	6,504	-
Debentures (secured)	2,300	1,841	4,141	563
Term loans:				
Secured	12,474	2,760	12,905	2,815
Unsecured	9,790	2,905	6,475	1,570
Deferred government loans (unsecured)	88	33	77	21
Other loans:				
Finance lease obligations (unsecured)	1,697	260	1,560	221
Preference shares (unsecured)	20	231	208	383
Unamortised upfront fees on borrowing	(172)	(82)	(147)	(80)
Total	**29,656**	**11,407**	**31,723**	**5,493**
Less: Current maturities of long-term debt clubbed under other financial liabilities (current) (refer note 28)	-	(11,407)	-	(5,493)
Total	**29,656**	**-**	**31,723**	**-**

Details of security and terms of repayment

As at 31 March 2019		As at 31 March 2018		Terms of repayment	Security
Non-current	Current	Non-current	Current		
A. Bonds/Debentures					
Bonds (Unsecured)					
-	3,459	3,252	-	4.75% Repayable on 12 November 2019	
3,459	-	3,252	-	5.25% Repayable on 13 April 2022	
3,459	3,459	**6,504**	**-**		
Debentures(secured)					
1,000	-	1,000	-	10.02% secured NCDs of ₹ 10,00,000 each are redeemable in two tranches a. ₹ 500 crores on 20 May 2023 b. ₹ 500 crores on 19 July 2023	First pari passu charge on 3.8 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
1,000	-	1,000	-	10.34% secured NCDs of ₹ 10,00,000 each are redeemable in three tranches a. ₹ 330 crores on 18 January 2022 b. ₹ 330 crores on 18 January 2023 c. ₹ 340 crores on 18 January 2024	First pari passu charge on property, plant and equipments related to 2.8 mtpa expansion project located at Vijayanagar Works, Karnataka and a flat at Vasind, Maharashtra.
-	400	400	-	9.72% secured NCDs of ₹ 10,00,000 each are redeemable on 23 December 2019	First pari passu charge on 3.2 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

As at 31 March 2019		As at 31 March 2018		Terms of repayment	Security
Non-current	Current	Non-current	Current		
-	250	250	-	10.40% secured NCDs of ₹ 10,00,000 each are redeemable on 19 August 2019	First pari passu charge on 3.2 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
	425	425	-	10.60% secured NCDs of ₹ 10,00,000 each are redeemable on 19 August 2019	First pari passu charge on 3.2 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	-	-	300	9.665% secured NCDs of ₹ 10,00,000 each are redeemed on 21 December 2018	First pari passu charge on 3.2 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	-	-	175	10.50% secured NCDs of ₹ 10,00,000 each are redeemed on 18 August 2018	First pari passu charge on 3.2 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out) and a flat situated at Vasind, Maharashtra.
-	44	44	44	10.60% secured NCDs of ₹ 2,50,000 each are redeemable as 2 half yearly instalments of ₹ 21.875 crores each from 2 August 2019 to 2 February 2020	Pari passu first charge by way of legal mortgage on land situated in the State of Gujarat. Pari passu first charge by way of equitable mortgage on property, plant and equipments of the new 5 mtpa Hot Strip Mill at Vijayanagar Works, Karnataka
-	22	22	44	10.60% secured NCDs of ₹ 1,25,000 each are redeemable as 1 half yearly instalment of ₹ 21.875 crores on 2 July 2019	Pari passu first charge by way of legal mortgage on land situated in the State of Gujarat. Pari passu first charge by way of equitable mortgage on property, plant and equipments of the new 5 mtpa Hot Strip Mill at Vijayanagar Works, Karnataka
180	-	180	-	8.75% Secured NCDs of ₹ 10,00,000 each is redeemable on 10 February 2022.	Secured by way of first ranking charge on all movable and immovable fixed assets both present and future and on lease hold rights over immovable property of pellet project situated at Village JuiBapuji, Taluka Alibaug, District Raigad, Maharashtra.
120	-	120	-	8.65% Secured NCDs of ₹ 10,00,000 each aggregating ₹ 120 crores is redeemable on 12 May 2020.	Secured by way of first ranking charge on all movable and immovable fixed assets both present and future and on lease hold rights over immovable property of pellet project situated at Village JuiBapuji, Taluka Alibaug, District Raigad, Maharashtra.
-	700	700	-	Secured zero coupon NCDs shall be redeemed at a premium of 12.15% p.a. accrued quarterly on 22 October 2019.	Secured by way of pledge of 40,000,000 equity shares of a subsidiary, held by JSW Steel Limited.
2,300	**1,841**	**4,141**	**563**		
B. Term Loans from banks (Secured)				**Weighted average interest rate – 8.74%**	
638	75	712	38	6 Quarterly instalments of ₹ 18.75 Crores each from 27 April 2019 to 27 July 2020 16 Quarterly instalments of ₹ 37.50 Crores each from 27 October 2020 to 27 July 2024	First charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra.
750	125	875	100	3 Quarterly instalments of ₹ 25 crores each from 30 June 2019 to 31 December 2019 16 Quarterly instalments of ₹ 50 crores each from 31 March 2020 to 31 December 2023	First charge on 3.2 mtpa expansion property, plant and equipments situated at Vijayanagar Works Karnataka
1,031	63	1,094	62	6 Quarterly instalments of ₹ 15.625 Crores each from 30 April 2019 to 31 July 2020 4 Quarterly instalments of ₹ 62.50 Crores each from 31 October 2020 to 31 July 2021 8 Quarterly instalments of ₹ 93.75 Crores each from 31 October to 31 July 2023	First charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra.

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As at 31 March 2019		As at 31 March 2018		Terms of repayment	Security
Non-current	Current	Non-current	Current		
812	150	962	75	11 quarterly instalments of ₹ 37.5 crores each from 30 June 2019 to 31 December 2021 4 quarterly instalments of ₹ 43.75 crores each from 31 March 2022 to 31 December 2022 2 quarterly instalments of ₹ 187.5 crores each from 31 March 2023 to 30 June 2023	First pari passu charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka.
1,400	200	1,600	150	8 Quarterly instalments of ₹ 50 crores each from 30 June 2019 to 31 March 2021 4 Quarterly instalments of ₹ 125 crores each from 30 June 2021 to 31 March 2022 2 Quarterly instalments of ₹ 350 crores each from 30 June 2022 to 30 September 2022.	First charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra.
500	150	650	150	8 quarterly instalments of ₹ 37.5 crores each from 30 June 2019 to 31 March 2021 4 quarterly instalments of ₹ 43.75 crores each from 30 June 2021 to 31 March 2022 2 quarterly instalments of ₹ 87.5 crores each from 30 June 2022 to 30 September 2022.	First pari passu charge on 3.8mtpa upstream assets (other than assets specifically carved out) at Vijayanagar Works, Karnataka.
902	192	1,094	192	10 quarterly instalments of ₹ 48 crores each from 30 June 2019 to 30 September 2021 9 quarterly instalments of ₹ 64 crores each from 31 December 2021 to 31 December 2023 1 quarterly instalment of ₹ 38.35 crores on 31 March 2024	First charge on entire movable and immovable property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra (excluding those specifically charged and equipment/machinery procured out of proceeds of ECA/ECB/FCL) both present and future.
163	50	213	50	17 Quarterly instalments of ₹ 12.5 Crores each from 30 June 2019 to 30 June 2023.	First charge on property, plant and equipments upto 5 MTPA capacity situated at Dolvi works, Maharashtra.
215	125	340	75	1 quarterly instalment of ₹ 20 crores on 30 June 2019 4 quarterly instalments of ₹ 35 crores each from 30 September 2019 to 30 June 2020 4 quarterly instalments of ₹ 45 crores each from 30 September 2020 to 30 June 2021	First charge on 3.2 mtpa expansion property, plant and equipments (other than assets specifically carved out) situated at Vijayanagar Works Karnataka
325	100	425	75	17 quarterly instalments of ₹ 25 crores each from 3 June 2019 to 1 June 2023	First charge on 3.2 mtpa expansion property, plant and equipments situated at Vijayanagar Works Karnataka
338	337	675	712	1 quarterly installment of ₹ 225 crores on 30 June 2019 4 quarterly instalments of ₹ 37.50 crores each from 30 September 2019 to 30 June 2020 2 quarterly instalments of ₹ 150 crores each from 30 September 2020 to 31 December 2020	First charge on 3.2 mtpa expansion property, plant and equipments (other than assets specifically carved out) situated at Vijayanagar Works Karnataka
375	75	450	38	8 quarterly instalments of ₹ 18.75 crores each from 30 June 2019 to 31 March 2021 12 quarterly instalments of ₹ 25 crores each from 30 June 2021 to 31 March 2024	First pari passu charge on 3.8 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out)
450	37	-	-	4 quarterly instalments of ₹ 9.375 crores each from 30 June 2019 to 31 March 2020 8 quarterly instalments of ₹ 18.75 crores each from 30 June 2020 to 31 March 2022 12 quarterly instalments of ₹ 25 crores each from 30 June 2022 to 31 March 2025	First pari passu charge on 3.8 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out).

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As at 31 March 2019		As at 31 March 2018		Terms of repayment	Security
Non-current	Current	Non-current	Current		
156	63	219	31	14 quarterly instalments of ₹ 15.625 crores each from 30 June 2019 to 30 September 2022	First pari passu charge on 3.8 mtpa property, plant and equipments located at Vijayanagar Works Karnataka (other than specifically carved out)
110	-	-	-	12 quarterly instalments of ₹ 1.375 crores each from 31 June 2021 to 31 March 2024 4 quarterly instalments of ₹ 6.875 crores each from 30 June 2024 to 31 March 2025 8 quarterly instalments of ₹ 8.25 crores each from 30 June 2025 to 31 March 2027	First pari passu charge on expansion project at Dolvi Works, Maharashtra from 5 MTPA to 10 MTPA capacity (other than specifically carved out) .
475	25	-	-	20 quarterly instalments of ₹ 25 crores each from 15 March 2020 to 15 December 2024	First pari passu charge on property, plant and equipments situated at Salem Works, Tamil Nadu.
461	461	867	434	2 equal annual installments of USD 66.67 mio each (equivalent ₹ 461.14 crores) from 9 September 2019 to 9 September 2020.	Secured through an unconditional and irrevocable standby letter of credit (SBLC) to the bank. The SBLC is secured corporate guarantee of JSW Steel Limited, India and a 1st charge on fixed assets of Dolvi unit upto 3.3 MTPA.
2	1	3	1	30 varying instalments commencing from April 19 to September 2021	Secured against equipments for its Preparation plant
865	-	-	-	2 equal installments of USD 41.25 mio (equivalent ₹ 285.33 crores) each from August 2021 to August 2022 and USD 42.5 mio (equivalent ₹ 293.98 crores) payable in August 2023	Secured against the Fixed assets (as on date of agreement i.e August 2018) located at Mingo Junction, Ohio, USA.
457	96	553	85	4 quarterly installments of ₹ 23.91 crores each from 30 April 2019 to 31 January 2020 12 quarterly installments of ₹ 26.56 crores each from 30 April 2020 to 31 January 2023 2 quarterly installments of ₹ 69.06 crores each from 30 April 2023 to 31 July 2023	First charge by way of legal mortgage on 2400sq. feet land at Toranagallu village in the state of Karnataka. First charge on the entire fixed assets of the Company situated at Vasind, Tarapur and Kalmeshwar both present and future.
-	-	260	-	Prepaid in FY 2018-19.	First pari-passu charge over all of the tangible fixed assets (other than specifically carved out assets) consisting of land and building with all other erections and structures thereon as well as plant and machineries along with spares tools and accessories both present and future.
-	-	134	79	Prepaid in FY 2018-19.	First ranking charge / mortgage on all movable and immovable fixed assets both present and future and on lease hold rights over immovable property of coke oven project situated at Village JuiBapuji, Taluka Alibaug, District Raigad, Maharashtra.
-	-	312	104	Prepaid in FY 2018-19	Secured by CRM 1 assets at Vijayanagar both present and future.
244	103	213	58	12 quarterly installments of ₹ 25.675 from 30 June 2019 to 31 March 2022 4 quarterly installments of ₹ 9.65 crores from 30 June 2022 to 31 March 2023.	First ranking charge / mortgage / collateral on all movable and immovable fixed assets both present and future and on lease hold rights over immovable property of coke oven project situated at Village JuiBapuji, Taluka Alibaug, District Raigad, Maharashtra.
214	86	300	86	14 quarterly installments of ₹ 21.43 crores from 30 June 2019 to 30 September 2022.	First ranking charge / mortgage / security interest on all movable and immovable fixed assets both present and future and on lease hold rights over immovable property of pellet project situated at Village JuiBapuji Taluka Alibaug, District Raigad, Maharashtra.

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As at 31 March 2019		As at 31 March 2018		Terms of repayment	Security
Non-current	Current	Non-current	Current		
550	100	650	100	Repayable in 6 quarterly installments of ₹ 25 crores each from 30 June 2019 to 30 September 2020 12 quarterly installments of ₹ 30 crores each from 31 December 2020 to 30 September 2023 4 quarterly installments of ₹ 35 crores each from 31 December 2023 to 30 September 2024	First charge on entire immovable and movable fixed assets of the respective entity both present and future
-	-	-	85	Paid in FY 2018-19.	Secured by first charge on all the assets of the respective entity.
92	33	77	35	Repayable in equal monthly installment in 10 Years.	Secured by way of equitable mortgage by deposit of title deeds of project assets and by way of mortgage of Phase III of JSW township at Basapur village site, extension of mortgage of phase I & II of housing colony at Torangallu, assignment of receivables from the property financed and comfort letter from the parent for loan repayment.
556	66	227	-	28 equal quarterly installments of USD 3.214 mio (equivalent ₹ 22.23 crores) each from 30 September 2019 to 30 June 2026.	First pari-passu charge on 1.5 MTPA coke oven plant fixed assets at Dolvi
393	47	-	-	28 equal quarterly installments of ₹ 15.72 crores each from 30 September 2019 to 30 June 2026.	First pari-passu charge on 1.5 MTPA coke oven plant fixed assets at Dolvi
12,474	2,760	12,905	2,815		
Term Loans From Banks (Unsecured)				**Weighted average interest rate – 5.21%**	
-	-	-	250	2 quarterly instalments of ₹ 125 crores each repaid on 30 June 2018 and 30 September 2018	
-	-	-	400	2 Instalments repaid: ₹ 150 crores on 30 July 2018 ₹ 250 crores on 30 December 2018	
-	-	-	250	2 Instalments repaid: ₹ 50 crores on 15 November 2018 ₹ 200 crores on 15 December 2018	
-	-	-	75	3 monthly instalments of ₹ 25 crores each from 15 October 2018 to 15 December 2018	
150	120	-	-	8 quarterly instalments of ₹ 30 crores each from 20 June 2019 to 20 March 2021 Final installment of ₹ 30 crores on 20 May 2021	
250	500	-	-	3 equal instalments of ₹ 250 crores each on i. 20 December 2019, ii. 20 February 2020 and iii. 20 May 2020	
475	200	634	188	5 half yearly instalments of ₹ 57.53 crores each from 31 May 2019 to 31 May 2021. 9 half yearly instalments of ₹ 36.76 crores each from 30 April 2019 to 30 April 2023 10 half yearly instalments of ₹ 5.60 crores each from 18 September 2019 to 18 March 2024.	
53	13	62	12	10 half yearly instalments of ₹ 6.585 crores each from 28 August 2019 to 28 February 2024	

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

As at 31 March 2019		As at 31 March 2018		Terms of repayment	Security
Non-current	Current	Non-current	Current		
103	20	116	19	10 half yearly instalments of ₹ 3.12 crores each from 31 July 2019 to 31 January 2024. 11 half yearly instalments of ₹ 1.11 crores each from 30 April 2019 to 30 April 2024 14 semi-annual instalments of ₹ 2 crores each from 25 September 2019 to 25 March 2026 14 semi-annual instalments of ₹ 2.08 crores each from 25 September 2019 to 25 March 2026 15 semi-annual instalments of ₹ 1.46 crores each from 25 June 2019 to 25 June 2026.	
53	13	58	12	10 half yearly instalments of ₹ 6.62 crores each from 30 September 2019 to 31 March 2024	
-	1,729	1,626	-	Repayable on 20 March 2020	
@	@	-	-	42 equal quarterly installments of USD 0.004 (equivalent ₹ 0.03 crores) each from June 2019 to December 2029	
300	76	361	73	10 half yearly instalments of ₹ 16.16 crores each from 19 July 2019 to 19 January 2024 9 half yearly instalments of ₹ 22.04 crores each from 19 July 2019 to 19 July 2023 and 1 half yearly instalment of ₹ 16.74 crores on 19 January 2024.	
172	35	198	34	11 equal semi-annual instalments of ₹ 5.68 crores each from 9 July 2019 to 9 July 2024 and 1 semi-annual instalment of ₹ 5.00 crores on 09 January 2025 11 equal semi-annual instalments of ₹ 11.93 crores each from 9 July 2019 to 9 July 2024 and 1 semi-annual instalment of ₹ 8.65 crores on 9 January 2025	
231	102	313	9	11 equal semi-annual instalments of ₹ 3.17 crores each from 25 September 2019 to 25 September 2024 and 1 semi-annual instalment of ₹ 2.67 crores on 25 March 2025 3 equal annual instalments of ₹ 92.23 from 13 August 2019 to 13 August 2021 12 equal semi-annual instalments of ₹ 1.56 crores each from 25 September 2018 to 25 March 2025	
-	-	-	85	1 yearly instalment of ₹ 84.72 repaid on 26 July 2018.	
37	9	48	10	10 equal semi-annual instalments of ₹ 4.65 crores each from 15 June 2019 to 15 December 2023	
493	-	463	98	Repayable in two tranches a. ₹ 238.84 crores on 27 April 2020 b. ₹ 253.76 crores on 27 April 2021	
59	8	66	8	16 semi-annual instalments of ₹ 4.24 crores each from 31 July 2019 to 31 July 2027	
1,037	-	976	-	3 equal instalments of ₹ 345.86 crores each on 2 April 2020, 21 September 2020 and 21 March 2021	
76	13	85	11	14 semi-annual instalments of ₹ 4.33 crores each from 23 July 2019 to 23 January 2026	

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

As at 31 March 2019		As at 31 March 2018		Terms of repayment	Security
Non-current	Current	Non-current	Current		
				14 semi-annual instalments of ₹ 2.03 crores each from 6 August 2019 to 5 February 2026	
623	-	586	-	Repayable in three tranches a.₹ 345.86 crores on 21 February 2022 b.₹ 34.59 crores on 6 March 2022 c.₹ 242.10 crores on 6 July 2022	
1,452	-	650	-	4 annual instalments of ₹ 363.15 crores from 12 October 2021 to 12 November 2024	
277	-	-	-	4 annual instalments of ₹ 69.17 crores from 12 July 2022 to 12 July 2025	
865	-	-	-	4 annual instalments of ₹ 216.16 crores from 16 July 2022 to 16 July 2025	
692	-	-	-	Repayable on 05 April 2024	
519	-	-	-	4 equal instalments of ₹ 129.70 crores from 19 October 2022 to 19 October 2025	
110	-	-	-	20 equal semi-annual instalments of ₹ 5.51 crores from 31 August 2020 to 28 February 2030	
78	-	-	-	20 equal semi-annual instalments of ₹ 3.92 crores from 30 June 2020 to 31 December 2029	
210	11	-	-	20 equal semi-annual instalments of ₹ 6.70 crores from 25 March 2020 to 25 September 2029 20 equal semi-annual instalments of ₹ 4.34 crores from 25 March 2020 to 25 September 2029	
168	-	-	-	20 equal semi-annual instalments of ₹ 4.27 crores from 25 June 2020 to 25 December 2029 20 equal semi-annual instalments of ₹ 4.14 crores from 25 June 2020 to 25 December 2029	
173	35	194	34	Repayable in 3 tranches: USD 5 mio (equivalent ₹ 34.59 crores) is repayable on 9 March 2020 USD 25 mio (equivalent ₹ 172.93 crores) is repayable on 9 March 2021	
291	19	-	-	6 equal instalments of EUR 2.5 mio each (equivalent ₹ 19.43 crores) from 25 January 2020 to 25 April 2021 5 equal instalments of EUR 5.0 mio each (equivalent ₹ 38.85 crores) from 25 July 2021 to 25 July 2022	
5	2	6	2	4 equal annual instalments of USD 0.24 mio each (equivalent ₹ 1.66 crores)	

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As at 31 March 2019		As at 31 March 2018		Terms of repayment	Security
Non-current	Current	Non-current	Current		
727	-	33	-	3 equal annual instalments of USD 1.67 mio each (equivalent ₹ 11.53 crores) from 28 March 2023 to 28 March 2025 3 equal annual instalments of USD 6.67 mio each (equivalent ₹ 46.11 crores) from 19 April 2023 to 19 April 2025 3 equal annual instalments of USD 10 mio each (equivalent ₹ 69.17 crores) from 11 July 2023 to 11 July 2025 3 equal annual instalments of USD 6.67 mio each (equivalent ₹ 46.11 crores) from 9 October 2023 to 9 October 2025 3 equal annual instalments of USD 3.33 mio each (equivalent ₹ 23.06 crores) from 11 January 2024 to 11 January 2026 3 equal annual instalments of USD 6.67 mio each (equivalent ₹ 46.11 crores) from 29 January 2024 to 29 January 2026	
111	-	-	-	20 equal half-yearly instalments of USD 0.80mio each (equivalent ₹ 5.57 crores) from 30 June 2020 to 31 December 2029	
9,790	2,905	6,475	1,570		
C. Deferred Payment Liabilities					
Deferred Sales Tax Loan (Unsecured)					
21	31	46	18	Interest free loan and payable in 30 varying monthly instalments starting from 12 April 2019 to 12 September 2021.	
58	-	19	-	Interest free loan Payable after 14 years by 31 March 2032	
9	2	11	2	6 equal annual instalments starting after 12 years of disbursement till July 2031	
-	1	1	2	Payable in June 2019	
88	33	77	21		
D. Finance Lease Obligations					
1,697	260	1,560	221	Varying monthly instalments from 8 to 15 years (refer note 47)	
E. Preference Shares					
-	-	-	140	10% CPRS Redeemable at par in 2 equal quarterly instalments 15 June 2018 and 15 September 2018	
-	231	195	243	0.01% CRPS Redeemable at par in 4 quarterly instalments from 15 June .2019,15 September 2019,15 December 2019,15 March 2020	
20	-	13	-	10% non-cumulative, Redeemable at their face value after 15 years from the date of allotment at 20% per annum on or before 31 March of each year starting from the 16th year and ending on or before 31 March of the 20th year.	
20	231	208	383		
F. Unamortised Upfront Fees on Borrowing					
(172)	(82)	(147)	(80)		
Total Amount in ₹ Crores					
29,656	**11,407**	**31,723**	**5,493**		

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

21. Other financial liabilities (non-current)

₹ in crores

Particulars	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
Rent and other deposits	43	58	22	98
Retention money for capital projects	481	182	30	378
Premium on redemption of debentures	-	490	355	-
Acceptance for capital projects	-	-	505	-
Other payables	8	-	7	-
Total	532	730	919	476
Less: Amount clubbed under other financial liabilities (refer note 28)	-	(730)	-	(476)
Total	532	-	919	-

Acceptance for capital projects includes credit availed by the Group from Banks for payment to suppliers for capital items purchased by the Group and these arrangements are interest-bearing.

22. Provisions

₹ in crores

Particulars	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
Provision for employee benefits				
Provision for compensated absences (refer note 41)	98	36	87	33
Provision for gratuity (refer note 41)	134	84	36	139
Provision for provident fund (refer note 41)	-	1	-	-
Other provisions				
Provision for contingency	2	-	2	-
Mine closure provision	18	-	12	-
Others	6	13	1	12
Total	258	134	138	184

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for contingency		
Balance at the beginning of the year	2	2
Utilization during the year	-	-
Balance at the end of the year	2	2
Mine closure provision *		
Balance at the beginning of the year	12	9
Created during the year	-	3
Movement on account of exchange rate variation	6	-
Balance at the end of the year	18	12
Others		
Balance at the beginning of the year	13	13
Movement during the year	6	-
Balance at the end of the year	19	13

* Site restoration expenditure is incurred on an ongoing basis until the closure of the site. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure.

23. Income Tax

India

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on 1 April and ending on 31 March. For each fiscal year, the respective entities profit or loss is subject to the higher of the regular income tax payable or the Minimum Alternative Tax ("MAT").

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income Tax Act, 1961. Such adjustments generally relate to depreciation

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of fixed assets, disallowances of certain provisions and accruals, deduction for tax holidays, the set-off of tax losses and depreciation carried forward and retirement benefit costs. Statutory income tax is charged at 30% plus a surcharge and education cess. MAT is assessed on book profits adjusted for certain items as compared to the adjustments followed for assessing regular income tax under normal provisions. MAT for the fiscal year 2018-19 is 21.549%. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a period of fifteen years succeeding the fiscal year in which MAT credit arises subject to the limits prescribed.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

United States of America (USA)

Some of the subsidiaries of the Group are a C corporation for federal tax purposes and files a consolidated tax return. The subsidiaries records income taxes pursuant to the liability method and the applicable tax rate is 21%.

a) Income tax expense/(benefit)

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax		
Current tax	2,473	1,846
Tax refund/reversal pertaining to earlier years	-	(20)
Total	**2,473**	**1,826**
Deferred tax		
Deferred tax	1,325	1,348
MAT credit entitlement	(154)	(1,656)
(Restoration)/Reversal of MAT credit entitlement	-	20
Total	**1,171**	**(288)**

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax	**11,168**	**7,651**
Enacted tax rate in India	34.944%	34.608%
Expected income tax expense at statutory tax rate	**3,903**	**2,648**
Expenses not deductible in determining taxable profits	38	175
Income exempt from taxation / taxable separately	(314)	(232)
Tax holiday allowances	(371)	(9)
Effect of different tax rates of subsidiaries	191	120
Deferred tax assets not recognised	250	76
Dividend distribution tax	(46)	46
Effect of recognition of deferred tax assets on unused tax losses (refer note b below)	-	(729)
Effect on opening deferred taxes resulting from tax rate changes (refer note c below)	-	(572)
Others	(7)	15
Total	**3,644**	**1,538**
Effective tax rate	**32.63%**	**20.11%**

a) There are certain income-tax related legal proceedings which are pending against the Group. Potential liabilities, if any have been adequately provided for, and the Group does not currently estimate any probable material incremental tax liabilities in respect of these matters (refer note 44).

b) In view of the improving operational performance of components based in the United States of America (USA), the Group during the previous year ended 31 March 2018 had recognised a deferred tax asset amount to ₹ 729 crores on the unused tax losses to the extent the components had sufficient taxable temporary differences.

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c) Pursuant to the enactment of Tax Cuts and Jobs Act by the USA on 22 December 2017, the corporate income tax rate for components of Group based in USA was reduced to 21% resulting in a reversal of deferred tax liabilities amounting to ₹ 572 crores during the previous year ended 31 March 2018.

b) Deferred tax assets / (liabilities)

The following is the analysis of deferred tax assets / (liabilities) balances presented in the balance sheet:

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax liabilities	(3,894)	(2,604)
Deferred tax assets	117	48
Total	**(3,777)**	**(2,556)**

Significant component of deferred tax assets / (liabilities) and movement during the year are as under:

₹ in crores

Deferred tax balance in relation to	As at 31 March 2018	For the year ended 31 March 2019				As at 31 March 2019
		Acquired pursuant to business combination	Recognised / (reversed) through profit and loss	Recognised in / (reclassified) from OCI	Others	
Property, plant and equipment	(10,549)	(211)	(362)	-	(52)	(11,174)
Carried forward business loss / unabsorbed depreciation	2,322	181	(1,333)	-	37	1,207
Provision for employee benefit / loans and advances	597	-	69	7	-	673
Minimum alternate tax (MAT) credit entitlement	4,473	-	153	-	-	4,626
Cashflow hedges / FCMITDA	19	-	(10)	(8)	-	1
Finance lease obligations	575	-	46	-	-	621
Others	7	-	266	(4)	-	269
Total	**(2,556)**	**(30)**	**(1,171)**	**(5)**	**(15)**	**(3,777)**

₹ in crores

Deferred tax balance in relation to	As at 1 April 2017	For the year ended 31 March 2018				As at 31 March 2018
		Acquired pursuant to business combination	Recognised / (reversed) through profit and loss	Recognised in / (reclassified) from OCI	Others	
Property, plant and equipment	(11,066)	-	516	-	1	(10,549)
Carried forward business loss / unabsorbed depreciation	4,300	-	(1,984)	-	5	2,321
Provision for employee benefit / loans and advances	458	-	138	2	-	598
Minimum alternate tax (MAT) credit entitlement	2,837	-	1,636	-	-	4,473
Cashflow hedges / FCMITDA	(142)	-	11	150	-	19
Finance lease obligations	730	-	(155)	-	-	575
Others	(107)	-	126	-	(12)	7
Total	**(2,990)**	**-**	**288**	**152**	**(6)**	**(2,556)**

The Group offsets deferred tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and relates to income taxes levied by the same tax authority.

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Deferred tax assets on carry forward business loss/ unabsorbed depreciation have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax asset at respective entities. However, in case of certain subsidiaries, deferred tax assets of ₹87 crores has been recognized based on the expected reasonable certainty of utilization of tax losses against future taxable profits.

The deferred tax liabilities on temporary differences associated with investment in subsidiaries which have not been recognised aggregate to ₹ 278 crores (31 March 2018: ₹ 216 crores), where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group expects to utilize the MAT credit within a period of 15 years.

Expiry schedule of losses on which deferred tax assets is not recognised is as under:

₹ in crores

Expiry of losses (as per local tax laws)	2019-20	2020-21	2021-22	2022-23	2023-24	Beyond 5 years	Indefinite	Total
I. Business losses	74	80	81	88	112	254	2,361	**3,050**
II. Unabsorbed depreciation	-	-	-	-	-	-	60	**60**
III. Long term capital losses	-	-	203	3	-	-	-	**206**
IV. Short term capital losses	-	-	-	@	-	-	-	**@**
Total	**74**	**80**	**284**	**91**	**112**	**254**	**2,421**	**3,316**

@ - Less than ₹ 0.50 crores

24. Other non-current liabilities

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Advance from customer #	4,079	-
Share warrants	14	14
Export obligation deferred income*	117	101
Other payables	11	21
Total	**4,221**	**136**

Advance from customer includes the amount relating to a five year Advance Payment and Supply Agreement ("APSA") agreement with Duferco S.A. for supply of steel products. Duferco S.A. has provided an interest bearing advance amount of USD 700 mio under this agreement. The advance and interest will be adjusted by export of steel products to Duferco S.A. . Current portion of ₹ 763 crores has been included in Note 29.

* Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme and Special Economic Zone (SEZ) scheme on purchase of property, plant and equipment accounted for as government grant and being amortised over the useful life of such assets.

25. Borrowings (current) (at amortised cost)

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Loan repayable on demand		
Working capital loans from banks (secured)		
Rupee loans	734	162
Foreign currency loans	958	96
Packing Credit in Foreign Currency loan from bank (unsecured)	-	662
Export Packing Credit in Rupee from banks (unsecured)	69	24
Commercial papers (unsecured)	4,572	1,233
Total	**6,333**	**2,177**

Borrowing have been drawn at following rate of interest

Particulars	Rates of interest
Working capital loans from banks	0.25% p.a. to 8.65% p.a.
Commercial papers	8.50% p.a. to 8.65% p.a.
Export packing credit	8.50% p.a. to 8.65% p.a.

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Working capital loans of ₹ 1,692 crores (31 March 2018 – ₹ 258 crores) are secured by:

i) pari passu first charge by way of hypothecation of stocks of raw materials, finished goods, work-in-process, consumables (stores and spares) and book debts / receivables of the Company and the respective subsidiary, both present and future.

ii) pari passu second charge on movable properties and immovable properties forming part of the property, plant and equipment of the Company and the respective subsidiary, both present and future except such properties as may be specifically excluded.

26. Trade payables

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Total outstanding, dues of micro and small enterprises	39	23

Disclosure pertaining to micro, small and medium enterprises (as per information available with the Company

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Principal amount due outstanding as at end of year	39	23
Interest due on (1) above and unpaid as at end of year	-	@
Interest paid to the supplier	-	-
Payments made to the supplier beyond the appointed day during the year	-	-
Interest due and payable for the year of delay	-	-
Interest accrued and remaining unpaid as at end of year	1	1
Amount of further interest remaining due and payable in succeeding year	1	2

@ - less than ₹ 0.50 crores

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
(b) Total outstanding, dues of creditors other than micro and small enterprises		
Acceptances	10,228	9,033
Other than acceptances	5,892	6,888
Total	**16,120**	**15,921**

Acceptances include credit availed by the Group from banks for payment to suppliers for raw materials purchased by the Group. The arrangements are interest-bearing and are payable within one year.

Other than acceptances payables are normally settled with 1 to 180 days.

Trade payables to related parties has been disclosed in note 43.

27. Derivative liabilities

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Forward contract	322	45
Commodity contract	30	45
Interest rate swaps	27	5
Currency options	@	1
Total	**379**	**96**

@ - less than ₹ 0.50 crores

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

28. Other financial liabilities (current)

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of long term borrowings (refer note 20)	11,147	5,272
Current maturities of finance lease obligations (refer note 20)	260	221
Current dues of other financial liabilities (refer note 21)	730	476
Payables for capital projects		
Acceptances	1,332	716
Other than acceptances	1,832	633
Interest accrued but not due on borrowings	451	431
Payables to employees	183	152
Unclaimed matured debentures and accrued interest thereon	@	@
Unclaimed dividends	26	23
Unclaimed amount of sale proceeds of fractional shares	3	3
Others	867	688
Total	**16,831**	**8,615**

@ - less than ₹ 0.50 crores

Acceptance includes credit availed by the group from banks for payment to suppliers for capital items. The arrangements are interest-bearing and are payable within one year.

29. Other current liabilities

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Advances from customers	1,154	370
Statutory liabilities	634	1,012
Export obligation deferred income	154	167
Others	34	15
Total	**1,976**	**1,564**

Advance from customer includes current portion ₹ 763 crores relating to APSA. Refer note 24.

Export obligation deferred income represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme and Special Economic Zone (SEZ) scheme on purchase of property, plant and equipment accounted for as government grant and being amortised over the useful life of such assets.

30. Revenue from operations

₹ in crores

Particularws	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of products (including shipping services) (a)	82,499	71,349
Other operating revenues		
Government grant income		
GST Incentive income (refer note (a) below)	1,174	1,089
Export obligation deferred income amortization	165	68
Export benefits and entitlements income	374	450
Unclaimed liabilities written back	263	127
Miscellaneous income	282	128
Total (b)	**2,258**	**1,862**
Total (a+b)	**84,757**	**73,211**

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Notes:

a) **Incentives under the State Industrial Policy**

The Company units at Dolvi in Maharashtra and Vijayanagar in Karnataka are eligible for incentives under the respective State Industrial Policy and have been availing incentives in the form of VAT deferral / CST refunds historically. The Company currently recognises income for such government grants, on the basis using State Goods & Service Tax rates instead of VAT rates, in accordance with the relevant notifications issued by the State of Maharashtra and the State of Karnataka post implementation of Goods & Services Tax (GST).

The State Government of Karnataka vide its circular dated 26 February 2019, has issued guidelines for determining the eligible incentive amount under the GST regime.

The State Government of Maharashtra ('GOM') vide its Government Resolution (GR) dated 20 December 2018 issued the modalities for sanction and disbursement of incentives, under GST regime, and introduced certain new conditions / restrictions for accruing incentive benefits granted to the Company including denying incentives on related party transactions and certain other restrictions. Subsequently, the GOM issued a corrigendum dated 8 March 2019 to the above mentioned GR allowing eligible units to claim incentives on related party transactions.

The management has evaluated the impact of other conditions imposed and has obtained legal advice on the tenability of these changes in the said scheme. Based on such legal advice, the Company has made the representation to GOM and believes that said Incentives would continue to be made available to the Company under the GST regime, since the new conditions are not tenable legally and will contest these changes appropriately.

Accordingly, the Company has recognized grant income without giving effect to the above restrictions amounting to ₹ 161 crores for the year ended 31 March 2019 (previous year ₹ 110 crores). The cumulative amount receivable towards the same as at 31 March 2019 amounting to ₹ 271 crores have been considered as good and recoverable.

b) **Implementation of Goods and Service Tax (GST)**

Revenue from operations for periods up to 30 June 2017 includes excise duty, which is discontinued with effect from 1 July 2017 upon implementation of Goods and Service Tax (GST). In accordance with 'Ind AS 18 - Revenue', GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended 31 March 2019 is not comparable to the year ended 31 March 2018.

c) **Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1 April 2018 replaces the existing revenue recognition standards. The application of Ind AS 115 did not have any significant impact on the Statement of Profit and Loss for the Group.

However, the Group has determined that, in case of certain contracts, shipping services provided to customers is a separate performance obligation and accordingly, the revenue attributable to such shipping services has been recognised as revenue from operations, which was hitherto netted off against the corresponding freight expense included in the other expenses in the Statement of Profit and Loss. The Group has applied full retrospective approach and restated the previous period presented.

The restated revenue for the year ended 31 March 2018 is higher by ₹ 1,708 crores with the corresponding increase in Other expenses.

The restated revenue and restated other expenses for the year ended 31 March 2018 are:

₹ in crores

Particulars	For the year ended 31 March 2018
Revenue from operations	73,211
Other expenses	**16,271**

Further, the export benefits amounting to ₹ 450 crores for the year ended 31 March 2018 which was earlier included as part of Revenue from sale of products has been reclassified to Other operating revenue.

The above adjustments have no impact on the balance sheet and cash flow statement for the previous period.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The Group has assessed and determined the following categories for disaggregation of revenue in addition to that provided under segment disclosure (refer note 40):

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from contracts with customer - Sale of products (including shipping services)	82,499	71,349
Other operating revenue	2,258	1,862
Total revenue from operations	**84,757**	**73,211**
India	69,085	55,700
Outside India	15,672	17,511
Total revenue from operations	**84,757**	**73,211**
Timing of revenue recognition		
At a point in time	84,757	73,211
Total revenue from operations	**84,757**	**73,211**

Product wise turnover

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
MS slabs	1,274	1,164
Hot rolled coils/steel plates/sheets *	31,339	25,909
Galvanised coils/sheets	9,080	8,547
Color Coated Galvanised coils/sheets	4,432	3,820
Cold rolled coils/sheets	10,774	9,908
Steel billets & blooms	1,728	1,708
Long rolled products	1,622	13,929
Plates and pipes	2,918	1,507
Others	4,732	4,785
Total	**82,499**	**71,349**

* Includes Hot rolled coils converted into SAW Pipes on Jobwork basis – Sales – NIL tonnes (previous year: 89,820 tonnes) Value – ₹ NIL (previous year: ₹429 crores)

Contract Balances

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Trade Receivables (Gross) (refer note 15)	7,160	4,704
Contract liabilities		
Advance from customers (refer note 24 and 29)	5,233	370

The credit period on sales of goods ranges from 7 to 60 days with or without security.

The acquisition of a subsidiary resulted in increase in trade receivables of ₹ 634 crores in FY 2018-19 (previous year: ₹ Nil).

As at 31 March 2019, ₹ 106 crores (previous year: ₹ 96 crores) was recognised as provision for allowance for doubtful debts on trade receivables.

Contract liabilities include long term and short term advances received for sale of goods. The outstanding balances of these accounts increased in due to the continuous increase in the customer base. Long term advances is detailed in note 24.

Amount of revenue recognized from amounts included in the contract liabilities at the beginning of the year ₹ 370 crores (previous year: ₹ 377 crores) and performance obligations satisfied in previous years is ₹ Nil (previous year: ₹ Nil).

Out of total contract liabilities outstanding as on 31 March 2019, ₹ 1,154 crores will be recognized by 31 March 2020, and remaining thereafter.

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Refund liabilities

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Arising from volume rebates and discount (included in Other financial liabilities - Note 28)	663	545

The Group does not have any significant adjustments between the contracted price and revenue recognized in the consolidated statement of profit and loss.

31. Other income

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income earned on financial assets that are not designated as FVTPL		
Loans to related parties	20	2
Bank deposits	21	47
Others	93	70
Dividend income from non-current investments designated as FVTOCI	-	5
Gain on sale of current investments designated as FVTPL	19	19
Fair value gain on financial instruments designated as FVTPL	6	2
Unwinding of interest on financial assets carried at amortised cost	25	1
Miscellaneous income (insurance claim received, rent income etc.)	20	21
Total	204	167

32. Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in crores

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Opening stock:			
Semi-finished /finished goods/stock-in-trade		3,700	4,499
Work-in-progress		773	775
	A	4,473	5,274
Acquired pursuant to business combination (refer note 39):			
Semi-finished /finished goods/stock-in-trade		84	-
	B	84	-
Closing stock:			
Semi-finished /finished goods/stock-in-trade		4,564	3,700
Work-in-progress		583	773
	C	5,147	4,473
	D = (A+B-C)	(590)	801
Excise duty on stock of finished goods (net)	C	-	(557)
Total	D = (A+B-C)	(590)	244

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

33. Employee benefits expense

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	2,053	1,587
Contribution to provident and other funds (refer note 41)	186	91
Gratuity expense	10	6
Expense on employees stock ownership plan	48	27
Staff welfare expenses	192	132
Total	**2,489**	**1,843**

34. Finance Costs

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense		
on bonds and debentures	893	837
Others	2,406	2,363
Dividend on redeemable preference shares	41	72
Interest on finance lease obligations	220	214
Unwinding of interest on financial liabilities carried at amortised cost	21	14
Exchange differences regarded as an adjustment to borrowing costs	143	22
Other borrowing costs	188	156
Interest on income tax	5	23
Total	**3,917**	**3,701**

35. Depreciation and amortisation expense

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant and equipment	4,012	3,358
Amortisation of intangible assets	29	29
Total	**4,041**	**3,387**

36. Other expenses

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Stores and spares consumed	4,109	3,033
Power and fuel	7,053	5,697
Royalty / Premium on captive mines	272	-
Rent	81	56
Repairs and maintenance		
Plant and equipment	1,124	941
Buildings	44	33
Others	37	57
Insurance	107	81
Rates and taxes	90	70
Carriage and freight	4,015	3,880
Jobwork and processing charges	829	769
Commission on sales	51	70

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₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net loss / (gain) on foreign currency transactions and translation #	554	56
Donations and contributions	33	3
Fair value loss on financial instruments designated as FVTPL	1	111
Miscellaneous expenses	1,550	1,156
Allowance for doubtful debts and advances	152	136
Loss on sale of property, plant and equipment (net)	8	122
Total	**20,110**	**16,271**

including hedging cost of ₹ 470 crores (previous year ₹ 250 crores).

37. Earnings per share

₹ in crores

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Profit attributable to equity shareholders (A) (₹ in crores)		7,639	6,214
Weighted average number of equity shares for basic EPS (B)		2,404,625,681	2,404,152,929
Effect of dilution :			
Weighted average number treasury shares held through ESOP trust		12,594,759	13,067,511
Weighted average number of equity shares adjusted for the effect of dilution(C)		2,417,220,440	2,417,220,440
Earnings per share of Re. 1 each			
Basic (₹)	(A / B)	31.77	25.85
Diluted (₹)	(A / C)	31.60	25.71

For details regarding treasury shares held through ESOP trust (refer note 17(a) and 38)

38. Employee share based payment plans

ESOP SCHEME 2012

The Employees Stock Ownership Plan was effective from 26 July 2012. The eligible employees could exercise the option anytime between the vesting period till 30 September 2017.

The number of options granted to each eligible employee is determined by dividing the Award Value (amount equivalent to percentage of Annual Fix Pay) by the Fair Value of option provided. The Fair Value of option on the date of each grant is determined by using Black Scholes model.

ESOP SCHEME 2016

The Board of Directors of the Company at its meeting held on 29 January 2016, formulated the JSWSL EMPLOYEES STOCK OWNERSHIP PLAN 2016 ("ESOP Plan"). At the said meeting, the Board authorized the ESOP Committee for the superintendence of the ESOP Plan.

ESOP 2016 is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the company and it's subsidiaries in India.

Three grants have been made under ESOP plan 2016 to eligible employees on the rolls of the company as at 1 April, 2016, 1 April, 2017 and 1 April, 2018.

The maximum value and share options that can be awarded to eligible employees is calculated by reference to certain percentage of individuals fixed salary compensation. 50% of the grant would vest at the end of the third year and 50% of the grant would vest at the end of the fourth year with a vesting condition that the employee is in continuous employment with the company till the date of vesting.

The exercise price would be determined by the ESOP committee as a certain discount to the primary market price on the date of grant.

A total of 28,687,000 options would be available for grant to the eligible employees of the Company and a total of 3,163,000 options would be available for grant to the eligible employees of the Indian subsidiaries of the Company under the ESOP Plan.

These options are equity settled and are accounted for in accordance with the requirement applying to equity settled transactions.

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The details of an employee share based payments plan operated through a trust for ESOP 2016 are as follows:

Option series	Options granted	Options vested	Grant date	Vesting period	Exercise price	Fair value at grant date	Method of settlement
1st Grant - 17 May 2016	7,436,850	3,188,555	17 May 2016	17 May 2016 till 31 March 2019 (for 50% of the grant) and 17 May 2016 to 31 March 2020 (for remaining 50% of the grant)	103.65	67.48	Equity
2nd Grant- 16 May 2017	5,118,977	Nil	16 May 2017	16 May 2017 till 31 March 2020 (for 50% of the grant) and 16 May 2017 to 31 March 2021 (for remaining 50% of the grant)	161.36	104.04	Equity
3rd Grant- 14 May 2018	3,388,444	Nil	14 May 2018	14 May 2018 till 31 March 2021 (for 50% of the grant) and 14 May 2017 to 31 March 2022 (for remaining 50% of the grant)	263.24	167.15	Equity

The outstanding position as at 31 March 2019 is summarized below:

Particulars	ESOP 2016		
	1st grant (L-16 and above Grade)	2nd grant (L-16 and above Grade)	3rd grant (L-16 and above Grade)
Date of grant	17 May 2016	16 May 2017	14 May 2018
Share Price on date of grant	129.56	201.70	329.05
Outstanding as on 1 April 2017	**7,212,200**	**-**	**-**
Granted during the year	-	5,118,977	-
Transfer in	283,280	163,812	-
Transfer out	596,700	301,513	-
Forfeited \ lapsed during the year	126,640	70,405	-
Exercised during the year	-	-	-
Outstanding as on 31 March 2018	**6,772,140**	**4,910,871**	**-**
Granted during the year	-	-	3,388,444
Transfer in	-	-	-
Transfer out	371,390	192,383	13,027
Forfeited \ lapsed during the year	23,640	-	-
Exercised during the year	-	-	-
Outstanding as on 31 March 2019	**6,377,110**	**4,718,488**	**3,375,417**
of above - vested outstanding options	3,188,555	-	-
of above - unvested outstanding options	3,188,555	4,718,488	3,375,417
Vesting Period	17 May 2016 till 31 March 2019 (for 50% of the grant) and 17 May 2016 to 31 March 2020 (for remaining 50% of the grant)	16 May 2017 till 31 March 2020 for 50% of the options granted and upto 31 March 2021 for remaining 50% of the options granted	14 May 2018 till 31st March, 2021 for 50% of the options granted and upto 31st March, 2022 for remaining 50% of the options granted
Exercise period		4 years from vesting date	
Weighted average remaining contract life	54 months	66 months	78 months
Exercise Price	103.65	161.36	263.24
Weighted average share price on exercise date	Not Applicable	Not Applicable	Not Applicable
A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	The fair value of options has been calculated by using Black Scholes Method. The assumptions used in the above are:	The fair value of options has been calculated by using Black Scholes Method. The assumptions used in the above are:	The fair value of options has been calculated by using Black Scholes Method. The assumptions used in the above are:
Weighted-average values of share price	Not applicable	Not applicable	Not applicable
Weighted-average exercise prices	Not applicable	Not applicable	Not applicable
Expected volatility	Volatility was calculated using standard deviation of daily change in stock price.	Volatility was calculated using standard deviation of daily change in stock price.	Volatility was calculated using standard deviation of daily change in stock price.

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Particulars	ESOP 2016		
	1st grant (L-16 and above Grade)	2nd grant (L-16 and above Grade)	3rd grant (L-16 and above Grade)
	The volatility used for valuation is 39.23 % for options with 3 year vesting and 39.62 % with 4 years vesting	The volatility used for valuation is 39.76 % for options with 3 year vesting and 37.43 % with 4 years vesting	The volatility used for valuation is 33.23 % for options with 3 year vesting and 33.28% with 4 years vesting
Expected option life	The expected option life is assumed to be midway between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2	The expected option life is assumed to be mid-way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2	The expected option life is assumed to be mid way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2
Expected dividends	₹1.10 per share	₹0.75 per share	₹2.25 per share
Risk-free interest rate	Zero coupon sovereign bond yields were utilized with maturity equal to expected term of the option	Zero coupon sovereign bond yields were utilized with maturity equal to expected term of the option	Zero coupon sovereign bond yields were utilized with maturity equal to expected term of the option
	The rate used for calculation is 7.36% (for 3 years vesting) & 7.44%(for 4 years vesting)	The rate used for calculation is 6.87% (for 3 years vesting) & 6.96%(for 4 years vesting)	The rate used for calculation is 7.85% for options with 3 year vesting and 7.92% for options with 4 years vesting
The method used and the assumptions made to incorporate the effects of expected early exercise;	Black-Scholes Options pricing model		
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The following factors have been considered: a) Share price b) Exercise prices c) Historical volatility d) Expected option life e) Dividend Yield		
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.			

39. Business combination

a) On 15 June 2018, the Company completed acquisition of 100% equity stake in Acero Junction Holdings, Inc. (Acero) for a cash consideration of ₹ 536 crores (USD 80.85 million) along with its wholly owned subsidiary JSW Steel USA Ohio, Inc. (JSWSUO) (Formerly known as Acero Junction, Inc.). JSWSUO has steelmaking assets consisting of 1.5 MTPA electric arc furnace (EAF), 2.8 MTPA continuous slab caster and a 3.0 MTPA hot strip mill at Mingo Junction, Ohio in the United States of America.

As per Ind AS 103 on Business Combination, purchase consideration has been allocated basis the fair value of the acquired assets and liabilities and the resulting differential has been accounted as goodwill. The financial statements include the results of Acero for the period from 15 June 2018 to 31 March 2019.

Details of the purchase consideration, net assets acquired and goodwill are as follows:

Particulars	USD in million
Assets	
Property Plant and Equipment including intangible assets	185.58
Inventories	17.97
Trade and other Receivables	3.55
Cash and cash equivalents	0.10
Indemnification Assets	2.59
Total (A)	**209.79**

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Particulars	USD in million
Liabilities	
Trade Payables	34.54
Advance from Customers	91.24
Other current Liabilities	1.61
Long term liabilities	4.38
Deferred Tax Liabilities	10.20
Total (B)	**141.97**
Total identifiable net assets acquired at fair value (C) = (A-B)	**67.82**
Purchase Consideration transferred in cash (D)	**80.85**
Goodwill arising on acquisition (E)	**13.03**
Goodwill arising on acquisition (₹in crores)	**90**

The Group has recognised a goodwill of ₹90 crores basis the purchase price allocation carried out by independent valuation expert.

The indemnification asset is primarily related to guarantee provided by seller in relation to certain liability that may accrue to Company in future.

At the date of the acquisition, the fair value of the trade receivables approximated their gross contractual amount.

The goodwill recognised is primarily attributable to the expected synergies and other benefits from integrating Acero into the Group's existing steel business.

From the date of acquisition, Acero has contributed ₹ 628 crores of revenue and net loss after tax of ₹ 323 crores.

Transaction costs of ₹ 3 crores have been expensed and are included in "Other expenses" in the statement of profit and loss and are a part of operating cash flows in the statement of cash flows.

b) On 24 July 2018, the Company through its wholly owned subsidiary in Italy, JSW Steel Italy S.r.l, completed acquisition of 100% shares each of Aferpi S.p.A ("Aferpi") and Piombino Logistics S.p.A ("PL") and 69.27% of the shares of GSI Lucchini S.p.A ("GSI") (collectively referred to as "Targets") for a consideration of ₹ 489 crores (Euro 60.70 million) towards acquisition of equity shares and ₹ 100 crores (Euro 12.38 million) towards acquisition of loans provided by the erstwhile shareholders of the Targets.

Aferpi produces and distributes special long steel products viz rails, wire rods and bars. It has a plant at Piombino in Italy, comprising a Rail Mill (0.32 mtpa), Bar Mill (0.4 mtpa), Wire Rod Mill (0.6 mtpa) and a captive industrial port concession. PL manages the logistic infrastructure of Piombino's port area. GSI is a producer of forged steel balls used in grinding mills with predominant application in mining processing.

As per Ind AS 103, purchase consideration has been allocated to the fair value of the acquired assets and liabilities and the resulting differential has been accounted as capital reserve. The financial statements include the results of Targets for the period from the acquisition date to 31 March 2019.

Details of the purchase consideration, net assets acquired and capital reserve are as follows:

	EURO in million
Assets	
Property Plant and Equipment including intangible assets	66.89
Investments	1.19
Inventories	11.30
Trade and other Receivables	39.60
Cash and cash equivalents	7.10
Deferred Tax Assets	17.74
Total (A)	**143.82**
Liabilities	

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	EURO in million
Long term borrowings	12.38
Trade Payables and other current liabilities	26.98
Long term provisions	1.27
Deferred Tax Liabilities	13.01
Total (B)	**53.64**
Total identifiable net assets acquired at fair value (C) = (A-B)	**90.18**
Non-Controlling Interest accounted at fair value (D)	**7.38**
Purchase Consideration transferred in cash (E)	**60.70**
Capital Reserve arising on acquisition (F)	**22.10**
Capital Reserve arising on acquisition (₹ in crores)	**178**

The Company has recognised a capital reserve of ₹ 178 crores, basis the purchase price allocation carried out by independent valuation expert. Since the Target was not an integrated steel plant, it was dependent on external market for essential raw materials. Accordingly, there were few prospective buyers for these entities. The Company being an integrated steel plant had the facilities to meet these raw material requirements and derive synergies of operation. The Company was, therefore, able to negotiate a reasonable acquisition price with the erstwhile shareholders which is primarily the reason for recognition of capital reserve on acquisition.

The non-controlling interest in GSI recognised at the acquisition date was measured by reference the fair value of the non-controlling interest and amounted to ₹ 59 crores (Euro 7.38 million). This fair value was estimated by applying a market approach and an income approach using an assumed discount rate of 9.7% and other factors like estimated long term growth rate, lack of control and marketability, etc.

At the date of the acquisition, the fair value of the trade receivables approximated their gross contractual amount.

From the date of acquisition, Targets have contributed ₹ 1,028 crores of revenue and net loss after tax ₹ 139 crores.

Transaction costs of ₹ 9 crores have been expensed and are included in "Other expenses" in the statement of profit or loss and are part of operating cash flows in the statement of cash flows.

If both the acquisition had taken place at the beginning of the period, management estimates that consolidated revenue from operation and profit for the combined entity would be ₹ 82,735 crores and ₹ 7,364 crores respectively. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2018.

c) Pursuant to the Corporate Insolvency Resolution process for Monnet Ispat & Energy Limited ("MIEL") under the Insolvency Bankruptcy Code, 2016 initiated on 18 July 2017, the National Company Law Tribunal ('NCLT') on 24 July 2018 (Order date) approved (with modifications) the resolution plan submitted by the consortium of JSW Steel Limited and AION Investments Private II Limited. The consortium completed the acquisition of MIEL through their jointly controlled entity Creixent Special Steels Limited ("CSSL") on 31 August 2018. MIEL has steel plants in the state of Chhattisgarh with Blast furnace and DRI facility of 1.5 MTPA. The Company has an effective shareholding of 23.1% in MIEL and has accounted this acquisition under equity method which resulted in recognizing a capital reserve of ₹ 230 crores.

The impact of the Resolution Plan has been given effect to on the acquisition date and the transaction has been accounted under Ind AS 28. Therefore, the statement of profit and loss for the current year include MIEL w.e.f 31 August 2018 and are not comparable with previous year.

d) The Resolution Plan submitted by the Company for Vardhman Industries Limited (VIL) was approved with some modifications, by the Hon'ble National Company Law Tribunal (NCLT) New Delhi, by its order dated 16 April 2019. The Company filed an appeal challenging the said NCLT Order before National Company Law Appellate Tribunal (NCLAT), in which an interim order was passed on 30 April 2019 suggesting that the Resolution Plan as approved by the Committee of Creditors may be implemented subject to the decision of the appeal. The Company further filed an Appeal before the Hon'ble Supreme Court against the interim order of NCLAT in which the Hon'ble Supreme Court vide an order dated 10 May 2019 has ordered status quo and the matter is posted for hearing before the NCLAT on 28 May 2019.

e) On 23 October 2018, the Company has acquired an additional stake of 60.004% of the share capital of Dolvi Minerals and Metals Private Limited ("DMMPL"), a subsidiary, for a cash consideration of ₹109 crores. Pursuant to the acquisition of shares of DMMPL, DMMPL along with its wholly owned subsidiary Dolvi Coke Projects Limited, have become wholly owned subsidiaries of the Company.

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40. Segment reporting

The Group is in the business of manufacturing steel products having similar economic characteristics, primarily with operations in India and regularly reviewed by the Chief Operating Decision Maker for assessment of Group's performance and resource allocation. The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed below:

Information about geographical revenue and non-current assets

a) Revenue from operations

₹ in crores

Particulars	For the year ended 31 March 2019			For the year ended 31 March 2018*		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue from operations	69,085	15,672	84,757	55,700	17,511	73,211

* Restated (refer note 30)
Revenue from operations has been allocated on the basis of location of customers.

b) Non-current assets

₹ in crores

Particulars	As at 31 March 2019			As at 31 March 2018		
	Within India	Outside India	Total	Within India	Outside India	Total
(a) Property, plant and equipment	55,051	6,553	61,604	52,558	4,496	57,054
(b) Capital work-in-progress	11,363	177	11,540	5,611	18	5,629
(c) Goodwill	28	812	840	28	679	707
(d) Other intangible assets	176	24	200	71	16	87
(e) Intangible assets under development	344	5	349	321	-	321
(f) Investment in joint ventures	424	204	628	190	170	360
(g) Other non-current assets	3,557	368	3,925	2,811	70	2,881
(h) Current tax assets (net)	240	-	240	271	-	271
(i) Financial assets			1,916			1,468
(j) Deferred tax assets (net)			117			48
Total non-current assets			81,359			68,826

Non-current assets have been allocated on the basis of their physical location.

41. Employee benefits

a) Defined contribution plan

The Group operates defined contribution retirement benefit plans for all qualifying employees. The assets of the plans are held separately from those of the Group in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

Group's contribution to provident fund and 401 (K) plan recognized in the Consolidated Statement of Profit and Loss is ₹ 62 crores (previous year: ₹ 59 crores) (included in note 33).

b) Defined benefit plans

The Group sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by a separate Fund that is legally separated from the entity.

The gratuity plan is covered by The Payment of Gratuity Act, 1972. Under the gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 58, 60 and 62, without any payment ceiling. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

Under the Compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days.

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The plans in India typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2019 by independent qualified actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(i) Gratuity

₹ in crores

	Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
		Funded	Unfunded	Funded	Unfunded
a)	**Liability recognized in the Balance Sheet**				
i)	**Present value of obligation**				
	Opening balance	265	5	239	4
	Service cost	16	@	16	@
	Interest cost	21	@	18	@
	Actuarial loss / (gain) on obligation	17	2	5	@
	Benefits paid	(14)	-	(11)	@
	Experience adjustments	3	-	-	-
	Liability In	2	-	@	@
	Liability transfer	(2)	-	(2)	(1)
	Closing balance	308	7	265	5
	Less:				
ii)	**Fair value of plan assets**				
	Opening balance	95	-	80	-
	Expected return on plan assets less loss on investments	7	-	6	-
	Actuarial (loss)/gain on plan assets	@	-	@	-
	Employers' contribution	5	-	18	-
	Benefits paid	(10)	-	(9)	-
	Closing balance	97	-	95	-
	Amount recognized in Balance Sheet*	211	7	170	5
	*includes ₹ 0.10 crores (as at 31 March 2018 ₹ 0.06 crores) being excess of fair value of plan assets over present value of obligation disclosed under other current assets (Note-11)				
b)	**Expenses during the year**				
	Service cost	16	@	16	@
	Interest cost	21	@	18	@
	Expected return on plan assets	(7)	-	(6)	-
	Transferred to preoperative expenses	(2)	-	-	-
	Component of defined benefit cost recognized in statement of profit & loss (a)	28	@	28	1
	Remeasurement of net defined benefit liability				
	- Actuarial (gain)/loss on defined benefit obligation	17	2	5	@
	Component of defined benefit cost recognized in other comprehensive income (b)	17	2	5	@
	Total (a+b)	45	2	33	1

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₹ in crores

Particulars		For the year ended 31 March 2019 Funded	For the year ended 31 March 2019 Unfunded	For the year ended 31 March 2018 Funded	For the year ended 31 March 2018 Unfunded
c)	**Actual return on plan assets**	7	-	6	-
d)	**Break up of plan assets:**				
	(i) ICICI Prudential Life Insurance Co. Ltd.				
	Balanced Fund	3	-	3	-
	Debt Fund	@	-	-	-
	Short Term Debt Fund	@	-	-	-
	Short Term Debt Fund III	3			
	Endowment Plan	-	-	-	-
	(ii) HDFC Standard Life Insurance Co. Ltd.				
	Defensive Managed Fund	2	-	2	-
	Secure Managed Fund	22	-	23	-
	Stable Managed Fund	@	-	@	-
	(iii) SBI Life Insurance Co. Ltd. – Cap Assured Fund	47	-	48	-
	(iv) LIC of India – Insurer Managed Fund	18	-	18	-
	(v) Bajaj Allianz Fund	3	-	2	-
	@ - less than ₹ 0.50 crores				

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets

e) Principal actuarial assumptions

Particulars				
Discount rate	7.54%-7.83%	7.76%-7.88%	7.51%-7.85%	7.56%-7.88%
Expected return on plan assets	7.54%-7.83%	-	7.51%-7.85%	-
Expected rate of increase in salaries	6.00%	6.00%	6.00%	6.00%
Attrition rate	2.00%	2.00%	2.00%	2.00%

Based on India's standards mortality table with modifications to reflect expected changes in mortality.

f) Experience adjustments

₹ in crores

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Defined benefit obligation	315	270	243	208	183
Plan assets	97	95	80	77	67
Surplus / (deficit)	(218)	(175)	(163)	(131)	(116)
Experience adjustments on plan liabilities – loss/(gain)	19	5	20	6	33
Experience adjustments on plan assets – gain/(loss)	@	@	@	@	1

@ - less than ₹ 0.50 crores

g) The Group expects to contribute ₹ 84 crores (previous year ₹ 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.

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k) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plan is as follows:

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Defined benefit obligation	315	270
Plan assets	97	95
Net liability arising from defined benefit obligation	**218**	**175**

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

₹ in crores

Particulars	As at 31 March 2019		As at 31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(22)	26	(20)	24
Future salary growth (1% movement)	26	(23)	24	(21)
Attrition rate (1% movement)	3	(4)	3	(3)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Category of assets average percentage allocation fund wise

₹ in crores

	SBI	HDFC	ICICI	Bajaj Allianz	LIC
Government securities	0.00%	32.65%	36.77%	53.37%	20.00%
Debt	93.23%	63.02%	46.22%	8.07%	Balance invested in approved investments as specified in Schedule I of IRDA guidelines
Equity	6.20%	1.63%	6.99%	18.66%	
Others	0.57%	2.71%	10.02%	19.90%	

Maturity analysis of projected benefit obligation

₹ in crores

Particulars	Less than a year	Between 1 to 5 years	Over 5 years	Total
As at 31 March 2019				
Projected benefit payable	27	98	550	675
As at 31 March 2018				
Projected benefit payable	22	83	488	593

Each year an Asset-Liability-Matching study is performed in which the consequences of the strategic investment policies are analyzed in terms of risk and return profiles.

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(ii) Provident fund

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Trustees of JSW Steel Employees Provident Fund Trust are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and the relevant provisions prescribed under the law.

The members of the Provident Fund Trust are entitled to the rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. The shortfall, if any, is made good by the Company in the year in which it arises.

As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees. According to the defined benefit obligation of interest rate guarantee on exempted provident fund in respect of employees of the Company as at 31 March 2019 is 8.65%.

Out of the total contribution made for Provident Fund in Defined Contribution Plan, ₹ 20 crores (previous year ₹ 17 crores) is made to the JSW Steel Employees Provident Fund Trust.

The funds of the Trust have been invested under various securities in accordance with the rules prescribed by the Government of India.

The Company has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund and interest rate guarantee shortfall of ₹ 1 crores (Previous year - Nil) is recognised in the Statement of Profit and Loss.

Actuarial assumptions made to determine interest rate guarantee on exempt provident fund liabilities are as follows:

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Total plan assets @	505	453
Total plan liabilities @	499	435
Discount rate	7.79%	7.85%
Rate of return on assets	8.55%	8.88%
Guaranteed rate of return	8.65%	8.55%

@ JSW Steel Employees Provident Fund Trust as at 31 March 2019 as per the unaudited financial statements.

42. Financial instruments

A. Capital management

The Group being in a capital intensive industry, its objective is to maintain a strong credit rating healthy capital ratios and establish a capital structure that would maximize the return to stakeholders through optimum mix of debt and equity.

The Group's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Group has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Group is not subject to any externally imposed capital requirements.

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

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

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₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Long term borrowings	29,656	31,723
Current maturities of long term debt and finance lease obligations	11,407	5,493
Short term borrowings	6,333	2,177
Total borrowings	**47,396**	**39,393**
Less:		
Cash and cash equivalents	5,581	582
Bank balances other than cash and cash equivalents	606	481
Current investments	82	312
Net debt	**41,127**	**38,018**
Total equity	**34,345**	**27,534**
Gearing ratio	**1.20**	**1.38**

(i) Equity includes capital and all reserves of the Group that are managed as capital.

(ii) Debt is defined as long and short term borrowings (excluding derivatives and financial guarantee contracts), as described in notes 20 and 25.

B. Categories of financial instruments

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31 March 2019

₹ in crores

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Derivatives in hedging relations	Total Carrying Value	Fair value
Financial assets						
Loans	994	-	-	-	994	994
Other financial assets	2,516	-	-	-	2,516	2,516
Trade receivables	7,160	-	-	-	7,160	7,160
Cash and cash equivalents	5,581	-	-	-	5,581	5,581
Bank balances other than cash and cash equivalents	606	-	-	-	606	606
Derivative assets	-	-	159	162	321	321
Investments	387	756	123	-	1,266	1,268
Total financial assets	**17,244**	**756**	**282**	**162**	**18,444**	**18,446**
Financial liabilities						
Long-term borrowings*	41,063	-	-	-	41,063	41,816
Short-term borrowings	6,333	-	-	-	6,333	6,333
Trade payables	16,159	-	-	-	16,159	16,159
Derivative liabilities	-	-	313	66	379	379
Other financial liabilities	5,956	-	-	-	5,956	5,929
Total financial liabilities	**69,511**	**-**	**313**	**66**	**69,890**	**70,616**

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As at 31 March 2018

₹ in crores

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Derivatives in hedging relations	Total Carrying Value	Fair value
Financial assets						
Loans	608	-	-	-	608	608
Other financial assets	823	-	-	-	823	823
Trade receivables	4,704	-	-	-	4,704	4,704
Cash and cash equivalents	582	-	-	-	582	582
Bank balances other than cash and cash equivalents	481	-	-	-	481	481
Derivative assets	-	-	88	63	151	151
Investments	-	758	351	-	1,109	1,109
Total financial assets	**7,198**	**758**	**439**	**63**	**8,458**	**8,458**
Financial liabilities						
Long-term borrowings*	37,216	-	-	-	37,216	37,677
Short-term borrowings	2,177	-	-	-	2,177	2,177
Trade payables	15,944	-	-	-	15,944	15,944
Derivative liabilities	-	-	34	62	96	96
Other financial liabilities	4,041	-	-	-	4,041	3,987
Total financial liabilities	**59,378**	**-**	**34**	**62**	**59,474**	**59,881**

* including current maturities of long-term borrowings

C. Financial risk management

The Group has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Group's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Group.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk and
- Liquidity risk

D. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivatives for speculative purposes.

E. Financial currency risk management

The Group's functional currency is Indian Rupees (INR). The Group undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Group's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Group is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt and favourable movements in the exchange

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rates will conversely result in reduction in the Group's receivables in foreign currency. In order to hedge exchange rate risk, the Group has a policy to hedge cash flows up to a specific tenure using forward exchange contracts and hedges. At any point in time, the Group hedges its estimated foreign currency exposure in respect of forecast sales over the following 6 months. In respect of imports and other payables, the Company hedges its payables as when the exposure arises. Short term exposures are hedged progressively based on their maturity. Long term exposures are hedged on a case to case basis.

All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Company operates.

The forward exchange contracts entered into by the Group and outstanding are as under:

As at	Nature	No. of Contracts	Type	US$ Equivalent (Millions)	INR Equivalent (crores)	MTM (₹ in crores)
31 March 2019	Assets	20	Buy	190	1,311	4
		63	Sell	653	4,518	200
	Liabilities	154	Buy	1,292	8,944	(320)
31 March 2018	Assets	49	Buy	540	3,521	21
		44	Sell	500	3,248	27
	Liabilities	63	Buy	697	4,531	(25)
		34	Sell	379	2,465	(20)

Currency options to hedge against fluctuations in changes in exchange rate:

As at	Nature	No. of Contracts	US$ Equivalent (Millions)	INR Equivalent (crores)	MTM (₹ in crores)
31 March 2019	Assets	3	40	277	1
	Liabilities	1	10	69	@
31 March 2018	Assets	26	480	3,123	21
	Liabilities	3	61	397	(1)

@ - less than ₹ 0.50 crores

The carrying amount of the Group's Monetary assets and monetary liabilities at the end of the reporting period are as follows:

As at 31 March 2019

₹ in crores

Particulars	INR	USD	EURO	JPY	Others	Total
Financial assets						
Investments	1,253	-	13	-	-	1,266
Trade receivables	5,039	1,461	660	-	-	7,160
Cash and cash equivalents	5,451	31	98	-	1	5,581
Bank balances other than cash and cash equivalents	467	139	-	-	-	606
Loans	993	1	-	-	-	994
Derivative assets	-	321	@	-	-	321
Other financial assets	2,455	25	36	-	-	2,516
Total financial assets	**15,658**	**1,978**	**807**	**-**	**1**	**18,444**
Financial liabilities						
Borrowings	20,436	14,827	312	414	-	35,989
Trade payables	3,550	11,565	1,011	32	1	16,159
Derivative liabilities	340	39	-	-	-	379
Other financial liabilities	10,235	5,347	1,323	432	26	17,363
Total financial liabilities	**34,561**	**31,778**	**2,646**	**878**	**27**	**69,890**

@ - less than ₹ 0.50 crores

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As at 31 March 2018

₹ in crores

Particulars	INR	USD	EURO	JPY	Others	Total
Financial assets						
Investments	1,109	-	-	-	-	1,109
Trade receivables	4,052	513	139	-	-	4,704
Cash and cash equivalents	568	11	2	-	1	582
Bank balances other than cash and cash equivalents	289	192	-	-	-	481
Loans	607	1	-	-	-	608
Derivative assets	-	151	-	-	-	151
Other financial assets	693	127	-	-	3	823
Total financial assets	**7,318**	**995**	**141**	**-**	**4**	**8,458**
Financial liabilities						
Borrowings	18,475	15,066	110	249	-	33,900
Trade payables	3,963	11,878	47	54	2	15,944
Derivative liabilities	-	92	4	-	-	96
Other financial liabilities	6,556	2,723	98	143	14	9,534
Total financial liabilities	**28,994**	**29,759**	**259**	**446**	**16**	**59,474**

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

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	US$ equivalent (million)	INR equivalent (crores)	US$ equivalent (million)	INR equivalent (crores)
Trade receivables	160	1,106	72	467

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	US$ equivalent (million)	INR equivalent (crores)	US$ equivalent (million)	INR equivalent (crores)
Borrowings	2,661	18,406	2,254	14,614
Acceptances	3	20	12	81
Trade payables	41	280	42	272
Payables for capital projects	368	2,544	176	1,140
Interest accrued but not due on borrowings	42	288	33	217

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Impact on Profit / (loss) for the year for a 1% change:

₹ in crores

	Increase		Decrease	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
USD /INR	(202)	(208)	202	208
YEN/INR	(9)	(4)	9	4
EURO/INR	(13)	(1)	13	1

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F. Commodity price risk

The Group's revenue is exposed to the market risk of price fluctuations related to the sale of its steel products. Market forces generally determine prices for the steel products sold by the Group. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Group earns from the sale of its steel products.

The Group is subject to fluctuations in prices for the purchase of iron ore, coking coal, ferro alloys, zinc, scrap and other raw material inputs. The Group purchased primarily all of its iron ore and coal requirements in the open market at prevailing price during the year ended 31 March 2019.

The Group aims to sell the products at prevailing market prices. Similarly, the Group procures key raw materials like iron ore and coal based on prevailing market rates as the selling prices of steel prices and the prices of input raw materials move in the same direction.

Commodity hedging is used primarily as a risk management tool to secure the future cash flows in case of volatility by entering into commodity forward contracts.

Hedging commodity is based on its procurement schedule and price risk. Commodity hedging is undertaken as a risk offsetting exercise and, depending upon market conditions hedges, may extend beyond the financial year. The Group is presently hedging maximum up to 25 % of its consumption.

The following table details the Group's sensitivity to a 5% movement in the input price of iron ore and coking coal net of hedge accounting impact. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit or equity where the commodity prices decrease by 5%. For a 5% reduction in commodity prices, there would be a comparable impact on profit or equity, and the balances below would be negative.

Impact on Profit / (loss) for the year for a 5% change:

₹ in crores

	Increase for the year ended		Decrease for the year ended	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
Iron ore	(609)	(554)	609	554
Coal/Coke	(1,153)	(1,012)	1,153	1,012

The commodity forward contracts entered into by the Group and outstanding at the year-end are as under:

As at	Nature	No. of Contracts	Commodity Name	Quantity (Iron Ore, Coking Coal, Zinc - MT) (Brent Crude - Mio Barrels)	US$ Equivalent of notional value (million)	INR equivalent (crores)	MTM of Commodity contract (₹ in crores)
31 March 2019	Assets	1	Brent Crude	45,000	2	17	4
		12	Iron Ore	375,003	24	165	45
	Liabilities	10	Iron Ore	375,003	(26)	(179)	(30)

@ - less than ₹ 0.50 crores

As at	Nature	No. of Contracts	Commodity Name	Quantity (Iron Ore, Coking Coal - MT) (Brent Crude - Mio Barrels)	US$ Equivalent of notional value (Millions)	INR equivalent (crores)	MTM of Commodity contract (₹ in crores)
31 March 2018	Assets	5	Brent Crude	168,750	10	68	6
		4	Iron Ore	126,000	8	51	2
		1	Zinc	1,000	3	21	@
	Liabilities	44	Iron Ore	1,346,000	92	601	(43)

G. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Group hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Group hedges up to 20%

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of interest risk in US dollars. The Group has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible bonds and short term loans. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The following table provides a break-up of the Group's fixed and floating rate borrowings:

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Fixed rate borrowings	19,624	17,691
Floating rate borrowings	27,999	21,929
Total borrowings	**47,623**	**39,620**
Total borrowings	47,396	39,393
Add: Upfront fees	227	227
Total gross borrowings	**47,623**	**39,620**

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, after the impact of hedge accounting, assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 100 basis points higher / lower and all other variables were being constant, the Group's profit for the year ended 31 March 2019 would decrease / increase by ₹ 248 crores (for the year ended 31 March 2018: decrease / increase by ₹ 193 crores). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The following table detail the nominal amounts and remaining terms of interest rate swap contracts outstanding at the year-end.

As at	Nature	No. of Contracts	US$ Equivalent of notional value (million)	MTM of IRS (₹ in crores)
31 March 2019	Assets	13	220	20
	Liabilities	15	245	(27)
31 March 2018	Assets	14	237	37
	Liabilities	6	168	(5)

H. Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans, other financial assets, financial guarantees and derivative financial instruments.

Moreover, given the diverse nature of the Group's business trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of the trade receivables in any of the years presented. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Group does not expect any material risk on account of non-performance by any of the Group's counterparties.

Movements in allowances for bad and doubtful debts

(₹ in crores)

Particulars	Amount
As at 1 April 2017	**33**
Movement during the year	63
As at 31 March 2018	**96**
Movement during the year	10
As at 31 March 2019	**106**

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For current investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for Group's mutual fund and bond investments. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 18,444 crores as at 31 March 2019 and, ₹ 8,458 crores as at 31 March 2018, being the total carrying value of trade receivables, balances with bank, bank deposits, current investments and other financial assets.

In respect of financial guarantees provided by the Group to banks and financial institutions, the maximum exposure which the Group is exposed to is the maximum amount which the Group would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

Receivables are deemed to be past due or impaired with reference to the Group's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. The Group based on past experiences does not expect any material loss on its receivables and hence no provision is deemed necessary on account of ECL.

The credit quality of the Group's is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The Group uses simplified approach for impairment of financial assets. If credit risk has not increased significantly, 12-month expected credit loss is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime expected credit loss is used. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Group actively seeks to recover the amounts in question and enforce compliance with credit terms.

I. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds both for short term operational needs as well as for long term capital expenditure growth projects The Group generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Group has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the group may be required to pay.

Liquidity exposure as at 31 March 2019

₹ in crores

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Investments	82	-	1,184	1,266
Trade receivables	7,160	-	-	7,160
Cash and cash equivalents	5,581	-	-	5,581
Bank balances other than cash and cash equivalents	606	-	-	606
Loans	561	269	164	994
Derivative assets	321	-	-	321
Other financial assets	2,217	299	-	2,516
Total	**16,528**	**568**	**1,348**	**18,444**

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₹ in crores

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial liabilities				
Long term borrowings	-	26,033	3,623	29,656
Short term borrowings	6,333	-	-	6,333
Trade payables	16,159	-	-	16,159
Derivative liabilities	379	-	-	379
Other financial liabilities	16,831	531	2	17,363
Total	**39,702**	**26,563**	**3,625**	**69,890**

Liquidity exposure as at 31 March 2018

₹ in crores

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Investments	312	-	797	1,109
Trade receivables	4,704	-	-	4,704
Cash and cash equivalents	582	-	-	582
Bank balances other than cash and cash equivalents	481	-	-	481
Loans	230	190	188	608
Derivative assets	151	-	-	151
Other financial assets	530	290	3	823
Total	**6,990**	**480**	**988**	**8,458**
Financial liabilities				
Long term borrowings	-	27,906	3,817	31,723
Short term borrowings	2,177	-	-	2,177
Trade payables (including acceptances)	15,944	-	-	15,944
Derivative liabilities	96	-	-	96
Other financial liabilities	8,615	746	173	9,534
Total	**26,832**	**28,652**	**3,990**	**59,474**

The amount of guarantees given included in Note 44(i) represents the maximum amount the Group could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting period, the group considers that it is more likely than not that such an amount will not be payable under the arrangement.

Collateral

The Group has pledged part of its trade receivables, short term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Group. There is obligation to return the securities to the Group once these banking facilities are surrendered (refer note 20 and 25).

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D. Level wise disclosure of financial instruments

(₹ in crores)

Particulars	As at 31 March 2019	As at 31 March 2018	Level	Valuation technique and key inputs
Quoted investments in the equity shares measured at FVTOCI	738	740	I	Quoted bid prices in an active market.
Quoted investments in the equity shares measured at FVTPL	82	312	I	Quoted bid prices in an active market.
Derivative assets	321	151	II	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Derivative liabilities	379	96	II	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Unquoted investments in the equity shares measured at FVTOCI	13	13	III	Net asset value of share arrived has been considered as fair value.
Unquoted investments in the equity shares measured at FVTOCI	5	5	III	Cost is approximate estimate of fair value.
Non-current investments in unquoted Preference shares measured at FVTPL	51	49	III	Discounted cash flow- Future cash flows are based on terms of Preference Shares discounted at a rate that reflects market risks.

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities (other than those specifically disclosed) are considered to be the same as their fair values, due to their short term nature.

Sensitivity analysis of Level III:

	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Investments in unquoted Preference shares	DCF method	Discounting Rate 8.40%	0.50%	0.50% Increase / (decrease) in the discount would decrease / (increase) the fair value by ₹ 2 crores / (₹ 2 crores)

Reconciliation of Level III fair value measurement:

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Opening balance	67	189
Purchases / (sale) (net)	@	@
Gain / (loss) recognised in the Consolidated statement of Profit and Loss	2	(111)
Gain / (loss) recognised in the Other comprehensive income	-	(11)
Closing balance	69	67

@ - Less than ₹0.50 crores

Details of financial assets / liabilities measured at amortised but fair value disclosed in category wise

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018	Level	Valuation technique and key inputs
Long term borrowings				
Carrying value	41,063	37,216	II	Discounted cash flow method - Future cash flows are discounted by using rates which reflect market risks.
Fair value	41,816	37,677		
Premium payable on redemption of debentures	463	301	II	Discounted cash flow method - Future cash flows are discounted by using rates which reflect market risks.
Loans – financial assets				
Carrying value	994	608	II	Discounted cash flow method - Future cash flows are discounted by using rates which reflect market risks.
Fair value	994	608		

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43. Related party disclosures

A	**List of related parties**
1)	**Joint ventures**
	Vijayanagar Minerals Private Limited
	Rohne Coal Company Private Limited
	JSW Severfield Structures Limited
	Gourangdih Coal Limited
	Geo Steel LLC
	JSW Structural Metal Decking Limited
	JSW MI Steel Service Center Private Limited
	JSW Vallabh Tinplate Private Limited
	Accialtalia S.p.A. (ceased w.e.f. 16 April 2018)
	Creixent Special Steels Limited (w.e.f. 28 August 2018)
	Monnet Ispat & Energy Limited (w.e.f. 31 August 2018)
2)	**Key Management Personnel (KMP)**
a)	**Non-Independent Executive Director**
	Mr. Sajjan Jindal
	Mr. Seshagiri Rao M V S
	Dr. Vinod Nowal
	Mr. Jayant Acharya
b)	**Independent Non-Executive Director**
	Mr. Kannan Vijayaraghavan (upto 24 July 2018)
	Dr. Vijay Kelkar (upto 24 July 2018)
	Mr. N. Jayaram - Nominee Director, KSIIDC (upto 24 July 2018)
	Mrs. Gunjan Krishna - Nominee Director, KSIIDC (w.e.f. 21 July 2018)
	Mr. Hiroyuki Ogawa - Nominee Director, JFE Steel Corporation
	Mrs. Punita Kumar Sinha
	Mr. Malay Mukerjee
	Mr. Haigreve Khaitan
	Mr. Seturaman Mahalingam
	Mrs. Nirupama Rao (w.e.f. 21 July 2018)
	Mr. Harsh Charandas Mariwala (w.e.f. 21 July 2018)
c)	**Mr. Rajeev Pai - Chief Financial Officer**
d)	**Mr. Lancy Varghese - Company Secretary**
3)	**Relatives of KMP**
	Mrs. Savitri Devi Jindal
	Mr. Prithvi Raj Jindal
	Mr. Naveen Jindal
	Mrs. Nirmala Goyal
	Mrs. Urmila Bhundelka
	Mrs. Sangita Jindal
	Mrs. Tanvi Shete
	Mr. Parth Jindal
4)	**Other Related Parties**
	JSW Energy Limited
	JSW Energy (Barmer) Limited (formerly known as Raj West Power Limited)
	JSW Power Trading Company Limited (formerly known as JSW Green Energy Limited)
	JSW Hydro Energy Limited (formerly known as Himachal Baspa Power Company Limited)
	JSW Solar Limited
	Jindal Stainless Limited
	JSL Lifestyle Limited

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A	**List of related parties**
	Jindal Saw Limited
	Jindal Saw USA LLC
	Jindal Tubular (India) Limited
	Jindal Urban Waste Management Limited
	Jindal Rail Infrastructure Limited
	Jindal Steel & Power Limited
	India Flysafe Aviation Limited
	JSW Infrastructure Limited
	JSW Jaigarh Port Limited
	South West Port Limited
	JSW Dharamatar Port Private Limited
	JSW Paradip Terminal Private Limited
	Jaigarh Digni Rail Limited
	JSW Cement Limited
	JSW Cement, FZE
	South West Mining Limited
	JSW Projects Limited
	JSW IP Holdings Private Limited
	JSoft Solutions Limited
	Reynold Traders Private Limited
	JSW Techno Projects Management Limited
	JSW Global Business Solutions Limited
	Jindal Industries Private Limited
	JSW Foundation
	Jindal Technologies & Management Services Private Limited
	Epsilon Carbon Private Limited
	JSW Living Private Limited
	JSW International Trade Corp PTE Limited
	Jindal Education Trust
	JSW Paints Private Limited
	Toshiba JSW Power System Private Limited
	MJSJ Coal Limited
	JSW Bengaluru Football Club Private Limited
	Utkarsh Advisory Services Private Limited
	Epsilon Aerospace Private Limited
	Khaitan & Company #
	Vinar Systems Private Limited ## (ceased w.e.f. 31 May 2018)
	Danta Enterprise Private Limited
	Glebe Trading Private Limited
	JSW Holdings Limited
	JSW Logistics Infrastructure Private Limited
	Sahyog Holdings Private Limited
	Virtuous Tradecorp Private Limited
	S. K. Jindal & Sons HUF
	PR Jindal HUF
	JSW Investments Private Limited
	Windsor Residency Private Limited
	Tranquil Homes & Holdings Private Limited
	# Mr. Haigreve Khaitan is a partner in Khaitan & Company
	## Mr. Haigreve Khaitan was a director in Vinar Systems Private Limited upto 31 May 2018
5)	**Post-Employment Benefit Entity**
	JSW Steel EPF Trust
	JSW Steel Group Gratuity Trust
	JSW Steel Limited Employee Gratuity Fund

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B. Transactions with related parties

₹ in crores

Particulars	Joint ventures		Other related parties #		Total	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Party's Name						
Purchase of Goods / Power & Fuel / Services						
JSW Energy Limited	-	-	2,944	2,269	2,944	2,269
JSW International Tradecorp PTE Limited	-	-	18,418	17,972	18,418	17,972
Others	106	116	2,040	1,816	2,146	1,932
Total	106	116	23,402	22,057	23,508	22,173
Reimbursement of Expenses incurred on our behalf by						
JSW Energy Limited	-	-	3	3	3	3
JSW MI Steel Service Centre Private Limited	1	-	-	-	1	-
Others	-	-	@	@	@	@
Total	1	-	3	3	4	3
Sales of Goods/Power & Fuel						
JSW Vallabh Tin Plate Private Limited	431	332	-	-	431	332
Jindal Saw Limited	-	-	1,198	792	1,198	792
JSW Energy Limited	-	-	525	412	525	412
Jindal Industries Private Limited	-	-	646	458	646	458
Epsilon Carbon Private Limited	-	-	543	319	543	319
Others	523	219	346	321	869	540
Total	954	551	3,258	2,302	4,212	2,853
Other Income/ Interest Income/ Dividend Income						
JSW Energy Limited	-	-	2	6	2	6
JSW Global Business Solutions Limited	-	-	6	7	6	7
JSW Techno Projects Management Limited	-	-	11	13	11	13
India Flysafe Aviation Limited	-	-	21	14	21	14
Monnet Ispat & Energy Limited	7	-	-	-	7	-
Others	4	3	11	9	15	11
Total	11	3	51	49	62	51
Purchase of Assets						
JSW Severfield Structures Limited	416	136	-	-	416	136
Jindal Steel & Power Limited	-	-	228	25	228	25
JSW Cement Limited	-	-	148	51	148	51
Others	6	-	44	6	50	6
Total	422	136	420	82	842	218
Advance Given/(Received Back)						
India Flysafe Aviation Limited	-	-	(11)	214	(11)	214
Others	@	-	1	4	1	4
Total	@	-	10	218	10	218
Lease and other deposits given						
Utkarsh Advisory Services Private Limited	-	-	59	-	59	-
Total	-	-	59	-	59	-
Lease Deposit Received						
JSW Cement Limited	-	-	11	-	11	-
Others	-	-	@	-	@	-
Total	-	-	11	-	11	-
Lease and Other Advances refunded						
JSW Infrastructure Limited	-	-	53	48	53	48
Total	-	-	53	48	53	48
Loan given Received back						
JSW Projects Limited	-	-	-	300	-	300
JSW Global Business Solutions Private Limited	-	-	11	-	11	-
Total	-	-	11	300	11	300

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₹ in crores

Particulars	Joint ventures		Other related parties #		Total	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Loan given						
JSW Techno Projects Management Limited	-	-	5	447	5	447
JSW Projects Limited	-	-	300	300	300	300
Monnet Ispat & Energy Limited	125	-	-	-	125	-
Total	**125**	**-**	**305**	**747**	**430**	**747**
Donation/ CSR Expenses						
JSW Foundation	-	-	26	11	26	11
Total	**-**	**-**	**26**	**11**	**26**	**11**
Recovery of Expenses incurred by us on their behalf						
JSW Energy Limited	-	-	19	3	19	3
JSW Cement Limited	-	-	43	17	43	17
JSW Jaigarh Port Limited	-	-	7	5	7	5
JSW Infrastructure Limited	-	-	6	6	6	6
Monnet Ispat & Energy Limited	15	-	-	-	15	-
Others	4	3	19	4	23	7
Total	**19**	**3**	**94**	**35**	**113**	**38**
Investments / Share Application Money given during the year						
JSW Severfield Structures Limited	38	45	-	-	38	45
Creixent Special Steels Limited	370	-	-	-	370	-
Others	@	@	-	-	@	@
Total	**408**	**45**	**-**	**-**	**408**	**45**
Finance lease interest cost						
JSW Projects Limited	-	-	156	177	156	177
JSW Techno Projects Management Limited	-	-	54	25	54	25
Total	**-**	**-**	**210**	**202**	**210**	**202**
Finance lease obligation repayment						
JSW Projects Limited	-	-	204	183	204	183
Others	-	-	8	4	8	4
Total	**-**	**-**	**212**	**187**	**212**	**187**
Liabilities Written back						
JSW MI Steel Service Centre Private Limited	3	-	-	-	3	-
South West Port Limited	-	-	3	-	3	-
Jindal Saw Limited	-	-	3	-	3	-
JSW Projects Limited	-	-	3	-	3	-
JSW Infrastructure Limited	-	-	11	-	11	-
Others	@	-	1	-	2	-
Total	**3**	**-**	**21**	**-**	**25**	**-**
Dividend paid						
JSW Holdings Limited	-	-	57	40	57	40
JSW Techno Projects Management Limited	-	-	74	52	74	52
Sahyog Holdings Private Limited	-	-	35	25	35	25
Others	-	-	76	53	76	53
Total	**-**	**-**	**242**	**170**	**242**	**170**

@ - less than ₹ 0.50 crores
# includes relatives of KMP

The group has created provision of ₹ Nil (previous year – ₹ 7 crores) towards doubtful receivable from other related parties

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Notes:

1. The Group makes monthly contributions to provident fund managed by JSW Steel EPF Trust for qualifying Vijayanagar employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Group contributed ₹ 20 crores (previous year ₹ 17 crores).

2. The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees (JSW Steel Group Gratuity Trust and JSW Steel Limited Employee Gratuity Fund). During the year, the Group contributed ₹ 5 crores (previous year ₹ 18 crores).

Compensation to Key Management Personnel

₹ in crores

Nature of transaction	FY 2018-19	FY 2017-18
Short-term employee benefits	86	95
Post-employment benefits	1	1
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
Total compensation to key management personnel	**87**	**96**

Notes:

1. As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

2. The remuneration includes perquisite value of ESOPs in the year it is exercised ₹ Nil (previous year ₹ 32 crores). The Company has recognised an expenses of ₹ 4 crores (previous year ₹ 2 crores) towards employee stock options granted to Key Managerial Personnel. The same has not been considered as managerial remuneration of the current year as defined under Section 2(78) of the Companies Act, 2013 as the options have not been exercised.

3. Dividend paid to KMP is ₹ 0.14 crores (FY 2017-18: ₹ 0.09 crores).

4. The Independent Non-Executive Directors are paid remuneration by way of commission and sitting fees. The commission payable to the Non-Executive Directors is based on the number of meetings of the Board attended by them and their Chairmanship/ Membership of Audit Committee during the year, subject to an overall ceiling of 1% of the net profits approved by the Members. The Company pays sitting fees at the rate of ₹ 20,000/- for each meeting of the Board and sub-committees attended by them. The amount paid to them by way of commission and sitting fees during FY 2018-19 is ₹ 3 crores (FY 2017-18 is ₹ 4 crores), which is not included above.

Terms and conditions

Sales:

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Sales transactions are based on prevailing price lists and memorandum of understanding signed with related parties. For the year ended 31 March 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

Purchases:

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Purchase transactions are based on made on normal commercial terms and conditions and market rates.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

C. Amount due to or from related parties

₹ in crores

Particulars	Joint ventures		Other related parties		Total	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Party's Name						
Trade payables						
JSW Energy Limited	-	-	245	184	245	184
JSW International Trade Corp PTE Limited	-	-	1,398	2,315	1,393	2,315
Others	8	7	303	301	311	308
Total	8	7	1,946	2,800	1,954	2,807
Advance received from Customers						
JSW Jaigarh Port Limited	-	-	@	25	@	25
Others	-	@	-	2	@	2
Total	-	@	@	27	@	27
Lease & Other deposit received						
JSW Severfield Structures Limited	13	13	-	-	13	13
JSW Energy Limited	-	-	11	11	11	11
Jindal Saw Limited	-	-	5	5	5	5
JSW Cement Limited	-	-	11	-	11	-
Others	-	-	12	12	12	12
Total	13	13	39	28	52	41
Trade receivables						
JSW Vallabh Tin Plate Private Limited	83	57	-	-	83	57
JSW MI Steel Service Centre Private Limited	42	4	-	-	42	4
Jindal Industries Private Limited	-	-	24	25	24	25
Jindal Saw Limited	-	-	34	25	34	25
Epsilon Carbon Private Limited	-	-	124	74	124	74
Others	22	8	26	29	48	37
Total	147	69	208	153	355	222
Share Application Money Given						
Gourangdih Coal Limited	@	@	-	-	@	@
Others	@	@	-	-	@	@
Total	@	@	-	-	@	@
Capital / Revenue Advance						
JSW Projects Limited	-	-	50	49	50	49
India Flysafe Aviation Limited	-	-	203	214	203	214
Others	67	28	53	103	120	131
Total	67	28	306	366	373	394
Lease & Other deposit given						
Utkarsh Advisory Services Private Limited	-	-	59	-	59	-
Total	-	-	59	-	59	-
Loan and Advances given						
JSW Techno Projects Management Limited	-	-	105	112	105	112
JSW Projects Limited	-	-	300	@	300	@
Monnet Ispat & Energy Limited	125	-	@	-	125	-
Others	@	@	20	7	20	7
Total	125	@	425	119	540	119
Loans/Advances/Deposits Taken						
JSW Infrastructure Limited	-	-	-	51	-	51
Total	-	-	-	51	-	51
Finance lease obligation						
JSW Projects Limited	-	-	1,280	1,484	1,280	1,484
JSW Techno Projects Management Limited	-	-	164	173	164	173
Total	-	-	1,444	1,657	1,444	1,657

@ - less than ₹ 0.50 crores

Note:

The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees (JSW Steel Group Gratuity Trust and JSW Steel Limited Employee Gratuity Fund). As on 31 March 2019, the fair value of plan assets was as ₹ 87 crores (As at 31 March 2018: ₹ 85 crores).

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

44. Contingent liabilities:

₹ in crores

	Particulars	As at 31 March 2019	As at 31 March 2018
(i)	Guarantees	47	10
(ii)	Disputed claims/levies (excluding interest, if any), in respect of:		
	Excise duty	463	432
	Custom duty	741	798
	Income tax	21	26
	Sales tax / Special entry tax	1,334	271
	Service tax	659	656
	Miscellaneous	9	4
	Levies by local authorities	53	54
	Levies relating to Energy / Power Obligations	208	317
	Claim by suppliers and other parties	90	64

a) Excise duty cases includes disputes pertaining to availment of CENVAT credit, valuation methodologies, classification of gases under chapter heading.

b) Custom duty cases includes disputes pertaining to import of Iron ore fines and lumps under wrong heading, utilisation of SHIS licences for clearance of imported equipment, payment of customs duty for Steam Coal through Krishnapatnam Port and anti-dumping duty on Met Coke used in Corex.

c) Sales Tax / VAT / Special Entry Tax cases includes disputes pertaining to demand of special entry tax in Karnataka and demand of cess by department of transport in Goa.

d) Service Tax cases includes disputes pertaining to availment of service tax credit on ineligible services, KKC amount paid but no credit not availed, denial of credit distributed as an ISD, service tax on railway freight not taken as per prescribed documents.

e) Income Tax cases includes disputes pertaining to transfer pricing, deduction u/s 80-IA and other matters.

f) Levies by local authorities – statutory cases include disputes pertaining to payment of water charges and enhanced compensation.

g) Levies relating to Energy/Power Obligations cases includes disputes pertaining to uninterrupted power charges by Karnataka Power Transmission Company Ltd., belated payment surcharge, claims for the set off of renewable power obligations against the power generated in its captive power plants and dues relating to additional surcharge imposed on captive consumption by Maharashtra State Electricity Distribution Company Limited.

h) Miscellaneous cases include Provident fund relating to contractors.

i) Claims by Suppliers and other parties includes Quality Claims issues raised by suppliers and others.

j) There are several other cases which has been determined as remote by the Group and hence not been disclosed above.

(iii)	Claims related to Forest Development Tax / Fee	2,160	1,799
	Amount paid under protest	920	920

In response to a petition filed by the iron ore mine owners and purchasers (including the Company) contesting the levy of Forest Development Tax (FDT) on iron ore on the ground that the State does not have jurisdiction to legislate in the field of major minerals which is a central subject, the Honourable High Court of Karnataka vide its judgement dated 3 December 2015 directed refund of the entire amount of FDT collected by Karnataka State Government on sale of iron ore by private lease operators and National Mineral Development Corporation Limited (NMDC). The Karnataka State Government has filed an appeal before the Supreme Court of India ("SCI"). SCI has not granted stay on the judgement but stayed refund of FDT. The matter is yet to be heard by SCI. Based on merits of the case and supported by a legal opinion, the Company has not recognised provision for FDT of ₹ 1,043 crores (including paid under protest – ₹ 665 crores) and treated it as a contingent liability.

The State of Karnataka on 27 July 2016, has amended Section 98-A of the Forest Act retrospectively substituting the levy as Forest Development Fee (FDF) instead of FDT. In response to the writ petition filed by the Company and others, the Honourable High Court of Karnataka has vide its order dated 4 October 2017, held that the amendment is ultra-vires the Constitution of India and directed the State Government to refund the FDF collected. The State Government has filed an appeal before the SCI, and based on merits of the case duly supported by a legal opinion and a favorable order from the High Court, the Company has not recognised provision for FDF amount of ₹1,117 crores (including paid under protest - ₹255 crores) pertaining to the private lease operators & NMDC and treated it as contingent liability.

(iv) Supreme Court (SC) passed a judgement dated 28 February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are numerous interpretative issues relating to the Supreme Court (SC) judgement including the effective date of application. The Company continues to assess any further developments in this matter for the implications on financial statements, if any.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

45. Commitments

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	18,044	12,664
Other commitments		
a) The Group has imported capital goods under the export promotion capital goods scheme to utilize the benefit of a zero or concessional customs duty rate. These benefits are subject to future exports. Such export obligations at year end aggregate to	11,742	5,133
b) The Group has given guarantees to Commissioner of Customs in respect of goods imported.	127	127
c) The Company entered a five year Advance Payment and Supply Agreement ("APSA") agreement with Duferco S.A. ("DSA") for supply of Steel Products. Duferco S.A has provided an interest bearing advance amount of US $ 700 million under this agreement, secured by committed export of steel products to Duferco S.A		

46. Operating lease

a) As lessor:

i. The Group has entered into lease arrangements, for renting the following:

Category of Asset	Area	Period
Land at Vijaynagar	491 acres	8 months to 30 years
Land at Palwal	6 acres	15 years
Office Premises at Mittal Tower	1,885 sq. feet	24 months
Office Premises at CBD Belapur	33,930 sq. feet	5 years
Land at Dolvi along with certain buildings	43 acres	3 to 15 years
Building for Vijaynagar Sports Institute	1,96,647 sq. feet	3 years

The agreements are renewable and cancellable by mutual consent of both parties. The rent paid on above is based on mutually agreed rates.

ii. Disclosure in respect of assets given on operating lease:

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Land		
Cost/Deemed cost	65	59
Buildings		
Cost/Deemed cost	102	97
Accumulated depreciation	8	5
Depreciation for the year	4	3

iii. The group has leased out land and other facilities under non-cancellable operating lease. Total rental income under such lease during the year amounted to ₹ 0.03 crores (previous year: ₹ 0.03 crores).

Future minimum lease rentals receivable expected under non-cancellable operating lease are as follows:

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Not later than one year	@	@
Later than one year but not later than five years	@	@
Later than five years	@	@

@ - Less than ₹0.50 crores

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

b) As lessee:

(i) Lease rentals charged to profit and loss for right to use the following assets are:

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Office premises, residential flats, plant and equipment etc	72	47

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

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

₹ in crores

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Plant and equipmen	9	9

Future minimum rentals payable under non-cancellable operating leases are as follows:

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Not later than one year	10	6
Later than one year but not later than five years	18	13
Later than five years	31	-
Total	59	19

(iii) One of the subsidiaries has entered into lease agreement with Government of West Bengal for obtaining the lease hold land with lease term of 99 years. The subsidiary doesn't have an option to purchase the leased land at the expiry of leased period. The initial lease term was for 99 years with a further renewable of 99 years on the same terms & conditions and to such other terms & conditions as the State Government may from time to time consider necessary.

47. Finance lease

As lessee:

The Group has evaluated certain arrangements for processing of raw materials based on facts and circumstances existing at the date of transition to Ind AS and have identified them in the nature of lease as the fulfillment of the arrangements depend upon a specific asset and the Group has committed to obtain substantially all the production capacity of the asset. After separating lease payments from the other elements in these arrangements, the Group has recognized plant and equipment and building as asset taken on finance lease (refer note 4). In certain arrangements related to purchase or processing of raw materials, the Company also has an option to purchase the said assets at the end of the lease term.\

The minimum lease payments and the present value of minimum lease payments as at 31 March 2019 in respect of aforesaid plant and equipment acquired under the finance leases are as follows:

₹ in crores

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Not later than one year	486	419	260	221
Later than one year but not later than five years	1,775	1,875	1,227	1,380
Later than five years	773	322	470	180
Total	3,034	2,616	1,957	1,781
Less: future finance charges	1,077	835		
Present value of minimum lease payments	1,957	1,781		

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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

The provision of ₹ 264 crores includes ₹ 76 crores towards Property, Plant and Equipment, ₹ 166 crores towards Goodwill and ₹ 22 crores towards Advances.

49. In assessing the carrying amounts of Goodwill, PPE, Capital work in progress (CWIP), Leasehold land, Inventories and Advances aggregating to ₹ 5,950 crores relating to certain businesses (listed below), the Company considered various factors as detailed there against, and concluded that they are recoverable.

i. PPE (including CWIP and advances) of ₹ 3,886 crores (₹ 3,776 crores as at 31 March 2018) relating to steel operations at Baytown, USA - Estimate of values of the businesses and assets by independent external valuers based on cash flow projections at a pre-tax discount rate of 16.1 %. In making the projections, reliance has been placed on estimates of future prices of steel, and assumptions relating to operational performance including significant improvement in capacity utilisation and margins based on forecasts of demand in local markets and capacity expansions.

ii. Goodwill, PPE, CWIP and capital advances of ₹ 471 crores (₹ 443 crores as at 31 March 2018), ₹ 131 crores (₹ 131 crores as at 31 March 2018) and ₹ 8 crores (₹ 8 crores as at 31 March 2018) respectively relating to iron ore mines at Chile - Estimate of values of the assets by independent external valuers based on cash flow projections over a period of the lease at a pre-tax discount rate of 18.9 %/ implied multiple approach. In making the said projections, reliance has been placed on estimates of future prices of iron ore, mineable resources, assumptions relating to operational performance and availability of infrastructure facilities for mines.

iii. Goodwill, PPE, CWIP and Capital advances of ₹ 244 crores (₹ 229 crores as at 31 March 2018), ₹ 421 crores (₹ 394 crores as at 31 March 2018), ₹ 2 crores (₹ Nil crores as at 31 March 2018) and ₹ 5 crores (₹ Nil crores as at 31 March 2018) respectively relating to coal mines at West Virginia, USA - Estimate of values of the businesses and assets by independent external valuers based on cash flow projections over a period of the lease at a pre-tax discount rate of 18.0 %. In making the said projections, reliance has been placed on estimates of future prices of coal, mineable resources, and assumptions relating to operational performance, and availability of infrastructure facilities for mines.

iv Integrated Steel Complex at Salboni, Bengal [PPE ₹ 229 crores (₹ 117 crores as at 31 March 2018), CWIP ₹15 crores (₹ 146 crores as at 31 March 2018), leasehold land ₹ 74 crores (₹ 75 crores as at 31 March 2018) and advances ₹ 148 crores (₹ 148 crores as at 31 March 2018)] - 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 plans for commencing construction of the said complex.

v. Integrated Steel Complex at Ranchi, Jharkhand [PPE ₹ 45 crores (₹ 45 crores as at 31 March 2018), CWIP ₹ 31 crores (₹ 31 crores as at 31 March 2018) and Advances ₹ 1 crores (₹ 1 crores as at 31 March 2018)] - Evaluation of current status of the integrated Steel Complex to be implemented in phases at Ranchi, Jharkhand and the plans for commencing construction of the said complex.

vi. Goodwill ₹ 24 crores (₹ 24 crores as at 31 March 2018) and Inventories ₹ 121 crores (₹ 121 crores as at 31 March 2018) relating to interest in a real estate property – Valuation of the property by an independent expert.

vii. PPE ₹ 87 crores including mining development and projects ₹ 76 crores (₹ 81 crores including mining development and projects ₹ 79 crores as at 31 March 2018) and goodwill ₹ 7 crores (₹ 7 crores as at 31 March 2018) relating to coal mines at Mozambique - Assessment of mineable reserves by independent experts 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.

50. Research and development activities

The manufacturing and other expenses include ₹ 37 crores (previous year – ₹ 29 crores) in respect of research and development activities undertaken during the year. Depreciation expenditure includes ₹ 13 crores (previous year – ₹ 12 crores) in respect of research and development activities undertaken during the year.

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51. Joint ventures

Details of the Group's material joint ventures are as follows:

Name of the Joint venture	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group		Principal activity
		31 March 2019	31 March 2018	
JSW Severfield Structures Limited	India	50%	50%	Design, fabrication and erection of structural steel works
JSW Structural Metal Decking Limited	India	33.33%	33.33%	Metal Deckings
Rohne Coal Company Private Limited	India	49%	49%	Coal mining company
JSW MI Steel Service Center Private Limited	India	50%	50%	Steel service centre
JSW Vallabh Tin plate Private Limited	India	50%	50%	Steel plant
Vijayanagar Minerals Private Limited	India	40%	40%	Supply of iron ore
Gourangdih Coal Limited	India	50%	50%	Coal mining company
Accialtalia S.p.A. (upto 16 April 2018)	Italy	-	35%	Trading in steel products
Geo Steel LLC	Georgia	49%	49%	Manufacturing of TMT rebar
Creixent Special Steels Limited (w.e.f 27 August 2018)	India	48%	-	Investment in steel related & allied businesses and trading in steel products
Monnet Ispat & Energy Limited (w.e.f 31 August 2018)	India	23.10%	-	Manufacturing & marketing of sponge iron, steel & Ferro alloys

The above joint ventures are accounted using the equity method in these consolidated financial statements.

Summarised financial information in respect of the Group's, material joint ventures is set out below. The summarized financial information below represents amounts shown in joint ventures financial statements prepared in accordance with Indian GAAP (adjusted by the Group for equity accounting purposes).

a) Financial information of joint ventures as at 31 March 2019

₹ in crores

Particulars	JSW Severfield Structures Limited	JSW MI Steel Service Center	JSW Vallabh Tin plate Private Limited	Geo Steel LLC	Creixent Special Steels Limited
Current Assets	741	127	95	637	1,106
Non-current Assets	220	206	180	144	3,611
Current liabilities	688	64	172	364	976
Non-current liabilities	2	108	45	-	2,570
The above amount of assets and liabilities include the following:					
Cash and cash equivalents	89	36	2	125	166
Current financial liabilities (excluding trade and other payables and provisions)	2	22	77	345	576
Non-current financial liabilities (excluding trade and other payables and provisions)	-	108	43	-	2,567
Revenue	788	258	626	469	-
Profit / (loss) for the year	30	12	(4)	61	-
Other comprehensive income for the year	@	-	@	-	-
Total comprehensive income for the year	30	12	(4)	61	-
Dividends received from the joint venture during the year	-	-	-	-	-
The above profit / (loss) for the year include the following:					
Depreciation and amortization	16	7	11	17	129
Interest income	4	5	@	3	9
Interest expense	21	7	16	1	148
Income tax expense (income)	1	3	-	11	-
Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:					
Net assets of the joint venture	267	161	58	416	370
Proportion of the Group's ownership interest in the joint venture	50%	50%	50%	49%	48%
Other adjustments	-	-	-	-	-
Carrying amount of the Group's interest in the joint venture	133	81	29	204	178

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b) Financial information of joint ventures as at 31 March 2018

₹ in crores

Particulars	JSW Severfield Structures Limited	JSW MI Steel Service Center	JSW Vallabh Tin plate Private Limited	Geo Steel LLC	Accialtalia S.p.A
Current Assets	419	109	109	502	9
Non-current Assets	207	198	187	142	-
Current liabilities	459	40	170	298	9
Non-current liabilities	1	119	64	-	-
The above amount of assets and liabilities include the following:					
Cash and cash equivalents	@	45	@	141	1
Current financial liabilities (excluding trade and other payables and provisions)	74	32	75	44	-
Non-current financial liabilities (excluding trade and other payables and provisions)	-	119	63	-	-
Revenue	411	159	551	519	-
Profit / (loss) for the year	11	12	(2)	84	(39)
Other comprehensive income for the year	@	(2)	@	-	-
Total comprehensive income for the year	11	10	(2)	84	(39)
Dividends received from the joint venture during the year	-	-	-	-	-
The above profit / (loss) for the year include the following:					
Depreciation and amortization	15	4	12	15	-
Interest income	3	7	@	5	-
Interest expense	27	3	18	3	-
Income tax expense (income)	@	3	(1)	13	-
Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:					
Net assets of the joint venture	163	148	62	347	-
Proportion of the Group's ownership interest in the joint venture	50%	50%	50%	49%	35%
Other adjustments	-	-	-	-	-
Carrying amount of the Group's interest in the joint venture	81	74	31	170	-

@- between ₹ (0.50) crores to ₹ 0.50 crores

a) Aggregate information of joint ventures that are not individually material

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Aggregate carrying amount of the Group's interest in these joint ventures	4	4
Profit / (loss) from continuing operations	@	@
Post tax profit / (loss) from continuing operations	@	@
Other comprehensive income	-	-
Total comprehensive income	@	@

@ - between ₹ (0.50) crores to ₹ 0.50 crores.

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52. Subsidiaries

Details of the Group's subsidiaries at the end of reporting period are as follows:

Name of the subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group		Principal activity
		31 March 2019	31 March 2018	
JSW Steel (Netherlands) B.V.	Netherlands	100%	100%	Acquisition and investment in steel related & allied businesses and trading in steel products
JSW Steel Italy S.R.L.	Italy	100%	100%	Trading in steel products
Aferpi S.p.A. (w.e.f. 24 July 2018)	Italy	100%	-	Produces & distributes special long steel products
Piombino Logistics S.p.A. (w.e.f. 24 July 2018)	Italy	69.27%	-	Manages the logistic infrastructure of piombino's port area
GSI Lucchini S.p.A. (w.e.f 24 July 2018)	Italy	100%	-	Producer of forged steel balls
JSW Steel (UK) Limited	United Kingdom	100%	100%	Investment in steel related and steel allied businesses
Periama Holdings, LLC	United States of America	100%	100%	Holding company of JSW Steel (USA) Inc. and West Virginia operations
JSW Steel (USA) Inc.	United States of America	90%	90%	Manufacturing plates, pipes and double jointing
Purest Energy, LLC	United States of America	100%	100%	Holding company
Meadow Creek Minerals, LLC	United States of America	100%	100%	Mining company
Hutchinson Minerals, LLC	United States of America	100%	100%	Mining company
R.C. Minerals, LLC	United States of America	100%	100%	Mining company
Keenan Minerals, LLC	United States of America	100%	100%	Mining company
Peace Leasing, LLC	United States of America	100%	100%	Mining company
Prime Coal, LLC	United States of America	100%	100%	Management company
Planck Holdings, LLC	United States of America	100%	100%	Holding company
Rolling S Augering, LLC	United States of America	100%	100%	Mining company
Periama Handling, LLC	United States of America	100%	100%	Coal loading company
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 Eurosh Limitada	Chile	100%	100%	Holding company (LLP) of Santa Fe Mining
Santa Fe Mining	Chile	70%	70%	Mining company
Santa Fe Puerto S.A.	Chile	70%	70%	Port company
JSW Natural Resources Limited	Republic of Mauritius	100%	100%	Holding company of JSW Natural Resources Mozambique Limitada and JSW Mali Resources SA
JSW Natural Resources Mozambique Limitada	Mozambique	100%	100%	Mining company
JSW ADMS Carvao Limitada	Mozambique	100%	100%	Mining company
Acero Junction Holdings, Inc (w.e.f. 15 June 2018)	United States of America	100%	-	Investment in steel related and steel allied businesses
JSW Steel (USA) Ohio, Inc. (w.e.f. 15 June 2018)	United States of America	100%	-	Manufacturing of slabs and hot rolled coils.
JSW Steel Processing Centres Limited	India	100%	100%	Steel service center
JSW Bengal Steel Limited	India	98.68%	98.68%	Steel plant
JSW Natural Resources India Limited	India	98.68%	98.68%	Mining related company
JSW Energy (Bengal) Limited	India	98.68%	98.68%	Power plant
JSW Natural Resource Bengal Limited	India	98.68%	98.68%	Mining related company
JSW Jharkhand Steel Limited	India	100%	100%	Steel plant and mining
JSW Steel Coated Products Limited	India	100%	100%	Steel plant
Amba River Coke Limited	India	100%	100%	Coke oven and Pellet plant
Nippon Ispat Singapore (PTE) Limited	Singapore	100%	100%	Mining company
Erebus Limited	Mauritius	100%	100%	Mining company

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Name of the subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group		Principal activity
		31 March 2019	31 March 2018	
Arima Holdings Limited	Mauritius	100%	100%	Mining company
Lakeland Securities Limited	Mauritius	100%	100%	Mining company
Peddar Realty Private Limited	India	100%	100%	Real estate
Dolvi Minerals & Metals Private Limited	India	100%	40%	Trading in steel and allied products
Dolvi Coke Private Limited	India	100%	40%	Coke oven plant
JSW Realty & Infrastructure Private Limited	India	0%	0%	Construction and development of residential township
JSW Industrial Gases Private Limited	India	100%	100%	Production of gaseous and liquid form of oxygen, nitrogen, argon and other products recoverable from separation of air
JSW Steel (Salav) Limited	India	100%	100%	Steel plant
JSW Utkal Steel Limited (w.e.f. 16 November 2017)	India	100%	100%	Steel plant
JSW Retail Limited (w.e.f. 20 September 2018)	India	100%	-	Trading in steel and allied products
Hasaud Steel Limited (w.e.f. 13 February 2018)	India	100%	100%	Investment in steel related activities
Milloret Steel Limited (Ceased w.e.f. 31 August 2018)	India	-	100%	Investment in steel related activities
Creixent Special Steels Limited (Ceased w.e.f. 27 August 2018)	India	-	100%	Investment in steel related & allied businesses and trading in steel products

Financial information of non-controlling interest as on 31 March 2019

₹ in crores

Particulars	JSW Realty & Infrastructure Limited	Santa Fe Mining	JSW Steel (USA), Inc.	GSI Luchhini S.p.A
Non-current assets	436	186	3,926	29
Current assets	18	21	1,349	199
Non-current liabilities	53	10	3,960	7
Current liabilities	335	417	1,120	89
Equity attributable to owners of the company	-	(154)	583	76
Non-controlling interest	66	(66)	(388)	56
Revenue	32	-	2,927	162
Expenses	75	18	3,389	169
Profit/ (loss) for the year	(20)	(18)	(373)	(6)
Profit / (loss) attributable to owners of the company	-	(13)	(336)	(4)
Profit / (loss) attributable to the non-controlling interest	(20)	(5)	(37)	(2)
Profit / (loss) for the year	(20)	(18)	(373)	(6)
Other comprehensive income attributable to owners of the company	-	-	-	-
Other comprehensive income attributable to the non-controlling interests	@	-	-	-
Other comprehensive income for the year	@	-	-	-
Total comprehensive income attributable to the owners of the company	-	(13)	(336)	(4)
Total comprehensive income attributable to the non-controlling interests	(20)	(5)	(37)	(2)
Total comprehensive income for the year	(20)	(18)	(373)	(6)
Net cash inflow / (outflow) from operating activities	(78)	(19)	(345)	4
Net cash inflow / (outflow) from investing activities	(76)	-	(297)	@
Net cash inflow / (outflow) from financing activities	150	19	563	16
Net cash inflow / (outflow)	(4)	@	(79)	20

@- between ₹ (0.50) crores to ₹ 0.50 crores

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Financial information of non-controlling interest as on 31 March 2018

₹ in crores

Particulars	JSW Realty & Infrastructure Limited	Santa Fe Mining	JSW Steel (USA), Inc.	Dolvi Minerals & Metals Private Limited
Non-current assets	366	162	3,776	1,883
Current assets	10	20	803	277
Non-current liabilities	299	10	3,478	1,925
Current liabilities	49	363	571	280
Equity attributable to owners of the company	-	(134)	860	(18)
Non-controlling interest	28	(57)	(330)	(27)
Revenue	30	-	1,594	15
Expenses	145	111	1,909	19
Profit/ (loss) for the year	(91)	(111)	706	(78)
Profit / (loss) attributable to owners of the company	-	(78)	635	(31)
Profit / (loss) attributable to the non-controlling interest	(91)	(33)	71	(47)
Profit / (loss) for the year	(91)	(111)	706	(78)
Other comprehensive income attributable to owners of the company	-	-	-	@
Other comprehensive income attributable to the non-controlling interests	-	-	-	@
Other comprehensive income for the year	-	-	-	(1)
Total comprehensive income attributable to the owners of the company	-	(78)	635	(32)
Total comprehensive income attributable to the non-controlling interests	(91)	(33)	71	(47)
Total comprehensive income for the year	(91)	(111)	706	(79)
Net cash inflow / (outflow) from operating activities	39	(17)	(229)	(81)
Net cash inflow / (outflow) from investing activities	(72)	(19)	(24)	(205)
Net cash inflow / (outflow) from financing activities	34	36	241	306
Net cash inflow / (outflow)	1	-	(12)	20

@- between ₹ (0.50) crores to ₹ 0.50 crores

53. Subsequent events

a) The Company has raised US$ 500 million in April 2019 by the allotment of fixed rate senior unsecured notes ("Notes") in accordance with Regulation S of the U.S. Securities Act, 1933 as amended, and applicable Indian regulations. The Notes are listed on Singapore Exchange Securities Trading Limited.

b) On 24 May 2019 the board of directors recommended a final dividend of ₹ 4.10 per equity share be paid to shareholders for financial year 2018-19, which is subject to approval by the shareholders at the Annual General Meeting to be held on 25 July 2019. If approved, the dividend would result in a cash outflow of ₹ 1,195 crores inclusive of dividend distribution tax of ₹ 204 crores.

54. Previous year figures have been re-grouped / re-classified wherever necessary.

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

55. Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Joint ventures as per Schedule III of Companies Act, 2013

₹ in crores

Name of entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
PARENT COMPANY								
JSW Steel Limited	62.09	21,324	106.94	8,046	32.00	(16)	107.44	8,030
SUBSIDIARIES								
INDIAN								
JSW Steel Processing Centres Limited	0.23	80	0.35	26	-	@	0.35	26
JSW Bengal Steel – Group	1.19	410	(0.12)	(9)	-	@	(0.12)	(9)
Amba River Coke Limited	6.11	2,097	2.51	189	(14.00)	7	2.62	196
JSW Steel Coated Products Limited	6.85	2,351	1.71	129	(38.00)	19	1.98	148
JSW Steel Salav Limited	1.87	642	0.62	47	-	@	0.63	47
JSW Jharkhand Steel Limited	0.22	77	(0.05)	(4)	-	-	(0.05)	(4)
Peddar Realty Private Limited	0.43	147	0.03	2	-	-	0.03	2
Dolvi Minerals and Metals Private Limited – Group	0.06	22	(0.44)	(33)	-	@	(0.44)	(33)
JSW Realty & Infrastructure Private Limited	0.75	256	0.40	30	-	-	0.40	30
JSW Industrial Gases Private Limited	0.66	226	0.37	28	-	-	0.37	28
JSW Utkal Steel Limited	0.20	69	(0.01)	(1)	-	-	(0.01)	(1)
Hasaud Steel Limited	-	@	-	@	-	-	-	-
JSW Retail Limited	(0.00)	(1)	-	@	-	-	-	-
FOREIGN								
JSW Steel (Netherlands) B.V.	(1.50)	(516)	(0.56)	(42)	-	-	(0.56)	(42)
Periama Holding LLC – Group	12.65	4,344	(3.50)	(263)	-	-	(3.52)	(263)
JSW Panama Holdings Corporation - Group	2.13	733	-	@	-	-	-	-
JSW Steel (UK) Limited	0.39	133	(0.11)	(8)	-	-	(0.11)	(8)
JSW Natural Resources Limited - Group	0.33	113	0.01	1	-	-	0.01	1
Arima Holding Limited	-	@	-	@	-	-	-	-
Lakeland Securities Limited	-	@	-	@	-	-	-	-
Erebus Limited	-	@	-	@	-	-	-	-
Nippon Ispat Singapore (PTE) Limited	-	@	-	-	-	-	-	-
JSW Steel Italy S.R.L. – Group	1.77	608	(2.09)	(157)	-	-	(2.10)	(157)
Acero Holdings Junction Inc. – Group	3.06	1,052	(4.16)	(313)	-	-	(4.19)	(313)

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

₹ in crores

Name of entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
NON-CONTROLLING INTEREST IN ALL SUBSIDIARIES	(1.31)	(450)	(1.53)	(115)	52.00	(26)	(1.89)	(141)
JOINT VENTURES								
(investment as per the equity method)								
INDIAN								
Vijayanagar Minerals Private Limited	0.01	2	-	@	-	-	-	-
Rohne Coal Company Private Limited	-	-	-	-	-	-	-	-
JSW Severfield Structures Limited - Group	0.39	133	0.13	10	-	-	0.13	10
Gourangdih Coal Limited	0.01	2	-	@	-	-	-	-
JSW MI Steel Service Center Private Limited	0.23	80	0.08	6	-	-	0.08	6
JSW Vallabh Tinplate Private Limited	0.08	29	(0.03)	(2)	-	-	(0.03)	(2)
Creixent Special Steels Limited - Group	0.52	178	(1.08)	(81)	-	-	(1.08)	(81)
FOREIGN					-			
Geo Steel LLC	0.59	204	0.51	38	-	-	0.51	38
Foreign currency translation reserve	-	-	-	-	68.00	(34)	(0.45)	(34)
Total	**100.00**	**34,345**	**100.00**	**7,524**	**100.00**	**(50)**	**100.00**	**7,474**

@ - Less than ₹ 0.50 crores

Note: The balances and amounts presented above are net of intercompany eliminations and consolidation adjustments.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

56. Standards issued but not yet effective

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17.

Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group is in the process of evaluating the effect of these amendments on the financial statements.

Amendments to other Ind ASs-

i. Amendments to Ind AS 109, Financial Instruments:

The amendments notified to Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied.

ii. Amendments to Ind AS 12, Income Taxes:

The first amendment requires an entity to create a corresponding liability for Dividend Distribution Tax (DDT) when it recognises a liability to pay a dividend. The liability for DDT shall be recorded in statement of profit & loss, other comprehensive income or equity, as the case may be.

The second amendment relates to tax consequence of an item whose tax treatment is uncertain. Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not.

If there is uncertainty over tax treatment of an item an entity should predict the resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. In vice-versa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related items by using either the most likely outcome or the expected outcome of the uncertainty.

ii. Amendment to Ind AS 19, Employee Benefits:

The amendments to Ind AS 19, Employee Benefits relate to effects of plan amendment, curtailment and settlement. When an entity determines the past service cost at the time of plan amendment or curtailment, it shall remeasure the amount of net defined benefit liability/asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

iii. Amendments to Ind AS 28, Investments in Associates and Joint Ventures:

Ind AS 109 excludes interest in associates and joint ventures that are accounted for in accordance with Ind AS 28, Investments in Associates and Joint Ventures from its scope. According to the amendments, Ind AS 109 should be applied to the financial instruments, including long-term interests in associates and joint venture, that, in substance, form part of the group's net investment in associate or joint venture, to which the equity method is not applied.

The Group is in the process of evaluating the effect of these amendments on the financial statements.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per VIKRAM MEHTA
Partner
Membership No. 105938

Place: Mumbai
Date: 24 May 2019

For and on behalf of Board of Directors

RAJEEV PAI
Chief Financial Officer

LANCY VARGHESE
Company Secretary

ICSI Membership No. FCS 9407
Place: Mumbai
Date: 24 May 2019

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

Form AOC-I

(Information of Subsidiaries, JVs and Associates as required under first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

Part A: Subsidiaries

₹ in crores

	Name of the Subsidiary	JSW Steel (Netherlands) B.V.	JSW Steel (UK) Limited	Periama Holdings LLC	JSW Steel (USA) Inc.	Prime Coal LLC	Planck Holdings LLC	Rolling S Augering LLC	Periama Handling LLC	Caretta Minerals LLC	Lower Hutchinson Minerals LLC
A	Reporting Currency	USD	GBP	USD	USD	USD	USD	USD	USD	USD	USD
B	Exchange rate	69.17	90.48	69.17	69.17	69.17	69.17	69.17	69.17	69.17	69.17
C	Share Capital	316.83	138.22	99.26	5,554.46	0.73	514.30	30.53	27.68	560.61	11.21
D	Reserves and Surplus	(1,343.84)	(117.20)	(557.06)	(5,356.27)	(91.76)	(119.14)	(74.53)	(69.73)	(209.72)	(19.42)
E	Total Assets	949.56	134.63	6,347.59	5,274.87	0.39	611.85	0.03	-	803.35	0.94
F	Total Liabilities	1,976.57	113.61	6,805.39	5,076.68	91.42	216.69	44.03	42.05	452.46	9.15
G	Investment	153.52	-	1,881.47	-	-	563.10	-	-	-	-
H	Turnover	-	-	-	2,897.41	-	-	-	-	159.81	-
I	Profits / (Losses) before Taxes	(137.91)	(13.23)	(223.77)	(453.73)	(6.27)	(23.87)	(2.55)	(2.81)	(5.75)	1.80
J	Provision for Taxation	-	-	118.74	(66.71)	-	11.40	-	-	-	-
K	Profits / (Losses) after Taxes	(137.91)	(13.23)	(342.51)	(387.02)	(6.27)	(35.27)	(2.55)	(2.81)	(5.75)	1.80
L	Proposed Dividend	-	-	-	-	-	-	-	-	-	-
M	% of shareholding	100.00%	100.00%	100.00%	90.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

₹ in crores

	Name of the Subsidiary	Meadow Creek Minerals LLC	Keenan Minerals LLC	Hutchinson Minerals LLC	Peace Leasing LLC	R.C. Minerals LLC	Purest Energy LLC	JSW Panama holdings Corporation	Inversiones Eurosh Limitada	Santa Fe Mining	Santa Fe Puerto S.A.
A	Reporting Currency	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
B	Exchange rate	69.17	69.17	69.17	69.17	69.17	69.17	69.17	69.17	69.17	69.17
C	Share Capital	28.10	3.72	35.33	-	53.44	85.42	0.69	0.30	13.60	0.34
D	Reserves and Surplus	(78.39)	(8.01)	(50.86)	(0.21)	(64.17)	(152.38)	39.96	(653.71)	(234.59)	(12.38)
E	Total Assets	0.28	-	0.28	-	-	-	40.66	423.34	206.16	-
F	Total Liabilities	50.57	4.29	15.81	0.21	10.73	66.96	0.01	1,076.75	427.15	12.04
G	Investment	-	-	-	-	-	-	0.29	9.52	-	-
H	Turnover	-	-	-	-	-	-	-	-	-	-
I	Profits / (Losses) before Taxes	(2.65)	(0.04)	0.17	(0.01)	(0.01)	(2.09)	1.27	(37.63)	(17.72)	-
J	Provision for Taxation	-	-	-	-	-	-	-	-	-	-
K	Profits / (Losses) after Taxes	(2.65)	(0.04)	0.17	(0.01)	(0.01)	(2.09)	1.27	(37.63)	(17.72)	-
L	Proposed Dividend	-	-	-	-	-	-	-	-	-	-
M	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	70.00%	70.00%

Form AOC-I (Continued)

₹ in crores

	Name of the Subsidiary	JSW Natural Resources Limited	JSW Natural Resources Mozambique Lda	JSW ADMS Carvao Limitada	Nippon Ispat Singapore (PTE) Limited	Arima Holdings Limited	Erebus Limited	Lakeland Securities Limited	Acero Junction Holdings Inc. *	JSW Steel (USA) Ohio Inc.*	JSW Steel Italy S.R.L.
A	Reporting Currency	USD	USD	USD	SGD	USD	USD	USD	USD	USD	EURO
B	Exchange rate	69.17	69.17	69.17	52.33	69.17	69.17	69.17	69.17	69.17	77.70
C	Share Capital	94.45	130.10	-	4.11	34.86	149.01	0.24	226.44	246.81	0.16
D	Reserves and Surplus	(57.98)	(104.75)	1.39	(9.20)	(35.07)	(149.16)	(0.46)	(26.28)	(582.72)	(42.90)
E	Total Assets	198.96	103.92	80.90	-	-	0.06	-	1,017.77	2,059.82	591.59
F	Total Liabilities	162.49	78.57	79.51	5.09	0.21	0.21	0.22	817.61	2,395.73	634.33
G	Investment	130.10	7.40	-	-	-	-	-	246.81	-	508.47
H	Turnover	-	-	-	-	-	-	-	-	756.52	-
I	Profits / (Losses) before Taxes	(18.03)	(0.12)	0.96	-	(0.07)	(0.06)	(0.07)	(26.28)	(457.82)	(33.79)
J	Provision for Taxation	-	-	-	-	-	-	-	-	0.17	-
K	Profits / (Losses) after Taxes	(18.03)	(0.12)	0.96	-	(0.07)	(0.06)	(0.07)	(26.28)	(457.99)	(33.79)
L	Proposed Dividend	-	-	-	-	-	-	-	-	-	-
M	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

₹ in crores

	Name of the Subsidiary	Aferpi S.p.A. *	Piombino Logistics S.p.A. *	GSI Luchini S.p.A. *	JSW Steel Processing Centres Limited	JSW Bengal Steel Limited	JSW Natural Resources India Limited	JSW Energy (Bengal) Limited	JSW Natural Resources Bengal Limited	Amba River Coke Limited	JSW Jharkhand Steel Limited
A	Reporting Currency	EURO	EURO	EURO	INR	INR	INR	INR	INR	INR	INR
B	Exchange rate	77.70	77.70	77.70	1.00	1.00	1.00	1.00	1.00	1.00	1.00
C	Share Capital	163.74	11.04	21.26	50.00	458.21	107.33	29.86	64.20	931.90	88.03
D	Reserves and Surplus	(5.29)	1.16	83.12	49.27	(14.63)	(4.83)	(6.04)	(3.98)	764.51	(11.52)
E	Total Assets	1,335.18	116.48	196.70	116.58	464.27	102.51	99.22	60.24	3,685.21	77.76
F	Total Liabilities	1,176.73	104.28	92.32	17.31	20.69	0.01	75.40	0.02	1,988.80	1.25
G	Investment	12.61	-	-	-	140.53	-	64.20	-	52.38	-
H	Turnover	1,041.82	35.77	305.62	54.55	-	-	-	-	4,803.05	-
I	Profits / (Losses) before Taxes	(285.61)	(35.26)	(4.95)	32.57	(8.60)	(0.21)	(0.03)	(0.50)	273.23	(4.16)
J	Provision for Taxation	(51.16)	(5.99)	(0.39)	9.84	(0.58)	0.05	-	-	96.82	-
K	Profits / (Losses) after Taxes	(234.45)	(29.27)	(4.56)	22.73	(8.02)	(0.26)	(0.03)	(0.50)	176.41	(4.16)
L	Proposed Dividend	-	-	-	-	-	-	-	-	-	-
M	% of shareholding	100.00%	100.00%	69.27%	100.00%	98.68%	98.68%	98.68%	98.68%	100.00%	100.00%

Form AOC-I (Continued)

₹ in crores

	Name of the Subsidiary	Peddar Realty Private Limited	JSW Steel Coated Products Limited	JSW Steel (Salav) Limited	Dolvi Minerals & Metals Private Limited	Dolvi Coke Projects Limited	JSW Realty & Infrastructure Private Limited	JSW Industrial Gases Private Limited	JSW Utkal Steel Limited	Hasaud Steel Limited	Creixent Special Steels Limited #	Milloret Steel Limited #	JSW Retail Limited
A	Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
B	Exchange rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
C	Share Capital	0.01	50.05	1,334.86	350.01	1,083.33	0.01	92.08	39.44	0.01	-	-	0.01
D	Reserves and Surplus	(31.68)	1,761.85	(923.18)	(400.22)	(36.71)	65.75	155.99	(2.45)	-	-	-	0.04
E	Total Assets	122.58	5,670.03	1,400.63	1,151.42	2,572.00	453.24	294.64	76.36	0.01	-	-	1.54
F	Total Liabilities	154.25	3,858.13	988.95	1,201.63	1,525.38	387.48	46.57	39.37	-	-	-	1.49
G	Investment	-	69.93	-	1,083.33	-	44.64	72.28	-	-	-	-	-
H	Turnover	-	12,173.61	1,719.60	12.58	345.62	32.00	552.95	-	-	-	-	1.53
I	Profits / (Losses) before Taxes	3.10	120.45	50.11	(127.44)	(38.47)	(27.93)	44.87	(1.70)	-	-	-	0.06
J	Provision for Taxation	0.64	40.82	12.00	-	(17.38)	(7.94)	17.24	-	-	-	-	0.02
K	Profits / (Losses) after Taxes	2.46	79.63	38.11	(127.44)	(21.09)	(19.99)	27.63	(1.70)	-	-	-	0.04
L	Proposed Dividend	-	-	-	-	-	-	24.00%	-	-	-	-	-
M	% of shareholding	100.00%	100.00%	100.00%	40.00%	40.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: The financial statements of subsidiaries are converted into Indian Rupees on the basis of exchange rate as on closing day of the financial year.
* The financial statements are for the period from the 1 January 2018 to 31 March 2019.
\# were subsidiaries till 27 August 2018

Additional disclosure	Name of subsidiaries
Subsidiaries yet to commence operation	JSW Bengal Steel Limited
	JSW Natural Resources India Limited
	JSW Energy (Bengal) Limited
	JSW Natural Resources Bengal Limited
	JSW Jharkhand Steel Limited
	Inversiones Eurosh Limitada
	Santa Fe Puerto S.A.
	JSW Natural Resources Mozambique Lda
	JSW ADMS Carvo Lda
	JSW Utkal Steel Limited
	Hasaud Steel Limited
Subsidiaries liquidated or sold during the year	Creixent Special Steels Limited $
	Milloret Steel Limited $

$ - Joint ventures w.e.f. 27 August 2019.

Form AOC-I (Continued)

Part B: Associates and Joint Ventures

₹ in crores

Name of Associates/ Joint Ventures	Joint ventures									
	Vijaynagar Minerals Private Limited	Rohne Coal Company Private Limited	JSW Severfield Structures Limited	JSW Structural Metal Decking Limited	Gourangdih Coal Limited	JSW MI Service centre Private Limited	JSW Vallabh Tinplate Private Limited	Geo Steel LLC	Monnet Ispat & Energy Limited $	Creixent Special Steels Limited #
1. Latest audited Balance Sheet Date	31 March 2019	31 March 2019	31 March 2019	31 March 2019	31 March 2018	31 March 2019	31 March 2019	31 December 2018	31 March 2019	31 March 2019
2. Shares of Associate/Joint Ventures held by the company on the year end										
Number of shares	4,000	490,000	197,937,940	4,482,925	2,450,000	66,500,000	25,019,600	-	108,448,611	4,800,000
Amount of Investment	-	0.49	197.94	4.48	2.45	66.50	30.00	25.94	108.45	4.80
Extend of Holding %	40.00%	49.00%	50.00%	33.33%	50.00%	50.00%	50.00%	49.00%	23.10%	48.00%
3. Description of how there is significant influence	Joint Venture Agreement									
4. Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	1.87	(0.22)	134.39	3.46	1.63	80.30	29.05	198.39	269.79	9.05
6. Profit / Loss for the year										
i. Considered in Consolidation	(0.05)	-	13.73	0.81	(0.02)	6.19	(1.98)	37.72	(65.20)	(15.95)
i. Not Considered in Consolidation	-	(1.77)	-	-	-	-	-	-	-	-

w.e.f. 27 August 2018

$ w.e.f. 31 August 2018

Additional disclosure	Name of associates and Joint Ventures
Associates and Joint Ventures yet to commence operation	Rohne Coal Company Private Limited
	Gourangdih Coal Limited
Associates and Joint Ventures liquidated or sold during the year	Accialtalia S.p.A.

For and on behalf of Board of Directors

RAJEEV PAI
Chief Financial Officer

SAJJAN JINDAL
Chairman & Managing Director
DIN 00017762

LANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

Place: Mumbai
Date: 24 May 2019

FINANCIAL HIGHLIGHTS (STANDALONE)

	2014-15 (IGAAP)	2015-16 (IND-AS)	2016-17 (IND-AS)	2017-18 (IND-AS)	2018-19 (IND-AS)
REVENUE ACCOUNTS (₹ in crores)					
Gross Turnover	49,658	40,354	56,244	66,235	74,769
Net Turnover	45,352	36,202	51,621	64,976	74,769
Operating EBIDTA	8,872	6,369	11,544	13,741	18,403
Depreciation and Amortization	2,785	2,847	3,025	3,054	3,397
Finance Costs	2,909	3,219	3,643	3,591	3,708
Exceptional Items	396	5,860	-	234	-
Profit Before Taxes	3,249	(5,239)	5,131	7,075	11,817
Provision for Taxation	1,082	(1,710)	1,554	2,450	3,558
Profit after Taxes	2,166	(3,530)	3,577	4,625	8,259
CAPITAL ACCOUNTS (₹ in crores)					
Net Fixed Asset	38,569	46,560	50,266	49,568	49,417
Debt*	28,134	35,658	38,273	36,181	46,779
Net Debt*	26,339	35,059	36,946	35,580	41,099
Equity Capital	242	240	240	241	240
Other Equity (Reserves & Surplus)	24,657	20,109	23,797	27,605	34,861
Shareholders' Funds	25,725	20,410	24,098	27,907	35,162
RATIOS					
Book Value Per Share (₹)	103.26	84.44	99.69	115.45	145.47
Market price Per Share (₹)	90.66	128.33	188.20	288.15	293.05
Earning per Share (Diluted) (₹)	8.82	(14.75)	14.80	19.14	34.17
Market Capitalisation (₹ in crores)	21,913	31,019	45,492	69,652	70,837
Equity Dividend per Share (₹)	1.10	0.75	2.25	3.20	4.10
Fixed Assets Turnover Ratio	1.18	0.78	1.03	1.31	1.51
Operating EBIDTA Margin	19.2%	17.4%	22.1%	20.7%	24.0%
Interest Service Coverage Ratio	3.40	2.17	3.38	4.05	5.40
Net Debt Equity Ratio	1.02	1.71	1.53	1.27	1.17
Net Debt to EBIDTA	2.97	5.50	3.20	2.59	2.23

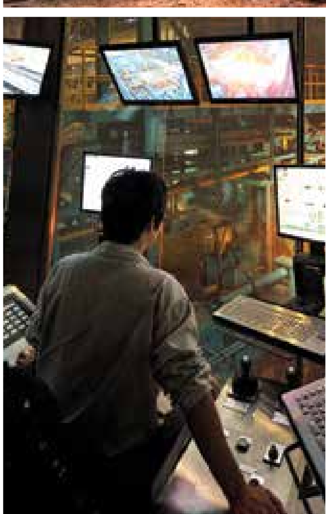
* Including APSSA and excluding acceptance

FINANCIAL HIGHLIGHTS (CONSOLIDATED)

	2014-15 (IGAAP)	2015-16 (IND-AS)	2016-17 (IND-AS)	2017-18 (IND-AS)	2018-19 (IND-AS)
REVENUE ACCOUNTS (₹ in crores)					
Gross Turnover	56,572	45,288	59,560	71,349	82,499
Net Turnover	52,051	40,858	54,628	70,071	82,499
Operating EBIDTA	9,402	6,401	12,174	14,794	18,952
Depreciation and Amortization	3,434	3,323	3,430	3,387	4,041
Finance Costs	3,493	3,601	3,768	3,701	3,917
Exceptional Items	47	2,125	-	264	-
Profit Before Taxes	2,539	(2,468)	5,128	7,651	11,168
Provision for Taxation	819	(1,966)	1,674	1,538	3,644
Profit after Taxes	1,797	(481)	3,467	6,113	7,524
CAPITAL ACCOUNTS (₹ in crores)					
Net Fixed Asset	50,591	55,185	57,858	57,141	61,804
Debt*	37,990	42,204	43,334	39,393	52,238
Net Debt*	35,808	41,184	41,549	38,019	45,969
Equity Capital	242	240	240	241	240
Other Equity (Reserves & Surplus)	21,987	18,665	22,346	27,696	34,494
Shareholders' Funds	23,054	18,771	22,401	27,534	34,345
RATIOS					
Book Value Per Share (₹)	92.21	77.65	92.67	113.91	142.08
Market price Per Share (₹)	90.66	128.33	188.20	288.15	293.05
Earning per Share (Diluted) (₹)	7.29	(1.40)	14.58	25.71	31.60
Market Capitalisation (₹ in crores)	21,913	31,019	45,492	69,652	70,837
Equity Dividend per Share (₹)	1.10	0.75	2.25	3.20	4.10
Fixed Assets Turnover Ratio	1.03	0.74	0.94	1.23	1.33
Operating EBIDTA Margin	17.7%	15.4%	21.9%	20.6%	22.4%
Interest Service Coverage Ratio	1.75	1.84	3.34	4.15	5.02
Net Debt Equity Ratio	1.55	2.18	1.85	1.38	1.34
Net Debt to EBIDTA	3.81	6.39	3.41	2.57	2.43

* Including APSSA and excluding acceptance


DANIELI



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