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Website : www.jsw.in

Ref: JSWSL: SECT: MUM: SE: 2018-19
May 16, 2018

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. Bombay Stock Exchange 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: The General Manager (CRD).
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Sub: Audited Standalone and Consolidated Financial Results for the Quarter & Year ended on 31st March, 2018:

Dear Sir,

The Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended on 31st March 2018 were approved by the Board of Directors at its meeting held today.

Pursuant to Regulation 33 & 52 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following:

- Statement showing the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended on 31st March 2018.
- Auditor's Report on the Audited Standalone & Consolidated Financial Results.
- Audited Statement of Assets and Liabilities as at 31st March, 2018 (Standalone and Consolidated).
- A copy of press release issued.

The Report of Auditors is with unmodified opinion with respect to the Audited Standalone & Consolidated Financial Results of the Company for the quarter & year ended 31st March 2018.

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

Thanking you,

Yours faithfully,
For **JSW STEEL LIMITED**



Lancy Varghese
Company Secretary

cc:

Singapore Exchange Securities Trading Limited
11 North Buona Vista Drive,
#06-07, The Metropolis Tower 2,
Singapore 138589, Hotline: (65) 6236 8863, Fax: (65) 6535 0775

Auditor's Report on Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2018 of JSW Steel Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of
JSW Steel Limited

1. We have audited the accompanying Statement of Audited Standalone Financial Results of JSW Steel Limited ('the Company') for the quarter and year ended March 31, 2018, ('the Statement') attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The Standalone Financial Results for the quarter and year ended March 31, 2018 have been prepared on the basis of the unaudited standalone financial results for the nine-month period ended December 31, 2017, the audited annual standalone Ind AS financial statements as at and for the year ended March 31, 2018, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these Standalone Financial Results based on our review of the unaudited standalone financial results for the nine-month period ended December 31, 2017 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 'Interim Financial Reporting', specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual standalone Ind AS financial statements as at and for the year ended March 31, 2018; and the relevant requirements of the Regulation and the Circular.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, these quarterly Standalone Financial Results as well as the year to date results:
 - i. are presented in accordance with the requirements of the Regulation and the Circular, in this regard; and
 - ii. give a true and fair view of the profit including other comprehensive income and other financial information for the quarter and year ended March 31, 2018.
4. The comparative financial information of the Company for the quarter and year ended March 31, 2017, included in these Standalone Financial Results, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated May 17, 2017 expressed an unmodified opinion.



5. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2018 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under the Regulation and the Circular.

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: May 16, 2018



Statement of Audited Standalone Financial Results for the quarter and year ended 31st March 2018

(Rs. in Crores)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		Audited (refer Note 8)	Unaudited	Audited (refer Note 8)	Audited	
I	Revenue from operations					
	a) Gross Sales	18,958	16,299	16,706	65,046	56,244
	b) Other operating Income	741	154	246	1,188	669
	Total Revenue from operations	19,699	16,453	16,952	66,234	56,913
II	Other Income	73	43	81	213	255
III	Total income (I + II)	19,772	16,496	17,033	66,447	57,168
IV	Expenses					
	a) Cost of materials consumed	10,167	9,090	9,030	35,995	28,400
	b) Purchases of stock-in-trade	328	325	324	1,063	945
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	207	100	(90)	412	(1,390)
	d) Employee benefits expense	321	314	275	1,260	1,168
	e) Finance costs	873	892	963	3,591	3,643
	f) Depreciation and amortisation expense	781	769	785	3,054	3,025
	g) Power and fuel	1,270	1,215	1,126	4,771	4,097
	h) Excise duty expenses	-	-	1,172	1,259	4,623
	i) Other Expenses	2,363	1,836	2,110	7,733	7,526
	Total Expenses (IV)	16,310	14,541	15,695	59,138	52,037
V	Profit before exceptional Items and Tax (III - IV)	3,462	1,955	1,338	7,309	5,131
VI	Exceptional Items (refer note 2)	-	234	-	234	-
VII	Profit before Tax (V - VI)	3,462	1,721	1,338	7,075	5,131
VIII	Tax Expense					
	a) Current tax	854	344	(107)	1,578	(53)
	b) Deferred tax	373	251	442	872	1,607
IX	Net Profit after Tax for the period / year (VII-VIII)	2,235	1,126	1,003	4,625	3,577
X	Other Comprehensive Income (OCI)					
	A .i) Items that will not be reclassified to profit or loss	(189)	173	15	79	(79)
	ii) Income tax relating to items that will not be reclassified to profit or loss	-	(1)	1	1	6
	B. i) Items that will be reclassified to profit or loss	(246)	171	348	(374)	597
	ii) Income tax relating to items that will be reclassified to profit or loss	86	(59)	(120)	130	(207)
	Total Other Comprehensive Income/(Loss)	(349)	284	244	(164)	317
XI	Total Comprehensive Income for the period/year (Comprising Profit and Other Comprehensive Income for the period/year) (IX+X)	1,886	1,410	1,247	4,461	3,894
XII	Paid up Equity Share Capital (face value of Re.1 per share)	241	241	240	241	240
XIII	Other Equity excluding Revaluation Reserves				27,605	23,797
XIV	Earnings per equity share (not annualised)					
	Basic (Rs.)	9.29	4.68	4.18	19.24	14.89
	Diluted (Rs.)	9.25	4.66	4.15	19.14	14.80
XIII	Capital Redemption Reseve /Debenture Redemption Reserve				290	443
XIV	Networth				23,911	19,940
XV	Debt Service Coverage Ratio (refer (i) below)				1.63	1.63
XVI	Interest Service Coverage Ratio (refer (ii) below)				4.05	3.38
XVII	Debt-Equity Ratio (refer (iii) below)				1.30	1.59

- i) Debt Service Coverage Ratio : Profit before Tax, Depreciation , Net Finance Charges and Exceptional Items / (Net Finance Charges + Long Term Borrowings scheduled principal repayments (excluding prepayments) 'during the period).(Net Finance Charges : Finance Costs - Interest Income - Net Gain /(Loss) on sale of current investments)
- ii) Interest Service Coverage Ratio : Profit before Tax, Depreciation, Net Finance Charges and Exceptional Items/ Net Finance Charges
- iii) Debt Equity : Total Borrowings / Total Equity

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STANDALONE STATEMENT OF ASSETS AND LIABILITIES :

(Rs. in Crores)

Particulars		As at 31.03.2018	As at 31.03.2017
		Audited	Audited
A	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	49,503	50,215
	(b) Capital work-in-progress	3,071	2,745
	(c) Intangible assets	65	51
	(d) Intangible assets under development	321	282
	(e) Investments in subsidiaries, associates and joint ventures	3,848	3,772
	(f) Financial assets		
	(i) Investments	1,030	978
	(ii) Loans	5,165	2,771
	(iii) Others financial assets	746	648
	(g) Current tax assets (net)	250	303
	(h) Other non-current assets	2,299	1,396
	Total Non-current assets	66,298	63,161
2	Current assets		
	(a) Inventories	10,082	9,270
	(b) Financial Assets		
	(i) Investments	-	300
	(ii) Trade receivables	4,692	3,948
	(iii) Cash and cash equivalents	451	712
	(iv) Bank balances other than (iii) above	150	315
	(v) Loans	158	121
	(vi) Derivative Assets	147	434
	(vii) Others financial assets	503	328
	(c) Other current assets	3,070	2,370
	Total Current assets	19,253	17,798
	TOTAL ASSETS	85,551	80,959
B	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	302	301
	(b) Other equity	27,605	23,797
	Total Equity	27,907	24,098
2	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	29,551	28,358
	(ii) Other financial liabilities	698	969
	(b) Provisions	115	74
	(c) Deferred tax liabilities (Net)	2,071	1,329
	(d) Other non-current liabilities	4	3
	Total Non-current liabilities	32,439	30,733
3	Current Liabilities		
	(a) Financial liabilities		
	(i) Borrowings	2,172	4,875
	(ii) Trade payables	13,988	11,604
	(iii) Derivative liabilities	90	382
	(iv) Other financial liabilities	7,111	8,112
	(b) Other current liabilities	1,381	989
	(c) Provisions	111	132
	(d) Current tax liabilities (Net)	352	34
	Total Current liabilities	25,205	26,128
	TOTAL EQUITY AND LIABILITIES	85,551	80,959

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Notes

1. The Board of Directors has recommended dividend as below subject to approval of the members at the ensuing Annual General Meeting:

(i) Dividend at the stipulated rate of 10% per share on the 10% Cumulative Redeemable Preference Shares of Rs.10 each of the Company, i.e. (i) Re. 1 (rupee one only) per share of Rs.10 each (prior to its part redemption on 15.12.2017 (ii) Re. 0.75 (paise seventy five only) per share of Rs.7.50 each (face value post redemption on 15.12.2017); and (iii) Re. 0.50 (paise fifty only) per share on the 10% Cumulative Redeemable Preference Shares of Rs. 5 each (face value post redemption on 15.03.2018), has been recommended for the year ended 31 March 2018;

(ii) Cumulative Dividend at the stipulated rate of 0.01% per share starting from 01 October 2002 on 0.01% Cumulative Redeemable Preference shares; and

(iii) Dividend of Rs. 3.20 (rupees three and paise twenty only) per equity share of Re. 1 each for the year 2017-18.

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

3. (i) In response to a petition filed by the iron ore mine owners and purchasers (including JSW Steel Limited [the Company]) contesting the levy of Forest Development Tax (FDT) 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 Honourable Supreme Court of India ("SCI"). SCI has not granted stay on the judgement but stayed refund of FDT amounting to Rs. 1,517 crores. The matter is yet to be heard by SCI. Based on merits of the case and supported by a legal opinion, the Company has not recognised provision for FDT of Rs. 1,043 crores and treated it as a contingent liability.

(ii) The State of Karnataka on 27 July 2016, has amended Section 98-A of the Forest Act retrospectively substituting the levy as Forest Development Fee (FDF) instead of FDT. In response to the writ petition filed by the Company and others, the Honourable High Court of Karnataka has vide its order dated 4 October 2017, held that the amendment is ultra-vires the Constitution of India and directed the State Government to refund the FDF collected. The State Government has filed an appeal before the SCI and the SCI has admitted the appeal and stayed the refund of FDF. Based on merits of the case duly supported by a legal opinion and a favorable order from the High Court, the Company has not recognised provision for FDF amount of Rs.756 crores (including paid under protest - Rs.255 crores) pertaining to the private lease operators & NMDC and treated it as a contingent liability.

4. (i) The Company's unit at Dolvi in the State of Maharashtra is eligible for a deferral of VAT/CST collected on sale of finished goods under Package Scheme of Incentive (PSI) – 1993, which is accounted as a Government grant. The Government of Maharashtra vide its notification dated 14 February 2018 has announced that the Industrial promotion Subsidy (IPS) schemes would be continued in the GST regime with the incentives being determined based on the State GST in place of the erstwhile VAT. However, the process of disbursing the incentives has not been notified yet. The Company believes that the process of disbursement of incentives would continue to remain unchanged and accordingly has recognised the government grant of Rs. 358 crores and Rs. 544 crores for the quarter and year ended 31 March 2018 respectively including the differential government

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grant, amounting to Rs. 145 crores, being the incentive determined based on the SGST rate for the period 1 July 17 to 31 December 2017.

(ii) The Company's unit at Vijayanagar in the State of Karnataka is eligible for VAT/CST incentives on sale of finished goods under the State Industrial policy 2009-14. The Government of Karnataka vide its notification dated 13 March 2018 has announced that the incentives schemes would be continued in the GST regime with the incentives being determined based on the SGST rate in place of the erstwhile VAT rate. Since the Company has started receiving the grant during the quarter, the Company has recognized an amount of Rs.277 crores as government grant income for the quarter and year ended 31 March 2018, including an amount of Rs. 111 crores in relation to earlier quarters and Rs. 104 crores in relation to earlier years.

(iii) Revenue from operations for periods up to 30 June 2017 includes excise duty, which is discontinued effectively 1 July 2017 upon implementation of Goods and Service Tax (GST). In accordance with 'Ind AS 18 - Revenue', GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the quarter and year ended 31 March 2018 is not comparable to the quarter and year ended 31 March 2017.

5. The Company is in the business of manufacturing steel products and hence has only one reportable operating segment as per Ind AS 108 - Operating Segments.
6. The domestic credit rating for long term debt/facilities/NCD's by CARE and ICRA were retained at "AA-", while the short term debt/facilities continue to be rated at the highest level of "A1+". CARE & ICRA have assigned a stable outlook on the long term rating. India Ratings has assigned long term issuer rating and rating for the outstanding non-convertible debentures of the Company to "AA-" with stable outlook.
7. The listed non-convertible debentures of the Company aggregating Rs. 3703 crore as on 31 March 2018 are secured by way of mortgage/charge on Company's specific Fixed Assets with minimum fixed assets cover of 1.25 times.

i. Details of Secured non- convertible debentures are as follows:

Non-Convertible Debentures	Previous Payment Date		Next payment Date	
	Principal	Interest	Principal	Interest
10.60% NCD	2-Jan-18	2-Jan-18	2-Jul-18	3-Apr-18
10.60% NCD	2-Feb-18	2-Feb-18	2-Aug-18	2-May-18
10.34% NCD	-	18-Jan-18	18-Jan-22	18-Apr-18
10.02% NCD	-	20-Feb-18	20-May-23	20-May-18
10.02% NCD	-	19-Jan-18	19-Jul-23	19-Apr-18
10.40% NCD	-	19-Feb-18	19-Aug-19	19-May-18
10.50% NCD	-	19-Feb-18	19-Aug-18	19-May-18
10.60% NCD	-	19-Feb-18	19-Aug-19	19-May-18
9.665% NCD	-	23-Dec-17	22-Dec-18	22-Dec-18
9.72% NCD	-	23-Dec-17	23-Dec-19	23-Dec-18
10.10% NCD	15-Mar-18	15-Mar-18	N.A	N.A
10.25% NCD	17-Feb-18	17-Feb-18	N.A	N.A

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ii. Outstanding Cumulative Redeemable preference shares (CRPS) are as follows:

Preference shares:	Number of Shares	Amount (Rs. in crores)
10% Cumulative redeemable preference shares	279,034,907	140
0.01% Cumulative redeemable preference shares	485,414,604	485*

*represents Face Value

iii. Repayment details of Outstanding Cumulative Redeemable preference shares (CRPS):

Preference shares:	Previous Payment Date		Next Payment Date	
	Principal	Dividend	Principal	Dividend
10% Cumulative redeemable preference shares (10% CRPS)	15-Dec-2017	03-Jul-2017	15-Jun-2018	*
	15-Mar-2018		15-Sep-2018	*
0.01% Cumulative redeemable preference shares (0.01% CRPS)	NA	NA	15-Jun-2018	@
			15-Sep-2018	@
			15-Dec-2018	@
			15-Mar-2019	@
			15-Jun-2019	@
			15-Sep-2019	@
			15-Dec-2019	@
			15-Mar-2020	@

*The 10% CRPS carry a right to receive dividend every year till redemption. There are no arrears of Dividend.

@ The dividend shall become due and payable from 15 June 2018 until redemption of the 0.01% CRPS.

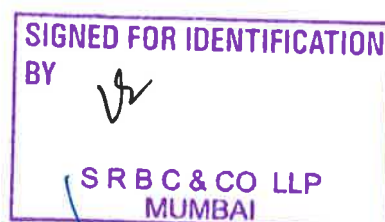
8. The figures of the quarter ended 31 March 2018 and 31 March 2017 are the balancing figures between the audited figures in respect of the full financial year and published year to date figures upto third quarter of the relevant financial year.
9. Previous period/year figures have been re-grouped /re-classified wherever necessary.
10. The above results have been reviewed by the Audit committee and approved by the Board of Directors at their meetings held on 15 May 2018 and 16 May 2018 respectively.

For JSW Steel Limited

Seshagiri Rao M.V.S

Jt. Managing Director & Group CFO

16 May 2018



Auditor's Report on Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2018 of JSW Steel Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of
JSW Steel Limited

1. We have audited the accompanying Statement of Audited Consolidated Financial Results of JSW Steel Limited ('the Company') comprising its subsidiaries (together, 'the Group'), its joint ventures for the quarter and year ended March 31, 2018 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The Consolidated Financial Results for the quarter and year ended March 31, 2018 have been prepared on the basis of the unaudited consolidated financial results for the nine-month period ended December 31, 2017, the audited annual consolidated Ind AS financial statements as at and for the year ended March 31, 2018, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these Consolidated Financial Results based on our review of the unaudited consolidated financial results for the nine-month period ended December 31, 2017 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual consolidated Ind AS financial statements as at and for the year ended March 31, 2018; and the relevant requirements of the Regulation and the Circular.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. 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 reports of other auditors on separate financial statements and the other financial information of subsidiaries / joint ventures, these quarterly Consolidated Financial Results as well as the year to date results:
 - i. includes the results of the entities mentioned in Annexure - I;
 - ii. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
 - iii. give a true and fair view of the profit including other comprehensive Income and other financial information for the quarter and year ended March 31, 2018.



4. We did not audit the financial statements and other financial information, in respect of 40 subsidiaries, whose financial statements includes total assets of Rs. 16,500 crore and net assets of Rs. 191 crore as at March 31, 2018, and total revenues of Rs. 2,253 crore and Rs. 8,720 crore for the quarter and the year ended on that date respectively. These Ind AS financial statement and other financial information have been audited by other auditors, whose reports have been furnished to us by the management. The Consolidated Ind AS financial statements also includes the Group's share of net profit of Rs. 21 crore and Rs. 56 crore for the quarter and year ended March 31, 2018, respectively, as considered in the consolidated financial statements, in respect of 7 joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiaries and joint ventures is based solely on the report of other auditors. Our opinion is not modified in respect of this matter.

Certain of these subsidiaries and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

5. We did not audit the financial statements and other financial information, in respect of 4 subsidiaries, whose unaudited financial statements includes total asset of Rs. Nil and net assets of Rs. (-)3 crores as at March 31, 2018, and total revenue of Rs. Nil for the quarter and the year ended on that date. These unaudited financial statement and other unaudited financial information have been furnished to us by the management. The Consolidated Ind AS financial also includes Group's share of net loss of Rs.14 crores and Rs. 14 crores for the quarter and the year ended March 31, 2018 respectively, as considered in the consolidated Ind AS financial statements, in respect of the 2 joint ventures, whose financial statement and other financial information have not been audited and whose unaudited financial statement and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiaries and joint ventures is based solely on such unaudited financial statements 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 is not modified in respect of this matter.
6. The comparative financial information of the Group including its Joint Ventures for the quarter and year ended March 31, 2017, included in these Consolidated Financial Results, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated May 17, 2017 expressed an unmodified opinion.



7. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2018 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under the Regulation and the Circular.

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: May 16, 2018



Subsidiaries

- 1) JSW Steel (USA) Inc.
- 2) Periana Holdings, LLC
- 3) Purest Energy, LLC
- 4) Meadow Creek Minerals, LLC
- 5) Hutchinson Minerals, LLC
- 6) R.C. Minerals, LLC
- 7) Peace Leasing, LLC
- 8) Prime Coal, LLC
- 9) Planck Holdings, LLC
- 10) Keenan Minerals, LLC
- 11) Rolling S Augering, LLC
- 12) Periana Handling, LLC
- 13) Lower Hutchinson Minerals, LLC
- 14) Caretta Minerals, LLC
- 15) JSW Steel (Netherlands) B.V.
- 16) JSW Steel (UK) Limited
- 17) JSW Panama Holdings Corporation
- 18) Inversiones Eurosh Limitada
- 19) Santa Fe Mining
- 20) Santa Fe Puerto S.A.
- 21) JSW Natural Resources Limited
- 22) JSW Natural Resources Mozambique Limitada
- 23) JSW ADMS Carvao Lda
- 24) Nippon Ispat Singapore (PTE) Limited
- 25) Erebus Limited
- 26) Arima Holding Limited
- 27) Lakeland Securities Limited
- 28) JSW Steel Italy S.R.L.
- 29) JSW Steel Processing Centre Limited
- 30) JSW Steel Coated Products Limited
- 31) Amba River Coke Limited
- 32) JSW Steel (Salav) Limited
- 33) Dolvi Minerals & Metals Private Limited
- 34) Dolvi Coke Projects Limited
- 35) JSW Industrial Gases Private Limited
- 36) JSW Bengal Steel Limited
- 37) JSW Natural Resources India Limited
- 38) JSW Energy (Bengal) Limited
- 39) JSW Natural Resource Bengal Limited
- 40) JSW Jharkhand Steel Limited
- 41) Peddar Realty Private Limited
- 42) JSW Realty & Infrastructure Private Limited
- 43) JSW Utkal Steel Limited
(w.e.f. November 16, 2017)
- 44) Hasaud Steel Limited
(w.e.f. February 13, 2018)
- 45) Creixent Special Steels Limited
(w.e.f. February 27, 2018)
- 46) Milloret Steel Limited
(w.e.f. March 03, 2018)

Joint Ventures

- 1) JSW Severfield Structures Limited
- 2) JSW Structural Metal Decking Limited
- 3) JSW Vallabh Tinplate Private Limited
- 4) Vijayanagar Minerals Private Limited
- 5) Rohne Coal Company Private Limited
- 6) Gourangdih Coal Limited
- 7) GEO Steel LLC
- 8) JSW MI Steel Service Center Private Limited
- 9) Acciaitalia S.p.A.



Sr. No.	Particulars	Quarter ended			Year ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		Audited (refer note 8)	Unaudited	Audited (refer note 8)	Audited	
I	Revenue from operations					
	a) Gross sales	20,027	17,669	17,549	70,091	59,560
	b) Other operating income	790	192	368	1,412	976
	Total Revenue from operations	20,817	17,861	17,917	71,503	60,536
II	Other Income	45	42	56	167	152
III	Total Income (I+II)	20,862	17,903	17,973	71,670	60,688
IV	Expenses					
	a) Cost of materials consumed	10,761	9,695	9,421	38,779	29,749
	b) Purchases of stock-in-trade	-	-	-	2	-
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	58	369	(119)	244	(1,486)
	d) Employee benefits expense	471	460	407	1,843	1,700
	e) Finance costs	883	923	947	3,701	3,768
	f) Depreciation and amortisation expense	865	852	878	3,387	3,430
	g) Excise duty expenses	-	-	1,261	1,278	4,932
	h) Power and fuel	1,515	1,437	1,389	5,697	4,883
	i) Other expenses	2,722	2,049	2,394	8,866	8,584
	Total expenses (IV)	17,275	15,785	16,578	63,797	55,560
V	Profit before exceptional items and tax (III-IV)	3,587	2,118	1,395	7,873	5,128
VI	Exceptional Items (refer note 2)	-	264	-	264	-
VII	Profit before tax (V-VI)	3,587	1,854	1,395	7,609	5,128
VIII	Tax expense					
	a) Current tax	937	376	(51)	1,826	152
	b) Deferred tax (refer note 3)	(222)	(282)	450	(288)	1,522
IX	Net Profit after tax for the period / year (VII-VIII)	2,872	1,760	996	6,071	3,454
X	Share of profit / (loss) from an associate	-	-	-	-	(9)
XI	Share of profit from joint ventures (net)	7	14	12	42	22
XII	Net Profit for the period / year (IX+X+XI)	2,879	1,774	1,008	6,113	3,467
XIII	Other comprehensive income (OCI)					
	(A) (i) Items that will not be reclassified to profit or loss	(206)	190	16	87	(88)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(2)	1	2	2	7
	(B) (i) Items that will be reclassified to profit or loss	(291)	257	531	(425)	674
	(ii) Income tax relating to items that will be reclassified to profit or loss	97	(76)	(139)	150	(223)
	Total other comprehensive income/(loss)	(402)	372	410	(186)	370
XIV	Total comprehensive income for the period / year (Comprising Profit and Other comprehensive income for the period/year) (XII+XIII)	2,477	2,146	1,418	5,927	3,837
XV	Net Profit / (loss) for the period/year attributable to:					
	-Owners of the Company	2,996	1,753	1,014	6,214	3,523
	-Non-controlling interests	(117)	21	(6)	(101)	(56)
		2,879	1,774	1,008	6,113	3,467
XVI	Other comprehensive income / (loss)					
	-Owners of the Company	(394)	362	398	(184)	365
	-Non-controlling interests	(8)	10	12	(2)	5
		(402)	372	410	(186)	370
XVII	Total comprehensive income / (loss) for the period/year attributable to:					
	-Owners of the Company	2,602	2,115	1,412	6,030	3,888
	-Non-controlling interests	(125)	31	6	(103)	(51)
		2,477	2,146	1,418	5,927	3,837
XVIII	Paid up Equity Share Capital (Face Value of Rs. 1 per share)	241	241	240	241	240
XIX	Other Equity excluding Revaluation Reserves				27,696	22,346
XX	Earnings per equity share (not annualised)					
	Basic (Rs.)	12.45	7.28	4.22	25.85	14.66
	Diluted (Rs.)	12.40	7.25	4.20	25.71	14.58

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CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES:

		Rs. in crores	
		As at 31.03.2018	As at 31.03.2017
Particulars		Audited	
A	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	57,054	57,786
	(b) Capital work-in-progress	5,629	4,081
	(c) Goodwill	707	872
	(d) Intangible assets	87	72
	(e) Intangible assets under development	321	282
	(f) Investments in joint ventures	360	252
	(g) Financial assets		
	(i) Investments	797	814
	(ii) Loans	378	121
	(iii) Others financial assets	293	252
	(h) Current tax assets (net)	271	305
	(i) Deferred tax assets (net)	48	84
	(j) Other non-current assets	2,881	1,892
	Total Non-current assets	68,826	66,813
2	Current assets		
	(a) Inventories	12,594	11,395
	(b) Financial assets		
	(i) Investments	312	300
	(ii) Trade receivables	4,704	4,149
	(iii) Cash and cash equivalents	582	917
	(iv) Bank balances other than (iii) above	481	568
	(v) Loans	230	174
	(vi) Derivative assets	151	491
	(vii) Other financial assets	530	285
	(c) Current tax assets	6	18
	(d) Other current assets	3,599	2,968
	(e) Assets held for sale	3	11
	Total Current assets	23,192	21,276
	TOTAL ASSETS	92,018	88,089
B	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	302	301
	(b) Other equity	27,696	22,346
	Equity attributable to owners of the Company	27,998	22,647
	Non controlling interest	(464)	(246)
	Total Equity	27,534	22,401
2	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	31,723	32,416
	(ii) Other financial liabilities	919	486
	(b) Provisions	138	97
	(c) Deferred tax liabilities (net)	2,604	3,074
	(d) Other non-current liabilities	136	55
	Total Non-current liabilities	35,520	36,128
3	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	2,177	4,881
	(ii) Trade payables	15,944	13,348
	(iii) Derivative liabilities	96	418
	(iv) Other financial liabilities	8,615	9,457
	(b) Other current liabilities	1,564	1,209
	(c) Provisions	184	202
	(d) Current tax liabilities (net)	384	45
	Total Current liabilities	28,964	29,560
	TOTAL EQUITY AND LIABILITIES	92,018	88,089

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Notes

1. The Board of Directors has recommended dividend as below subject to approval of the members at the ensuing Annual General Meeting:

- i. Dividend at the stipulated rate of 10% per share on the 10% Cumulative Redeemable Preference Shares of Rs.10 each of the Company, i.e. (i) Re. 1 (rupee one only) per share of Rs.10 each (prior to its part redemption on 15.12.2017) (ii) Re. 0.75 (paise seventy five only) per share of Rs.7.50 each (face value post redemption on 15.12.2017); and (iii) Re. 0.50 (paise fifty only) per share on the 10% Cumulative Redeemable Preference Shares of Rs. 5 each (face value post redemption on 15.03.2018), has been recommended for the year ended 31 March 2018;
- ii. Cumulative Dividend at the stipulated rate of 0.01% per share starting from 1 October 2002 on 0.01% Cumulative Redeemable Preference shares; and
- iii. Dividend of Rs. 3.20 (rupees three and paise twenty only) per equity share of Re. 1 each for the year 2017-18.

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

3. (i) In view of the improving operational performance of components based in the United States of America (USA), the Group during the quarter ended 31 March 2018 has recognised a deferred tax asset amount to Rs 729 crores on the unused tax losses to the extent the components has sufficient taxable temporary differences.

(ii) Pursuant to the enactment of Tax Cuts and Jobs Act by the USA on 22 December 2017, the corporate income tax rate for components of Group based in USA has been reduced to 21% resulting in a reversal of deferred tax liabilities amounting to Rs 572 crores during the year.

The above amounts has been recognised in the deferred tax expenses item in the above results.

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

(b) The State of Karnataka on 27 July 2016, has amended Section 98-A of the Forest Act retrospectively substituting the levy as Forest Development Fee (FDF) instead of FDT. In response to the writ petition filed by the Company and others, the Honourable High Court of Karnataka has vide its order dated 4 October 2017, held that the amendment is ultra-vires the Constitution of India and directed the State Government to refund the FDF collected. The State Government has filed an appeal before the SCI and the SCI has admitted the appeal and

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stayed the refund of FDF. Based on merits of the case duly supported by a legal opinion and a favorable order from the High Court, the Company has not recognised provision for FDF amount of Rs.756 crores (including paid under protest - Rs.255 crores) pertaining to the private lease operators & NMDC and treated it as contingent liability.

5. (a) The Group units in the State of Maharashtra is eligible for a deferral of VAT/CST collected on sale of finished goods under Package Scheme of Incentive (PSI) – 1993 and refund of VAT/CST on sales under PSI 2007, which is accounted as a government grant. The Government of Maharashtra vide its notification dated 14 February 2018 has announced that the Industrial promotion Subsidy (IPS) schemes would be continued in the GST regime with the incentives being determined based on the State GST in place of the erstwhile VAT. However, the process of disbursing the incentives has not been notified yet. The Group believes that the process of disbursement of incentives would continue to remain unchanged and accordingly has recognised the government grant of Rs. 388 crores and Rs. 620 crores for the quarter and year ended 31 March 2018 respectively including the differential government grant, amounting to Rs 147 crores, being the incentive determined based on the SGST rate for the period 1 July 2017 to 31 December 2017.

(b) The Group's unit at Vijayanagar in the State of Karnataka is eligible for VAT/CST incentive on sale of finished goods under Industrial policy 2009-14. The Government of Karnataka vide its notification dated 13 March 2018 has announced that the incentives schemes would be continued in the GST regime with the incentives being determined based on the SGST rate in place of the erstwhile VAT rate. Since the Group has started receiving the grant during the quarter, the Group has recognized an amount of Rs. 277 crores as government grant income for the quarter and year ended 31 March 2018 including an amount of Rs. 111 crores in relation to earlier quarters and Rs. 104 crores in relation to earlier years.

(c) Revenue from operations for periods up to 30 June 2017 includes excise duty, which is discontinued effectively 1 July 2017 upon implementation of Goods and Service Tax (GST). In accordance with 'Ind AS 18 - Revenue', GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the quarter and year ended 31 March 2018 is not comparable to the quarter and year ended 31 March 2017.

6. The Group is majorly in the business of manufacturing steel products and hence has only one reportable operating segment as per IND AS 108 - Operating Segments.
7. Previous period/year figures have been re-grouped /re-classified wherever necessary.
8. The figures of the quarter ended 31 March 2018 and 31 March 2017 are the balancing figures between the audited figures in respect of the full financial year and published year to date figures upto third quarter of the relevant financial year.
9. The above results have been reviewed by the Audit committee and approved by the Board of Directors at their meetings held on 15 May 2018 and 16 May 2018 respectively.

For JSW Steel Limited



Seshagiri Rao M.V.S
Jt. Managing Director & Group CFO
16 May 2018



JSW Steel reports highest ever Production, Sales, EBITDA and PAT

Mumbai, India: JSW Steel Limited ("JSW Steel" or the "Company") today reported its results for the Fourth Quarter and the Financial Year ended 31st March, 2018 ("4Q FY2018" or the "Quarter" and "FY2018" or the "Year").

Highest ever Quarterly Performance:**Standalone:**

- Crude Steel production: 4.31 million tonnes, up by 5%YoY
- Saleable Steel sales: 4.22 million tonnes, up by 7% YoY
- Revenue from operations: ₹19,699 crores, up by 16%YoY
- Operating EBITDA: ₹5,043 crores, up by 68%YoY
- Net profit after tax: ₹2,235 crores, up by 123%YoY

Consolidated:

- Revenue from operations: ₹20,817 crores, up by 16%YoY
- Operating EBITDA: ₹5,290 crores, up by 67 %YoY
- Net profit after tax: ₹2,879 crores, up by 186%YoY

Key highlights for the year FY2018:**Highest ever Annual performance:****Standalone Performance:**

- Crude Steel production: 16.27 million tonnes, up by 3% YoY
- Saleable Steel sales: 15.62 million tonnes, up by 6% YoY
- Revenue from operations: ₹66,234 crores, up by 16%YoY
- Operating EBITDA: ₹13,741 crores, up by 19%YoY
- Net profit after tax: ₹4,625 crores, up by 29% YoY

Consolidated Performance:

- Revenue from operations: ₹71,503 crores, up by 18%YoY
- Operating EBITDA: ₹14,794 crores, up by 22%YoY
- Net profit after tax: ₹6,113 crores up by 76% YoY

Operational performance:

The current quarter was marked by a strong growth in demand across regions, which, in turn, led to higher commodity prices and spreads.

The Company achieved its highest ever Crude Steel production for the quarter at 4.31 million tonnes, up 5% YoY as well as QoQ, on account of higher utilisation and sound operational performance across all locations. Aided by a robust domestic demand, primarily for long products, the Company also achieved highest ever quarterly sales volume of 4.22 million tonnes, which grew by 7%YoY and 6%QoQ.

Consolidated sales volume for the quarter stood at 4.18 million tonnes, up by 6% YoY and 4% QoQ. Domestic sales volumes surged by 41% YoY and 25% QoQ to 3.55 million tonnes, led by rising infrastructure spend and robust automotive segment growth. The Company continued to focus on enriching the product mix as sales of value added and special products (VASP) increased 14% YoY and 2% QoQ to 2.36 million tonnes, and share of VASP in total shipments stood at 57%.

For the year FY2018, the Company reported Crude Steel production of 16.27 million tonnes, a growth of 3%YoY, achieving 98.6% of its guidance. Production volumes in the first half were impacted due to water shortages and constrained iron ore availability. However, Saleable Steel sales volume for the year grew by 6%YoY to 15.62 million tonnes, at 100.8% of the guidance as the company liquidated some inventory to meet demand growth.

The consolidated sales volume for FY2018 stood at 15.55 million tons, an increase of 6% YoY. Sales of value added & special products (VASP) in FY2018 grew by 13% YoY to 9.00 million tonnes driven by higher sales to automotive, appliances, projects and infrastructure segments.

The details of production and sales volumes are as under:

Particulars	(Million tonnes)					
	4Q FY2018	4Q FY2017	%YOY Growth	FY 2018	FY 2017	%YOY Growth
Production: Crude Steel	4.31	4.10	5%	16.27	15.80	3%
Sales:						
- Rolled: Flat	2.97	2.90	2%	11.17	10.97	2%
- Rolled: Long	1.04	0.78	33%	3.55	3.06	16%
- Semis	0.21	0.27	-22%	0.90	0.74	22%
Total Saleable Steel	4.22	3.96	7%	15.62	14.77	6%

Standalone financial performance:

With a strong underlying demand and rising international prices, domestic steel prices, especially long products, went up during the quarter. As a result, JSW Steel recorded Revenue from operations for the quarter of ₹19,699 crores, which grew 16% YoY. Despite higher cost of key inputs like iron ore, coking coal and ferroalloys, Operating EBITDA for the quarter grew by 68% YoY to ₹5,043 crores and EBITDA margin stood at 25.6%. The net profit after tax stood at ₹2,235 crores for the quarter, a rise of 123% YoY.

Revenue from operations for FY2018 stood at ₹66,234 crores, up 16% YoY. This was driven by sales volume growth of 6% YoY and higher average realisations. The Company also progressed well on multiple performance improvement initiatives – from diversified sourcing, optimisation of logistics costs, digitalisation projects driving

improvement of yields and productivity. As a result, Operating EBITDA for the year grew by 19% YoY to ₹13,741 crores. The company posted net profit of ₹4,625 crores for the year, witnessing a growth of 29% YoY.

Gearing (Net Debt to Equity) at the end of the quarter stood at 1.27x (as against 1.53x at the end of 3Q FY2018) and Net Debt to EBITDA stood at 2.59x (as against 3.40x at the end of 3Q FY2018).

Subsidiaries performance:

JSW Steel Coated Products: During the quarter, JSW Steel Coated Products registered a production (Galvanized/Galvalume products) of 0.48 million tonnes and sales volume of 0.47 million tonnes. It has recorded revenue from operations and Operating EBITDA for the quarter at ₹3,043 crores and ₹202 crores, respectively. Net Profit after Tax stood at ₹87 crores for the quarter.

During the year, the JSW Steel Coated Products achieved a production of 1.70 million tonnes. Revenue from operations, operating EBITDA and Net Profit after Tax stood at ₹12,553 crores, ₹638 crores and ₹275 crores respectively.

US Plate and Pipe Mill: The US based Plate and Pipe Mill facility produced 71,015 net tonnes of Plates and 12,142 net tonnes of Pipes, reporting a capacity utilisation of 30% and 9% respectively, during the quarter. Sales volumes for the quarter stood at 52,835 net tonnes of Plates and 12,222 net tonnes of Pipes. It reported an EBITDA of \$3.25 million for the quarter.

During the year, the US Plate and Pipe Mill facility operations turned around. With trade remedial actions in the US and strong domestic growth and higher spreads, the facility generated positive EBITDA. It recorded a production of 248,444 net tonnes of Plates and 50,301 net tonnes of Pipes with capacity utilisation of 26% and 9% respectively, and EBITDA of \$13.22 million for the year.

Consolidated financial performance:

JSW Steel recorded Revenue from operations of ₹20,817 crores for the quarter, a growth of 16% YoY. Consolidated Operating EBITDA for the quarter improved by 67%YoY to ₹5,290 crores and EBITDA margin for the quarter stood at 25.4%. The net profit after tax increased to ₹2,879 crores for the quarter after incorporating the financials of subsidiaries, joint ventures and associates.

The operational performance at the US operations of both the Plate and Pipe mill at Baytown, as well as the US coal operations, have seen a consistent improvement during the course of the year. This has been supported by a strong economic outlook for the US. Consequently, the Company during the quarter ended 31st March 2018 has recognised a Deferred Tax Asset amount of ₹729 crores on the unused tax losses to the extent the US operations has sufficiently taxable temporary differences. For FY2018, the Company has recognized a Deferred Tax Asset of ₹1,301 crores.

Revenue from operations for FY2018 stood at ₹71,503 crores. The Operating EBITDA stood at ₹14,794 crores – registering a growth of 22% YoY. The company reported a Net profit of ₹6,113 crores for FY2018 as compared to ₹3,467 crores for FY2017.

The company reported a Return on Capital Employed (ROCE) of over 16% for FY2018.

Net gearing (Net Debt to Equity) at consolidated level was 1.38x at the end of the quarter (as against 1.68x at the end of 3Q FY2018). More importantly, Net Debt to EBITDA at a consolidated level stood at 2.57x (as against 3.32x at the end of 3Q FY2018).

The Company's net debt reduced by ₹4,048 crores during the quarter and by ₹3,529 crores during the year, despite higher activity levels. Interest cost reduced during the quarter primarily on account of repayment of loans and lower interest costs. The weighted average interest cost decreased by 24 bps during the year to 7.04%.

Projects and Capex update:

All the key projects which commenced last year, like augmenting crude steel capacity at Dolvi works to 10 MTPA, revamp and capacity up-gradation of BF-3 at Vijayanagar works, capacity expansion of CRM-1 complex at Vijayanagar works and modernization-cum-capacity enhancement at downstream facilities of JSW Steel Coated Products are progressing satisfactorily and are likely to complete as per schedule.

New Projects approved by the Board:

FY2018 marked a turning point for the domestic steel demand growth for the country, as elasticity of steel demand growth to GDP growth went back to >1x after more than 5 years. With rising spends in infrastructure projects, the medium term demand growth outlook is quite constructive. At the same time, with a 91% utilization in FY2018, the Company is capacity constrained to cater to this strong demand outlook.

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

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

The major new projects so approved are:

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

- i) The Company, in the last year, had announced a plan to revamp and up-grade capacity of Blast Furnace-3 at Vijayanagar, post which the higher cost BF-2 would have been ramped down keeping overall capacity at Vijayanagar at 12 MTPA. Considering the prospects of strong steel demand outlook, the Company now plans to modify and enhance the capacities of Steel Making Shop and capacities of flat and long products mills with allied facilities to utilize the additional hot metal. This project is expected to be commissioned by March 2020 at an estimated cost of about ₹2,300 crores. With this, the crude steel capacity at Vijayanagar would increase to 13 MTPA.
- ii) The expansion project at Dolvi to 10 MTPA is currently under implementation. In order to effectively utilise the steel making and casting capacity, the Company has decided to increase DRI capacity at Salav to 1.6 MTPA (from existing 0.9 MTPA)

along with augmentation and modification of Steel Melting Shop at Dolvi for hot charging of DRI. This project is expected to be commissioned by March 2020 at an estimated cost of ₹1,375 crores. With this, the crude steel capacity at Dolvi would increase to 10.7 MTPA.

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

(b) Enriching Product Mix

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

- i) Setting up 0.3 MTPA colour coated line at CRM1 complex at Vijayanagar
- ii) Modernisation and Capacity Enhancement at Vasind & Tarapur by 1.5 MTPA by setting up PLTCM instead of earlier planned 0.96 MTPA BCTM
- iii) Installation of an additional Tin Plate line with capacity of 0.25 MTPA at Tarapur
- iv) Capacity enhancement of Pre-Painted Galvalume Line (PPGL) at Kalmeshwar by 0.22 MTPA

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

(c) Cost reduction projects and manufacturing integration

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

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

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

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

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

The Company will set up power plants of 175 MW and 60 MW to effectively utilise flue gases and steam generated from CDQ, which will lead to savings in power

costs. These power plants are expected to be commissioned in March 2020 at an estimated cost of ₹975 crores.

The overall estimated capex plan of ₹26,815 crores announced last year, is expected to be enhanced by ~ ₹17,600 crores to implement the above new projects. Overall, the Company is now implementing a cumulative capex pipeline of ₹44,415 crores over a 4 year period between FY2018 to FY2021. With spend of about ₹4,700 crores in FY2018, the Company plans to spend the balance ₹39,715 crores over the next 3 years. These projects are planned to be funded by a mix of debt and internal accruals in such a manner as to keep the overall leverage ratios within the targeted threshold levels of 3.75x Net Debt / EBITDA and 1.75x Net Debt / Equity.

Dividend:

Considering the Company's financial performance for FY2018, the Board of Directors has recommended dividend as below subject to approval of the members at the ensuing Annual General Meeting: (i) Dividend at the stipulated rate of 10% per share on the 10% Cumulative Redeemable Preference Shares of Rs.10 each of the Company, i.e. (i) Re. 1 (rupee one only) per share of Rs.10 each (prior to its part redemption on 15.12.2017), (ii) Re. 0.75 (paise seventy five only) per share of Rs.7.50 each (face value post redemption on 15.12.2017); and (iii) Re. 0.50 (paise fifty only) per share on the 10% Cumulative Redeemable Preference Shares of Rs. 5 each (face value post redemption on 15.03.2018), has been recommended for the year ended 31 March 2018; and dividend at the stipulated rate of 0.01% per share starting from October 1, 2002 on cumulative redeemable preference shares.

The Board has, further, recommended dividend at ₹3.20 per equity share on the 2,41,72,20,440 equity shares of ₹1 each for the year ended March 31, 2018, subject to the approval of the Members at the ensuing Annual General Meeting.

The total outflow on account of equity dividend including corporate tax on dividend will be ₹932.5 crores, vis-a-vis ₹654.6 crores paid for FY2017.

Volume Guidance:

The Production and Sales guidance for FY2018-19 is given below, which translates into a capacity utilization of 93% :

Particulars	FY'18 (Actual)	FY'19 (Estimated)	Growth (YoY)
Crude Steel Production (million tonnes)	16.27	16.75	3.0%
Saleable Steel Sales (million tonnes)	15.62	16.00	2.5%

Outlook:

Global growth projections remain firm for 2018 with broad based recovery across regions. The positive momentum in the US continues with policy support, manufacturing focus, employment growth and strong consumer confidence. The Euro area is stabilising at a higher level with strong domestic demand, supportive monetary

policy and robust trade. Japan's growth is expected to be supported by stronger exports, rising investments and budgetary support. China's growth rate is expected to soften as the rebalancing away from investment to private consumption and from industry to services continue. Commodity exporting countries are expected to perform better with increasing commodity prices. However, rising protectionism, hardening interest rates, increasing oil prices and geo-political concerns pose a risk to global growth.

The World Steel Association (WSA) forecasts global steel demand to reach 1,616 Million tonnes in 2018, an increase of 1.8% over 2017. Steel demand is benefitting from favourable global economic momentum. China has seen a strong growth in steel demand during the first quarter of CY 2018, even though WSA forecasts zero growth in China for the full year. Hence, there is an upside risk to global demand growth forecasts for 2018. Chinese exports are lower on YoY basis and are expected to taper further as they continue to shut inefficient capacities and focus on domestic consumption. Global steel prices are expected to remain buoyant with steady demand growth across regions, lower exports from China and steady raw material prices.

Indian growth outlook is improving with effects of demonetisation and GST slowly fading away. Structural reforms are expected to increase productivity and incentivise investments. Gross fixed capital (GFC) formation continues to grow with government spending on infrastructure. Vehicle sales remain robust while industrial production growth has been positive. Manufacturing PMI remains in the expansionary zone. Inflation has been creeping up with higher commodity prices and robust domestic demand. As a result, interest rate cycle poses an upward bias. Surging crude oil prices pose a risk to domestic inflation and Indian currency in the near term.

Steel demand grew at a healthy rate of 8% in 4QFY18. However, imports of steel into the country remained at elevated levels in FY2018 indicating that the trade remedial measures in place are ineffective. Flat products imports in FY2018 increased by 8% - with imports of coated products surging by 93% and of colour coated products increasing by 169%. Imports from Korea and Japan increased by 13% YoY in FY2018 and constituted ~45% of total imports.

With imposition of Section 232 in the US and rising trade measures in other regions, there is a likelihood of surplus steel tonnages finding their way into India. This necessitates imposition of effective trade remedial measures in a timely manner by the Government of India.

Steel consumption in India is expected to grow by 7% - 7.5% in FY2019 on the back of government push for infrastructure projects and strengthening consumer demand.

JSW Steel is a part of the diversified JSW Group, which has presence in Steel, Energy, Infrastructure, Cement and JSW Ventures. JSW Steel is the leading integrated steel company in India with an installed steel-making capacity of 18 MTPA. JSW Steel's plant at Vijayanagar is one of the largest single location steel producing facilities in the country with a capacity of 12 MTPA. JSW Steel has a strong product assortment covering the entire gamut of flat and long steel products manufactured through technology in the form of Corex and Blast furnaces.

Forward looking and cautionary statements:

Certain statements in this release concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition within Steel Industry including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our internal operations, reduced demand for steel, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which – has made strategic investments, withdrawal of fiscal governmental incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Company.

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