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

Ref No: JSWSL/SECT/MUM/SE/2016-17

March 29, 2017

1.	**National Stock Exchange of India Ltd.** Exchange Plaza Bandra (E), Mumbai – 400 051 Tel: 2659 8235/8452 Fax No.: 2659 8237-38 **NSE Symbol: JSWSTEEL** ***Kind Attn.: Mr. Hari K, President (Listing)***	2.	**BSE Limited** Corporate Relationship Dept. Dalal Street, Mumbai – 400 001. Tel: 2272 1233/8058 Extn- 8013 Fax No. 2272 2037/2039/ 2041/ 20 61 **Scrip Code No.500228.** ***Kind Attn: The General Manager (CRD).***

Sub: Material Information in the Offering Circular for the issue of foreign currency denominated Notes

Dear Sir,

We hereby inform that JSW Steel Limited (the "**Company**"), is contemplating issuing of debt instruments in the form of US Dollar denominated senior notes ("**Notes**").

A preliminary offering circular ("**OC**") has been prepared and shall be made available to the prospective investors in relation to the contemplated issue of Notes. The Notes will not be offered or sold in India or in the United States of America. The OC contains certain material information about the Company that has not been disclosed to the public. In order to comply with the Company's disclosure obligations on account of its securities being listed in India, the Company would like to make such unpublished information available to the public.

The unpublished information forming part of the OC is attached. A copy of the same is also available on the Company's website www.jsw.in.

You are requested to take the same on record and acknowledge receipt.

Thanking you,

Yours faithfully,
For JSW STEEL LTD.

Lancy Varghese
Company Secretary

cc:

1.	**The Calcutta Stock Exchange Association Ltd.,** 7 Lyons, Range, Kolkata – 700 001. FaxNo.033-22102210	2.	**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

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th - 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 (022) 6185 4000
Fax: +91(022) 6185 4501/4601

INDEPENDENT AUDITOR'S REVIEW REPORT ON UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF
JSW STEEL LIMITED

Introduction

1. We have reviewed the accompanying Unaudited Condensed Interim Consolidated Financial Statements of **JSW STEEL LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the profit / (loss) of its joint ventures and its associate for the nine months ended December 31, 2016, which comprise the Unaudited Condensed Consolidated Balance Sheet as at December 31, 2016 and the related Unaudited Condensed Consolidated Statement of Profit and Loss (including other comprehensive income), the Unaudited Condensed Consolidated Statement of Changes in Equity and the Unaudited Condensed Consolidated Statement of Cash Flows for the nine months ended December 31, 2016 together with summary of significant accounting policies and selected explanatory notes (the "Unaudited Condensed Interim Consolidated Financial Statements").

Management's Responsibility for the Unaudited Condensed Interim Consolidated Financial Statements

2. The Company's Board of Directors is responsible with respect to preparation and presentation of the Unaudited Condensed Interim Consolidated Financial Statements in accordance with the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), as notified under the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Auditors' Responsibility

3. We conducted our review of the Unaudited Condensed Interim Consolidated Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Interim Consolidated Financial Statements have not been prepared, in all material respects, in accordance with Ind AS 34, as notified under the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Emphasis of Matter

5. Attention is invited to notes 17 and 18 to the Unaudited Condensed Interim Consolidated Financial Statements regarding the Company's assessment that carrying amounts aggregating to Rs. 9,335.2 million, Rs. 52,881.8 million, Rs. 2282.0 million and Rs. 1,214.8 million as at December 31, 2016 relating to Goodwill, Property, plant and equipment, Advances and Inventories respectively relating to certain businesses of the Group, are fully recoverable/realisable.

   Our report is not qualified in respect of this matter.

Other Matters

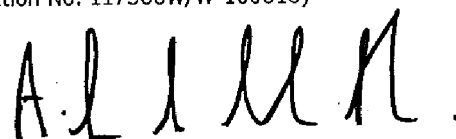
6. We did not review the interim condensed standalone / consolidated financial information of certain subsidiaries included in the Unaudited Condensed Interim Consolidated Financial Statements, whose interim standalone / consolidated financial information reflect total assets of Rs. 87,288.9 million as at December 31, 2016, total revenues of Rs. 76,394.5 million for the nine months ended December 31, 2016, and total loss after tax of Rs. 2,454.0 million and Total comprehensive loss of Rs. 3910.1 million for the nine months ended December 31, 2016, respectively, as considered in the Unaudited Condensed Interim Consolidated Financial Statements. These interim condensed standalone / consolidated financial information has been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Unaudited Condensed Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the review reports of the other auditors.

7. The Unaudited Condensed Interim Consolidated Financial Statements includes the interim condensed standalone / consolidated financial information of certain subsidiaries, whose interim standalone / consolidated financial information reflect total assets of Rs. 20,119.2 million as on December 31, 2016, total revenue of Rs. 639.6 million for the nine months ended December 31, 2016, and total loss after tax of Rs. 892.1 million and Total comprehensive loss of Rs. 1420.0 million for the nine months ended December 31, 2016, and joint ventures and an associate with Group's share of loss after tax of Rs. 7.0 million and Total comprehensive loss of Rs. 7.0 million for the nine months ended December 31, 2016, which have not been reviewed by their auditors and are considered in the preparation of the Unaudited Condensed Interim Consolidated Financial Statements based on their interim condensed standalone / consolidated financial information which are certified by the Management. Our report on the Unaudited Condensed Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and an associate, is based solely on such unaudited/ unreviewed interim condensed standalone / consolidated financial information certified by the Management. According to the information and explanations given to us by the Management, these interim standalone / consolidated financial information are not material to the Group.

   Our report is not modified in respect of this matter.

8. The Company will prepare and issue its first complete Ind AS consolidated financial statements as at and for the year ending March 31, 2017. Until the first complete Ind AS consolidated financial statements are issued, the balances in the Unaudited Condensed Interim Consolidated Financial Statements can change if (a) there are any new Ind AS standards issued through March 31, 2017, (b) there are any amendments/ modifications made to existing Ind As standards or interpretations thereof through March 31, 2017 effecting the Ind AS balances in these financial statements and (c) if the Company makes any changes in the elections and/ or exemptions selected on adoption of Ind As at its transition date of April 1, 2015.

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



A. Siddharth
Partner
(Membership No. 31467)

MUMBAI, March 22, 2017

JSW STEEL LIMITED

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

Rs in million

		Notes	As at 31.12.2016	As at 31.03.2016
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, plant and equipment	4	582,345.1	549,367.4
	(b) Capital work-in-progress		35,329.3	70,350.7
	(c) Intangible assets		772.5	855.3
	(d) Intangible assets under development		2,393.4	2,357.8
			620,840.3	622,931.2
	(e) Goodwill		9,373.9	9,549.0
	(f) Financial assets			
	(i) Investments	6	10,169.7	11,946.1
	(ii) Loans	7	956.7	931.7
	(iii) Other financial assets	8	2,402.6	2,565.6
	(g) Deferred tax assets (net)	9	632.8	5,581.7
	(h) Other non-current assets		19,322.9	22,148.9
	Total non-current assets		**663,698.9**	**675,654.2**
(2)	**Current assets**			
	(a) Inventories	10	123,109.8	83,211.8
	(b) Financial assets			
	(i) Investments	6	2,316.4	-
	(ii) Trade receivables		38,674.5	27,273.7
	(iii) Cash and cash equivalents		7,706.4	8,837.5
	(iv) Bank balances other than (iii) above		3,192.9	1,366.5
	(v) Loans	7	1,891.1	1,667.0
	(vi) Other financial assets	8	5,107.3	2,706.9
	(c) Current tax assets (net)		186.3	5.9
	(d) Other current assets	11	30,477.3	22,303.7
	Total current assets		**212,662.0**	**147,373.0**
	TOTAL - ASSETS		**876,360.9**	**823,027.2**
II	**EQUITY AND LIABILITIES**			
(1)	**EQUITY**			
	(a) Equity share capital		3,012.7	3,009.0
	(b) Other equity		209,124.5	185,891.4
	Equity attributable to owners of the Company		**212,137.2**	**188,900.4**
	Non-controlling interest		(2,518.5)	(1,381.3)
	Total equity		**209,618.7**	**187,519.1**

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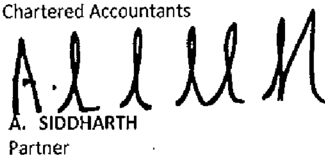
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (Contd.)

Rs in million

		Notes	As at 31.12.2016	As at 31.03.2016
	LIABILITIES			
(2)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	12 (a)	326,301.7	353,982.7
	(ii) Other financial liabilities	13	4,210.2	7,839.5
	(b) Provisions		1,185.1	946.2
	(c) Deferred tax liabilities (net)	9	25,239.3	17,969.4
	(d) Other non-current liabilities		644.1	640.5
	Total non-current liabilities		**357,580.4**	**381,378.3**
(3)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	12 (b)	56,981.7	23,428.4
	(ii) Trade payables		131,972.4	127,576.0
	(iii) Other financial liabilities	14	104,467.8	92,289.7
	(b) Other current liabilities	15	13,359.4	9,000.5
	(c) Provisions		2,055.1	1,708.6
	(d) Current tax liabilities (net)		325.4	126.6
	Total current liabilities		**309,161.8**	**254,129.8**
	Total liabilities		**666,742.2**	**635,508.1**
	TOTAL – EQUITY AND LIABILITIES		**876,360.9**	**823,027.2**

See accompanying notes forming part of the Unaudited Condensed Interim Consolidated Financial Statements

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants



A. SIDDHARTH
Partner

LANCY VARGHESE
Company Secretary

For JSW Steel Limited

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

RAJEEV PAI
Chief Financial Officer

Place: Mumbai
Dated: 22 March, 2017

JSW STEEL LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

		Rs. in million	
		For the nine months ended	
		31.12.2016	31.12.2015
I	Revenue from operations	426,190.3	342,295.7
II	Other income	962.9	1,124.3
III	**Total income (I + II)**	**427,153.2**	**343,420.0**
IV	**Expenses:**		
	Cost of materials consumed	203,280.4	164,433.7
	Purchases of stock-in-trade	-	397.9
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(13,667.8)	5,475.3
	Employee benefits expense	12,930.2	11,707.9
	Finance costs	28,205.6	27,452.8
	Depreciation and amortization expense	26,375.4	24,946.0
	Excise duty expense	36,705.9	32,918.2
	Other expenses	95,992.4	82,595.8
	Total expenses	**389,822.1**	**349,927.6**
V	**Profit / (loss) before exceptional items and tax (III-IV)**	**37,331.1**	**(6,507.6)**
VI	Exceptional items (refer note 17)	-	21,242.7
VII	**Profit / (loss) before tax (V-VI)**	**37,331.1**	**(27,750.3)**
VIII	**Tax expenses:**		
	Current tax	2,154.9	1,612.0
	Less: MAT credit entitlement	(1,042.8)	(220.1)
	Deferred tax	11,763.9	(21,140.1)
	Tax provision for earlier years written back	(124.6)	-
		12,751.4	**(19,748.2)**
IX	**Profit / (loss) for the period (VII-VIII)**	**24,579.7**	**(8,002.1)**
X	Share of (loss) / profit from an associate	(89.1)	106.6
XI	Share of profit from joint ventures (net)	96.1	82.3
XII	**Total Profit / (loss) for the period (IX+X+XI)**	**24,586.7**	**(7,813.2)**

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JSW STEEL LIMITED

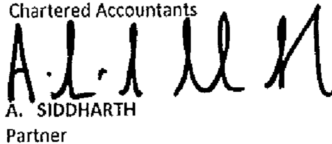
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS (Contd.)

			Rs. in million	
			For the nine months ended	
			31.12.2016	31.12.2015
XIII		**Other Comprehensive Income / (loss)**		
A	(i)	Items that will not be reclassified to profit or loss		
		a) Remeasurements of the defined benefit plans	(154.8)	-
		b) Equity instruments through Other Comprehensive Income	(882.1)	(3,463.8)
	(ii)	Income tax relating to items that will not be reclassified to profit or loss	53.3	-
		Total (A)	**(983.6)**	**(3,463.8)**
B	(i)	Items that will be reclassified to profit or loss		
		a) The effective portion of gain /(loss) on hedging instruments	2,622.6	(551.6)
		b) Changes in Foreign currency monetary item translation difference account	(205.7)	(1,986.5)
		c) Foreign currency translation reserve	(990.7)	(3,011.6)
	(ii)	Income tax relating to items that will be reclassified to profit or loss	(836.4)	825.4
		Total (B)	**589.8**	**(4,724.3)**
		Total other comprehensive income/(loss) (A+B)	**(393.8)**	**(8,188.1)**
XIV		**Total comprehensive income/(loss) (XII+XIII)**	**24,192.9**	**(16,001.3)**
		Total Profit /(loss) for the period attributable to:		
		- Owners of the Company	25,655.1	(6,316.0)
		- Non-controlling interests	(1,068.4)	(1,497.2)
			24,586.7	**(7,813.2)**
		Total comprehensive income/(loss) for the period attributable to:		
		- Owners of the Company	25,330.1	(14,416.7)
		- Non-controlling interests	(1,137.2)	(1,584.6)
			24,192.9	**(16,001.3)**
		Earnings per equity share of Re 1 each (refer note 20)		
		Basic	10.68	(2.64)
		Diluted	10.61	(2.64)

See accompanying notes forming part of the Unaudited Condensed Interim Consolidated Financial Statements

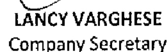
In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants



A. SIDDHARTH
Partner

Place: Mumbai
Dated: 22 March, 2017



LANCY VARGHESE
Company Secretary

For JSW Steel Limited

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

RAJEEV PAI
Chief Financial Officer

JSW STEEL LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Rs. in million

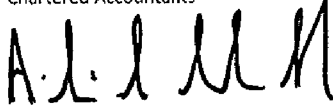
	For the nine months ended	
	31.12.2016	31.12.2015
Net cash generated from operating activities	37,662.3	39,493.6
Net cash used in investing activities	(43,171.3)	(32,495.5)
Net cash generated from / (used) in financing activities	4,377.9	(10,963.9)
Net decrease in cash and cash equivalents	**(1,131.1)**	**(3,965.8)**
Cash and cash equivalents – at the start of the period	8,837.5	13,959.7
Cash and cash equivalents – at the end of the period	**7,706.4**	**9,993.9**
Add : Margin money / fixed deposit balance	2,939.1	1,429.2
Add : Balance in debenture interest/ installments/dividend payment accounts	253.8	234.2
Cash and bank balances	**10,899.3**	**11,657.3**

See accompanying notes forming part of the Unaudited Condensed Interim Consolidated Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants



A. SIDDHARTH
Partner

For JSW Steel Limited

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

LANCY VARGHESE
Company Secretary

RAJEEV PAI
Chief Financial Officer

Place: Mumbai
Dated : 22 March, 2017

JSW STEEL LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31st December, 2016

A. Equity share capital

Rs. in million

Particulars	Balance as at 1st April 2016	Change in equity share capital during the period	Balance as at 31st December 2016
Equity shares of Re. 1 each	3,009.0	3.7	3,012.7

B. Other equity

Rs in million

	Reserves and Surplus								Other Comprehensive Income / (loss)							
	Capital reserve	Securities premium reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Share options outstanding account	General reserve	Capital reserve on bargain purchase	Foreign currency translation reserve (FCTR)	Equity Instruments through other comprehensive Income	Effective portion of cash flow hedges	Foreign currency monetary item translation difference account (FCMITDA)	Re-measurement of net defined benefit plans	Attributable to owners of the parent	Non-controlling Interest	Total
Balance as at 1st April 2016	35,845.0	54,166.3	99.0	4,327.8	(16,263.8)	-	104,203.7	6,099.9	(5,568.3)	4,544.3	458.9	(1,981.8)	(39.6)	185,891.4	(1,381.3)	184,510.1
Total comprehensive income/(loss) for the period	-	-	-	-	25,655.1	-	-	-	(921.9)	(882.1)	1,715.0	(134.5)	(101.5)	25,330.1	(1,137.2)	24,192.9
Dividends	-	-	-	-	(2,182.0)	-	-	-	-	-	-	-	-	(2,182.0)	-	(2,182.0)
Loss on sale of treasury shares	-	-	-	-	(49.9)	-	-	-	-	-	-	-	-	(49.9)	-	(49.9)
Movement during the period	-	-	-	-	-	-	-	115.1	-	-	-	-	-	115.1	-	115.1
Recognition of share based payments	-	-	-	-	-	88.1	0.9	-	-	-	-	-	-	89.0	-	89.0
Other adjustments	-	-	-	-	(69.2)	-	-	-	-	-	-	-	-	(69.2)	-	(69.2)
Balance as at 31st December 2016	35,845.0	54,166.3	99.0	4,327.8	7,090.2	88.1	104,204.6	6,215.0	(6,490.2)	3,662.2	2,173.9	(2,116.3)	(141.1)	209,124.5	(2,518.5)	206,606.0

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Contd.)

For the nine months ended 31st December, 2015

A. Equity share capital

Rs. in million

Particulars	Balance as at 1st April 2015	Change in equity share capital during the period	Balance as at 31st December 2015
Equity shares of Re. 1 each	3,001.8	2.4	3,004.2

B. Other equity

Rs in million

	Reserves and Surplus							Other Comprehensive Income / (loss)						
	Capital reserve	Securities premium reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	General reserve	Capital reserve on bargain purchase	Foreign Currency Translation Reserve (FCTR)	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Foreign currency monetary item translation difference account (FCMITDA)	Attributable to owners of the parent	Non-controlling interest	Total
Balance as at 1st April 2015	35,845.0	54,166.3	99.0	1,303.4	(6,641.3)	104,203.7	5,904.4	(2,684.5)	9,595.7	163.0	(946.2)	201,008.5	(461.6)	200,546.9
Total comprehensive income/(loss) for the period	-	-	-	-	(6,316.0)	-	-	(2,924.2)	(3,463.8)	(465.7)	(1,247.0)	(14,416.7)	(1,584.6)	(16,001.3)
Dividends	-	-	-	-	(3,200.2)	-	-	-	-	-	-	(3,200.2)	-	(3,200.2)
Profit on sale of treasury shares	-	-	-	-	191.3	-	-	-	-	-	-	191.3	-	191.3
Movement during the period	-	-	-	-	-	-	204.1	-	-	-	-	204.1	-	204.1
Other adjustments	-	-	-	-	(36.7)	-	-	-	-	-	-	(36.7)	20.0	(16.7)
Balance as at 31st December 2015	35,845.0	54,166.3	99.0	1,303.4	(16,002.9)	104,203.7	6,108.5	(5,608.7)	6,131.9	(302.7)	(2,193.2)	183,750.3	(2,026.2)	181,724.1

NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2016

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.

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.

The Company has production facilities in the states of Karnataka, Tamil Nadu and Maharashtra in India.

2. Significant Accounting policies

I. Statement of compliance

Unaudited Condensed Interim Consolidated Financial Statements have been prepared in accordance with the requirements of Ind AS 34 'Interim Financial Reporting', specified under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016.

For all periods up to and including the year ended 31st March 2016, the Group prepared its consolidated financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS Unaudited Condensed Interim Consolidated Financial Statements of the Group. The date of transition to Ind AS is 1 April, 2015. Refer Note XXIII for the details of first-time adoption exemptions availed by the Group.

II. Basis of preparation and presentation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its consolidated financial statements under the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2016. Accordingly, the Company has prepared these Unaudited Condensed Interim Consolidated Financial Statements which comprise the Unaudited Condensed Consolidated Balance Sheet as at 31st December, 2016, the Unaudited Condensed Consolidated Statement of Profit and Loss, the Unaudited Condensed Consolidated Statement of Cash Flows and the Unaudited Condensed Consolidated Statement of Changes in Equity for the nine-months ended 31 December, 2016, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Unaudited Condensed Interim Consolidated Financial Statements" or "financial statements").

The Company will prepare and issue its first complete Ind AS consolidated financial statements as at and for the year ending 31st March, 2017. Until the first complete Ind AS consolidated financial statements are issued, the balances in the Unaudited Condensed Interim Consolidated Financial Statements can change if (a) there are any new Ind AS standards issued through 31st March, 2017, (b) there are any amendments/modifications made to existing Ind AS standards or interpretations thereof through 31st March, 2017 effecting the Ind AS balances in these financial statements and (c) if the Company makes

any changes in the elections and/or exemptions selected on adoption of Ind AS at its transition date of 1st April, 2015.

The Unaudited Condensed Interim 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.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 condensed 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.

III. Basis of consolidation

The Unaudited Condensed Interim Consolidated Financial Statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee
- is exposed to, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including;

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

IV. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former

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owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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 the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in the profit or loss.

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 Statement of Profit and Loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to Statement of Profit and Loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that 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 recognised directly in profit or loss in the consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 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 condensed consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases

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 the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109 – Financial Instruments. The difference

between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

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. Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the 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.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

VIII. **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group recognizes revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer. Sale of products is presented gross of manufacturing taxes like excise duty wherever applicable.

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.

IX. **Leasing**

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

Amount due from the lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease. Where the leases are structured solely to increase in line with expected general inflation to

compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. 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 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.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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 on the basis of their relative fair values.

X. Foreign currencies

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks and
- 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.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Currency Units 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).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill 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.

XI. 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 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.

The Group suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

XII. 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 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. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in Statement of Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

XIII. Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period 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 condensed 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.

XIV. Share-based payment arrangements

Share-based payment transactions of the Group

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 26.

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.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in the statement of profit and loss for the peirod.

XV. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of 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. Taxable profit differs from 'profit before tax' as reported in the condensed consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

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 generally recognised for all taxable temporary differences. Deferred tax assets are generally 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.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an 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 highly 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.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets on non-depreciable assets the carrying amounts of such properties are presumed to be recovered entirely through sale.

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 period

Current and deferred tax are recognised in profit or loss, except when they are relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also 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.

XVI. 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 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 condensed consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

The Group has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS i.e. 1 April, 2015, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

XVII. Depreciation and amortisation

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

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under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of assets	Years
Plant and machinery	8 to 40 years
Work-rolls	1 year

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

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

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

XVIII. Intangible assets

Intangible assets acquired separately

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.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the Statement of Profit and Loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

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Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

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

Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with carrying value of all its intangible assets recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

XIX. 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 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

XX. Inventories

Inventories are stated at the lower of cost and net realisable value. 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.

XXI. 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 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.

XXII. 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) 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

i) The Group initially recognises loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way 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. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

ii) The Group has elected to apply the requirements pertaining to Level III financial instruments of deferring the difference between the fair value at initial recognition and the transaction price prospectively to transactions entered into on or after the date of transition to Ind AS.

b) Classification of financial assets

On initial recognition, a financial asset is measured at amortised cost, FVTOCI or FVTPL

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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.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

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 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 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 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 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 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 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

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rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, The Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, The Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

e) **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the 'Other income' line item.

B. Financial liabilities and equity instruments

a) Classification as debt or equity

Debt and equity instruments issued by a 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 Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

c) Compound instruments

The component parts of compound instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium/other equity. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

d) 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 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 'other gains and losses' line item in the Standalone Statement of Profit and Loss.

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 Statement of Profit and Loss.

Other financial liabilities:

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 profit or loss.

e) **Derivative financial instruments**

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange 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 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.

f) **Reclassification of financial assets**

The group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.

Original classification	Revised classification	Accounting treatment
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

g) **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.

h) **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.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

- Hedges of net investments in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving

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offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the Statement of Profit and Loss as other costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the Statement of Profit and Loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as other comprehensive income and accumulated in equity 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. Furthermore, if the Group expect that some or all of the loss accumulated in Other Comprehensive Income (OCI) will not be recovered in the future, that amount is immediately reclassified to profit and loss.

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 Statement of Profit and Loss on the disposal of the foreign operation.

XXIII. First time adoption – mandatory exceptions, optional exemptions

a. Overall principle

The Group has prepared the opening Consolidated Balance Sheet as per Ind AS as of 1 April, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exception and certain optional exemptions availed by the Group as detailed below. Since, the condensed consolidated financial statements are the first interim financial statements, the first time adoption – mandatory exceptions and optional exemptions have been explained in detail.

b. Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2015 (the transition date).

c. Accounting for changes in parent's ownership in a subsidiary that does not result in a loss of control

The Group has accounted for changes in a parent's ownership in a subsidiary that does not result in a loss of control in accordance with Ind AS 110, prospectively from the date of transition.

d. Classification of debt instruments

The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

e. Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

f. Assessment of embedded derivatives

The Group has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

g. Past business combinations

The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 April, 2015. Consequently,

- The Group has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- The Group has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the consolidated balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree;
- The Group has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- The Group has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;
- The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

The above exemption in respect of business combinations has also been applied to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business, as defined in Ind AS 103.

h. Deemed cost for property, plant and equipment, investment property, and intangible assets

The Group has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of 1 April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

i. Determining whether an arrangement contains a lease

The Group has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

j. Cumulative translation differences on foreign operations

The Group has not elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero.

k. Equity investments at FVTOCI

The Group has designated investment in equity shares of JSW Energy Limited as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

l. Accounting for joint arrangements

All the joint arrangements were earlier accounted for using the proportionate consolidation method under previous GAAP whereas now they need to be accounted using the equity method as all the joint arrangements are joint ventures as per Ind AS 111- Joint Arrangements. Therefore, as required by Ind AS 101, the Group has:

- On the transition date, recognised investment in all the joint arrangements by measuring it at the aggregate of the carrying amount of the assets and liabilities that the Group had proportionately consolidated under previous GAAP as of the transition date;
- This investment amount has been deemed to be the cost of investment at initial recognition;
- The Group has tested the investments in the joint arrangements for impairment as of the transition date;
- After initial recognition at the transition date, the Group has accounted for all joint arrangements using the equity method in accordance with Ind AS 28; and
- The break-down of the assets and liabilities of joint arrangements that have been aggregated into the single line investment balance at the transition date.

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.

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 as more fully descried in note 18. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

iv) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

v) 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.

vi) 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 25.

vii) 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.

B) Critical accounting judgements

i) Control over JSW Realty & Infrastructure Private Limited (RIPL)

RIPL has developed a residential township in Vijaynagar, Karnataka on the land taken on lease from the Company for a 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 97.54% of preference share capital amounting to Rs. 199.15 crore issued by RIPL and significant portion of RIPL's activities either involve or are conducted on behalf of the Company on the land provided on long-term lease by the Company.

ii) Control over Dolvi Minerals & Metals Private Limited (DMMPL) and Dolvi Coke Private Limited (DCPL)

DMMPL is an investment company and is setting up 3 MTPA recovery type coke oven plant and by-product plant ("Coke Plant") through its wholly owned subsidiary DCPL. Although, the Company owns only 40% of ownership interest, the Company has concluded that it has practical ability to direct the relevant activities of DMMPL unilaterally, considering

- the relevant activities of DCPL are directed through the long-term take or pay arrangement entered into between the Company and DCPL,
- Significant portion of DMMPL and DCPL activities either involve or are conducted on behalf of the Company, and

Return from Company's involvement with DMMPL and in turn with DCPL is disproportionately greater than it voting rights considering the take or pay arrangement is at cost plus fixed margin basis.

iii) Assessment of control over JSW Projects Limited (JSWPL)

JSWPL operates Direct Reduced Iron Processing Plant (DRI), Coal Dry Quenching Plant (CDQ) and two thermal power plants. Although the long-term take or pay arrangements entered into by the Company with JSWPL for processing of DRI and CDQ have been identified to be the arrangements in the nature of lease, the Company has concluded that it does not have any ownership interest, voting right or representation in the Board of Directors of JSWPL to direct its relevant activities unilaterally and accordingly it is not controlled by the Company.

iv) Arrangements in the nature of lease

The Company has entered into long-term arrangements with third parties to facilitate continuous supply of gases to its steel plant at Vijaynagar. These arrangements involve setting up of gas plants by the vendor/ supplier in the Company's premises to supply minimum specified gas quantities to the Company on take or pay basis. Based on assessment of the terms of the arrangements, review of past trends and confirmations received from the counter parties, the Company has concluded that these arrangements are not in the nature of lease considering more than insignificant amount of output from these plants are being also supplied by the vendor / suppliers to third parties on consistent basis.

v) Separating payments of lease from the other payments

If an arrangement contains a lease, the parties to the arrangement shall apply the requirements of Ind AS 17 to the lease element. Therefore, the Company is required to separate payments and other consideration required by the arrangement into those for the lease and for other elements on the basis of their relative fair values.

However, 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.

4. **Property, plant and equipment:**

Rs. in million

Particulars	Freehold land	Leasehold land	Buildings	Plant and machinery	Plant and machinery (on finance lease)	Furniture and fixtures	Vehicles and aircrafts	Office equipment	Mining development and projects	Total
Cost										
At 1st April, 2016	13,813.3	7,087.0	76,612.7	459,683.2	25,019.1	806.7	1,250.2	412.5	9,126.6	593,811.3
Additions	214.4	-	4,823.9	49,948.3	1,701.6	29.1	82.1	62.0	(6.6)	56,854.8
Disposals	11.6	-	179.7	1,383.2	-	-	37.1	1.8	-	1,613.4
Other adjustments	-	-	-	1,673.3	-	-	-	-	-	1,673.3
Translation reserve	4.0	-	16.7	1,048.5	-	(7.8)	0.3	-	161.1	1,222.8
At 31st December, 2016	**14,020.1**	**7,087.0**	**81,273.6**	**510,970.1**	**26,720.7**	**828.0**	**1,295.5**	**472.7**	**9,281.1**	**651,948.8**
Accumulated depreciation and impairment										
At 1st April, 2016	37.8	68.1	4,364.1	32,944.7	1,507.8	170.3	146.6	100.0	5,104.5	44,443.9
Depreciation expense	-	27.6	2,564.5	21,787.1	1,168.7	94.8	110.6	70.8	-	25,824.1
Disposals	-	-	5.7	1,153.1	-	0.4	16.2	1.8	-	1,177.2
Other adjustments	-	-	-	140.7	-	-	-	-	-	140.7
Translation reserve	0.9	(0.1)	30.9	208.1	-	(1.4)	-	(0.1)	133.9	372.2
At 31st December, 2016	**38.7**	**95.6**	**6,953.8**	**53,927.5**	**2,676.5**	**263.3**	**241.0**	**168.9**	**5,238.4**	**69,603.7**
Carrying value										
At 31st December, 2016	**13,981.4**	**6,991.4**	**74,319.8**	**457,042.6**	**24,044.2**	**564.7**	**1,054.5**	**303.8**	**4,042.7**	582,345.1
At 31st March, 2016	**13,775.5**	**7,018.9**	**72,248.6**	**426,738.5**	**23,511.3**	**636.4**	**1,103.6**	**312.5**	**4,022.1**	549,367.4
Useful life of the assets (range) (years)	NA	95-99	5-60	3-40	8-30	8-15	8-15	8-15		
Method of depreciation (SLM/WDV)	NA	SLM	SLM	SLM	SLM	SLM	SLM	SLM	UOP	

Acquisitions during the period:

Additions during the period mainly includes:

i) Capital expenditure towards expansion of capacities at Dolvi and Vijayanagar.

ii) The long-term gas purchase agreement dated 16th November, 2015 entered into by the Company with JSW Techno Projects Management Limited has become effective from 1st September, 2016. Considering the arrangement in the nature of finance lease, the Company has recognized underlying plant and equipment and corresponding lease loan liability at Rs. 1,701.6 million as on the effective date.

Disposals during the period:

Assets with a net book value of Rs. 436.2 million were disposed of by the Group during the nine months ended 31st December 2016.

5. **Business combination**

Acquisition of JSW Industrial Gases Private Limited (formerly known as JSW Praxair Oxygen Private Limited)

On 16th August 2016, the Group acquired control over JSW Industrial Gases Private Limited ("JIGPL"), associate company (26% equity stake) through acquisition of balance 74% of the equity shares. JIGPL is an unlisted company based in Vijaynagar specialising in the manufacture of gases and is primarily engaged in the separation and sale of oxygen, nitrogen and argon recoverable from the air through its 2 air separation units with a capacity of 2500 tonnes per day each at Toranagallu, Bellary in the state of Karnataka. The said acquisition is strategic in nature as it will provide the Company the benefit of backward integration. The acquisition has been accounted by applying the acquisition method and accordingly the underlying assets, liabilities, equity, income, expenses and cash flows of JIGPL have been combined after giving effect to necessary adjustments in the Unaudited Condensed Interim Consolidated Financial Statements.

I. **Fair values of the identifiable assets and liabilities of JIGPL as at the date of acquisition**

Particulars	Rs. in million
Assets	
Property, plant and equipment	1,622.6
Non-current Investment	0.1
Long term loans and advances	180.9
Inventories	87.1
Trade receivable	702.8
Cash and bank valances	1,296.3
Short term loans and advances	16.2
Other current assets	49.4
Total assets (A)	**3,955.4**
Liabilities	
Deferred tax liabilities	395.7
Long term provision	7.5
Trade payable	15.5

DHV

Particulars	Rs. in million
Other current liability	84.8
Short term provision	101.6
Tax provision	42.7
Total liabilities (B)	**647.8**
Acquisition date fair value of net assets C = (A-B)	**3,307.6**

II. Remeasurement of the Group's previously held 26% stake in JIGPL

Rs. in million

Carrying value of Group's 26% stake in JIGPL as on the acquisition date **(D)**	960.7
Proportionate fair value of the Group's previously held stake **(E)**	843.2
Resulting loss charged to the Unaudited Condensed Consolidated Statement of Profit and Loss (F=D-E)	**117.5**

III. Gain on bargain purchase

Rs. in million

Acquisition date fair value of Net Assets **(C)**	3,307.6
Fair value of consideration (previously held stake and balance stake acquired) **(G)**	3,243.2
Gain on bargain purchase directly recognised in equity H = (C-F)	**64.4**

IV. Cash flow on acquisition

Rs. in million

Consideration paid in cash **(I)**	1,296.3
Cash and cash equivalents balance acquired (included in cash flows from investing activities) **(J)**	2,400.0
Net cash outflow on acquisition K = (I-J)	**1,103.7**

At the date of the acquisition, the fair value and carrying value of the trade receivables was Rs 702.8 million.

From the date of acquisition, JIGPL has contributed Rs 2,021.6 million of revenue and Rs. 92.3 million to the net profit before tax (gross of inter-company adjustments) to the continuing operations of the Group. If the acquisition had taken place at the beginning of the period, revenue from continuing operations of JIGPL would have been Rs 4,139.7 million and the profit from continuing operations for the period would have been Rs 220.7 million (gross of inter-company adjustments).

6. Investments

Current Investments as at 31st December, 2016 represents surplus funds parked in Mutual Fund investments on temporary basis.

The movement in non-current investments is mainly due to the following:

1) Reduction in fair value of investments in equity instruments by Rs. 882.1 million.
2) Investments in JSW Industrial Gases Private Limited (JIGPL) of Rs. 1,049.8 million as on 31st March, 2016 (formerly known as Jindal Praxair Oxygen Company Limited) was accounted as an associate till 15th August, 2016. However, due to acquisition of balance 74% stake, JIGPL has become a subsidiary of the Company (Refer note 5).

7. Financial assets - Loans

Rs. in million

Particulars	As at 31.12.2016 Non -current	As at 31.12.2016 Current	As at 31.03.2016 Non -current	As at 31.03.2016 Current
Loans				
- to related parties	43.7	3.9	-	3.9
- to other body corporates	91.0	-	91.0	-
Security deposits	801.4	1,887.2	1,005.2	1,663.1
Others	20.6	-	21.8	-
Less : Allowance for doubtful loans	-	-	(186.3)	-
Total	**956.7**	**1,891.1**	**931.7**	**1,667.0**

8. Financial assets - Others

Rs. in million

Particulars	As at 31.12.2016 Non -current	As at 31.12.2016 Current	As at 31.03.2016 Non -current	As at 31.03.2016 Current
Derivative Contracts - MTM	-	2,705.8	-	893.6
Derivative Contracts - Receivable	-	1,321.3	-	440.3
Export benefit and entitlements	784.1	-	796.6	-
Advance towards equity and preference shares	3.9	-	127.0	-
Others	1,614.6	1,878.5	1,642.0	2,152.5
Less: Allowance for doubtful advances	-	(798.3)	-	(779.5)
Total	**2,402.6**	**5,107.3**	**2,565.6**	**2,706.9**

9. Deferred tax

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Deferred tax liabilities	25,239.3	17,969.4
Deferred tax assets	632.8	5,581.7
Total	**24,606.5**	**12,387.7**

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Deferred tax liabilities :		
Difference between book balance and tax balance of fixed assets	100,425.5	93,985.8
Others	175.7	291.2
Total deferred tax liabilities (A)	**100,601.2**	**94,277.0**
Deferred tax asset :		
Unabsorbed depreciation / business loss	41,314.6	35,233.6
Expenses allowable on payment basis (under section 43B of Income Tax Act, 1961)	1,042.2	752.0
Allowance for doubtful debts / advances	4,001.1	16,845.8
MAT credit entitlement	27,826.9	26,737.2
Others	1,809.9	2,320.7
Total deferred tax assets (B)	**75,994.7**	**81,889.3**
Net deferred tax liabilities (A-B)	**24,606.5**	**12,387.7**

10. Inventories

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Raw materials	57,726.5	33,248.9
Work-in-progress	17,420.7	6,156.8
Semi-finished/ finished goods	34,143.4	30,174.3
Production consumables and stores and spares	13,819.2	13,631.8
Total	**123,109.8**	**83,211.8**

11. Other current assets

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Advances to suppliers	11,462.1	7,430.6
Indirect tax balances	14,409.2	11,770.6
Export benefits receivable	2,820.2	1,207.4
Security deposits	746.3	751.7
Prepayment and others	1,039.5	1,163.2
Less: Allowance for doubtful receivables	-	(19.8)
Total	**30,477.3**	**22,303.7**

DHLI

12. **Borrowings**

a) **Long-term borrowings**

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Borrowings - non-current	326,301.7	353,982.7
Current maturities of long-term debt	72,587.5	44,629.1
	398,889.2	**398,611.8**

Rs. in million

Particulars	Foreign currency bonds	Debentures	Term loans	Sales tax deferral loan	Finance lease obligation	Preference shares	Total borrowings
Opening balance as on 1st April, 2016	**32,863.5**	**81,431.3**	**257,821.8**	**1,146.6**	**18,875.5**	**6,473.1**	**398,611.8**
Add : Disbursements							
Secured - rupee term loan	-	-	18,250.4	-	-	-	18,250.4
Finance lease obligations	-	-	-	-	1,701.6	-	1,701.6
Others	-	-	1,014.5	-	-	155.0	1,169.5
	-	-	**19,264.9**	-	**1,701.6**	**155.0**	**21,121.5**
Less : Redemption/Repayments							
Secured non-convertible debentures	-	(3,082.0)	-	-	-	-	(3,082.0)
Secured - rupee term loans	-	-	(10,189.5)	-	-	-	(10,189.5)
Secured - foreign currency loan	-	-	(3,565.5)	-	-	-	(3,565.5)
Unsecured - foreign currency loan	-	-	(7,503.9)	-	-	-	(7,503.9)
Sales tax deferral loan	-	-	-	(83.7)	-	-	(83.7)
Finance lease payments	-	-	-	-	(1,337.1)	-	(1,337.1)
Total	-	**(3,082.0)**	**(21,258.9)**	**(83.7)**	**(1,337.1)**	-	**(25,761.7)**
Add: Other movements	872.7	18.1	3,748.8	-	-	278.0	4,917.6
Total borrowings as on 31st December, 2016	**33,736.2**	**78,367.4**	**259,576.6**	**1.062.9**	**19,240.0**	**6,906.1**	**398,889.2**

Notes:

A. **Additional loans taken during the nine months ended 31st December, 2016:**

i. Rs. 6,745.83 million drawn during the period out of Rupee term loan facilities of Rs. 16,000 million sanctioned by a consortium of banks. These loans are secured by first charge on entire movable and immovable fixed assets situated at Dolvi works, Maharashtra (excluding those specifically charged and equipment/machinery procured out of proceeds of ECA/ECB/FCL) both present and future. The loans are bearing interest rate at bank's MCLR plus 110 bps and are repayable from March, 2017 to March, 2024 in various installments.

ii. In June 2016, the Company had received a sanction of Rs. 5,000 million from a bank at an interest rate of MCLR plus 20 bps. The loan is secured by way of charge on certain fixed assets at Vijayanagar works,

Karnataka. The outstanding amount of Rs. 4,800 million is repayable from March, 2017 to June, 2021 in various installments.

iii. In August 2016, the Company had received a sanction of rupee term loan facilities of Rs. 5,000 million from a bank at an interest rate of bank reference rate plus 30 bps. The loan is secured by way of charge on certain fixed assets at Vijayanagar works, Karnataka. The outstanding amount of Rs. 3,700 million is repayable from September, 2019 to June, 2023 in various installments.

iv. Rs. 2,754.6 million drawn during the period out of Rupee term loan facilities of Rs. 8,300 million from a bank secured by first ranking charge / mortgage / collateral on all movable and immovable property, plant and equipment both present and future and on lease hold rights over immovable property of coke oven project situated at Village JuiBapuji, Taluka Alibag, District Raigad, Maharashtra bearing interest rate of the bank's base rate plus 75 bps. Outstanding of Rs. 4,170.8 million is repayable from 31st March, 2017 to 31st March, 2023 in various instalments.

v. The Group has further drawn loans amounting to Rs. 1,014.5 million from various lenders.

B. **Redemption / Repayments during the nine months ended 31st December, 2016:**

i. Non-convertible debentures (NCDs) redeemed during the period are as follows

	Rs. in million
10.10% NCDs of Rs. 0.9375 million each	1,875.0
10.50% NCDs of Rs. 1 million each	750.0
10.60 % NCDs of Rs. 0.875 million each	437.5
10.98 % NCDs of Rs. 0.025 million each	19.5
Total	**3,082.0**

ii. Rs. 6,136.3 million repaid towards secured rupee term loan secured against Dolvi 1.5 Mtpa Project.

iii. Rs. 950.0 million repaid towards secured rupee term loan secured against 3.8 Mtpa Expansion Project at Vijayanagar.

iv. Rs. 3,755.8 million repaid toward unsecured foreign currency loan towards ECB facility.

v. Rs. 3,399.3 million repaid towards unsecured foreign currency loan for CRM 2 facility at Vijayanagar.

vi. Rs. 1,510.1 million repaid towards secured foreign currency loan for US plate and pipe mill operations.

vii. Rs. 880.9 million repaid towards secured foreign currency loan for US plate and pipe mill operations.

viii. Rs. 1,174.5 million repaid towards secured foreign currency loan for US Coal operations.

ix. Rs. 637.5 million repaid towards secured rupee term loan towards facility of Rs. 8,500 million taken by a subsidiary in India.

x. Rs. 882.8 million repaid towards secured rupee term loan towards facility of Rs. 8,300 million taken by a subsidiary for coke oven plant at Dolvi.

xi. Rs. 642.8 million repaid towards secured rupee term loan towards facility of Rs. 6,000 million taken by a subsidiary for pellet plant at Dolvi.

xii. Rs. 750 million repaid towards secured rupee term loan towards facility of Rs. 10,000 million taken by a subsidiary in India.

xiii. Other repayments of Rs. 622.6 million towards various facilities

C. **Other movements**

Other movements mainly include foreign exchange differences and amortization of upfront fees during the period.

b) Short-term borrowings

Particulars	As at 31.12.2016	As at 31.03.2016
	Rs. in million	
Working capital loan (secured)		
Rupee term loan	2,113.3	3,723.4
Foreign currency loan	-	200.0
Rupee term loan (unsecured)	15,039.2	16,320.0
Commercial papers (unsecured)	39,829.2	-
Total	**56,981.7**	**23,428.4**

13. Non-current financial liabilities - others

Particulars	As at 31.12.2016	As at 31.03.2016
	Rs. in million	
Rent and other deposits	915.8	1,162.0
Retention money for capital projects	271.9	222.9
Premium on redemption of debentures	2,091.6	1,308.3
Acceptances on capital projects	89.2	3,401.3
Other payables	841.7	1,745.0
Total	**4,210.2**	**7,839.5**

14. Current financial liabilities- others

Particulars	As at 31.12.2016	As at 31.03.2016
	Rs. in million	
Current maturities of long term debt	72,587.5	44,629.1
Current dues of other long term liabilities	4,434.3	7,311.0
Payable for capital projects	21,458.8	33,112.9
Interest accrued but not due on borrowings	4,504.4	5,296.6
Other payables	1,482.8	1,940.1
Total	**104,467.8**	**92,289.7**

15. Other current liabilities

Particulars	As at 31.12.2016	As at 31.03.2016
	Rs. in million	
Advances from customers	2,159.2	3,266.8
Statutory liabilities	10,934.5	5,361.0
Matured debenture and accrued interest thereon	3.8	3.8
Unclaimed dividends	183.7	163.7
Unclaimed amount of sale proceeds of fractional shares	66.3	66.3
Others	11.9	138.9
Total	**13,359.4**	**9,000.5**

16. **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
	Toshiba JSW Power System Private Limited
	MJSJ Coal Limited
	Geo Steel LLC
	JSW Structural Metal Decking Limited
	JSW MI Steel Service Center Private Limited
	JSW Vallabh Tin Plate Private Limited
2	**Associate**
	JSW Industrial Gases Private Limited till 15 August, 2016. (Formerly known as JSW Praxair Oxygen Company Limited)
3	**Key management personnel**
	Mr. Sajjan Jindal
	Mr. Seshagiri Rao M V S
	Dr. Vinod Nowal
	Mr. Jayant Acharya
	Mr. Rajeev Pai
	Mr. Lancy Varghese
4	**Relative of key management personnel**
	Mr. Parth Jindal
5	**Enterprises over which key management personnel and relatives of such personnel exercise significant influence**
	JSW Energy Limited
	Jindal Stainless Limited
	Jindal Saw Limited
	Jindal Saw USA LLC
	Jindal Steel & Power Limited
	JSOFT Solutions Limited
	Jindal Industries Private Limited
	JSW Cement Limited
	JSW Jaigarh Port Limited
	Reynold Traders Private Limited
	Raj West Power Limited
	JSW Power Trading Company Limited

	JSW Infrastructure Limited
	South West Port Limited
	JSW Techno Projects Management Limited
	JSW Global Business Solutions Limited (Formerly known as Sapphire Technologies Limited)
	South West Mining Limited
	JSL Architecture Limited
	JSW Projects Limited
	JSW Foundation
	O P Jindal Foundation
	Jindal Technologies & Management Services Private Limited
	JSW Dharamatar Port Private Limited
	Jindal Tubular (India) Limited
	M/S Shadeed Iron & Steel Co. LLC
	JSW Investment Private Limited
	JSW IP Holdings Private Limited (w.e.f. 01.04.2015)
	Epsilon Carbon Private Limited (Formerly known as AVH Private Limited)
	JSW International Trade Corp PTE Limited
	Heal Institute Private Limited (ceased w.e.f 19.10.2016)
	JSL Lifestyle Limited
	Jindal Power Limited
	Jindal Fittings Limited
	Jindal Education Trust
	Jindal Stainless Steelway Limited
	Tranquil Homes & Holdings Private Limited
	Windsor Residency Private Limited
	Ganga Ferro Alloys Private Limited
	St. James Investment Limited
6	**Post-employment benefits entity**
	JSW Steel EPF Trust
	Group Gratuity Fund

Rs. in million

Particulars	Associate	Joint ventures	Key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
B. Transactions with related parties					
Purchase of goods / power and fuel / services	**529.4**	**127.2**	-	**66,694.7**	**67,351.3**
	783.5	*11.7*	-	*41,136.6*	*41,931.8*
Reimbursement of expenses incurred on our behalf by	-	-	-	**15.8**	**15.8**
	-	-	-	*17.4*	*17.4*
Sales of goods/power and fuel	-	**2,707.3**	-	**10,138.5**	**12,845.8**
	6.2	*2,637.4*	-	*14,327.6*	*16,971.2*
Other income/ Interest income/ Dividend income	-	**46.7**	-	**326.2**	**372.9**
	108.3	*41.8*	-	*281.4*	*431.5*
Purchase of assets	-	**302.0**	-	**1,027.9**	**1,329.9**
	-	*1,932.0*	-	*2,085.6*	*4,017.6*
Donation / CSR expenses	-	-	-	**12.4**	**12.4**
	-	-	-	*16.4*	*16.4*
Recovery of expenses incurred by us on their behalf	-	**24.7**	-	**155.5**	**180.2**
	-	*16.4*	-	*88.9*	*105.3*
Interest expense	-	-	-	-	-
	-	-	-	*54.2*	*54.2*
Advance taken refunded	-	-	-	**289.9**	**289.9**
	-	-	-	*248.0*	*248.0*
Remuneration to key managerial personnel	-	-	**349.8**	-	**349.8**
	-	-	*234.4*	-	*234.4*
Advance given	-	-	-	**192.2**	**192.2**
	-	-	-	*997.5*	*997.5*
Finance lease obligation repayment	-	-	-	**1,346.3**	**1,346.3**
	-	-	-	*1,253.3*	*1,253.3*
Finance cost – finance lease	-	-	-	**1,571.9**	**1,571.9**
	-	-	-	*1,640.9*	*1,640.9*
Post-employment benefits plans	-	-	-	**279.1**	**279.1**
	-	-	-	*235.5*	*235.5*
C. Closing balances of related parties					
Trade payables	-	**4.2**	-	**10,140.6**	**10,144.8**
	64.8	*50.1*	-	*6,640.5*	*6,755.4*
Notes payable	-	-	-	**1,043.2**	**1,043.2**
	-	-	-	*2,852.3*	*2,852.3*
Advance received from customers	-	**2.0**	-	**20.7**	**22.7**
	-	-	-	*9.0*	*9.0*
Lease and other deposit received	-	**115.5**	-	**200.3**	**315.8**
	38.3	*107.4*	-	*199.3*	*345.0*
Trade receivables	-	**442.8**	-	**971.1**	**1,413.9**
	-	*267.8*	-	*1,439.1*	*1,706.9*
Capital / Revenue advances given	-	**532.0**	-	**1,956.2**	**2,488.2**
	-	*446.1*	-	*1,403.2*	*1,849.3*

Particulars	Associate	Joint ventures	Key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
Share application money	-	3.9	-	-	3.9
	-	*127.0*	-	-	*127.0*
Investments held	-	2,441.0	-	5,495.3	7,936.3
	-	*2,311.0*	-	*7,309.7*	*9,620.7*
Loans and advances taken	-	-	-	1,101.3	1,101.3
	-	-	-	*1,214.8*	*1,214.8*
Finance lease obligation	-	-	-	18,776.6	18,776.6
	-	-	-	*18,421.2*	*18,421.2*
Post-employment benefits plans	-	-	-	653.4	653.4
	-	-	-	*658.9*	*658.9*

Note: Related party transactions for the nine months ended 31st December, 2015 and year end balance as on 31st March, 2016 have been disclosed in Italics in the table above.

17. Exceptional Items

Exceptional items for the nine months ended 31st December 2015 include (a) impairment of (i) Rs. 6,133.1 million pertaining to PPE of steel operations at USA; (ii) Rs. 6,370.2 million and Rs. 4,074.9 pertaining to Goodwill and PPE respectively relating to iron ore mines at Chile; and (iii) Rs. 628.4 million and Rs. 1,090.3 million pertaining to Goodwill and PPE, respectively relating to coal mines at West Virgina, USA., which provisions were recognised based on estimates of values of their businesses/assets. The net carrying amounts of the aforesaid PPE and Goodwill aggregating to Rs 47,708.2 million and Rs. 8,770.4 million, respectively as at 31st December 2016 are considered recoverable. In making the said assessment, reliance has been placed on external estimates of market participants in respect of future prices of coal and iron ore, minable resources, and assumptions relating to operational performance including improvement in capacity utilisation of the plants and margins, and availability of infrastructure for mines; (b) provision of Rs. 2,915.3 million in relation to a legal dispute.

18. In respect of certain operations of the Group, following factors have been considered by the management in concluding that no further provision is presently necessary, in respect of carrying amounts of the related assets:

i. Integrated Steel Complex at Salboni, Bengal [Capital work in progress Rs. 1,416.8 million, Fixed assets Rs. 1,198.2 million, and Advances Rs. 2,273.8 million] - Evaluation of current status of the integrated Steel Complex (including power plant) to be implemented in phases at Salboni of district Paschim Medinipur in West Bengal, and the projections relating to the said complex considering estimates for the future prices of raw materials, foreign exchange rates, operating margins, etc. and the plans for commencing construction of the said complex.

ii. Integrated Steel Complex at Ranchi, Jharkhand [Capital work in progress Rs. 303.4 million, Fixed assets Rs. 452.4 million, and Advances Rs. 8.2 million] - Evaluation of current status of the integrated Steel Complex to be implemented in phases at Ranchi, Jharkhand and the projections relating to the said complex

considering estimates for the future prices of raw materials, foreign exchange rates, operating margins, etc. and the plans for commencing construction of the said complex.

iii. Goodwill Rs. 492.1 million and Inventories Rs. 1,214.8 million relating to interest in a real estate property – Valuation of the property by an independent expert.

iv. Mining development and projects, license fees, fixed assets and goodwill aggregating to Rs. 891.2 million relating to coal mines at Mozambique - Assessment of minable reserves by independent experts and cash flow projections based on plans to commence operations after mining lease arrangements are in place for which application has been submitted to regulatory authorities and infrastructure is developed.

v. Joint control in structural steel works [Fixed Assets (including capital work in progress) Rs 984.3 million - Value in use based on estimates and assumptions relating to order book, capacity utilisation, operational performance, market prices of materials, inflation, terminal value, etc.

19. Dividend distribution

On 18th May, 2016 the board of directors recommended a final dividend of Rs. 7.50 per equity share be paid to shareholders for financial year 2015-16, which was approved by the shareholders at the Annual General Meeting dated 27th July, 2016.
The dividend amounting to Rs. 1,812.9 million has been paid on 29th July, 2016.

20. Earnings per share

Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding. Diluted earnings per share is computed by dividing income available to shareholders and assumed conversion by the weighted average number of common shares and potential common shares from outstanding stock options. Potential common shares are calculated using the treasury stock method and represent incremental shares issuable upon exercise of the Company's outstanding stock options.

PARTICULARS		For nine months ended 31st December 2016	For nine months ended 31st December 2015
Profit/(Loss) attributable to equity shareholders (A)	Rs in million	25,655.1	(6,316.0)
Weighted average number of equity shares for basic EPS (B)	Nos	2,402,504,090	2,391,947,929
Effect of dilution :			
Weight average number of treasury shares	Nos	14,716,350	25,272,511
Weighted average number of equity shares adjusted for the effect of dilution (C)	Nos	2,417,220,440	2,417,220,440
Basic EPS (A / B)	Rs	10.68	(2.64)
Diluted EPS (A / C)	Rs	10.61	(2.64)

21. Sub-division of equity shares

Pursuant to the approval of the members accorded on 17th December, 2016 by way of a Postal ballot, the equity shares of the Company having a face value of Rs. 10/- (Rupees Ten only) each were sub-divided into 10 (Ten) equity shares having a face value of Re. 1/- (Rupee One only) each. Accordingly, 241,722,044 equity shares of face value of Rs. 10 each were sub-divided into 2,417,220,440 equity shares of face value of Re. 1 each. The earnings per share in respect of all the reported periods has been restated considering the aforesaid sub-division of shares.

22. Contingent liabilities:

a) Guarantees provided Rs. 1,413.1 million (as at 31st March, 2016 Rs. 1,296.6 million).

b) Disputed claims/levies, in respect of:

(i) Excise duty Rs. 3,951.7 million (as at 31st March, 2016 Rs. 3,883.6 million);

(ii) Custom duty Rs. 7,574.8 million (as at 31st March, 2016 Rs. 4,311.0 million);

(iii) Income tax Rs. 1,729.2 million (as at 31st March, 2016 Rs. 1,807.8 million);

(iv) Sales tax / Special entry tax Rs. 2,398.6 million (as at 31st March, 2016 Rs. 2,423.0 million);

(v) Service tax Rs. 5,023.5 million (as at 31st March, 2016 Rs. 1,973.0 million);

(vi) Miscellaneous Rs. 0.5 million (as at 31st March, 2016 Rs. 0.5 million);

(vii) Levies by local authorities Rs. 30.4 million (as at 31st March, 2016 Rs. 30.4 million);

(viii) Claims by suppliers and other parties Rs. 1,409.7 million (as at 31st March, 2016 Rs. 1502.2 million) and

(ix) Claims related to Forest Development Tax and Forest Development Fees Rs. 12,114.8 million (as at 31st March, 2016 Rs. 9,669.8 million) (including FDT amount paid under protest Rs. 7,038.4 million (as at 31st March, 2016 Rs. 6,650.0 million)).

(a) The Hon'ble High Court of Karnataka has granted partial relief by a judgement dated 3rd December, 2015 delivered in response to a petition filed by the mine owners and purchasers of iron ore including JSW Steel Limited contesting levy of Forest Development Tax (FDT) by the State of Karnataka. The High Court vide its judgment has directed refund of the entire amount of FDT collected by State Government on sale of iron ores by Private Lease operators and NMDC. The State Government has filed an appeal before the Supreme Court of India (SCI). The Hon'ble Court has not granted stay on the operation of the judgment but only stayed refund of FDT. The matter is yet to be heard by the Hon'ble Supreme Court of India.

(b) The State of Karnataka on 27th July, 2016, has amended Section 98-A of the Forest Act retrospectively and substituting the levy as Forest Development Fee instead of FDT. The Company has filed writ petition before the Hon'ble High Court of Karnataka and the Hon'ble High Court has restrained the State of Karnataka from collecting FDF against furnishing of Bank Guarantee for an amount of 25% of the sale value of iron ores by the petitioners. The Company has not recognized any liability towards FDF based on the merits of the case.

The State Government of Karnataka filed a Special Leave Petition with the Supreme Court of India (SCI) which directed the Company and other parties to pay a 50% deposit and balance to be

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secured through a bond, by its order dated 13th February, 2017. The SCI has remitted the appeal back to the Karnataka High court with a direction to dispose the appeal within 6 months.

23. Commitments

Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 72,209.6 million (as at 31st March, 2016: Rs. 69,836.4 million).

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 the period end aggregate to Rs. 16,669.1 million (as at 31st March, 2016: Rs. 13,907.1 million) by the Company within the stipulated period.

b) The Group has imported 73,707 Hot Rolled Coils during the period under Advance License Scheme to utilize the benefit of a zero customs duty rate. This benefit is subject to future exports to be fulfilled over a period of 18 months. Balance export obligation to be fulfilled as on 31st December, 2016 is 12,666 MT having duty liability of Rs. 42.8 million (as at 31st March, 2016 is Rs. 63.3 million).

24. Financial Instruments

Rs. in million

Particulars	As at 31st December 2016		As at 31st March 2016	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Loans	2,847.8	2,841.6	2,598.7	2,594.9
Others financial assets	4,804.1	4,804.1	4,378.9	4,378.9
Trade receivables	38,674.5	38,674.5	27,273.7	27,273.7
Cash and cash equivalents	7,706.4	7,706.4	8,837.5	8,837.5
Bank balances other than cash and cash equivalents	3,192.9	3,192.9	1,366.5	1,366.5
Total financial assets at amortised cost (a)	**57,225.7**	**57,219.5**	**44,455.3**	**44,451.5**
Measured at fair value through other comprehensive income				
Investments	6,223.3	6,223.3	7,105.4	7,105.4
Total financial assets at fair value through other comprehensive income (b)	**6,223.3**	**6,223.3**	**7,105.4**	**7,105.4**
Measured at fair value through profit and loss				
Investments	6,356.4	6,356.4	4,840.7	4,840.7
Other financial assets	2,705.8	2,705.8	893.6	893.6
Total Financial assets at fair value through profit and loss (c)	**9,062.2**	**9,062.2**	**5,734.3**	**5,734.3**
Total financial assets (a+b+c)	**72,511.2**	**72,505.0**	**57,295.0**	**57,291.2**

Particulars	As at 31st December 2016		As at 31st March 2016	
	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities				
Measured at amortised cost				
Long-term borrowings	398,889.2	404,921.0	398,611.8	403,024.9
Short-term borrowings	56,981.7	56,981.7	23,428.4	23,428.4
Trade Payables	131,972.4	131,972.4	127,576.0	127,576.0
Other financial liabilities	36,090.5	35,636.2	55,500.1	55,138.9
Total financial liabilities	**623,933.8**	**629,511.3**	**605,116.3**	**609,168.2**

25. Methodologies to measure fair value of financial instruments

Rs in million

Particulars	As at 31st December 2016	As at 31st March 2016	Level	Valuation technique and key inputs
Non-current investments in the equity shares measured at FVTOCI	6,182.7	7,066.4	1	Quoted bid prices in an active market
Non-current investments in the equity shares measured at FVTOCI	40.6	38.9	3	Net asset value
Non-current investments in unquoted Preference shares measured at FVTPL	1,479.7	1,386.1	3	Discounted cash flow- Future cash flows are based on terms of Preference Shares discounted at a rate that reflects market risks
Forward contracts - Liability	318.4	3,369.4	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).
Commodity contracts - Assets	2,254.3	910.6	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).
Interest rate swaps - Assets	176.6	-	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).
Interest rate swaps - Liability	-	17.0	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).
Foreign currency options - Asset	223.2	0.3	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).

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	0.50%	0.50% Increase / (decrease) in the discount would decrease / (increase) the fair value Rs. 30.5 million (Rs. 15.4 million)

26. Employee share based payment plans:

ESOP SCHEME 2012:

The Employees Stock Ownership Plan is effective from 26th July, 2012. The eligible employees can exercise the option anytime between the vesting period till 30th September, 2017.

The grant is determined as percentage of Total Fixed Pay. The grant was at such price as may be determined by the ESOP Committee and be specified in the Grant. The option shall not be transferable and can be exercised only by the employees of the Company.

The number of options to be granted to each eligible employees is determined by dividing the Award Value (amount equivalent to percentage of Annual Fix Pay) by the Fair Value of option provided. The Fair Value of option on the date of each grant is determined by using Black Scholes model.

The details of an employee share based payments plan operated through a trust for ESOP 2012 are as follows:

Option series	Options granted	Options vested	Grant date	Vesting period	Exercise price	Fair value at grant date	Method of settlement
Initial grant - 26th July, 2012	31,35,744	26,31,868	26-Jul-12	30-Sep-13 till 30- Sep-17	700	368.10	Equity
1st Subsequent grant - 26th July, 2012	16,02,480	12,43,041	26-Jul-12	30-Sep-14 till 30- Sep-17	700	332.25	Equity

ESOP SCHEME 2016:

The Board of Directors of the Company at its meeting held on 29th 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.

A total of 28,68,700 options would be available for grant to the eligible employees of the Company and a total of 3,16,300 options would be available for grant to the eligible employees of the Indian Subsidiaries of the Company under the ESOP Plan.

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 - 17th May, 2016	743,685	NIL	17-May-16	17-05 2016 till 31-03-2019 (for 50% of the grant) and 17-05-2016 to 31-03-2020 (for remaining 50% of the grant)	1036.48	674.79	Equity

The outstanding position as on 31 December 2016 is summarised below

Particulars	ESOP 2012		ESOP 2016
	Initial Grant (Junior Manager & Above)	1st Subsequent Grant (Junior Manager & Above)	1st Grant (L-16 and above Grade)
Date of grant	26 July, 2012	26 July, 2012	17 May, 2016
Outstanding as on 1st April, 2016	7,90,965	10,34,387	Nil
Granted During the period	Nil	Nil	7,43,685
Forfeited during the period	11,674	18,942	Nil
Exercised during the period	2,23,843	3,25,504	Nil
Outstanding as on 31st December, 2016	5,55,448	6,89,941	7,43,685
Vesting Period	30 September, 2013 till 30 September, 2017	30 September, 2014 till 30 September, 2017	17 May, 2016 till 31 March, 2019 (for 50% of the grant) and 17 May, 2016 to 31 March, 2020 (for remaining 50% of the grant)
Exercise Price	700	700	1,036.48

27. Operating segment

Chief Operating Decision Maker decides the allocation of resources and assesses the performance of the manufacturing of steel products as a whole and accordingly the business of manufacturing of steel products constitutes to be a single reportable segment.

28. Reconciliation

The Company has adopted Indian Accounting Standards ("IND-AS") with effect from 1st April, 2016 and accordingly the Unaudited Condensed Interim Consolidated Financial Statements for all the periods presented have been prepared in accordance with recognition and measurement principles laid down in the IND AS 34 Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. A reconciliation of Net Profit/(Loss) and Networth to those reported under previous GAAP (IGAAP) is summarised below:

Rs. in million

IND AS adjustments	Note ref	Net Profit/(Loss)		Networth		
		Nine months ended	Year ended	As on		
		31.12.2015	31.03.2016	31.03.2016	31.12.2015	31.03.2015
Net Profit/(Loss) / Networth under IGAAP		(10,072.7)	(8,369.8)	216,439.0	215,698.7	230,540.8
Effect of componentization of fixed assets		24.3	-	-	19.1	(1,187.1)
Net Profit/(Loss) / Networth under IGAAP after the effect of componentization		(10,048.4)	(8,369.8)	216,439.0	215,717.8	229,353.7
Effect of treating certain arrangements as leases	A	142.3	205.6	44.7	(18.6)	(160.8)
Measurement of financial liabilities at amortised cost	B	(545.1)	(705.5)	(6,387.8)	(6,552.4)	(6,049.5)
Equity accounting for Joint Ventures which were proportionately consolidated as per previous GAAP	C	1.5	-	-	-	-
Deferred taxes	D	3,214.6	4,398.9	(25,308.8)	(26,061.1)	(30,106.7)
Other Ind-AS adjustments	E	(578.1)	(335.5)	(513.0)	(33.6)	(22.2)
Net Profit /(loss) for the period under IND-AS (A)		(7,813.2)	(4,806.3)			
Other Comprehensive Income(OCI)						
Measurement of equity investments at fair value through OCI	F1	(3,463.8)	(5,045.1)	4,555.3	6,126.1	9,595.7
Foreign currency translation reserve	F2	(3,011.6)	(2,897.0)	(842.3)	(817.3)	
Others	F3	(1,712.7)	(772.3)	-	-	
Total other comprehensive income / (loss) (B)		(8,188.1)	(8,714.4)			
Dividend and tax on dividend	G			2,182.0	-	3,200.2
Effect of Consolidation of Employee welfare trust	H			(1,268.7)	(1,606.4)	(1,800.1)
Total Comprehensive income/(loss) (A+B)/ Networth under IND-AS		(16,001.3)	(13,520.7)	188,900.4	186,754.5	204,010.3

A. Arrangements in the nature of leases: The Group 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 fulfilment of the arrangements depend on the asset specified in the respective arrangements and the Group has committed to obtain substantially all of the production capacity of the asset on take or pay basis. After separating lease payments from the other elements in these arrangements, the Group has recognized Finance Lease Assets & corresponding Finance lease obligation resulting into increase in finance costs and depreciation charge, and reduction in the cost of goods/ services procured.

B. Classification of Redeemable Preference Share Capital as a financial liability: The Company has issued non-convertible Redeemable Preference shares. The preference shares carry fixed dividend which is non-discretionary. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit. Under Ind AS, these preference shares have been classified as a financial liability based on the terms of the contract. Interest on liability component is recognised using the effective interest method.

C. Investment in joint arrangements: Joint ventures have been accounted using equity method as against proportionate consolidation under previous Indian GAAP.

D. Deferred taxes as per the Balance Sheet approach: Deferred taxes determined on temporary differences following Balance Sheet Approach under Ind-AS as against the Profit and Loss Approach in previous Indian GAAP has resulted in charge to Reserves, on the date of transition, with consequential impact to the Statement of Profit and Loss account for the subsequent periods.

E. Other Ind AS - adjustments: Other Ind-AS adjustments mainly comprise of:

- losses contributed by entities assessed as subsidiaries based on the definition of control as per Ind AS 110 - Consolidated Financial Statements.
- deposits given / taken recognised following amortised cost method at their inception with the corresponding changes until transition date in the opening retained earnings and subsequent changes in the Consolidated Statement of Profit and Loss.
- adjustments relating to upfront fees amortisation as per effective interest method, changes in fair value of investment in unquoted preference shares.

F. Items in others comprehensive income: Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to total comprehensive income as per Ind AS.

1. Fair valuation of equity instruments: Under Indian GAAP, the Group accounted for long term investments in unquoted and quoted equity shares at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Group has designated certain equity investments as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVTOCI reserve, net of related deferred taxes, wherever applicable.

2. Foreign currency translation reserve: This amount relates to the foreign currency translation reserve created at the time of translation of foreign subsidiaries from their respective local currencies to INR for the purpose of consolidation.

3. Others: Others primarily include movements in hedging reserve (net of deferred tax) on account of cash flow hedges accounted under IND-AS 109 and Foreign Currency Monetary Item Translation Difference Account (net of deferred tax) due to exchange rate fluctuations on long term foreign currency monetary items. It also includes employee benefits actuarial gains and losses, which are recognised in the other comprehensive income under Ind AS.

G. Reversal of proposed dividend and tax thereon: Under Indian GAAP, proposed dividend including Dividend distribution tax (DDT) thereon is recognised as a liability in the period to which they relate irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Group (usually when approved by the shareholders in a general meeting) or paid.

H. Consolidation of Employee Welfare Trust: Consolidation of Employee Welfare Trust by following the look through approach has resulted into line by line addition of all the assets and liabilities of the Employee Welfare Trust and also elimination of underlying treasury shares and other balances.

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th - 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 (022) 6185 4000
Fax: +91(022) 6185 4501/4601

INDEPENDENT AUDITOR'S REVIEW REPORT ON UNAUDITED CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF
JSW STEEL LIMITED

Introduction

1. We have reviewed the accompanying Unaudited Condensed Interim Standalone Financial Statements of **JSW STEEL LIMITED** ("the Company") including a Joint Operation consolidated on a proportionate basis, which comprise the Unaudited Condensed Balance Sheet as at December 31, 2016 and the related Unaudited Condensed Statement of Profit and Loss (including other comprehensive income), the Unaudited Condensed Statement of Changes in Equity and the Unaudited Condensed Statement of Cash Flows for the nine months ended December 31, 2016 together with summary of significant accounting policies and selected explanatory notes thereon (the "Unaudited Condensed Interim Standalone Financial Statements").

Management's Responsibility for the Unaudited Condensed Interim Standalone Financial Statements

2. The Company's Board of Directors is responsible with respect to preparation and presentation of the Unaudited Condensed Interim Standalone Financial Statements in accordance with the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), as notified under the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Auditors' Responsibility

3. We conducted our review of the Unaudited Condensed Interim Standalone Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Interim Standalone Financial Statements have not been prepared, in all material respects, in accordance with Ind AS 34, as notified under the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Regd. Office: 12, Dr. Annie Besant Road, Opp. Shiv Sagar Estate, Worli, Mumbai - 400 018, India. (LLP Identification No. AAB-8737)

Emphasis of Matter

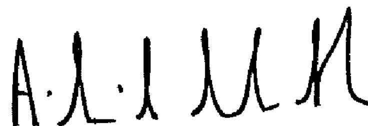
5. Attention is invited to notes 14 and 15 to the Unaudited Condensed Interim Standalone Financial Statements regarding the Company's assessment that the net carrying amounts of investments aggregating to Rs. 9,685.9 million in and loans and advances aggregating to Rs. 27,500.7 million to certain subsidiaries and a joint venture as at December 31, 2016 are recoverable.

   Our report is not qualified in respect of this matter.

Other Matters

6. The Company will prepare and issue its first complete Ind AS standalone financial statements as at and for the year ending March 31, 2017. Until the first complete Ind AS standalone financial statements are issued, the balances in the Unaudited Condensed Interim Standalone Financial Statements can change if (a) there are any new Ind AS standards issued through March 31, 2017, (b) there are any amendments/ modifications made to existing Ind As standards or interpretations thereof through March 31, 2017 effecting the Ind AS balances in these financial statements and (c) if the Company makes any changes in the elections and/ or exemptions selected on adoption of Ind As at its transition date of April 1, 2015.

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



A. Siddharth
Partner
(Membership No. 31467)

MUMBAI, March 22, 2017

JSW STEEL LIMITED

UNAUDITED CONDENSED BALANCE SHEET

Rs. in million

		Notes	As at 31.12.2016	As at 31.03.2016
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, plant and equipment	4	503,577.1	462,836.3
	(b) Capital work-in-progress		24,736.8	62,035.4
	(c) Intangible assets		552.7	618.2
	(d) Intangible assets under development		2,393.4	2,357.8
			531,260.0	527,847.7
	(e) Financial assets			
	(i) Investments	5	47,337.3	47,640.3
	(ii) Loans	7	2,393.5	2,417.5
	(iii) Other financial assets	8	1,126.9	1,393.1
	(f) Deferred tax assets (Net)	13	-	4,795.4
	(g) Other non-current assets	10	13,403.8	14,202.8
	Total non-current assets		**595,521.5**	**598,296.8**
(2)	**Current assets**			
	(a) Inventories	9	101,184.0	67,417.4
	(b) Financial assets			
	(i) Investments	5	2,283.9	-
	(ii) Trade receivables		34,414.4	25,107.1
	(iii) Cash and cash equivalents		2,556.0	4,650.9
	(iv) Bank balances other than (iii) above		3,140.7	1,334.5
	(v) Loans	7	28,566.2	13,253.1
	(vi) Other financial assets	8	4,844.0	2,527.0
	(c) Other current assets	10	29,195.0	20,345.9
	Total current assets		**206,184.2**	**134,635.9**
	Total assets		**801,705.7**	**732,932.7**

JSW STEEL LIMITED

UNAUDITED CONDENSED BALANCE SHEET (Contd.)

Rs. in million

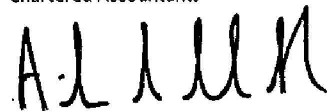
		Notes	As at 31.12.2016	As at 31.03.2016
II	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	(a) Equity share capital		3,012.7	3,009.0
	(b) Other equity		225,193.6	200,871.5
	Total equity		**228,206.3**	**203,880.5**
(2)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	6	280,526.5	300,340.9
	(ii) Other financial liabilities		1,072.1	1,338.9
	(b) Provisions		10,536.4	10,174.2
	(c) Deferred tax liabilities(Net)	13	7,678.7	-
	(d) Other non-current liabilities		29.8	26.2
	Total non-current liabilities		**299,843.5**	**311,880.2**
(3)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	6	56,901.9	20,699.0
	(ii) Trade payables		112,011.6	110,113.2
	(iii) Other financial liabilities	11	91,530.9	75,911.3
	(b) Provisions		1,351.5	1,056.7
	(c) Other current liabilities	12	11,860.0	9,391.8
	Total current liabilities		**273,655.9**	**217,172.0**
	Total liabilities		**573,499.4**	**529,052.2**
	Total equity and liabilities		**801,705.7**	**732,932.7**

See accompanying notes forming part of the Unaudited Condensed Interim Standalone Financial Statements

In terms of our report attached

For JSW STEEL LIMITED

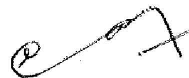
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants



A. SIDDHARTH
Partner

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO



LANCY VARGHESE
Company Secretary

Place: Mumbai
Dated : 22 March, 2017

JSW STEEL LIMITED

UNAUDITED CONDENSED STATEMENT OF PROFIT AND LOSS

Rs.in million

		For the nine months ended 31.12.2016	For the nine months ended 31.12.2015
I	Revenue from operations	399,615.8	302,440.9
II	Other income	1,737.5	2,953.8
III	**Total income (I + II)**	**401,353.3**	**305,394.7**
IV	Expenses:		
	Cost of materials consumed	193,698.8	144,144.3
	Purchases of stock-in-trade	6,206.2	606.8
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(12,991.6)	5,892.5
	Employee benefits expense	8,925.7	7,369.6
	Finance costs	26,795.5	23,900.4
	Depreciation and amortization expense	23,254.7	21,260.2
	Excise duty expense	34,508.0	30,814.2
	Other expenses	83,021.9	69,269.8
	Total expenses	**363,419.2**	**303,257.8**
V	**Profit before exceptional items and tax (III-IV)**	**37,934.1**	**2,136.9**
VI	**Exceptional items** (refer note 14)	-	58,585.7
VII	**Profit/(loss) before tax (V-VI)**	**37,934.1**	**(56,448.8)**
VIII	Tax expense/(benefit):		
	Current tax	665.0	1,239.5
	Less: MAT credit entitlement	(665.0)	(85.1)
	Deferred tax	12,327.2	(18,635.7)
	Tax provision for earlier years written back	(124.6)	-
		12,202.6	(17,481.3)
IX	**Profit/(loss) for the period (VII-VIII)**	**25,731.5**	**(38,967.5)**

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UNAUDITED CONDENSED STATEMENT OF PROFIT AND LOSS (Contd.)

Rs. in million

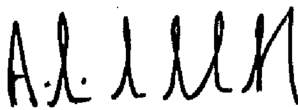
		For the nine months ended 31.12.2016	For the nine months ended 31.12.2015
X	**Other comprehensive income**		
A	i) Items that will not be reclassified to profit or loss		
	a) Re-measurements of the defined benefit plans	(143.5)	-
	b) Equity instruments through Other Comprehensive Income	(795.8)	(3,123.9)
	ii) Income tax relating to items that will not be reclassified to profit or loss	49.6	-
	Total (A)	**(889.7)**	**(3,123.9)**
B	i) Items that will be reclassified to profit or loss		
	a) The effective portion of gains and loss on hedging instruments	2,695.0	(428.5)
	b) Changes in Foreign Currency Monetary Item Translation Difference account	(205.7)	(1,986.4)
	ii) Income tax relating to items that will be reclassified to profit or loss	(861.4)	782.7
	Total (B)	**1,627.9**	**(1,632.2)**
	Total Other comprehensive income / (loss) (A+B)	**738.2**	**(4,756.1)**
XI	**Total comprehensive income / (loss) (IX + X)**	**26,469.7**	**(43,723.6)**
XII	**Earnings per equity share of Re 1 each (refer note 17)**		
	Basic	10.71	(16.29)
	Diluted	10.65	(16.29)

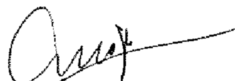
See accompanying notes forming part of Unaudited Condensed Interim Standalone Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For JSW STEEL LIMITED





A. SIDDHARTH
Partner

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

LANCY VARGHESE
Company Secretary

Place: Mumbai
Date: 22 March, 2017

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

Rs. in million

	For the nine months ended 31.12.2016	For the nine months ended 31.12.2015
Net cash generated from operating activities	35,450.6	22,463.7
Net cash used in investing activities	(56,176.0)	(37,100.5)
Net cash generated from financing activities	18,630.5	12,695.0
Net decrease in cash and cash equivalents	**(2,094.9)**	**(1,941.8)**
Cash and cash equivalents at start of the period	4,650.9	8,096.6
Cash and cash equivalents at close of the period	**2,556.0**	**6,154.8**
Add : Margin money / Fixed deposit balance	2,886.9	1,383.2
Add : Balance in debenture interest/ installments/dividend payment accounts	253.8	234.2
Cash and bank balances	**5,696.7**	**7,772.2**

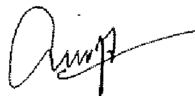
See accompanying notes forming part of Unaudited Condensed Interim Standalone Financial Statements

In terms of our report attached

For **JSW STEEL LIMITED**

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants



A. SIDDHARTH
Partner

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO

Place: Mumbai
Dated : 22 March, 2017

LANCY VARGHESE
Company Secretary

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31st December 2016

Equity share capital

Rs. in million

	As at 01.04 2016	Changes in equity share capital during the period	As at 31.12.2016
Equity Shares of Rs.1 each	3,009.0	3.7	3,012.7

Other Equity

Rs. in million

Particulars	Reserves and Surplus							Items of Other Comprehensive Income/(Loss) (OCI)				Total
	Capital reserve	Securities Premium Reserve	Capital redemption reserve	Debenture redemption reserve	Retained Earnings	Equity settled share based payment reserve	General Reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Remeasurements of the net defined benefit plans	Foreign currency monetary item translation difference account (FCMITDA)	
Opening balance as at 1st April, 2016	35,845.0	54,166.3	99.0	4,327.8	(291.7)	-	104,172.2	4,155.9	399.5	(20.7)	(1,981.8)	200,871.5
Total comprehensive income for the period	-	-	-	-	25,731.5	-	-	(795.8)	1,762.4	(93.9)	(134.5)	26,469.7
Dividends	-	-	-	-	(2,182.0)	-	-	-	-	-	-	(2,182.0)
Loss on sales of treasury shares	-	-	-	-	(49.9)	-	-	-	-	-	-	(49.9)
Recognition of share-based payments	-	-	-	-	-	84.3	-	-	-	-	-	84.3
Closing balance as at 31st December, 2016	35,845.0	54,166.3	99.0	4,327.8	23,207.9	84.3	104,172.2	3,360.1	2,161.9	(114.6)	(2,116.3)	225,193.6

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UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY (Contd.)

For the nine months ended 31st December 2015

Equity share capital

Rs. in million

	As at 01.04 2015	Changes in equity share capital during the period	As at 31.12.2015
Equity Shares of Re. 1 each	3,001.8	2.4	3,004.2

Other Equity

Rs. in million

Particulars	Reserves and surplus						Items of other comprehensive income/(loss) (OCI)			Total
	Capital reserve	Securities premium reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	General reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Foreign currency monetary item translation difference account (FCMITDA)	
Opening balance as at 1st April, 2015	**35,845.0**	**54,166.3**	**99.0**	**1,303.4**	**40,705.5**	**104,172.2**	**8,697.6**	**93.6**	**(946.2)**	**244,136.4**
Total comprehensive income for the period	-	-	-	-	(38,967.5)	-	(3,123.9)	(385.2)	(1,247.0)	(43,723.6)
Dividends	-	-	-	-	(3,200.3)	-	-	-	-	(3,200.3)
Profit on sales of treasury shares	-	-	-	-	191.3	-	-	-	-	191.3
Closing balance as at 31st December, 2015	**35,845.0**	**54,166.3**	**99.0**	**1,303.4**	**(1,271.0)**	**104,172.2**	**5,573.7**	**(291.6)**	**(2,193.2)**	**197,403.8**

DHLS

NOTES TO THE UNAUDITED CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31st DECEMBER, 2016

1. General Information

JSW Steel Limited ("the Company") is primarily engaged in the business of manufacture and sale of Iron and Steel Products.

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.

The Company has production facilities in the states of Karnataka, Tamil Nadu and Maharashtra in India.

2. Significant Accounting policies

I. Statement of compliance

Unaudited Condensed Interim Standalone Financial Statements have been prepared in accordance with the requirements of Ind AS 34 'Interim Financial Reporting', specified under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016.

For all periods up to and including the year ended 31st March 2016, the Company prepared its Standalone financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS Unaudited Condensed Interim Standalone Financial Statements of the Company. The date of transition to Ind AS is 1 April, 2015. Refer 2(XXII) below for the details of first-time adoption exemptions availed by the Company.

II. Basis of preparation and presentation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Unaudited Condensed Interim Standalone Financial Statements under the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2016. Accordingly, the Company has prepared these Unaudited Condensed Interim Standalone Financial Statements which comprise the Unaudited Condensed Balance Sheets as at 31st December, 2016, the Unaudited Condensed Statement of Profit and Loss, the Unaudited Condensed Statements of Cash Flows and the Unaudited Condensed Statements of Changes in Equity for the nine-months ended 31st December, 2016, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Unaudited Condensed Interim Standalone Financial Statements" or "financial statements").

The Company will prepare and issue its first complete Ind AS standalone financial statements as at and for the year ending 31st March, 2017. Until the first complete Ind AS standalone financial statements are issued, the balances in the Unaudited Condensed Interim Standalone Financial Statements can change if (a) there are any new Ind AS standards issued through 31st March, 2017, (b) there are any amendments/modifications made to existing Ind AS standards or interpretations thereof through 31st March, 2017 effecting the Ind AS

balances in these financial statements and (c) if the Company makes any changes in the elections and/or exemptions selected on adoption of Ind AS at its transition date of 1st April, 2015.

The Unaudited Condensed Interim 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 period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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.

III. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are generally recognised in Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, 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 Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, 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 Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company 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 Company 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 Company 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 Company recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in the profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method.

IV. 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 Company's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the

carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Company's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note V below.

V. Investment in subsidiaries, associates and joint ventures

Investment in subsidiaries, associates and joint ventures are recognised in the Company's financial statements at cost.

VI. Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the 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.

When a entity undertakes its activities under joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation:.

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues and expenses.

When an entity transacts with a joint operation in which an entity is a joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Company's financial statements only to the extent of other parties' interests in the joint operation.

When an entity transacts with a joint operation in which an entity is a joint operator (such as a purchase of assets), the Company does not recognise its share of the gains and losses until it resells those assets to a third party.

VII. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Company recognizes revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer. Sale of products is presented gross of manufacturing taxes like excise duty wherever applicable.

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.

VIII. Leasing

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

Amount due from the lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease. Where the leases are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. 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 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.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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 on the basis of their relative fair values.

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).

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 period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks and
- 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 recognized initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items

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 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 period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the 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.

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

XI. 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 periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Standalone Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in Statement of Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

XII. Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. 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 period 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 period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period 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);

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- 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 condensed 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 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 Company in respect of services provided by employees up to the reporting date.

XIII. Share-based payment arrangements

Share-based payment transactions of the Company

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 21.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, 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.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in the statement of profit and loss for the period.

XIV. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of 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 and other applicable tax laws in the countries where the Company operates and generates taxable income. Taxable profit differs from 'profit before tax' as reported in the condensed Standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

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 generally recognised for all taxable temporary differences. Deferred tax assets are generally 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.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an 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 highly 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 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.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets on non-depreciable assets the carrying amounts of such properties are presumed to be recovered entirely through sale.

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 period

Current and deferred tax are recognised in profit or loss, except when they are relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also 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.

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 generated from production during the trial period is capitalised.

Property, plant and equipment except freehold land held for use in the p[production, supply or administrative purposes, are stated in the condensed balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS i.e. 1st April, 2015, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

XVI. Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation 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 machinery	8 to 40 years
Work-rolls	1 year

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

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.

XVII. Intangible assets

Intangible assets acquired separately 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.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or ale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

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- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the Statement of Profit and Loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets:

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Computer Software	3-5 years
Licenses	3-5 years

For transition to Ind AS, the Company has elected to continue with carrying value of all its intangible assets recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

XVIII. Impairment of Property, plant and equipment and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

XIX. Inventories

Inventories are stated at the lower of cost and net realisable value. 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 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.

<u>Onerous contracts</u>

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.

XXI. Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

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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) 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

i) The Company initially recognises loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way 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. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

ii) The Company has elected to apply the requirements pertaining to Level III financial instruments of deferring the difference between the fair value at initial recognition and the transaction price prospectively to transactions entered into on or after the date of transition to Ind AS.

b) Classification of financial assets

On initial recognition, a financial asset is measured at amortised cost, 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are 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 period, 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. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company 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.

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On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company 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 Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous 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 Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

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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 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 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) **Compound instruments**

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium/other equity. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

d) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, 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 'other gains and losses' line item in the Standalone Statement of Profit and Loss.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

Other financial liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

e) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange 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 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.

f) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.

FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

g) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

h) 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 or hedges of net investments in foreign operations. Hedges of foreign currency risk on firm commitments are accounted for as cash flow hedges.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

- Hedges of net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the

nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the Statement of Profit and Loss as other costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the Statement of Profit and Loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as other comprehensive income and accumulated in equity 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. Furthermore, if the Company expect that some or all of the loss accumulated in Other Comprehensive Income (OCI) will not be recovered in the future, that amount is immediately reclassified to profit and loss.

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.

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(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 Statement of Profit and Loss on the disposal of the foreign operation.

XXII. First time adoption – mandatory exceptions, optional exemptions

a. Overall principle

The Company has prepared the opening Standalone Balance Sheet as per Ind AS as of 1st April, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exception and certain optional exemptions availed by the Company as detailed below. Since, the financial statements are the first interim financial statements, the first time adoption -- mandatory exceptions and optional exemptions have been explained in detail.

b. Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2015 (the transition date).

c. Accounting for changes in parent's ownership in a subsidiary that does not result in a loss of control

The Company has accounted for changes in a parent's ownership in a subsidiary that does not result in a loss of control in accordance with Ind AS 110, prospectively from the date of transition.

d. Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

e. Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

f. Assessment of embedded derivatives

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first

became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

g. Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1st April, 2015. Consequently,

- The Company has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- The Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the Standalone balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree;
- The Company has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- The Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;
- The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

The above exemption in respect of business combinations has also been applied to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business, as defined in Ind AS 103.

h. Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of 1st April,2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

i. Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

j. Cumulative translation differences on foreign operations

The Company has not elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero.

k. Equity investments at FVTOCI

The Company has designated investment in equity shares of JSW Energy Limited as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

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.

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 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 descried in note 15. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

iii) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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.

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.

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.

B) Critical accounting judgements

i) Control over JSW Realty & Infrastructure Private Limited (RIPL)

RIPL has developed a residential township in Vijaynagar, Karnataka on the land taken on lease from the Company for a 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 97.54% of preference share capital amounting to Rs. 199.15 crore issued by RIPL and significant portion of RIPL's activities

ii) Control over Dolvi Minerals & Metals Private Limited (DMMPL) and Dolvi Coke Private Limited (DCPL)

- DMMPL is an investment company and is setting up recovery type coke oven plant and by-product plant ("Coke Plant") through its wholly owned subsidiary DCPL. Although, the Company owns only 40% of ownership interest, the Company has concluded that the Company has practical ability to direct the relevant activities of DMMPL unilaterally, considering
- the relevant activities of DCPL are directed through the long-term take or pay arrangement entered into between the Company and DCPL,
- Significant portion of DMMPL and DCPL activities either involve or are conducted on behalf of the Company, and

Return from Company's involvement with DMMPL and in turn with DCPL is disproportionately greater than it voting rights considering the take or pay arrangement is at cost plus fixed margin basis.

iii) 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 the Company does not have any ownership interest, voting right or representation in the Board of Directors of JSWPL to direct its relevant activities unilaterally and accordingly it is not controlled by the Company.

iv) Arrangements in the nature of lease

The Company has entered into long-term arrangements with third parties to facilitate continuous supply of gases to its steel plant at Vijayanagar. 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 directors of 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.

v) Separating payments of lease from the other payments

If an arrangement contains a lease, the parties to the arrangement shall apply the requirements of Ind AS 17 to the lease element. Therefore, the Company is required to separate payments and other consideration required by the arrangement into those for the lease and for other elements on the basis of their relative fair values.

However, 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.

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4. Property, plant and equipment :

Rs. in million

Particulars	Freehold land	Leasehold land	Buildings	Plant and machinery (Owned)	Plant and machinery (On finance lease)	Furniture and fixtures	Vehicles and Aircrafts	Office equipments	Total (A)
Cost									
At 1 April 2016	9,289.3	1,681.9	57,588.6	3,74,067.5	46,045.1	660.6	1,192.6	376.3	4,90,901.9
Additions	214.4	-	4,676.7	47,728.2	9,690.8	27.6	73.1	58.1	62,468.9
Deductions	-	-	-	1,133.1	-	-	33.9	1.6	1,168.6
Other Adjustments	-	-	-	1,673.3	-	-	-	-	1,673.3
At 31 December 2016	**9,503.7**	**1,681.9**	**62,265.3**	**4,22,335.9**	**55,735.9**	**688.2**	**1,231.8**	**432.8**	**5,53,875.5**
Accumulated depreciation and impairment									
At 1 April 2016	-	-	2,580.8	22,149.2	2,957.9	157.1	132.2	88.3	28,065.5
For the period	-	-	2,102.8	17,874.3	2,858.0	83.1	104.7	64.4	23,087.3
Deductions	-	-	-	977.6	-	0.4	15.3	1.8	995.1
Other Adjustment	-	-	-	140.7	-	-	-	-	140.7
At 31 December 2016	-	-	**4,683.6**	**39,186.6**	**5,815.9**	**239.8**	**221.6**	**150.9**	**50,298.4**
Net book value									
At 31 December 2016	**9,503.7**	**1,681.9**	**57,581.7**	**3,83,149.3**	**49,920.0**	**448.4**	**1,010.2**	**281.9**	**5,03,577.1**
At 31 March 2016	**9,289.3**	**1,681.9**	**55,007.8**	**3,51,918.3**	**43,087.2**	**503.5**	**1,060.4**	**288.0**	**4,62,836.3**
Useful life of the assets (range)	-NA-	-NA-	10 - 60	10 - 30	10 - 30	8 - 15	8 - 15	8 - 15	
Method of depreciation	-NA-	-NA-	SLM	SLM	SLM	SLM	SLM	SLM	

Acquisitions during the period:

Additions during the period mainly include:

a) Capital expenditure towards expansion of capacities at Dolvi and Vijayanagar.

b) The long-term gas purchase agreement dated 16th November, 2015 entered into by the Company with JSW Techno Projects Management Limited has become effective from 1st September, 2016. Considering the arrangement in the nature of finance lease, the Company has recognized underlying plant and equipment and corresponding lease loan liability at Rs. 1,701.6 million as on the effective date.

c) The long-term DRI Purchase Agreement dated 17th November, 2014 entered into by the Company with its subsidiary JSW Steel (Salav) Limited has become effective from 1st April 2016. Considering the arrangement in the nature of finance lease, the Company has recognized underlying plant and equipment and corresponding lease loan liability at Rs. 7,778.0 million as on the effective date.

Disposals during the period:

Assets with a net book value of Rs. 173.5 million were disposed of by the Company during the nine months ended 31st December 2016.

5. Investments

A. Non-current investments

i) The Company made additional strategic investments in the following entities:

Particulars	Rs. in million
Investment in equity instruments	
JSW Industrial Gases Private Limited (Formerly known as JSW Praxair Oxygen Private Limited)	2,400.0
JSW MI Service Centre Private Limited	123.0
Amba River Coke Limited	150.3
JSW Bengal Steel Limited	31.1
JSW Jharkhand Steel Limited	15.0
JSW Steel (Salav) Limited	2,495.1
Investments in preference shares	
Rohne Coal Company Private Limited	6.9

B. Current investments

Current investments as at 31st December 2016 represents surplus funds parked in Mutual funds on temporary basis.

6. Borrowings

A. Long term borrowings

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Borrowings	280,526.5	300,340.9
Current maturities of long term debt and finance lease obligation	63,832.8	34,428.5
Total	**344,359.3**	**334,769.4**

Rs. in million

Particulars	Foreign currency bonds	Debentures	Term loans	Sales tax deferral loan	Finance lease obligation	Preference shares	Total borrowings
Opening balance as on 1st April 2016	**32,863.5**	**80,731.3**	**174,089.6**	**928.6**	**39,768.6**	**6,387.8**	**334,769.4**
Add : Disbursements							
Secured rupee term loan	-	-	15,495.8	-	-	-	15,495.8
Finance lease obligation	-	-	-	-	9,687.0	-	9,687.0
Others	-	-	849.0	-	-	-	10,536.0
	-	**-**	**16,344.8**	**-**	**9,687.0**	**-**	**26,031.8**
Less : Redemption/Repayment							
Secured non-convertible debentures	-	(3,082.0)	-	-	-	-	(3,082.0)
Secured rupee term loan	-	-	(7,086.3)	-	-	-	(7,086.3)
Unsecured foreign currency loans	-	-	(7,503.9)	-	-	-	(7,503.9)
Sales tax deferral	-	-	-	(45.4)	-	-	(45.4)
Others repayments	-	-	-	-	(2,250.2)	-	(2,250.2)
	-	**(3,082.0)**	**(14,590.2)**	**(45.4)**	**(2,250.2)**	**-**	**(19,967.8)**
Add: Other movements	872.6	18.1	2,357.2	-	-	278.0	**3,525.9**
Total borrowings as on 31st December 2016	**33,736.1**	**77,667.4**	**178,201.4**	**883.2**	**47,205.4**	**6,665.8**	**344,359.3**

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Note:

I. **Additional loan taken during the nine months ended 31st December 2016**

i. Rs. 6,745.83 million drawn during the period out of Rupee term loan facilities of Rs. 16,000 million sanctioned by a consortium of banks. These loans are secured by first charge on entire movable and immovable fixed assets situated at Dolvi works, Maharashtra (excluding those specifically charged and equipment/machinery procured out of proceeds of ECA/ECB/FCL) both present and future. The loans are bearing interest rate at the bank's MCLR plus 110 bps and are repayable from March, 2017 to March, 2024 in various installments.

ii. In June 2016, the Company had received a sanction of Rs. 5,000 million from a bank at an interest rate of the bank's MCLR plus 20 bps. The loan is secured by way of charge on certain fixed assets at Vijayanagar works, Karnataka. The outstanding amount of Rs. 4,800 million is repayable from March, 2017 to June, 2021 in various installments.

iii. In August 2016, the Company had received a sanction of rupee term loan facilities of Rs. 5,000 million from a bank at an interest rate of bank reference rate plus 30 bps. The loan is secured by way of charge on certain fixed assets at Vijayanagar works, Karnataka. The outstanding amount of Rs. 3,700 million is repayable from September, 2019 to June, 2023 in various installments.

iv. The Company has further drawn foreign currency loan amounting to Rs. 849 million from various lenders.

II. **Repayment during the nine months ended 31st December 2016:**

i. Non-convertible debentures (NCDs) redeemed during the period are as follows

	Rs. in million
10.10 % NCDs of Rs. 0.9375 million each	1,875.0
10.50% NCDs of Rs. 1 million each	750.0
10.60 % NCDs of Rs. 0.875 million each	437.5
10.98 % NCDs of Rs. 0.025 million each	19.5
Total	**3,082.0**

ii. Rs. 6,136.3 million repaid towards secured Rupee term loan secured against Dolvi 1.5 Mtpa project.

iii. Rs. 950 million repaid towards secured Rupee term loan secured against Assets 3.8 Mtpa expansion project Vijayanagar.

iv. Rs. 3,755.8 million repaid towards unsecured external commercial borrowing of ECB facility.

v. Rs. 3,399.5 million repaid towards unsecured foreign currency loan for CRM 2 facility at Vijaynagar.

vi. Remaining repayments of Rs. 394.23 million towards various facilities.

III. **Other movements**

Other movements mainly includes foreign exchange differences, amortization of upfront fees, interest accrual during the period.

B. Short-term borrowings

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Working capital loans from banks (secured)		
Rupee loan	2,033.5	3,693.9
Foreign currency loan	-	200.0
Foreign currency loan from bank (unsecured)	-	3,185.1
Rupee loans from banks (unsecured)	15,039.2	13,620.0
Commercial papers (unsecured)	39,829.2	-
Total	**56,901.9**	**20,699.0**

7. **Loans**

Rs. in million

Particulars	As at 31.12.2016 Non -current	As at 31.12.2016 Current	As at 31.03.2016 Non -current	As at 31.03.2016 Current
Loans				
to related parties*	1,602.2	61,378.0	1,611.4	50,806.0
to other body corporate	91.0	-	91.0	-
Security deposits	700.3	1,839.3	901.4	1,600.1
Less : Allowance for doubtful loans	-	(34,651.1)	(186.3)	(39,153.0)
Total	**2,393.5**	**28,566.2**	**2,417.5**	**13,253.1**

*Loans are taken for business purpose

8. **Other financial assets**

Rs. in million

Particulars	As at 31.12.2016 Non – current	As at 31.12.2016 Current	As at 31.03.2016 Non -current	As at 31.03.2016 Current
Export benefits and entitlements	669.0	-	681.5	-
Derivative contracts - MTM	-	2,702.4	-	893.6
Derivative contracts gain - receivable	-	1,321.3	-	440.3
Insurance claim receivable	443.2	-	434.3	-
Others	-	820.3	-	1,193.1
Advance towards equity / preference capital	14.7	-	277.3	-
Total	**1,126.9**	**4,844.0**	**1,393.1**	**2,527.0**

9. **Inventories**

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Raw materials	45,798.3	26,507.5
Work-in-progress	7,645.0	5,882.3
Semi-finished/ finished goods	35,865.9	23,265.1
Production consumables and stores and spares	11,874.8	11,762.5
Total	**101,184.0**	**67,417.4**

10. Other assets

Rs. in million

Particulars	As at 31.12.2016 Non -current	As at 31.12.2016 Current	As at 31.03.2016 Non -current	As at 31.03.2016 Current
Capital advances	2,497.9	-	2,084.0	-
Less : Allowance for doubtful advances	(32.2)	-	(32.2)	-
Advance to suppliers	2,359.6	17,606.2	2,583.9	9,905.4
Export benefits and entitlements	-	1,923.8	-	487.1
Advance tax and tax deducted at source (Net)	1,308.1	-	1,931.0	-
Security deposits	349.3	746.3	302.0	751.7
Indirect tax balances/recoverable/credits	7,579.5	8,544.0	7,494.5	8,465.9
Prepayments and others	209.6	374.7	522.7	735.8
Less : Allowance for doubtful advances	(868.0)	-	(683.1)	-
Total	**13,403.8**	**29,195.0**	**14,202.8**	**20,345.9**

11. Other financial liabilities

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Current maturities of long-term debt	60,696.1	31,785.7
Current maturities of finance lease obligation	3,136.7	2,642.8
Current dues of other long-term liabilities	3,145.5	4,510.5
Payables for capital projects	19,616.1	31,689.1
Interest accrued but not due on borrowings	3,738.0	3,703.4
Others	1,198.5	1,579.8
Total	**91,530.9**	**75,911.3**

12. Other current liabilities

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Advances from customers	1,746.7	4,257.3
Statutory liabilities	9,859.5	4,900.7
Matured debentures and accrued interest thereon	3.8	3.8
Unclaimed dividends	183.7	163.7
Unclaimed amount of sale proceeds of fractional shares	66.3	66.3
Total	**11,860.0**	**9,391.8**

13. Deferred tax liabilities (Net)

Rs. in million

Particulars	As at 31.12.2016	As at 31.03.2016
Deferred tax Liability comprises of timing differences on account of:		
Difference between book balance and tax balance of fixed assets	75,423.5	69,202.0
Tax effect of other comprehensive income	27.9	-
Deferred tax liabilities (A)	**75,451.4**	**69,202.0**
Deferred tax asset comprises of timing differences on account of:		
Expenses allowable on payment basis (under section 43B of Income Tax Act, 1961)	711.1	667.8
Allowance for doubtful debts / advances / guarantees	3,996.4	16,830.5
Business loss / Unabsorbed depreciation	35,030.8	28,037.8
Tax effect of other comprehensive income	-	833.6
MAT credit entitlement	27,039.4	26,359.2
Others	995.0	1,268.5
Deferred tax assets (B)	**67,772.7**	**73,997.4**
Deferred tax assets /(liabilities) (B-A)	**(7,678.7)**	**4,795.4**

14. Exceptional items:

Exceptional items for the nine months ended 31st December 2015 include impairment of investments in certain subsidiaries and loss allowances for loans and guarantees to /on behalf of them, aggregating to Rs. 58,555.2 million, which are recognized based on estimates of values of their businesses/assets.

The net carrying amounts of the aforesaid investments and loans of Rs. 2,946.4 million and Rs. 24,721.5 million respectively as of 31st December, 2016 are considered fully recoverable. In making the said assessment, reliance has been placed on external estimates of market participants in respect of future prices of coal and iron ore, minable resources, and assumptions relating to operational performance including improvement in capacity utilization of the plants and margins, and availability of infrastructure for mines.

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15. In respect of investments in and loans / advances to certain subsidiaries and a joint venture, following factors have been considered by the management in concluding that the investments are not impaired, and that the loans / advances are recoverable:

    a) Equity shares of JSW Steel Bengal Limited, a subsidiary (carrying amount: Rs. 4,385.2 million (net of provision) as at December 31, 2016)
    Evaluation of the status of its integrated Steel Complex (including power plant) to be implemented in phases at Salboni of district Paschim Medinipur in West Bengal by the said subsidiary, and the projections relating to the said complex considering estimates in respect of future raw material prices, foreign exchange rates, operating margins, etc. and the plans for commencing construction of the said complex.

    b) Equity shares of JSW Jharkhand Steel Limited, a subsidiary (carrying amount: Rs. 792.9 million as at December 31, 2016)
    Evaluation of the status of its integrated Steel Complex to be implemented in phases at Ranchi, Jharkhand by the said subsidiary, and the projections relating to the said complex considering estimates in respect of future raw material prices, foreign exchange rates, operating margins, etc. and the plans for commencing construction of the said complex.

    c) Equity shares of Peddar Realty Private Limited (PRPL) (carrying amount of investments: Rs 367.7 million (net of provision) as at December 31, 2016), and recoverability of loans of Rs. 1,572.6 million as at December 31, 2016.
    Valuation by an independent valuer of the residential complex in which PRPL holds interest.

    d) Investment of Rs 39.3 million (net of provision) and loan of Rs. 1,206.6 million as at December 31, 2016 relating to JSW Natural Resources Mozambique Limitada and JSW ADMS Carvo Limitada (step down subsidiaries)
    Assessment of minable reserves by independent experts and cash flow projections based on the plans to commence operations after mining lease arrangements are in place for which application has been submitted to regulatory authorities and infrastructure is developed.

    e) Equity shares of JSW Severfield Structures Limited, a joint arrangement (carrying amount: Rs. 1,154.4 million as at December 31, 2016)
    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.

16. Dividend distribution

On 18th May, 2016 the Board of Directors recommended a final dividend of Rs. 7.50 per equity share be paid to shareholders for financial year 2015-16, which was approved by the shareholders at the Annual General Meeting dated 27th July, 2016. The dividend amounting to Rs. 1,812.9 million has been paid on 29th July 2016.

17. Earnings per share

Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding. Diluted earnings per share is computed by dividing income available to shareholders and assumed conversion by the weighted average number of common shares and potential common shares from outstanding stock options. Potential common shares are calculated using the treasury stock method and represent incremental shares issuable upon exercise of the Company's outstanding stock options.

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PARTICULARS		For the nine months ended 31.12.2016	For the nine months ended 31.12.2015
Profit / (Loss) attributable to equity shareholders (Rs. in million) (A)		25,731.5	(38,967.5)
Weighted average number of equity shares for basic EPS (B)		2402,504,090	2391,947,929
Effect of dilution :			
Weighted average treasury shares		14,716,350	25,272,511
Weighted average number of equity shares adjusted for the effect of dilution (C)		2417,220,440	2417,220,440
Basic EPS (Amount in Rs.)	(A / B)	10.71	(16.29)
Diluted EPS (Amount in Rs.)	(A / C)	10.65	(16.29)

Sub-division of equity shares

Pursuant to the approval of the members accorded on 17th December, 2016 by way of a Postal ballot, the equity Shares of the Company having a face value of Rs. 10/- (Rupees Ten only) each were sub-divided into 10 (ten) equity shares having a face value of Re. 1/- (Rupee One only) each. Accordingly, 241,722,044 equity shares of face value of Rs. 10 each were sub-divided into 2,417,220,440 equity shares of face value of Re. 1 each. The earnings per share in respect of all the reported periods has been restated considering the said sub-division of shares.

18. Contingent liabilities and commitments :

a) i) Guarantees provided on behalf of subsidiaries Rs. 16,896.1 million (as at 31st March, 2016: Rs. 21,241.1 million).

ii) Standby letter of credit facility availed from resident Indian Banks secured by specific fixed assets of the Company in relation to overseas long term borrowing by JSW Steel Holding (USA) Inc and JSW Steel (Netherlands) B.V. (wholly owned subsidiaries of the Company) is Rs. 27,181.9 million (as at 31st March, 2016: Rs. 26,533.2 million) and Rs. 5,436.4 million (as at 31st March, 2016Rs. 5,306.6 million) respectively.

iii) Provision of Rs. 9,825.2 million (as at 31st March, 2016 Rs. 9,578.5 million) has been created against aforesaid guarantees and standby letter of credit facilities.

b) Disputed claims/levies, in respect of:

(i) Excise duty Rs. 3,047.5 million (as at 31st March, 2016 : Rs. 3,053.9 million);

(ii) Custom duty Rs. 4,846.4 million (as at 31st March, 2016 : Rs. 4,079.2 million);

(iii) Income tax Rs. 1,706.8 million (as at 31st March, 2016 : Rs. 1,706.8 million);

(iv) Sales tax / Special entry tax Rs. 1,559.4 million (as at 31st March, 2016 : Rs. 1,559.4 million);

(v) Service tax Rs. 4,469.3 million (as at 31st March, 2016 : Rs. 1,420.6 million);

(vi) Miscellaneous Rs. 0.5 million (as at 31st March, 2016 : Rs. 0.5 million);

(vii) Levies by local authorities Rs. 30.4 million (as at 31st March, 2016 : Rs. 30.4 million); and

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(viii) Claims by suppliers and other parties Rs. 1,028.4 million (as at 31st March, 2016 : Rs. 1,099.8 million)

c) Claims related to Forest Development Tax and Forest Development Fees of Rs. 12,114.8 million (as at 31st March, 2016 Rs. 9,669.8 million) (including FDT amount paid under protest Rs. 7,038.4 million (as at 31st March, 2016 Rs. 6,650 million)).

I. The Hon'ble High Court of Karnataka has granted partial relief by a judgement dated 3rd December, 2015 delivered in response to a petition filed by the mine owners and purchasers of iron ore including JSW Steel Limited contesting levy of Forest Development Tax (FDT) by the State of Karnataka. The High Court vide its judgment has directed refund of the entire amount of FDT collected by State Government on sale of iron ores by Private Lease operators and NMDC. The State Government has filed an appeal before the Supreme Court of India (SCI). The Hon'ble Court has not granted stay on the operation of the judgment but only stayed refund of FDT. The matter is yet to be heard by the Hon'ble Supreme Court of India.

II. The State of Karnataka on 27th July. 2016, has amended Section 98-A of the Forest Act retrospectively and substituting the levy as Forest Development fee (FDF) instead of FDT. The Company has filed writ petition before the Hon'ble High Court of Karnataka and the Hon'ble High Court has restrained the State of Karnataka from collecting FDF against furnishing of Bank Guarantee for an amount of 25 % of the sale value of iron ores by the petitioners. The Company has not recognized any liability towards FDF based on the merits of the case.

The State Government of Karnataka filed a Special Leave Petition with the Supreme Court of India (SCI) which directed the Company and other parties to pay a 50% deposit and balance to be secured through a bond by its order dated 13th February 2017.The SCI has remitted the appeal back to the Karnataka High Court with a direction to dispose the appeal within 6 months.

Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 50,818.7 million (as at 31st March, 2016 Rs. 48,708.6 million).

Other commitments:

(i) The Company from time to time provides need based support to subsidiaries and joint ventures entity towards capital and other requirements.

(ii) 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 period. Such export obligations at the period end aggregate to Rs. 19,384.0 million (as at 31st March, 2016 Rs. 13,162.2 million).

19. Financial instruments

Rs. in million

Particulars	31.12.2016		31.03.2016	
	Carrying values	Fair value	Carrying values	Fair value
<u>Financial assets</u>				
Measured at amortised cost				
Loans	30,959.7	30,953.4	15,670.6	15,666.8
Others financial assets	3,268.5	3,268.5	3,026.5	3,026.5
Trade receivables	34,414.4	34,414.4	25,107.1	25,107.1
Cash and cash equivalents	2,556.0	2,556.0	4,650.9	4,650.9
Bank balances other than cash and cash equivalents	3,140.7	3,140.7	1,334.5	1,334.5
Total financial assets at amortised cost (A)	**74,339.3**	**74,333.0**	**49,789.6**	**49,785.8**
<u>Financial assets</u>				
Measured at fair value through other comprehensive income				
Non-current investments	5,566.2	5,566.2	6,362.0	6,362.0
Total financial assets at fair value through other comprehensive income (B)	**5,566.2**	**5,566.2**	**6,362.0**	**6,362.0**
<u>Financial assets</u>				
Measured at fair value through profit and loss				
Non-current investments	789.6	789.6	739.7	739.7
Current investments	2,283.9	2,283.9	-	-
Others financial assets	2,702.4	2,702.4	893.6	893.6
Total financial assets at fair value through profit and loss (C)	**5,775.9**	**5,775.9**	**1,633.3**	**1,633.3**
Total financial assets (A+B+C)	**85,681.4**	**85,675.1**	**57,784.9**	**57,781.1**
<u>Financial liabilities</u>				
Measured at amortised cost				
Long term borrowings	344,359.3	347,376.1	334,769.5	336,800.7
Short term borrowings	56,901.9	56,901.9	20,699.0	20,699.0
Trade payables	112,011.6	44,377.7	110,113.2	32,510.1
Other financial liabilities	28,770.2	96,394.9	42,821.6	120,407.1
Total financial liabilities measured at amortised cost	**542,043.0**	**545,050.6**	**508,403.3**	**510,416.9**

20. Methodologies to measure fair value of financial instruments

Rs. in million

Particulars	Dec-16	Mar-16	Level	Valuation techniques and key inputs
Non-current investments in equity shares measured at FVTOCI	5,566.2	6,362.0	1	Quoted bid prices in an active market
Non-current investments in unquoted preference shares measured at FVTPL	789.6	739.7	3	Discounted cash flow - Future cash flows are based on terms of Preference Shares discounted at a rate that reflects market risks
Foreign currency options – Assets	223.2	0.3	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).
Foreign currency forward contracts - Liability	248.6	2,977.8	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).
Commodity forward contracts - Assets	2,254.3	910.6	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).
Interest rate swaps - Assets	176.6	-	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).
Interest rate swaps - Liability	-	17.0	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).

Sensitivity Analysis of Level III:

Particulars	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Investments in unquoted Preference shares	DCF method	Discounting Rate	0.50%	0.50% Increase (decrease) in the discount would decrease (increase) the fair value Rs.42.80 million (Rs. 40.30 million)

21. Employee share based payment plans:

ESOP SCHEME 2012:

The Employees Stock Ownership Plan is effective from 26th July, 2012. The eligible employees can exercise the option anytime between the vesting period till 30th September, 2017.
The grant is determined as percentage of Total Fixed Pay. The grant was at such price as determined by the ESOP Committee and be specified in the Grant. The option shall not be transferable and can be exercised only by the employees of the Company.

The number of options granted to each eligible employees is determined by dividing the Award Value (amount equivalent to percentage of Annual Fix Pay) by the Fair Value of option provided. The Fair Value of option on the date of each grant is determined by using Black Scholes model.

The details of an employee share based payments plan operated through a trust for ESOP 2012 are as follows:

Option series	Options granted	Options vested	Grant date	Vesting period	Exercise price	Fair value at grant date	Method of settlement
Initial grant - 26th July, 2012	31,35,744	26,31,868	26th July-2012	30th Sep, 2013 till 30th Sep, 2017	700	368.10	Equity
1st Subsequent grant - 26th July, 2012	16,02,480	12,43,041	26th July-2012	30th Sep, 2014 till 30th Sep, 2017	700	332.25	Equity

ESOP SCHEME 2016:

The Board of Directors of the Company at its meeting held on 29th 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.

A total of 2,868,700 options would be available for grant to the eligible employees of the Company and a total of 316,300 options would be available for grant to the eligible employees of the Indian Subsidiaries of the Company under the ESOP Plan.

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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 - 17th May, 2016	680,482	NIL	17th May, 2016	17th May, 2016 till 31st March, 2019 (for 50% of the grant) and 17th May, 2016 to 31st March, 2020 (for remaining 50% of the grant)	1036.48	674.79	Equity

The Outstanding position as on 31st December 2016 is summarized below:

Particulars	ESOP 2012		ESOP 2016
	Initial Grant (Junior Manager & Above)	1st Subsequent Grant (Junior Manager & Above)	1st Grant (L-16 and above Grade)
Date of grant	26-Jul-12	26-Jul-12	17-May-16
Outstanding as on 01st April, 2016	790,965	1,034,387	-
Granted During the period	-	-	680,482
Forfeited during the period	11,674	18,942	-
Exercised during the period	223,843	325,504	-
Outstanding as on 31st Dec, 2016	555,448	689,941	680,482
Vesting Period	30-Sep-13 till 30-Sep-17	30-Sep-14 till 30-Sep-17	17th May, 2016 till 31st March, 2019 (for 50% of the grant) and 17th May, 2016 to 31st March, 2020 (for remaining 50% of the grant)
Exercise Price	700	700	1036.48

22. Related party

	Parties with whom the Company has entered into transactions during the period where control exists
1	**Subsidiaries**
	JSW Steel (Netherlands) B.V.
	JSW Steel (UK) Limited
	Argent Independent Steel (Holdings) Limited (ceased w.e.f 17.11.2015)
	JSW Steel Service Centre (UK) Limited (ceased w.e.f 18.10.2016)
	JSW Steel Holding (USA) Inc.
	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 Eroush Limitada
	Santa Fe Mining
	Santa Fe Puerto S.A.
	JSW Natural Resources Limited
	JSW Natural Resources Mozambique Limitada
	JSW ADMS Carvo Lda
	JSW Mali Resources SA (ceased w.e.f 18.06.2015)
	JSW Steel Processing Centres Limited
	JSW Bengal Steel Limited
	JSW Natural Resources India Limited
	Barbil Beneficiation Company Limited (ceased w.e.f 27.01.2017)
	Barbil Iron Ore Company Limited (ceased w.e.f 17.10.2016)
	JSW Jharkhand Steel Limited
	JSW Steel East Africa Limited (ceased w.e.f 08.04.2016)
	Amba River Coke Limited
	JSW Energy (Bengal) Limited
	JSW Natural Resource Bengal Limited
	JSW Steel Coated Products Limited
	Peddar Realty Private Limited
	Nippon Ispat Singapore (PTE) Limited
	Erebus Limited
	Arima Holding Limited
	Lakeland Securities Limited

	Parties with whom the Company has entered into transactions during the period where control exists
	JSW Steel (Salav) Limited
	Everbest Steel & Mining Holdings Limited (ceased w.e.f 04.12.2015)
	Dolvi Minerals & Metals Private Limited
	Dolvi Coke Projects Limited
	JSW Industrial Gases Private Limited (w.e.f. 16.08.2016) (Formerly known as JSW Praxair Oxygen Private Limited)
	JSW Realty & Infrastructure Private Limited
2	**Associate**
	JSW Industrial Gases Private Limited (ceased w.e.f. 15.08.2016) (Formerly known as JSW Praxair Oxygen Private Limited)
3	**Joint Ventures**
	Vijayanagar Minerals Private Limited
	Rohne Coal Company Private Limited
	JSW Severfield Structures Limited
	Gourangdih Coal Limited
	GEO Steel LLC
	JSW Structural Metal Decking Limited
	JSW MI Steel Service Centre Private Limited
	JSW Vallabh Tin Plate Private Limited
	Toshiba JSW Power System Private Limited
	MJSJ Coal Limited
4	**Key Management Personnel (KMP)**
	Mr. Sajjan Jindal
	Mr. Seshagiri Rao M V S
	Dr. Vinod Nowal
	Mr. Jayant Acharya
	Mr. Rajeev Pai
	Mr. Lancy Varghese
5	**Relative of Key Managerial Personnel**
	Mr. Parth Jindal
6	**Enterprises over which Key Management Personnel and Relatives of such personnel exercise significant influence**
	JSW Energy Limited
	Jindal Stainless Limited
	Jindal Saw Limited
	Jindal Saw USA LLC
	Jindal Steel & Power Limited
	JSOFT Solutions Limited
	Jindal Industries Private Limited
	JSW Cement Limited

	Parties with whom the Company has entered into transactions during the period where control exists
	JSW Jaigarh Port Limited
	Reynold Traders Private Limited
	Raj West Power Limited
	JSW Power Trading Company Limited
	JSW Infrastructure Limited
	South West Port Limited
	JSW Techno Projects Management Limited
	JSW Global Business Solutions Limited (Formerly known as Sapphire Technologies Limited)
	South West Mining Limited
	JSL Architecture Limited
	JSW Projects Limited
	JSW Foundation
	O P Jindal Foundation
	Jindal Technologies & Management Services Private Limited
	JSW Dharamatar Port Private Limited
	Jindal Tubular (India) Limited
	M/s Shadeed Iron & Steel Co. LLC
	JSW Investment Private Limited
	JSW IP Holdings Private Limited (w.e.f. 01.04.2015)
	Epsilon Carbon Private Limited (Formerly known as AVH Private Limited)
	JSW International Trade Corp PTE Limited
	Heal Institute Private Limited (ceased w.e.f 19.10.2016)
	JSL Lifestyle Limited
	Jindal Power Limited
	Jindal Fittings Limited
	Jindal Education Trust
7	**Post-employment benefit plans**
	JSW Steel EPF Trust
	Jindal Steel Group Gratuity Fund

Rs. in million

Particulars	Subsidiaries	Associate	Joint ventures	Key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
1.Transactions with related parties						
Purchase of goods / power and fuel / services	**32,228.8** *21,089.7*	**529.4** *783.5*	**127.2** *11.7*	- -	**62,082.3** *36,679.2*	**94,967.7** *58,564.1*
Reimbursement of expenses incurred on behalf of the Company	**1.1** *17.2*	- -	- -	- -	**15.3** *17.4*	**16.4** *34.6*
Sales of goods/power and fuel	**60,084.3** *33,205.9*	- *6.2*	**2,706.4** *2,525.9*	- -	**9,519.3** *13,621.9*	**72,310.0** *49,359.9*
Other income/ interest income/ dividend income	**1,223.3** *2,298.3*	- *108.3*	**55.1** *41.8*	- -	**313.9** *276.5*	**1,592.3** *2,724.9*
Purchase of assets	**41.7** *47.6*	- -	**302.0** *1,932.0*	- -	**1,021.0** *2,085.6*	**1,364.7** *4,065.2*
Advance given/received back	**(9.3)** *2,966.7*	- -	- -	- -	**177.5** *997.5*	**168.2** *3,964.2*
Lease and other advances refunded	- -	- -	- -	- -	**289.9** *374.8*	**289.9** *374.8*
Finance lease obligation repayment	**871.7** *466.8*	- -	- -	- -	**1,346.3** *1,253.3*	**2,218.0** *1,720.1*
Loan given	**9,449.3** *6,490.5*	- -	- -	- -	- -	**9,449.3** *6,490.5*
Allowances for loans and advances made during the period	- *39,153.0*	- -	- -	- -	- -	- *39,153.0*
Donation/CSR expenses	- -	- -	- -	- -	**12.4** *16.4*	**12.4** *16.4*
Recovery of expenses incurred by the Company on behalf of others	**1,146.0** *1,133.9*	- -	**24.7** *16.4*	- -	**144.3** *99.4*	**1,315.0** *1,249.7*
Finance lease interest cost	**2,379.0** *1,817.8*	- -	- -	- -	**1,571.9** *1,640.9*	**3,950.9** *3,458.7*
Investments / share application money given during the period	**2,552.0** *10,796.6*	- -	**6.9** *4.0*	- -	- -	**2,558.9** *10,800.6*
Investments / share application money refunded during the period	- -	- -	- *3.7*	- -	- -	- *3.7*
Remuneration to key managerial personnel	- -	- -	- -	**349.8** *234.4*	- -	**349.8** *234.4*
Interest paid	**207.3** *253.8*	- -	- -	- -	- *1.3*	**207.3** *255.1*

Particulars	Subsidiaries	Associate	Joint ventures	Key managerial personnel	Enterprises over which KMP and relatives of such personnel exercise significant influences	Total
Guarantees and collaterals provided by the Company	-	-	-	-	-	-
	4,836.2	-	-	-	-	*4,836.2*
Guarantees and collaterals released	**4,032.1**	-	-	-	-	**4,032.1**
	-	-	-	-	-	-
Post-employment benefits plans	-	-	-	-	**269.1**	**269.1**
	-	-	-	-	*230.5*	*230.5*
2. Closing balance of related parties						
Trade payables	**1,214.0**	-	**4.1**	-	**9,685.1**	**10,903.2**
	4,268.7	*64.8*	*50.0*	-	*6,358.7*	*10,742.2*
Advance received from customers	**412.5**	-	-	-	**22.3**	**434.8**
	2,170.5	-	-	-	*7.6*	*2,178.1*
Lease & other deposit received	**95.5**	-	**115.5**	-	**200.3**	**411.3**
	57.2	*38.3*	*107.4*	-	*199.3*	*402.2*
Lease & other deposit given	-	-	-	-	**2.9**	**2.9**
	-	-	-	-	*2.9*	*2.9*
Trade receivables	**84.2**	-	**442.8**	-	**790.2**	**1,317.2**
	55.0	-	*267.8*	-	*1,354.1*	*1,676.9*
Share application money given	**10.8**	-	**3.9**	-	-	**14.7**
	150.3	-	*127.0*	-	-	*277.3*
Capital / revenue advance	**7,026.3**	-	**460.8**	-	**1,896.7**	**9,383.8**
	3,282.2	-	*442.2*	-	*1,353.9*	*5,078.3*
Loan and advances given	**62,976.2**	-	**3.9**	-	-	**62,980.1**
	52,413.6	-	*3.9*	-	-	*52,417.5*
Allowances for loans and advances given	-	-	-	-	-	-
	39,153.0	-	-	-	-	*39,153.0*
Finance lease obligation	**27,946.7**	-	-	-	**18,776.6**	**46,723.3**
	20,829.2	-	-	-	*18,421.2*	*39,250.4*
Investments held by the Company	**59,693.9**	-	**2,441.0**	-	**5,566.2**	**67,701.1**
	54,329.7	*272.7*	*2,311.0*	-	*6,362.0*	*63,275.4*
Loans and advances taken	-	-	-	-	**1,101.3**	**1,101.3**
	-	-	-	-	*1,449.9*	*1,449.9*
Post-employment benefits plans	-	-	-	-	**501.9**	**501.9**
	-	-	-	-	*498.3*	*498.3*
Guarantees and collaterals provided by the Company	**49,514.4**	-	-	-	-	**49,514.4**
	53,080.9	-	-	-	-	*53,080.9*

Note: Related party transactions for the nine months period ended 31st December, 2015 and year end balances as on 31st March, 2016 have been disclosed in unbold italics in the table above.

23. Operating segment

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. Chief Operating Decision Maker decides the allocation of resources and assesses the performance of

the manufacturing of steel products as a whole and accordingly the business of manufacturing of steel products constitutes to be a single reportable segment.

24. Reconciliations

The Company has adopted Indian Accounting Standard ("Ind AS") with effect from 1st April, 2016 and accordingly the Unaudited Condensed Interim Standalone Financial Statements for all the periods presented have been prepared in accordance with recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. A reconciliation of Net Profit / (Loss) and Net worth to those reported under previous GAAP (IGAAP) is summarised below:

Rs. in million

Ind AS adjustments	Note ref	Net Profit /(Loss)		Net worth		
		Nine months ended	Year ended	As on	As on	As on
		31.12.2015	31.3.2016	31.3.2016	31.3.2015	31.12.2015
Net Profit/(Loss) / Networth under IGAAP		**(38,704.7)**	**(34,982.8)**	**217,529.6**	**257,246.0**	**215,026.6**
Effect of treating certain arrangements as leases	A	(649.9)	(807.8)	(1,524.6)	(716.8)	(1,366.7)
Measurement of financial liabilities at amortised cost	B	(526.6)	(722.9)	(6,387.8)	(6,049.4)	(6,552.4)
Deferred taxes	C	1,074.6	1,424.5	(10,154.3)	(11,578.7)	(10,504.1)
Dividend and tax on dividend	D	-	-	2,182.0	3,200.2	-
Effect of Consolidation of Employee welfare trusts	E	-	-	(1,268.7)	(1,800.0)	(1,606.4)
Other IND-AS adjustments	F	(160.9)	(207.7)	(1,489.1)	(2,318.9)	(1,396.5)
Net Profit before OCI under IND-AS (A)		**(38,967.5)**	**(35,296.7)**			
Other Comprehensive Income (OCI)						
Measurement of equity investments at fair value through OCI	G.(i)	(3,123.9)	(4,541.7)	4,155.9	8,697.6	5,573.7
Others	G.(ii)	(1,632.2)	(750.4)	837.5	451.2	1,233.9
Total other Comprehensive Income(B)		**(4,756.1)**	**(5,292.1)**			
Total Comprehensive Income under IND-AS (A+B)/ Net worth		**(43,723.6)**	**(40,588.8)**	**203,880.5**	**247,138.2**	**200,408.1**

OHL

Notes:

A. Arrangements in the nature of leases: 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 has identified them in the nature of lease as the fulfilment of the arrangements depend on the asset specified in the respective arrangements and the Company has committed to obtain substantially all the production capacity of the asset on take or pay basis. After separating lease payments from the other elements in these arrangements, the Company has recognized Finance Lease Assets & corresponding Finance Lease Liabilities resulting into increase in finance costs and depreciation charge, and reduction in the cost of goods/ services procured.

B. Classification of Redeemable Preference Share Capital as a financial liability: The Company has issued non-convertible Redeemable Preference shares. The preference shares carry fixed dividend which is non-discretionary. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit. Under Ind AS, these preference shares have been classified as a financial liability based on the terms of the contract. Interest on liability component is recognised using the effective interest method.

C. Deferred taxes as per the Balance Sheet approach: Deferred taxes determined on temporary differences following Balance Sheet Approach under Ind-AS as against the Profit and Loss Approach in previous Indian GAAP has resulted in charge to Reserves, on the date of transition, with consequential impact to the Statement of Profit and Loss account for the subsequent periods.

D. Reversal of proposed dividend and tax thereon: Under Indian GAAP, proposed dividends including Dividend Distribution Tax (DDT) are recognised as a liability in the period to which they relate irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Company (usually when approved by the shareholders in a general meeting) or paid.

E. Consolidation of Employee Welfare Trust: Consolidation of Employee Welfare Trust by following the look through approach has resulted into line by line addition of all the assets and liabilities of the Employee Welfare Trust and also elimination of underlying treasury shares and other balances.

F. Other Ind AS - adjustments: Other Ind-AS adjustments mainly comprise of deposits given / taken recognised following amortised cost method at their inception with the corresponding changes until transition date in the opening retained earnings and subsequent changes in the Statement of Profit and Loss. It also includes adjustments relating to upfront fees amortisation as per effective interest method and changes in fair value of investment in unquoted preference shares.

G. Items in others comprehensive income: Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to total comprehensive income as per Ind AS.

(i) Fair valuation of equity instruments: Under Indian GAAP, the Company accounted for long term investments in unquoted and quoted equity shares at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated certain equity investments as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in the FVTOCI reserve, net of related deferred tax assets, wherever applicable.

(ii) Others: Others primarily include movements in hedging reserve (net of deferred tax) on account of cash flow hedges accounted under IND-AS 109 and Foreign Currency Monetary Item Translation Difference Account (net of deferred tax) due to exchange rate fluctuations on long term monetary items. It also includes employee benefits actuarial gains and losses, which are recognised in the other comprehensive income under Ind AS.

PARA ON RESTRUCTURING OF SUBSIDIARIES HOLDING STRUCTURE:

As part of the Company's overall efforts to restructure and consolidate its global operations and holding structure, including the operations in the U.S., and Chile, in line with the current market dynamics, the Company is in the process of implementing a reorganisation plan which broadly entails a capital reduction at the Netherlands Co level and liquidation of JSW Steel Holding (USA) Inc. ("US Hold Co") and transfer of the residual assets and liabilities to another wholly owned subsidiary company, Periama Holding LLC in US.

Consequent to the provision for impairment made in the books of accounts in the earlier years amounting to Rs. 6,208.74 crores, the Company is now taking steps to write off the loans given by the Company to US Hold Co with the ultimate objective to liquidate it and write-off the Company's equity and preference capital in the Netherlands Co against the provision made in the books in the earlier years amounting to Rs 5,250.88 crores.

The above restructuring and consolidation exercise does not entail any sale of the Company's overseas investments and the Company continues to have the same economic interests in the Netherlands Co. and in its operations in U.S. and Latin America.