



JINDAL STEEL & POWER LIMITED

Registered Office: O.P. Jindal Marg, Hisar, Haryana- 125 005
Tel: +91 1662 222471-84 | **Facsimile:** +91 1662 220476
Corporate Office: Jindal Centre, 12, Bhikaji Cama Place, New Delhi- 110 066
Tel: +91 11 41462000, 26188340-50 | **Facsimile:** +91 11 26161271
Email: info@jindalsteel.com | **Website:** www.jindalsteelpower.com | **CIN:** L27105HR1979PLC009913

Our Company was incorporated on September 28, 1979 as a private limited company under the Companies Act, 1956 with the name Orbit Strips Private Limited. Our Company converted into a public company and its name was changed to Orbit Strips Limited and a fresh certificate of incorporation consequent upon the change of name on conversion to a public limited company was issued on May 21, 1998. Subsequently, the name of our Company was changed to Jindal Steel & Power Limited and a fresh certificate of incorporation consequent upon change of name was issued on June 12, 1998. For details, see "General Information" on page 518.

Issue of up to [●] equity shares of face value of ₹ 1 each (the "Equity Shares") at a price of ₹ [●] per Equity Share (the "Issue Price"), including a premium of ₹ [●] per Equity Share, aggregating to approximately ₹ [●] million (the "Issue"). For further details, see "Summary of the Issue" on page 28.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER AND CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI REGULATIONS").

Our Company's outstanding Equity Shares are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE", and together with BSE, the "Stock Exchanges"). The closing price of the outstanding Equity Shares on BSE and NSE as on March 19, 2018 was ₹ 220.90 and ₹ 220.95 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations") for listing of the Equity Shares to be issued pursuant to the Issue, from BSE and NSE on March 20, 2018 and March 20, 2018, respectively. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges. A copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) shall be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, National Capital Territory of Delhi and Haryana (the "RoC") and the Securities and Exchange Board of India (the "SEBI") within the stipulated period as required under the Companies Act 2013 (as defined hereinafter) and the PAS Rules (as defined hereinafter). This Preliminary Placement Document has not been reviewed by the SEBI, the Reserve Bank of India (the "RBI"), the Stock Exchanges, the RoC or any other regulatory or listing authority, and is intended only for use by QIBs (as defined hereinafter). This Preliminary Placement Document has not been and shall not be registered as a prospectus with the RoC, shall not be circulated or distributed to the public in India or any other jurisdiction, and the Issue shall not constitute a public offer in India or any other jurisdiction.

THE ISSUE AND DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO QIBs IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT 2013 AND THE RULES PRESCRIBED THEREUNDER, AND CHAPTER VIII OF THE SEBI REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN QIBs. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO: (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "RISK FACTORS" ON PAGE 35 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND THE COMPANY.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document, together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined herein). For further details, see "Issue Procedure" on page 465. The distribution of this Preliminary Placement Document or the disclosure of its contents without our Company's prior consent to any person other than QIBs and persons retained by QIBs to advise them with respect to their purchase of Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold by the Company (a) in the United States only to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act) pursuant to Section 4(a)(2) under the Securities Act, and (b) outside the United States, in offshore transactions, in reliance on Regulation S under the Securities Act. For further information, see the sections "Selling Restrictions" and "Transfer Restrictions" on pages 478 and 483, respectively.

The information on our websites, any website directly or indirectly linked to our websites or on the respective websites of the Book Running Lead Managers (as defined hereinafter) or of their respective affiliates does not form part of this Preliminary Placement Document and prospective investors should not rely on any such information contained in or available through any such websites for their investment in this Issue.

This Preliminary Placement Document is dated March 20, 2018.

BOOK RUNNING LEAD MANAGERS



**JM FINANCIAL
LIMITED**



**AXIS CAPITAL
LIMITED**



**ICICI SECURITIES
LIMITED**



**SBI CAPITAL
MARKETS LIMITED**

The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for QIBs on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. This Preliminary Placement Document is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be Allotted pursuant to the Placement Document.

TABLE OF CONTENTS

NOTICE TO INVESTORS.....	1
REPRESENTATIONS BY INVESTORS.....	3
OFFSHORE DERIVATIVE INSTRUMENTS	7
DISCLAIMER CLAUSE OF THE STOCK EXCHANGES	8
PRESENTATION OF FINANCIAL AND OTHER INFORMATION	9
INDUSTRY AND MARKET DATA.....	10
FORWARD-LOOKING STATEMENTS	11
ENFORCEMENT OF CIVIL LIABILITIES	12
EXCHANGE RATES	13
DEFINITIONS AND ABBREVIATIONS.....	14
DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE COMPANIES ACT 2013 ..	21
SUMMARY OF BUSINESS	24
SUMMARY OF THE ISSUE.....	28
SUMMARY FINANCIAL INFORMATION	30
RISK FACTORS	35
MARKET PRICE INFORMATION	58
USE OF PROCEEDS	61
CAPITALISATION STATEMENT.....	62
CAPITAL STRUCTURE.....	63
DIVIDENDS.....	66
FINANCIAL STATEMENTS.....	67
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	353
SUMMARY OF KEY DIFFERENCES BETWEEN INDIAN GAAP AND IND AS	376
INDUSTRY OVERVIEW	401
OUR BUSINESS	430
BOARD OF DIRECTORS AND SENIOR MANAGEMENT	447
PRINCIPAL SHAREHOLDERS	459
ISSUE PROCEDURE	465
PLACEMENT.....	476
SELLING RESTRICTIONS	478
TRANSFER RESTRICTIONS.....	483
THE SECURITIES MARKET OF INDIA.....	486
DESCRIPTION OF THE EQUITY SHARES	489
TAXATION.....	492
U.S. FEDERAL INCOME TAX CONSIDERATIONS.....	501
LEGAL PROCEEDINGS	504
INDEPENDENT STATUTORY AUDITORS.....	517
GENERAL INFORMATION	518
DECLARATION	519

NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company and the Equity Shares, which we consider material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, its Subsidiaries, its Associates, its Joint Ventures and the Equity Shares are in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company, its Subsidiaries, its Associates, its Joint Ventures and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company. There are no other facts in relation to our Company, its Subsidiaries, its Associates, its Joint Ventures and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

JM Financial Limited, Axis Capital Limited, ICICI Securities Limited and SBI Capital Markets Limited (the “**Book Running Lead Managers**”) have not separately verified the information contained in this Preliminary Placement Document (financial, legal, or otherwise). Accordingly, neither the Book Running Lead Managers, nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with our Company and its Subsidiaries, its Associates, its Joint Ventures and the Equity Shares. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied on any of the Book Running Lead Managers or on any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person’s investigation of the accuracy of such information or such person’s investment decision, and each such person must rely on its own examination of our Company, its Subsidiaries, its Associates and its Joint Ventures and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company, or by or on behalf of the Book Running Lead Managers. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission (the “SEC”), any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction and any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offense in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold by the Company (a) in the United States only to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act) pursuant to Section 4(a)(2) under the Securities Act, and (b) outside the United States, in offshore transactions, in reliance on Regulation S under the Securities Act. For further information, see the sections “Selling Restrictions” and “Transfer Restrictions” on pages 478 and 483, respectively.

Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of the Company to any person, other than eligible QIBs specified by the Book Running Lead Managers or their representatives, and those retained by eligible QIBs to advise them with respect to their subscription of the Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our

Company and the Book Running Lead Managers which would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document, nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For further details, see “Selling Restrictions” on page 478.

In accordance with each distributor’s product approval process, the target market assessment in respect of the Equity Shares has led to the conclusion that: (i) the target market for the Equity Shares is eligible counterparties and professional clients, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Equity Shares to eligible counterparties and professional clients are appropriate.

In making an investment decision, the prospective investors must rely on their own examination of our Company, its Subsidiaries, its Associates, its Joint Ventures and the Equity Shares and the terms of the Issue, including the merits and risks involved. The prospective investor should not construe the contents of this Preliminary Placement Document as legal, tax, accounting or investment advice. The prospective investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Managers are making any representation to any offeree or subscriber to the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable legal, investment or similar laws or regulations. Each subscriber of the Equity Shares is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Company under Indian law, including under Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act 2013, as amended, read with Rule 14 of the PAS Rules and that it is not prohibited by the SEBI or any other statutory authority from buying, selling or dealing in the securities including the Equity Shares. Each subscriber of the Equity Shares also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Preliminary Placement Document contains summaries of certain terms of documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

The information on our Company’s website, www.jindalsteelpower.com, any website directly and indirectly linked to the website of our Company or on the respective websites of the Book Running Lead Managers and of their affiliates, does not constitute nor form part of this Preliminary Placement Document. The prospective investors should not rely on any such information contained in, or available through, any such websites.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information to investors in certain other jurisdictions, see “Selling Restrictions” and “Transfer Restrictions” on pages 478 and 483, respectively.

REPRESENTATIONS BY INVESTORS

References herein to “you” or “your” is to the prospective investors in the Issue.

By bidding for and/or subscribing to any Equity Shares in the Issue, you are deemed to have represented, warranted, and acknowledged to and agreed to our Company and the Book Running Lead Managers, as follows:

- You are a ‘QIB’ as defined in Regulation 2(1)(zd) of the SEBI Regulations, having a valid and existing registration under applicable laws and regulations of India, not excluded pursuant to Regulation 86(1)(b) of the SEBI Regulations and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allocated to you in accordance with Chapter VIII of the SEBI Regulations and undertake to comply with the SEBI Regulations, the Companies Act and all other applicable laws, including any reporting obligations;
- If you are not a resident of India, but a QIB, (i) you are an Eligible FPI and have a valid and existing registration with SEBI under the applicable laws in India; or (ii) a multilateral or bilateral development financial institution; or (iii) an FVCI, and have a valid and existing registration with SEBI under applicable laws in India and are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended and any notifications, circulars or clarifications issued thereunder (the “**FEMA Regulations**”), and have not been prohibited by the SEBI or any other regulatory authority, from buying, selling or dealing in securities. Specifically, investments by FVCIs are required to be made in compliance with FEMA Regulations;
- You are eligible to invest in India and in our Company under applicable laws, including the FEMA Regulations and have not been prohibited by the SEBI or any other regulatory authority from buying, selling or dealing in securities or otherwise accessing the capital markets in India;
- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;
- If you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges. For additional restrictions in this regard, see “Transfer Restrictions” on page 483;
- You have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements and undertakings detailed in the sections titled “Selling Restrictions” and “Transfer Restrictions” on pages 478 and 483 respectively;
- You are aware that this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has not been and will not be registered as a prospectus under the Companies Act 2013, the SEBI Regulations or under any other law in force in India. You are aware that this Preliminary Placement Document has not been reviewed, verified or affirmed by the RBI, the SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by QIBs;
- This Preliminary Placement Document has been filed, and the Placement Document will be filed, with the Stock Exchanges for record purposes only and this Preliminary Placement Document and the Placement Document will be displayed on the websites of our Company and the Stock Exchanges;
- You are entitled to subscribe to and acquire the Equity Shares to be issued pursuant to the Issue, under the laws of all relevant jurisdictions that apply to you, and you have: (i) fully observed such laws; (ii) the necessary capacity; and (iii) obtained all necessary consents, governmental or otherwise, and authorisations and complied with all necessary formalities, to enable you to commit to participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;
- Neither we nor the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates is making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the Book Running Lead Managers. Neither the Book Running Lead Managers nor any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations us or our agents (the “**Company Presentations**”) with regard to us or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have knowledge of the statements that we or our agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have had any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Managers have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) you confirm that you have not been provided any material information relating to us and the Issue that was not publicly available;
- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information relating to our Company which is not set forth in this Preliminary Placement Document;
- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act 2013;
- All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our Company’s financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company’s business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company’s present and future business strategies and environment in which our Company will operate in the future. You should not place reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. Our Company assumes no responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;
- You are aware and understand that the Equity Shares are being offered only to QIBs, pursuant to the Issue, and are not being offered to the general public, and the Allotment of the same shall be at the discretion of our Company, in consultation with the Book Running Lead Managers;
- You are aware that, the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures. Further, if you become one of the 10 largest shareholders of our Company, we will be required to make a filing disclosing your name and shareholding details with the RoC within 15 days of the change in your shareholding by way of increase or decrease by 2% or more of the paid-up share capital of our Company, under Section 93 of the Companies Act 2013 and you consent to such disclosure being made by us;
- You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety, including in particular, “Risk Factors” on page 35;
- In making your investment decision, you have (i) relied on your own examination of our Company, its Subsidiaries, its Associates, its Joint Ventures and the terms of the Issue, including the merits and risks involved; (ii) made your own assessment of our Company, the Equity Shares and the terms of the Issue; (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws; (iv) relied solely on the information contained in this Preliminary Placement Document and no other disclosure or representation by the BRLMs, our Company or its Directors, its Promoters, its Subsidiaries or any other party; (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares; and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;
- Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Managers or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You waive and agree not to assert any claim against us or the Book Running Lead Managers or

any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares; (ii) will not rely on our Company and/or the Book Running Lead Managers or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise; (iii) are able to sustain a complete loss on the investment in the Equity Shares; (iv) have no need for liquidity with respect to the investment in the Equity Shares and; (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;
- If you are acquiring the Equity Shares to be issued pursuant to the Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts;
- You are not a ‘Promoter’ (as defined under the SEBI Regulations and the Companies Act) of our Company or any of its affiliates and are not a person related to the Promoters, either directly or indirectly and your Bid does not directly or indirectly represent the ‘Promoter’ or ‘Promoter Group’ of our Company or persons related to the Promoters;
- You agree that in terms of Section 42(7) of the Companies Act 2013, we shall file the list of QIBs (to whom the Preliminary Placement Document has been circulated) along with other particulars and other filings required under the Companies Act 2013 with the RoC and the SEBI within 30 days of circulation of the Preliminary Placement Document. You are aware that our Company shall make necessary filings with the RoC pursuant to the Allotment (which shall include certain details such as your name, address and number of Equity Shares Allotted to you);
- You have no rights under a shareholders’ agreement or voting agreement with the Promoters or persons related to the Promoters, no veto rights or right to appoint any nominee director on our Board other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares, who shall not be deemed to be a person related to any of the Promoters of our Company;
- You will have no right to withdraw your Bid after the Bid/ Issue Closing Date;
- You are eligible to bid for and hold the Equity Shares Allotted to you together with any Equity Shares held by you prior to the Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable laws;
- The Bid made by you would not result in triggering an open offer under the Takeover Regulations;
- The number of Equity Shares Allotted to you pursuant to the Issue, together with other Allottees that belong to the same group or are under common control shall not exceed 50% of the Issue. For the purposes of this representation:
 - (a) the expression ‘belong to the same group’ shall derive meaning from the concept of ‘companies under the same group’ as provided in sub-section (11) of Section 372 of the Companies Act, 1956; and
 - (b) ‘Control’ shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations;
- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;
- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1) of the SEBI Listing Regulations, for listing and trading of the Equity Shares to be issued pursuant to the Issue, on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges; and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final approvals for listing and trading of such Equity Shares on the Stock Exchanges will be obtained in time or at all. Our Company shall not be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the Book Running Lead Managers will have entered into a placement agreement with our Company whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, agreed severally and not jointly to manage the Issue and to procure subscriptions for the Equity Shares to be issued pursuant to the Issue, on the terms and conditions set forth therein;
- You understand that the contents of this Preliminary Placement Document are exclusively the responsibility of our Company, and neither the Book Running Lead Managers nor any person acting on their behalf nor any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By participating in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Book Running Lead Managers or our Company or any of their respective affiliates or any other person, and neither the Book Running Lead Managers nor our Company nor any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;
- You understand that the Book Running Lead Managers and their affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by us or any of our respective obligations or any breach of any representations or warranties by us, whether to you or otherwise;
- You understand that the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable U.S. state securities laws;
- If you are within the United States, you are a “qualified institutional buyer” as defined in Rule 144A under the Securities Act, are acquiring the Equity Shares for your own account or for the account of an investor who also meets the requirements of a “qualified institutional buyer”, for investment purposes only, and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part;
- You are not an affiliate of our Company, or a person acting on behalf of our Company or such an affiliate;
- If you are located outside the United States (within the meaning of Regulation S), you are purchasing the Equity Shares in an offshore transactions meeting the requirements of Rule 903 or 904 of Regulation S and you shall not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Regulation S or pursuant to any other available exemption from registration under the Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India;
- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;
- You agree to indemnify and hold us and the Book Running Lead Managers or their respective employees, officers, directors, associates, representatives and affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;
- Our Company, the Book Running Lead Managers, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of our Company, and are irrevocable;
- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in New Delhi, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI (excluding category III foreign portfolio investors and unregulated broad based funds, which are clarified as category II FPI by virtue of their investment manager being appropriately regulated), including the affiliates of the Book Running Lead Managers, may issue, subscribe or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) (all such offshore derivative instruments are referred to herein as “**P-Notes**”), for which they may receive compensation from the purchasers of such instruments. Further, in accordance with the SEBI Circular dated November 24, 2014, FPIs shall issue P-Notes to only those subscribers which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations and which do not have any opaque structure(s), as defined under the SEBI FPI Regulations. P-Notes may be issued only in favour of those entities which are regulated by any appropriate foreign regulatory authorities in the countries of their incorporation, subject to compliance with ‘know your client’ requirements. An FPI shall also ensure that no further issue or transfer of any instrument referred to above is made to any person other than such entities regulated by appropriate foreign regulatory authorities. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including any information regarding any risk factors relating thereto.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to be 10% or above of our post-Issue Equity Share capital. As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments. Two or more subscribers of offshore derivative instruments having a common beneficial owner shall be considered together as a single subscriber of the offshore derivative instruments. In the event a prospective investor has investments as a FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and do not constitute any obligations of or claims on the Book Running Lead Managers. Affiliates of the Book Running Lead Managers which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither the SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

- (1) warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;
- (2) warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges; or
- (3) take any responsibility for the financial or other soundness of our Company, its promoters, its management or any scheme or project of our Company,

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to ‘you’, ‘your’, ‘offeree’, ‘purchaser’, ‘subscriber’, ‘recipient’, ‘investors’, ‘prospective investors’ and ‘potential investor’ are to the QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, references to the ‘Company’ or the ‘Issuer’ are to Jindal Steel & Power Limited and references to ‘we’, ‘us’ or ‘our’ are to Jindal Steel & Power Limited together with its Subsidiaries, Joint Ventures and Associates on a consolidated basis.

In this Preliminary Placement Document, references to ‘INR’, ‘₹’, ‘Rs.’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of India and to ‘USD’, ‘U.S. Dollars’ and ‘US\$’ are to the legal currency of the United States. All references herein to ‘India’ are to the Republic of India and its territories and possessions and the ‘Government’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, central or state, as applicable. All references herein to the ‘US’ or the ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. All the numbers in this Preliminary Placement Document have been presented in million or whole numbers, unless stated otherwise. One million represents 1,000,000 and one billion represents 1,000,000,000.

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular ‘financial year’, ‘Fiscal Year’ or ‘FY’ are to the twelve month period ended on March 31 of that year and references to a particular ‘year’ are to the calendar year ending on December 31 of that year.

Our unaudited special purpose interim condensed consolidated financial statements for the nine months ended December 31, 2017 along with the notes thereto, prepared in accordance with the Ind AS and Companies Act, 2013, together with the review report dated March 20, 2018 by Lodha & Co., Chartered Accountants (the “**Special Purpose Interim Condensed Consolidated Financial Statements**”) have been included in this Preliminary Placement Document. Further, our (i) audited consolidated financial statements for the Fiscal Year 2017 prepared in accordance with the Ind AS and Companies Act, 2013 together with the report dated May 23, 2017 issued by Lodha & Co., Chartered Accountants; (ii) special purpose Ind AS consolidated financial statements for the Fiscal Year 2016 together with the report dated March 20, 2018 issued by Lodha & Co., Chartered Accountants; (iii) audited consolidated financial statements for the Fiscal Year 2016, prepared in accordance with Indian GAAP and the Companies Act, 2013 together with the report dated May 4, 2016 issued by S. R. Batliboi & Co. LLP, Chartered Accountants; and (iv) audited consolidated financial statements for the Fiscal Year 2015, prepared in accordance with Indian GAAP and the Companies Act, 2013 together with the report dated May 27, 2015 issued by S. R. Batliboi & Co. LLP, Chartered Accountants, (collectively the “**Audited Consolidated Financial Statements**”) have been included in this Preliminary Placement Document. The Special Purpose Interim Condensed Consolidated Financial Statements and the audited consolidated financial statements for the Fiscal Year 2017 prepared in accordance with the Ind AS are not comparable to the previous years’/ periods’ financial statements prepared in accordance with Indian GAAP.

Unless otherwise indicated or the context requires otherwise, the financial data:

- (i) disclosed under Ind AS, for Fiscal Year 2017 and Fiscal Year 2016 in this Preliminary Placement Document has been derived from the audited consolidated financial statements for the Fiscal Year 2017 prepared in accordance with the Ind AS.
- (ii) disclosed under Ind AS, for the nine months ended December 31, 2017 and December 31, 2016, has been derived from the Special Purpose Interim Condensed Consolidated Financial Statements; and
- (iii) disclosed under Indian GAAP for Fiscal Year 2016 and Fiscal Year 2015, have been derived from audited consolidated financial statements for the Fiscal Year 2016, prepared in accordance with Indian GAAP. Accordingly, the degree to which the financial statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader’s level of familiarity with the respective accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. For details of key differences between Indian GAAP and Ind AS, see “Summary of Key Differences between Indian GAAP and Ind AS” on page 376.

In this Preliminary Placement Document, certain monetary thresholds have been subjected to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

INDUSTRY AND MARKET DATA

Information included in this Preliminary Placement Document regarding market position, growth rates and other industry data pertaining to our businesses consists of estimates based on data reports compiled by government bodies, professional organisations and analysts, data from other external sources and knowledge of the markets in which we operate. Unless stated otherwise statistical information included in this Preliminary Placement Document pertaining to the various sectors in which we operate has been reproduced from trade, industry and government publications and websites. Market data and certain industry forecasts used in this Preliminary Placement Document have been obtained from internal surveys, market research, publicly available information and industry publications published by the World Steel Association (“**worldsteel**”), the Indian Ministry of Steel, Indian Ministry of Power, the Central Electricity Authority of India (“**CEA**”), the Central Intelligence Agency (“**CIA**”), Ministry of New and Renewable Energy, Steel Mint (“**SteelMint**”), Ministry of Coal (“**MoC**”) and CRISIL (as defined below). The information from CRISIL is subject to the following disclaimer:

CRISIL Research, a division of CRISIL Limited (“**CRISIL**”) has taken due care and caution in preparing the reports titled “CRISIL Steel Products Report, dated January 2018” and “CRISIL Power Report, dated January 2018” (the “**Reports**”) based on the information obtained by CRISIL from sources which it considers reliable (the “**Data**”). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data or the Reports and is not responsible for any errors or omissions or for the results obtained from the use of the Data or the Reports. The Reports are not a recommendation to invest or disinvest in any entity covered in the Reports and no part of the Reports should be construed as an expert advice or investment advice or any form of investment banking activity (within the meaning of any law or regulation). CRISIL especially states that it has no liability whatsoever to the subscribers, users, transmitters or distributors of the Reports. Without limiting the generality of the foregoing, nothing in the Reports will be construed as CRISIL providing, or intending to provide, any services in jurisdictions where CRISIL does not have the necessary permission or registration to carry out its business activities in this regard. The Company will be responsible for ensuring compliance and consequences of non-compliance for use of the Reports or part thereof outside India. CRISIL Research, a division of CRISIL, operates independently of, and does not have access to information obtained by CRISIL’s Ratings Division or CRISIL Risk and Infrastructure Solutions Ltd (“**CRIS**”), which may, in their regular operations, obtain information of a confidential nature. The views expressed in the Report are that of CRISIL Research and not of CRISIL’s Ratings Division or CRIS. No part of the Reports may be published or reproduced in any form without CRISIL’s prior written approval.

We confirm that such information and data has been accurately reproduced, and that as far as we are aware and are able to ascertain from information published by third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading.

This information is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, and this we have relied on internally developed estimates.

Neither our Company, nor the Book Running Lead Managers have independently verified this data, and nor does our Company or the Book Running Lead Managers make any representation regarding the accuracy of such data. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and accordingly, neither our Company, nor the Book Running Lead Managers can assure the prospective investors as to their accuracy. Similarly, internal estimates and surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither we nor the BRLMs make any representation as to the accuracy and completeness of information based on trade, industry and government publications and websites, data reports compiled by government bodies, professional organisations and analysts, or from other external sources.

The extent to which the market and industry data used in this Preliminary Placement Document is meaningful is dependent on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute 'forward-looking statements'. The prospective investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts. These forward-looking statements contained in this Preliminary Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- our substantial indebtedness and the conditions and restrictions imposed by our lenders and the terms of any future debt obligations;
- sales volume and prices for steel products;
- operating costs and efficiency;
- raw material cost and availability;
- product and market mix;
- sale of power;
- delay in project implementation;
- foreign currency fluctuations; and
- government policy, changes in laws and regulations and adverse outcome in any legal proceedings involving us.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections titled "Risk Factors", "Industry Overview", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Summary of Key Differences between Indian GAAP and Ind AS" on pages 35, 401, 430, 353 and 376, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, any future gains, losses or impact on net income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure the prospective investors that such expectations will prove to be correct. Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and our Company or the Book Running Lead Managers undertake no obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. All the Directors and Key Managerial Personnel of our Company named herein are resident citizens of India and a substantial portion of the assets of our Company and of such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

- (a) where the judgment has not been pronounced by a court of competent jurisdiction;
- (b) where the judgment has not been given on the merits of the case;
- (c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;
- (d) where the proceedings in which the judgment was obtained were opposed to natural justice;
- (e) where the judgment has been obtained by fraud; and
- (f) where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit upon the foreign judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per USD). The exchange rates are based on the reference rates released by the RBI, which are available on the website of the RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

On March 16, 2018, the exchange rate (the RBI reference rate) was ₹ 64.87 to USD 1.0. (Source: www.rbi.org.in)

	Period end	Average ⁽¹⁾	High ⁽²⁾	Low ⁽³⁾
(₹ per USD)				
Fiscal:				
2017	64.84	67.09	68.72	64.84
2016	66.33	65.46	68.78	62.16
2015	62.59	61.15	63.75	58.43
Quarter ended:				
December 31, 2017	63.93	64.74	65.55	63.93
September 30, 2017	65.36	64.29	65.76	63.63
June 30, 2017	64.74	64.46	65.04	64.00
March 31, 2017	64.84	67.01	68.23	64.84
Month ended:				
February 28, 2018	65.10	64.37	65.10	63.61
January 31, 2018	63.69	63.64	63.98	63.35
December 31, 2017	63.93	64.24	64.54	63.93
November 30, 2017	64.43	64.86	65.52	64.41
October 31, 2017	64.77	65.08	65.55	64.76
September 30, 2017	65.36	64.44	65.76	63.87

(Source: www.rbi.org.in)

(1) Average of the official rate for each working day of the relevant period;

(2) Maximum of the official rate for each working day of the relevant period;

(3) Minimum of the official rate for each working day of the relevant period; and

(4) If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.

(5) The RBI reference rates are rounded off to two decimal places.

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections titled “Taxation-Statement of Tax Benefits”, “Financial Statements” and “Legal Proceedings” on pages 492, 67 and 504, respectively, shall have the meaning given to such terms in such sections.

Company Related Terms

Term	Description
“the Company”, “our Company”, “the Issuer”, “Jindal Steel & Power Limited”	Jindal Steel & Power Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at O.P. Jindal Marg, Hisar, Haryana-125 005
Articles or Articles of Association	Articles of association of our Company, as amended from time to time
Associates	Prodisyne (Pty) Limited, Thuthukani Coal (Pty) Ltd. and Nalwa Steel & Power Limited
Audit Committee	Audit committee of our Company as disclosed in “Board of Directors and Senior Management” on page 457
Audited Consolidated Financial Statements	Our (i) audited consolidated financial statements for the Fiscal Year 2017 prepared in accordance with the Ind AS and Companies Act, 2013 together with the report dated May 23, 2017 issued by Lodha & Co., Chartered Accountants; (ii) special purpose Ind AS consolidated financial statements for the Fiscal Year 2016 together with the report dated March 20, 2018 issued by Lodha & Co., Chartered Accountants; (iii) audited consolidated financial statements for the Fiscal Year 2016, prepared in accordance with Indian GAAP and the Companies Act, 2013 together with the report dated May 4, 2016 issued by S. R. Batliboi & Co. LLP, Chartered Accountants; and (iv) audited consolidated financial statements for the Fiscal Year 2015, prepared in accordance with Indian GAAP and the Companies Act, 2013 together with the report dated May 27, 2015 issued by S. R. Batliboi & Co. LLP, Chartered Accountants
Auditors/Statutory Auditors	The current statutory auditors of our Company, namely, Lodha & Co., Chartered Accountants.
Board of Directors or Board or our Board	The board of directors of our Company or any duly constituted committee thereof
Corporate Management Committee	Corporate management committee of our Company as disclosed in “Board of Directors and Senior Management” on page 457
Directors	The directors of our Company
Equity Shares	Equity shares having a face value of ₹ 1 each of our Company
ESOS 2005	The Employee Stock Option Scheme 2005 which was adopted and recommended by the Board on May 12, 2005 and subsequently the shareholders of the Company in the AGM held on July 25, 2005 approved the issuance of stock options to the eligible employees and Wholtime Directors of the Company and its Subsidiaries
ESOP 2017	Employee Stock Option Plan, 2017
ESPS 2001	The Employee Stock Purchase Scheme, 2001 which was adopted and recommended by the Board on October 30, 2000 and subsequently the shareholders of the Company on January 29, 2001 approved the issuance of Equity Shares to all permanent employees and Directors (except Promoters) of the Company
ESPS 2013	Employee Stock Purchase Scheme, 2013
FIR	First Information Report

Term	Description
Financial Statements	Audited Consolidated Financial Statements and Special Purpose Interim Condensed Consolidated Financial Statements
Governance and Business Ethics Committee	Governance and business ethics committee of our Company as disclosed in “Board of Directors and Senior Management” on page 457
Health, Safety, Corporate Social Responsibility and Environment Committee	Health, safety, corporate social responsibility and environment committee of our Company as disclosed in “Board of Directors and Senior Management” on page 457
Investment Committee	Investment committee of our Company as disclosed in “Board of Directors and Senior Management” on page 457
Jindal Shadeed	Shadeed Iron & Steel L.L.C
Joint Ventures	Jindal Synfuels Limited, Urtan North Mining Company Limited and Shresht Mining and Metals Private Limited
JPL	Jindal Power Limited
JSB	Jindal Steel Bolivia SA
JSPML	Jindal Steel & Power (Mauritius) Limited
Key Management Personnel	Key management personnel of our Company as disclosed in “Board of Directors and Senior Management” on page 454
Memorandum or Memorandum of Association	Memorandum of association of our Company, as amended
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company as disclosed in “Board of Directors and Senior Management” on page 457
Promoter Group	Unless the context requires otherwise, the individuals and entities forming part of the promoter group of our Company as per the provisions of the SEBI Regulations and which are disclosed by our Company to the Stock Exchanges from time to time
Promoters	Naveen Jindal and Shallu Jindal
Registered Office	The registered office of our Company located at O.P. Jindal Marg, Hisar, Haryana- 125 005
Special Purpose Interim Condensed Consolidated Financial Statements	Our unaudited special purpose interim condensed consolidated financial statements as at and for the nine months ended December 31, 2017 along with the notes thereto, prepared in accordance with the Ind AS and Companies Act, 2013, together with the review report dated March 20, 2018 issued by Lodha & Co., Chartered Accountants
Stakeholders’ Relationship Committee	Stakeholders’ relationship committee of our Company as disclosed in “Board of Directors and Senior Management” on page 457
Subsidiaries	The subsidiaries of our Company, including direct and indirect (step-down) subsidiaries which are: (1) Jindal Power Limited; (2) Jindal Angul Power Limited; (3) JB Fabinfra Limited; (4) Trishakti Real Estate Infrastructure and Developers Limited; (5) Everbest Power Limited; (6) Attunli Hydro Electric Power Company Limited; (7) Etalin Hydro Electric Power Company Limited; (8) Kamala Hydro Electric Power Company Limited; (9) Ambitious Power Trading Company Limited; (10) Jindal Hydro Power Limited; (11) Jindal Power Distribution Limited; (12) Jindal Power Transmission Limited; (13) Kineta Power Limited; (14) Uttam Infralogix Limited; (15) Panther Transfreight Limited; (16) Jagran Developers Private Limited; (17) Jindal Realty Limited; (18) Raigarh Pathalgaon Expressway Limited; (19) Jindal Steel & Power (Mauritius) Limited; (20) Jindal Steel Bolivia SA; (21) Skyhigh Overseas Limited; (22) Jindal Steel and Power (Australia) Pty Limited; (23) Jindal Botswana (Pty) Limited; (24) Jindal Steel & Power (BC) Limited; (25) Enduring Overseas Inc; (26) Jindal (BVI) Ltd.; (27) Jindal Africa SA; (28) Jindal Madagascar SARL; (29) Osho Madagascar SARL; (30) Harmony Overseas Limited; (31) Jindal Mining & Exploration Limited; (32) Jubilant Overseas Limited; (33) Vision Overseas Limited; (34) Blue Castle Venture Pty. Limited; (35) PT Jindal Overseas; (36) JSPL Mozambique Minerais LDA; (37) Jindal Mining Namibia (Pty) Limited; (38) Landmark Mineral Resources (Pty) Limited; (39) Fire Flash Investments (Pty) Limited; (40) Shadeed Iron & Steel L.L.C; (41) Jindal Africa Investments (Pty) Limited; (42) Sungu Sungu Pty Limited; (43) Jindal Tanzania Limited; (44) Jin Africa Limited; (45) Jindal Zambia Limited; (46) Jindal Steel & Minerals Zimbabwe Limited; (47) Brake Trading (Pty) Limited; (48) Jindal Investimentos LDA; (49) Jindal Mauritania SARL; (50)

Term	Description
	Wollongong Coal Limited; (51) Belde Empreendimentos Mineiros LDA; (52) Eastern Solid Fuels (Pty) Limited; (53) Jindal Mining SA (Pty) Limited; (54) Gas To Liquid International SA; (55) PT BHI Mining Indonesia; (56) PT. Sumber Surya Gemilang; (57) PT. Maruwai Bara Abadi; (58) Jindal (Barbados) Holding Corp; (59) Jindal Energy (Bahamas) Limited; (60) Jindal Energy (Botswana) Pty Limited; (61) Jindal Energy (SA) Pty Limited; (62) Jindal Transafrica (Barbados) Corp; (63) Jindal Resources (Botswana) Pty Limited; (64) Trans Africa Rail (Pty) Limited; (65) Sad-Elec (Pty) Limited; (66) Bon-Terra Mining (Pty) Limited; (67) Jindal (Barbados) Mining Corp; (68) Jindal (Barbados) Energy Corp; (69) Meepong Resources (Mauritius) (Pty) Limited; (70) Meepong Energy (Mauritius) (Pty) Limited; (71) Meepong Resources (Pty) Limited; (72) Meepong Energy (Pty) Limited; (73) Meepong Service (Pty) Limited; (74) Meepong Water (Pty) Limited; (75) Oceania Coal Resources NL; (76) Southbulli Holdings Pty Ltd; (77) Peerboom Coal (Pty) Ltd; (78) Jindal KZN Processing (Pty) Ltd; (79) Shaded Iron & Steel Company Limited; (80) Legend Iron Limited; (81) Cameroon Mining Action (CAMINA) SA; (82) Jindal Power Ventures (Mauritius) Limited; (83) Trans Asia Mining Pte. Limited; (84) Jindal Power Senegal SAU; (85) Koleko Resources Pty. Ltd; (86) Wongawilli Coal Pty Ltd; (87) Jindal Africa Liberia Limited; (88) Jindal Investment Holding Limited; (89) Enviro Waste Gas Services (Pty.) Ltd.; and (90) Jindal Steel DMCC
“we”/ “us”/ “our”	Our Company along with our Subsidiaries, Associates and Joint Ventures

Issue Related Terms

Term	Description
Allocated/Allocation	The allocation of Equity Shares following the determination of the Issue Price to successful Bidders on the basis of the Application Form submitted by them, by our Company in consultation with the Book Running Lead Managers and in compliance with Chapter VIII of the SEBI Regulations
Allot/Allotment/Allotted	Unless the context otherwise requires, the issue and allotment of the Equity Shares to be issued pursuant to the Issue
Allottees	QIBs to whom the Equity Shares are issued and Allotted pursuant to the Issue
Application Form	The form (including any revisions thereof) pursuant to which a QIB shall submit a Bid for the Equity Shares in the Issue
Bid(s)	Indication of interest of a QIB, including all revisions and modifications thereto, as provided in the Application Form, to subscribe to the Equity Shares to be issued pursuant to the Issue
Bid/Issue Closing Date	[●], 2018, which is the last date up to which the Application Forms shall be accepted by our Company (or the Book Running Lead Managers, on behalf of our Company)
Bid/Issue Opening Date	March 20, 2018 the date on which the acceptance of the Application Form shall commence by our Company (or the Book Running Lead Managers, on behalf of our Company)
Bidder	Any prospective investor, being a QIB, who makes a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Bidding Period	The period between the Bid/Issue Opening Date and Bid/Issue Closing Date, inclusive of both dates, during which Bidders can submit their Bids, including any revision and/or modifications thereof
BRLMs or Book Running Lead Managers	JM Financial Limited, Axis Capital Limited, ICICI Securities Limited and SBI Capital Markets Limited
CAN or Confirmation of Allocation Note	Note or advice or an intimation to successful Bidders confirming Allocation of the Equity Shares to such successful Bidders after determination of the Issue Price and requesting payment for the entire applicable Issue Price for all the Equity Shares Allocated to such successful Bidders
Closing Date	The date on which Allotment of the Equity Shares pursuant to the Issue shall be made, i.e. on or about [●], 2018
Cut-off Price	The Issue Price of the Equity Shares to be issued pursuant to the Issue, which shall be finalised by our Company in consultation with the Book Running Lead Managers

Term	Description
Designated Date	The date of credit of the Equity Shares to the successful Bidders demat account, as applicable to the respective successful Bidders
Eligible FPIs	FPIs that are eligible to participate in this Issue and do not include Category III Foreign Portfolio Investors who are not allowed to participate in the Issue
Escrow Account	The account titled “JSPL – Escrow account” with regard to any money received towards the subscription to the Equity Shares, opened with the Escrow Bank, subject to the terms of the Escrow Agreement
Escrow Agreement	Agreement dated March 19, 2018, entered into amongst our Company, the Escrow Bank and the Book Running Lead Managers for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	State Bank of India
Floor Price	The floor price of ₹ 227.15 per Equity Share (to be issued pursuant to the Issue) which has been calculated in accordance with Chapter VIII of the SEBI Regulations. In terms of the SEBI Regulations, the Issue Price cannot be lower than the Floor Price. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI Regulations
Issue	The offer, issue and Allotment of up to [●] Equity Shares to QIBs, each at a price of ₹ [●] per Equity Share, pursuant to Chapter VIII of the SEBI Regulations and the provisions of the Companies Act 2013
Issue Price	₹ [●] per Equity Share
Issue Size	The aggregate size of the Issue, aggregating up to approximately ₹ [●] million
Mutual Fund	A mutual fund registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Pay-in Date	The last date specified in the CAN for payment of application monies by the successful Bidders
Placement Agreement	Agreement dated March 20, 2018 entered into between our Company and the Book Running Lead Managers
Placement Document	The placement document to be issued by our Company in accordance with Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act 2013
Preliminary Placement Document	This preliminary placement document dated March 20, 2018 issued in accordance with Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act 2013
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations which are not: (a) excluded pursuant to regulation 86 of the SEBI Regulations; or (b) restricted from participating in the Issue under the SEBI Regulations
QIP	Qualified institutions placement under Chapter VIII of the SEBI Regulations and the applicable provisions of the Companies Act 2013 and the rules issued thereunder
Relevant Date	March 20, 2018, which is the date of the meeting of the Board, or any committee duly authorised by the Board, deciding to open the Issue

Business and Industry Related Terms

Term	Description
AT&C	Aggregate technical and commercial
ACS	Average cost of supply
Arabian Peninsula	A peninsula between the Red Sea and the Persian Gulf
ARR	Aggregate revenue realized
BCM	Billion cubic meters
BF	Blast furnace
BOF	Basic oxygen furnace
BPL	Below the poverty line
CEA	Central Electricity Authority of India

Term	Description
CIA	Central Intelligence Agency
CIS	Includes Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan
CDR	Corporate debt restructuring
CRISIL	CRISIL Research, a division of CRISIL Limited
CRIS	CRISIL Risk and Infrastructure Solutions Limited
CWIP	Capital work-in-progress
DDT	Dividend distribution tax
DDUGJY	Deen dayal Upadhyaya Gram Jyoti Yojana
discoms	Distribution companies
DRI	Direct reduced iron
EAF	Electric arc furnace method
FY	Financial year
GCC	Gulf Cooperation Council
HRC	Hot rolled coils
IPP	Independent power producer
ISO	International Organization for Standardization
LTCG	Long term capital gains
MAT	Minimum alternate tax
MIP	Minimum import price
MNRE	Ministry of New and Renewable Energy
MoC	Ministry of Coal
MoEF	Ministry of Environment & Forest
MPPs	Merchant power plants
MTPA	Million tonne per annum
NeOF	Neo electric oxy furnace
PLF	Plant load factor
RGGVY	Rajiv Gandhi Grameen Vidyutikaran Yojana
R&D	Research and development
RBI	Reserve Bank of India
SEB	State Electricity Boards
SECL	South Eastern Coalfields Limited
SERCs	State Electricity Regulatory Commissions
SMS	Steel melting shop
STCG	Short term capital gains
SteelMint	Steel Mint
STT	Securities transaction tax
T&D	Transmission and distribution
UDAY	Ujwal Discom Assurance Yojna
UMPPS	Ultra mega power projects
worldsteel	World Steel Association

Conventional and General Terms/Abbreviations

Term	Description
INR/ Rupees/ ₹/ Indian Rupees/ Rs.	Indian Rupees
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with the SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
ASEAN	Association of Southeast Asian Nations
Australian Corporations Act	The Australian Corporations Act 2001
AY	Assessment year
BSE	BSE Limited
Calendar Year	Year ending on December 31
Category III Foreign Portfolio Investor	An FPI registered as a category III foreign portfolio investor under the SEBI FPI Regulations
CBI	Central Bureau of Investigation
CDSL	Central Depository Services (India) Limited
CEO	Chief executive officer
CFO	Chief financial officer
CIN	Corporate identity number
Civil Procedure Code	The Code of Civil Procedure, 1908
Consolidated Financial Services Act	The Legislative Decree no. 58 of February 24, 1998
Companies Act	The Companies Act 1956 or the Companies Act 2013, as applicable
Companies Act 1956	The Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act 2013	The Companies Act 2013 and the rules made thereunder, to the extent in force pursuant to notification of the Notified Sections effective and any amendment thereto
CPP	Captive power plant
CSERC	Chhattisgarh State Electricity Regulatory Commission
CSR	Corporate social responsibility
CRISIL	Credit Rating Information Services of India Limited
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECS	Electronic clearing service
EGM	Extraordinary general meeting
EPS	Earnings per share
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999, and the regulations issued thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and any notifications, circulars or clarifications issued thereunder
Financial Year or Fiscal Year(s) or Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FII	Foreign institutional investors
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FVCI	Foreign venture capital investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 and registered with SEBI thereunder
GDP	Gross domestic product
Government	Government of India, unless otherwise specified
GST	Goods and services tax
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India

Term	Description
ICDS	Income computation and disclosure standards
Ind AS	Indian accounting standards as notified by the MCA vide Companies (Indian Accounting Standards) Rule 2015, as amended
Indian GAAP	Generally accepted accounting principles in India
IT	Information technology
Income Tax Act	The Income Tax Act, 1961
ITAT	Income Tax Appellate Tribunal
MCA	The Ministry of Corporate Affairs, Government of India
NEFT	National electronic fund transfer
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014
PAT	Profit After Tax
RBI	The Reserve Bank of India
Regulation S	Regulation S of the Securities Act
Relevant Member State	Each member state of the European Economic Area which has implemented the Prospectus Directive
RoC	The Registrar of Companies, National Capital Territory of Delhi and Haryana
Rule 144A	Rule 144A of the Securities Act
SCR (SECC) Rules	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEC	United States Securities and Exchange Commission
Securities Act	The United States Securities Act of 1933, as amended
SFA	The Securities and Futures Act Chapter 289 of Singapore
SFO	The Securities and Futures Ordinance (Cap. 571) of Hong Kong
SLP	Special leave petition
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
U.K.	United Kingdom
UOI	Union of India
U.S.\$/ U.S. dollar/ USD	United States Dollar, the legal currency of the United States of America
USA/ U.S./ United States	The United States of America
VCF	Venture capital fund
WP/ W.P.	Writ petition

DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE COMPANIES ACT 2013

The disclosure requirements as provided in Form PAS-4 and the relevant pages in this Preliminary Placement Document where these disclosures, to the extent applicable, are provided below:

S. No.	Disclosure Requirements	Relevant Page of this Preliminary Placement Document
1.	GENERAL INFORMATION	
a.	Name, address, website and other contact details of the company indicating both registered office and corporate office.	Cover page and page number 518
b.	Date of incorporation of the company.	Cover page and page number 518
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any.	430 - 446
d.	Brief particulars of the management of the company.	447 - 458
e.	Names, addresses, DIN and occupations of the directors.	447 - 449
f.	Management's perception of risk factors.	35 - 57
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:	
(i)	Statutory dues;	511
(ii)	Debentures and interest thereon;	511
(iii)	Deposits and interest thereon; and	511
(iv)	Loan from any bank or financial institution and interest thereon.	511
h.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process.	Cover page and page number 518
2.	PARTICULARS OF THE OFFER	
a.	Date of passing of board resolution.	518
b.	Date of passing of resolution in the general meeting, authorising the offer of securities.	518
c.	Kinds of securities offered (i.e. whether share or debenture) and class of security.	Cover page and page number 28
d.	Price at which the security is being offered including the premium, if any, along with justification of the price.	Cover page and page number 28
e.	Name and address of the valuer who performed valuation of the security offered.	Not Applicable
f.	Amount which the company intends to raise by way of securities.	Cover page and page number 28
g.	Terms of raising of securities:	
(i)	Duration, if applicable;	Not Applicable
(ii)	Rate of dividend;	
(iii)	Rate of interest;	
(iv)	Mode of payment; and	
(v)	Repayment.	
h.	Proposed time schedule for which the offer letter is valid.	Cover page and page number 28 - 29
i.	Purposes and objects of the offer.	61
j.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects.	Not Applicable
k.	Principle terms of assets charged as security, if applicable.	Not Applicable
3.	DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.	

S. No.	Disclosure Requirements	Relevant Page of this Preliminary Placement Document
a.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	458
b.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	504
c.	Remuneration of directors (during the current year and last three financial years).	453
d.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.	458
e.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.	371
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.	515
g.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.	511
4.	FINANCIAL POSITION OF THE COMPANY	
a.	The capital structure of the company in the following manner in a tabular form:	
(i)(a)	The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	63
(b)	Size of the present offer;	63
(c)	Paid up capital:	63
(A)	After the offer;	63
(B)	After conversion of convertible instruments (if applicable); and	63
(d)	Share premium account (before and after the offer).	63
(ii)	The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.	63 - 64
	Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case.	64
b.	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter.	30
c.	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid).	66 and 369
d.	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter.	30 - 34

S. No.	Disclosure Requirements	Relevant Page of this Preliminary Placement Document
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	92, 224 and 292
f.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	357
5.	A DECLARATION BY THE DIRECTORS THAT	
a.	The company has complied with the provisions of the Act and the rules made thereunder.	520
b.	The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government.	520
c.	The monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter.	520
	I am authorised by the Board of Directors of the company vide resolution number _____ dated _____ to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.	520

SUMMARY OF BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Preliminary Placement Document including the information contained in the section entitled “Our Business”, “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements”. Financial information included in this section for the nine- months ended December 31, 2017 and the Fiscal Years 2017 (including the comparative financial information for the Fiscal Year 2016) was prepared in accordance with Ind-AS, whereas the financial information for the Fiscal Year 2016 and the Fiscal Year 2015 was prepared in accordance with Indian GAAP. As such, the financial information contained in this section may not be strictly comparable. See the sections entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Summary Financial Information” and “Summary of Key Differences Between Indian GAAP and Ind AS” on pages 353, 30 and 376 for further details.

Overview

Jindal Steel & Power Limited, part of the O.P. Jindal Group, is one of India’s leading steel companies with a significant global presence. We have a total installed crude steel manufacturing capacity of 10.6 MTPA. We produce a wide range of products at our steel and pellet plants strategically located in India and in Oman, through our subsidiary Shadeed Iron & Steel LLC (“**Jindal Shadeed**”). We also have a strong presence in India’s power generation sector with installed capacity of 3,400 MW at a single location through our subsidiary, Jindal Power Limited (“**JPL**”). In addition, our global resources business operates thermal coal and coking coal mines in Australia, Mozambique and South Africa. We are the sixth largest integrated steel company in India in terms of crude steel capacity in the Fiscal Year 2017, according to CRISIL Steel Products Report, dated January 2018. During the Fiscal Year 2017, we produced 4.81 MT of steel and recorded steel sales of 4.45 MT, on a consolidated basis. During the nine-months ended December 31, 2017, we recorded steel production of 3.97 MT and steel sales of 3.78 MT, on a consolidated basis.

India Steel Business. We are one of the leaders in the Indian steel industry through our integrated steel plants at Raigarh (Chhattisgarh), Angul (Odisha), rolling mills at Patratu (Jharkhand) and our pellet plant at Barbil (Odisha). We have an integrated installed steel capacity of 8.6 MTPA in India and captive power capacity of 1,634 MW. Each of our plants are strategically located in resource rich areas, with abundant availability of coal and iron ore, which we believe provides us with a distinct cost advantage. Our plants are driven by advanced technology, global integration and the adoption of green technologies, which we believe helps us to achieve cost and operational efficiencies. We have installed a 250 ton Basic Oxygen Furnace (“**BOF**”) at the Angul plant, marking the completion of a 5.0 MTPA integrated steel project that will enable us to utilize the full capacity of the plant’s 3.2 MTPA blast furnace, thereby allowing us to achieve higher cost effectiveness and efficiencies. As part of our backward integration strategy, in addition to the overseas coal mines discussed below, we also own a captive 3.11 MTPA iron ore mine at Tensa, located near the Angul steel plant. Our technologically advanced facilities allow us to produce a wide range of steel products, including steel plates, structures, rails, beams, TMT bars, wire rods, bars, semis and pellets, that cater to a variety of industries, including housing, infrastructure (airports, stadiums, rail, road, bridges), ship building, power plants, industrial and high rise buildings and heavy machinery. We use advanced technology at our plate mill in India. Our “Jindal Panther” brand of TMT bars is widely recognized for its quality and is sold through a pan-India dealer network. In addition, we believe that our steel plant at Raigarh has the potential to emerge as an important supplier of rails for high speed trains to the forthcoming corridors in India and the world, as our head hardening rail facility is the first of its kind in India. We are focused on achieving operational efficiencies by effectively utilizing resources, with a formulated action plan to minimize costs by leveraging technical knowledge in our manufacturing processes and focusing on value-added products. During the Fiscal Year 2017, we recorded Indian steel production of 3.48 MT and steel sales of 3.15 MT, on a standalone basis. During the nine-months ended December 31, 2017, our Indian steel operations produced 2.76 MT of steel with sales of 2.59 MT, on a standalone basis.

Oman Steel Business. Through our subsidiary, Jindal Shadeed, we own and operate an integrated steel plant in Oman with an installed capacity of 2.00 MTPA. The Jindal Shadeed steel plant features modern technology, energy efficient processes and automation that follows international best practices for steel making. The plant has a long term natural gas supply contract with the Sultanate of Oman. The Jindal Shadeed steel plant has two quays of 300 meters each with two ship loaders to handle a high volume of import and export activity. The plant can accommodate large capesize vessels of up to 120,000 DWT with a draft of range 16 to 19 meters. The plant’s location on the Gulf of Oman allows for access to Jindal Shadeed’s primary customers in the Middle East. Jindal Shadeed is a supplier of rebars and rounds for manufacturing seamless pipes used in the petroleum industry. The plant’s compact configuration allows for hot charging capabilities, resulting in lower energy consumption. In the Fiscal Year 2017, the Jindal Shadeed plant produced 1.33 MT of steel with steel sales of 1.30 MT. Further, Jindal Shadeed achieved 50,000 MT per month in sales of rebars in the Fiscal Year 2017 from the month of November, 2016. During the nine-months ended December 31, 2017, Jindal Shadeed produced 1.21 MT of steel with sales of 1.19 MT, on a standalone basis.

Power Business. Our subsidiary, JPL, an independent power producer (“**IPP**”), is well positioned to take advantage of the Government’s stated vision of “Power for All”. JPL currently operates two single location coal-fired power plants with a total installed power capacity of 3,400 MW. JPL’s power plants are located in the coal rich state of Chhattisgarh. The plants’ close proximity to their fuel source allows JPL to achieve cost efficiencies. JPL sources its coal requirements from a mix of coal

linkages and e-auction sources, and JPL believes the plants have the ability to achieve a higher plant load factor. Equipment for our power plants is supplied by Bharat Heavy Electricals Limited.

Global Resources Business

In an effort to improve our backward integration and hedge fluctuations in raw material prices, we conduct mining operations in South Africa (anthracite coal – operating and iron ore – under exploration), Mozambique (coking coal - operating), Australia (coking coal - operating), Botswana (thermal coal – under exploration) and Namibia (iron ore – under exploration). Coking coal production for our mines in Mozambique for the nine-months ended December 31, 2017 and the Fiscal Year 2017 was 220,103 MT and 94,255 MT, respectively. Coking coal production for our mine in Australia for the nine-months ended December 31, 2017 and the Fiscal Year 2017 was 111,000 MT and 255,000 MT, respectively. Anthracite coal production for our mine in South Africa for the nine-months ended December 31, 2017 and the Fiscal Year 2017 was 162,756 MT and 337,973 MT, respectively.

Competitive Strengths

We believe that the following competitive strengths can be leveraged to allow us to enhance our position as a leading steel and power producer in India and globally:

Leading integrated steel company in India

We are one of India's leading integrated steel companies, with installed capacity of 8.60 MTPA, ranking us currently sixth in India in terms of installed capacity, according to CRISIL Steel Products Report, dated January 2018. We are one of the leaders in one of the world's fastest growing economies, with Indian GDP growing at 7.1% in the Fiscal Year 2017, according to the RBI. Our India steel business is fully integrated with a presence across the value chain of steel focusing on the production of various types of steel products. The large scale of our Indian steel business helps us to reach a wide range of customers and markets, to enjoy procurement strength and to experience significant cost efficiencies. The integrated nature of our India steel business helps us to maintain greater control over our operating margins.

Jindal Shaded is located in a growing economy. Given the plant's location on the Gulf of Oman with a deep water port capable of accommodating two ships of 120,000 DWT, it is ideally situated to meet the demand for its products tailored for the petroleum industry in neighbouring Gulf Cooperation Council countries.

Diversified product portfolio serving a variety of industries

We offer a wide range of flat and long steel products that cater to diversified end markets across several geographies. We believe that our multiproduct portfolio allows us to compete in several different global markets and industries, resulting in greater revenue diversification and more sustainable operations in the long term. Our production systems are fungible by design, which provide us with the ability to quickly adapt to changing market conditions and shift our production and product offering to meet this continuously changing market climate. Our technologically advanced facilities enable us to produce a wide range of steel products, including steel plates, structures, rails, beams, TMT bars, wire rods, bars, semis and pellets, that cater to a variety of industries, including housing, infrastructure (airports, stadiums, rail, road, bridges), ship building, power plants, industrial and high rise buildings and heavy machinery. For example, we have capacity to produce five meter wide plates, suitable for both shipbuilding and pipe applications globally. As a result of our increasingly advanced operations, we are supplying rounds and plates to pipe manufacturers in India and globally.

A leader in innovative products and processes

We strive to innovate new products and processes that are either best of its kind, first of its kind, or both. We focus on technology and innovation in order to deliver value-added steel products at an efficient cost. We utilize several advanced technologies, and consider our Company to be a pioneer in introducing these leading technologies to the Indian market. We have certain products that are unique to our Company. For example, our steel plant at Raigarh has the potential to emerge as an important supplier of rails for high speed trains with the first head hardening rail facility in India. When we recently lost certain coal linkages for some of our plants, we quickly adjusted our operations by switching the type of coal that could be used at our plants through innovation. In order to maintain quality while lowering the cost of production, we have adopted a combination of industry leading technologies, including our 250 ton BOF at the Angul plant, in addition to other well established steelmaking methods. In addition, the Jindal Shaded plant's processes allow for hot charging capabilities, resulting in lower energy consumption.

Low cost operations

We enjoy certain competitive advantages which help us to maintain low cost of operations in our steel business. Our steel plants are located near to raw materials and have strong logistics infrastructure, such as private railway siding. We are therefore able to reduce the logistical costs associated with the transportation of raw materials and finished goods to and from our steel plants. Chhattisgarh state and Odisha state, where our steel and power plants are located, produced 16% and 51% of India's total iron ore in the Fiscal Year 2016, respectively, according to the Ministry of Mines. In addition, Chhattisgarh state and Odisha state

accounted for 17.9% and 24.5% of India's total coal reserves, respectively, according to most recent estimates from the MoC. All of our plants are well connected through rail and road networks, and our international operations are located within close proximity of raw material suppliers and ports. Partial integration of our raw material sources, including iron ore, pellets, global coal assets and a long term natural gas supply contract in Oman help to reduce the risk of supply interruption and minimize the impact of fluctuations in raw material prices. Our captive assets and supply chain include domestic iron ore mines at Tensa, Odisha; exploration assets in Bailadila; operational global coking coal and thermal coal mines in Australia, Mozambique and South Africa; and a long term gas supply contract with the Sultanate of Oman for the Jindal Shadeed steel plant. Our large and technologically advanced facilities also result in lower per unit production costs. As we continue to ramp up our recently increased capacity, our per unit cost will continue to decline on both a fixed and variable cost basis. We have continuously invested in advanced technology, which allows us to achieve operational efficiencies. For example our 250 ton BOF at the Angul plant will enable us to utilize the full capacity of that plant's blast furnace, as well as converting from EAF, which consumes electrodes and significant amounts of power, to NeOF, which consumes oxygen. In addition, our plants operate in areas with highly skilled and low cost labor, which helps us to keep our operating costs low.

Positioned at an inflexion point for volume driven growth

We believe that we are well-positioned for volume driven growth, due to our recently completed significant capital expenditures that were focused on increasing our plant capacities at Angul. Our high operating leverage from the recently installed integrated steel plant at Angul puts us in a strong position to benefit from the expected high demand for steel in India. The Angul plant manufactures steel using the BF, BOF and EAF routes, which reduces its current cost of production, leading to a reduction in the overall costs at our Indian steel facilities. In addition, we have developed advanced technologies and processes leading to operational efficiencies, such as the conversion from EAF to NeOF discussed above. We believe that with a large amount of capital expenditure having already been deployed to develop advanced and efficient production facilities, as well as to secure raw material resources, we are well positioned moving forward to achieve stronger profitability.

Large IPP capacity with significant cost competitiveness

Our coal-fired power plants benefit from being in close proximity to coal sources. Our existing single location coal-fired power plants are located within close proximity to two of India's largest coal fields, in the state of Odisha, which accounts for approximately 24.6% of India's coal reserves, according to the MoC. This coal rich belt is expected to further benefit from the MoC's Shakti scheme, which is a Government policy designed to harness and allocate coal transparently through the auction of long-term coal linkages to power companies. We currently have 4.81 MTPA of existing long term coal supply agreements. Our coal-fired power plants are at a single location, which provides us with economies of scale by maintaining low auxiliary power consumption, operational and maintenance efficiencies, lower logistical costs for raw materials and lower employee cost. Our existing power plants enjoy stable and long term offtake agreements for a total of 1,070 MW, with the remaining power sold in the spot market.

Experienced board of directors and professional management team within a nimble and dynamic organization

Our senior management team comprises members with diverse skills and expertise in manufacturing, sales and marketing, finance and supply chain management in the steel and power industries. Their extensive experience and understanding of our Company have been instrumental in becoming one of India's leading integrated steel companies with a global presence. Each of our businesses is supported by a dedicated team of professionals. We pride ourselves on being a dynamic organization driven by innovative technology and management best practices.

Strategies

We aim to enhance our position as a leading global steel and domestic power producer through the following strategies:

Asset sweating and optimizing utilization of existing steel and power plants

We have recently completed our capital expenditure program that has strengthened our operational efficiencies, widened our product offerings, fortified our raw material security and thereby led to a ramp up in steel production volumes. We will continue to review and assess new technologies in an effort to extract additional economies of scale, optimize certain processes such as coal blending, as well as to improve yields and reduce fixed costs. Going forward, we intend to continue asset sweating by increasing capacity utilization across our steel plants, including ramping up production at recently commissioned facilities. For example, we have installed a BOF at the Angul plant that will enable us to utilize the full capacity of the plant's 3.2 MTPA blast furnace, one of the largest in India, thereby allowing us to achieve higher cost effectiveness, efficiencies and increased production volumes. Further, in order to optimize the utilization of our existing operations, management is committed to growing our market share in core product markets by increasing our marketing and sales efforts. Our marketing team is currently focused on optimizing customer segmentation, especially with respect to new and emerging segments, such as energy and defence. We believe that by increasing our penetration into these new segments, we will be able to reduce seasonal fluctuations and increase our global footprint. We are also focusing on specific markets where we believe there is room for penetration into high value projects. Our marketing team is also focused on value additions through customization, leveraging our position as a market leader in technologically advanced value added products.

In an effort to utilize more of the capacity at our existing power plants, JPL plans to optimize the mix of long, medium and short-term PPAs with a diverse set of state distribution companies, industrial consumers and power trading companies in the near term. JPL believes that it is well positioned to take advantage of the emerging power scenario in India, as the Government intends to provide “Power for All”. JPL believes that it enjoys a low capital cost and competitive coal cost due to its proximity to coal fields, and it accordingly believes that it is well positioned to compete for new PPAs and long term coal linkages.

Continue to focus on raw material security

We intend to continue to focus on raw material security, which we believe is a key component of our Company’s future growth. For example, we intend to take advantage of the recently passed Shakti scheme which encourages coal supply linkages for Indian power producers by bidding at upcoming long term coal linkage auctions. We have recently won coal linkages aggregating to 3.74 MTPA at a competitive price and will continue to look for additional coal linkages from Coal India Limited or its subsidiaries in order to secure long term supplies of coal near our steel and power plants. We also intend to further ramp up our coal production at our mines in Mozambique and Australia. In addition, we will conduct further exploration of our mining assets in Jeraldabaru and Bailadila in an effort to further strengthen our domestic raw materials supply. We intend to maintain a stable supply of raw materials with relatively lower purchase and transportation costs from our suppliers, thereby enabling us to develop price competitive products vis-à-vis our competitors.

Prioritize financial prudence

We continuously seek to improve our financial profile and maintain a strong focus on cost management. We have, over time, developed robust financial principles and business criteria, focusing on reducing our working capital (receivables and inventory) requirement, interest cost reduction and boosting our aforementioned strategy of maximizing output of our existing assets. Further, we are committed to achieving the optimization of financial cost supported by credit rating improvement and proactive debt management. For example, in March 2017, we successfully negotiated a debt restructuring plan with 18 of our existing lenders whereby we were given a moratorium of between three to five years for repayments. We were able to complete the capital expenditure at the Angul plant over the last two years primarily through internal accruals and did not significantly increase our debt for the completion of this project. We will seek to reduce our leverage over time and improve our return ratios, including through divestments of our non-core or non-profit making assets as we consider expedient. Given the target volume ramp up and the substantial completion of our capital expenditures, we believe we are well positioned to achieve improved leverage ratios.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections titled “Risk Factors”, “Use of Proceeds”, “Placement”, “Issue Procedure” and “Description of the Equity Shares” on pages 35, 61, 476, 465 and 489, respectively.

Issuer	Jindal Steel & Power Limited
Face Value	₹ 1 per Equity Share
Issue Price	₹ [●] per Equity Share
Floor Price	₹ 227.15 per Equity Share, calculated in accordance with Regulation 85 under Chapter VIII of the SEBI Regulations. The Company may offer a discount of not more than 5.0% on the Floor Price in terms of Regulation 85 of the SEBI Regulations.
Issue Size	Issue of up to [●] Equity Shares, aggregating up to approximately ₹ [●] million, at a premium of ₹ [●] each A minimum of 10.0% of the Issue Size i.e. up to [●] Equity Shares, shall be available for Allocation to Mutual Funds only and up to [●] Equity Shares should be available for Allocation to all QIBs, including Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion mentioned above, such minimum portion or part thereof may be Allotted to other QIBs.
Date of Board Resolution	August 8, 2017 and March 16, 2018
Date of Shareholders’ Resolution	September 22, 2017
Authority for the Issue	The Issue has been authorised by our Board on August 8, 2017 and March 16, 2018 and the shareholders of our Company pursuant to the resolution dated September 22, 2017, passed at the AGM.
Eligible Investors	QIBs as defined in regulation 2(1)(zd) of the SEBI Regulations and not excluded pursuant to Regulation 86 of the SEBI Regulations, to whom this Preliminary Placement Document and the Application Form is circulated and who are eligible to bid and participate in the Issue. The list of QIBs to whom this Preliminary Placement Document and Application Form is delivered shall be determined by the Book Running Lead Managers in consultation with our Company, at its discretion. For further details, see “Issue Procedure – Qualified Institutional Buyers” on page 469.
Dividend	See “Description of the Equity Shares” and “Dividends” on pages 489 and 66, respectively.
Indian Taxation	See “Taxation” on page 492.
Equity Shares issued and outstanding immediately prior to the Issue	916,444,234 Equity Shares Further, on November 10, 2017 the Company has issued 48,000,000 warrants to Opelina Finance and Investment Limited, a Promoter Group entity, which are convertible into 48,000,000 Equity Shares.
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares Further, on November 10, 2017 the Company has issued 48,000,000 warrants to Opelina Finance and Investment Limited, a Promoter Group entity, which are convertible into 48,000,000 Equity Shares.
Listing and Trading	Our Company has obtained in-principle approvals dated March 20, 2018 in terms of Regulation 28(1) of the SEBI Listing Regulations from the Stock Exchanges, for listing of the Equity Shares issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges after Allotment to obtain final listing and trading approval for the Equity Shares after the Allotment and after the credit of the Equity Shares to the beneficiary account of the Depository Participant, respectively.
Lock-in	For details in relation to lock-up, see “Placement – Lock-in” on pages 476 to 477 for a description of restrictions on our Company in relation to the Equity Shares.
Minimum offer size	The minimum value of offer or invitation to subscribe for each QIB is ₹ 20,000 calculated at the face value of the Equity Shares
Transferability Restrictions	The Equity Shares to be issued pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For

	details in relation to other transfer restrictions, please see “Transfer Restrictions” on page 483.	
Use of Proceeds	The gross proceeds from the Issue will be approximately ₹ [●] million. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹ [●] million. See “Use of Proceeds” on page 61 for additional information regarding the use of net proceeds from the Issue.	
Risk Factors	See “Risk Factors” on page 35 for a discussion of risks you should consider before investing in the Equity Shares.	
Pay-In Date	Last date specified in the CAN sent to the QIBs for payment of application money.	
Closing	The Allotment of the Equity Shares pursuant to the Issue is expected to be made on or about [●], 2018.	
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank <i>pari passu</i> with the existing Equity Shares of our Company, including in respect of voting rights and dividends. The holders of Equity Shares (as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act 2013, the SEBI Listing Regulations and other applicable laws and regulations. Equity shareholders may attend and vote in shareholders’ meetings in accordance with the provisions of the Companies Act 2013. For further details, see “Dividends” and “Description of the Equity Shares” on pages 66 and 489, respectively.	
Security Codes for the Equity Shares	ISIN	INE749A01030
	BSE Code	532286
	NSE Code	JINDALSTEL

SUMMARY FINANCIAL INFORMATION

The following tables set out selected financial information derived from our Audited Consolidated Financial Statements and our Special Purpose Interim Condensed Consolidated Financial Statements, in each case prepared in accordance with the applicable accounting standards, Companies Act 2013 and the requirements of SEBI Listing Regulations, as applicable, and presented in "Financial Statements" on page 67. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements", on pages 353 and 67, respectively, for further details.

The financial statements for the financial year ended March 31, 2016 and March 31, 2015 have been prepared as per Indian GAAP. The financial statements for the financial year ended March 31, 2017 was the first year that our Company prepared the financial statements as per Ind AS. The financial statements for the year ended March 31, 2016 have been restated in accordance with Ind AS for comparative information. The financial statements for the nine months period ended December 31, 2017 have also been prepared under Ind AS. Our Company's financial statements have been prepared to comply with generally accepted accounting principles in accordance with Ind AS notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendments rules 2016.

The financial statements for the nine months period ended December 31, 2017 and for the financial year ended March 31, 2017 prepared under Ind AS and the financial statements for the year ended March 31, 2016 restated in accordance with Ind AS for comparative information are not comparable with the previous years' / periods' financial statements/ financial results prepared as per Indian GAAP.

Summary of Statement of Profit and Loss (on a consolidated basis)

As per Ind AS

Particulars	For the nine month ended December 31, 2017 (Ind AS) (Unaudited) (₹ in million)	For the year ended March 31, 2017 (Ind AS) (Audited) (₹ in million)	For the year ended March 31, 2016 (Ind AS) (Audited) (₹ in million)
Revenue:			
Revenue from operations	197,383.4	233,012.3	214,656.4
Less: Captive sales for own projects	(4,957.8)	(6,049.9)	(10,975.1)
Other income	24.2	99.9	1,566.9
Total Income	192,449.8	227,062.3	(205,248.2)
Expenses:			
Cost of materials consumed	63,857.6	65,354.6	60,762.7
Purchase of stock-in-trade	2,455.5	2,653.9	205.8
Changes in inventories of finished goods, work-in-process and scrap	(1,917.7)	2,826.2	4,481.9
Employee benefits expense	7,179.6	9,135.5	9,465.7
Finance Cost (Net)	27,943.1	33,895.9	32,535.6
Depreciation and amortization expense	29,231.1	39,490.2	40,678.8
Excise Duty	4,578.9	16,457.3	19,969.0
Other expenses	77,903.7	90,004.5	85,402.6
Total Expenses	211,231.8	259,818.1	253,502.1
Less: Captive sales for own projects	(4,957.8)	(6,049.9)	(10,975.1)
	206,274.0	253,768.2	242,527.0
Profit/(loss) before exceptional items and tax	(13,824.2)	(26,705.9)	(37,278.8)
Exceptional item	(1,497.2)	(3,723.1)	(2,358.3)
Profit/(Loss) before Tax	(15,321.4)	(30,428.9)	(39,637.1)
Tax Expense			
Current tax	(17.0)	7.2	6.7
Deferred tax	(3,325.3)	(5,034.0)	(8,781.3)
Total tax expenses/(credit)	(3,342.3)	(5,026.8)	(8,774.6)
Profit/(Loss) after tax	(11,979.1)	(25,402.2)	(30,862.5)
Share in profit/(loss) of Associates (Net of tax)	70.8	27.0	(10.1)
Total Profit/(Loss)	(11,908.3)	(25,375.2)	(30,872.6)
Other Comprehensive income(OCI):			
(i) Items that will not be reclassified to profit or Loss			
Remeasurement of the defined benefit plans	25.3	40.1	359.9
(ii) Income Tax relating to Items that will not be reclassified to profit or loss	10.8	13.9	124.6
(iii) Items that will be reclassified to profit or			

Particulars	For the nine month ended December 31, 2017 (Ind AS) (Unaudited) (₹ in million)	For the year ended March 31, 2017 (Ind AS) (Audited) (₹ in million)	For the year ended March 31, 2016 (Ind AS) (Audited) (₹ in million)
Loss			
Foreign Currency translation reserve (FCTR)	1,116.1	(1,275.2)	(7,678.1)
(iv) Income Tax relating to Items that will be reclassified to profit or loss	-	-	-
Total comprehensive income	(10,777.7)	(26,624.2)	(38,315.4)
Net Profit attributable to:			
a) Owners of the equity	(11,010.2)	(22,812.8)	(29,662.4)
b) Non- Controlling interest	(898.1)	(2,562.4)	(1210.2)
Other Comprehensive Income attributable to:			
a) Owners of the equity	1,130.6	(1,276.0)	(6991.6)
b) Non- Controlling interest	-	27.0	(451.2)
Total Comprehensive Income attributable to:			
a) Owners of the equity	(9,879.6)	(24,088.7)	(36,654.0)
b) Non- Controlling interest	(898.1)	(2,535.5)	(1,661.4)
Earnings per equity share each:			
Basic (in ₹)	(12.03)	(27.73)	(33.74)
Diluted (in ₹)	(12.03)	(27.73)	(33.74)

As per Indian GAAP

Particulars	For the year ended March 31, 2016 (Indian GAAP) (₹ in million)	For the year ended March 31, 2015 (Indian GAAP) (₹ in million)
Revenue:		
Revenue from operations (gross)	205,169.4	213,790.3
Less: Excise duty	13,145.1	12,613.8
Less: Captive sales from own projects	10,975.1	7,585.3
Revenue from operations (net)	181,049.2	193,591.2
Other income	5,273.4	2,671.5
Total Revenue	186,322.6	196,262.7
Expenses:		
Cost of materials consumed	60,762.7	55,489.6
Purchase of stock-in-trade	205.8	818.7
Changes in inventories of finished goods, work-in-process and scrap	4,663.2	(1,571.8)
Employee benefits expense	9,125.1	10,903.4
Finance Cost (Net)	32,527.4	26,058.0
Depreciation and amortization expense	28,193.9	27,328.3
Other expenses	86,210.6	81,132.9
Total Expenses	221,688.7	200,159.1
Less: Captive sales from own projects	10,975.1	7,585.3
Expenses	210,713.6	192,573.8
Profit/(loss) before exceptional items and tax	(24,391.0)	3,688.9
Exceptional item	2,358.3	19,116.4
Profit/(Loss) before Tax	(26,749.3)	(15,427.5)
Tax Expenses		
Current tax	6.7	(0.4)
MAT Credit	-	(6,650.0)
Deferred tax	(6,769.7)	6,101.3
Income Tax charge/(credit) for earlier years	-	(332.5)
Total tax expenses/(credit)	(6763.0)	(881.6)
Profit/(Loss) after tax	(19,986.3)	(14,545.9)
Add/(Less): Share in profit/(loss) of Associates	(14.0)	26.3
Add/(Less): Minority Interest	980.2	1,738.4
Profit/(Loss) for the year	(19,020.1)	(12,781.2)
Earnings per equity share of face value of ₹ 1 each		
Basic (in ₹)	(20.79)	(13.97)
Diluted (in ₹)	(20.79)	(13.97)

Summary of Balance Sheet (on a consolidated basis)

As per Ind AS

Particulars	For the nine month ended December 31, 2017 (Ind AS) (Unaudited)	For the year ended March 31, 2017 (Ind AS) (Audited)	For the year ended March 31, 2016 (Ind AS) (Audited)
	(₹ in million)	(₹ in million)	(₹ in million)
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	604,863.3	621,895.2	612,122.2
(b) Capital work-in-progress	84,438.1	87,139.8	107,027.0
(c) Investment Property	315.2	318.9	324.1
(d) Goodwill	5,669.9	5,669.9	5,484.5
(e) Intangible Assets	31,302.2	31,432.3	32,774.3
(f) Intangible Assets Under Development	10,252.5	10,021.9	11,241.0
(g) Biological assets other than bearer plants	4.6	4.5	4.5
(h) Financial Assets			
(i) Investments	3,669.8	3,676.6	3,593.6
(ii) Loans	869.8	912.5	9,503.8
(iii) Bank balances	191.0	368.1	669.0
(iv) Other Financial Assets	2,689.3	5,088.5	5,114.2
(i) Other non-current assets	10,576.6	10,110.7	8,807.7
Current assets			
(a) Inventories	43,899.2	35,992.6	32,541.0
(b) Financial Assets			
(i) Investments	2.8	3.8	0.3
(ii) Trade receivables	17,976.6	17,166.2	14,291.8
(iii) Cash and cash equivalents	2,792.6	2,461.0	5,024.6
(iv) Bank balances other than (iii) above	1,870.5	2,311.2	1,179.2
(v) Loans	2,916.4	3,874.3	2,115.2
(vi) Other financial assets	13,465.5	10,546.5	9,794.1
(c) Current tax assets (net)	5,470.2	5,275.9	5,693.3
(d) Other current assets	48,596.3	50,008.7	56,678.5
(e) Assets held for sale	1,676.3	1,700.2	
Total assets	893,508.7	905,979.3	923,983.9
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	916.4	915.0	914.9
(b) Share Warrant	48.0	-	-
(c) Other equity	294,090.7	299,590.3	323,446.1
(d) Non-controlling interest	5,569.0	6,467.1	8,998.3
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	296,278.6	325,983.4	363,539.0
(ii) Trade payables	18.4	908.8	-
(iii) Other financial liabilities	3,766.9	6,732.1	937.0
(b) Provisions	3,062.7	3,072.1	1,957.3
(c) Deferred tax liabilities (net)	50,233.3	53,586.3	58,723.7
(d) Other non-current liabilities	2.8	2.7	-
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	67,758.1	73,601.0	77,779.5
(ii) Trade payables	39,634.0	29,378.2	23,177.4
(iii) Other financial liabilities	104,268.6	88,357.9	50,403.4
(b) Other current liabilities	27,234.4	16,759.0	13,459.3
(c) Provision	624.0	624.3	648.0
(d) Current tax liabilities (net)	2.8	1.1	-
Total Equity and Liabilities	893,508.7	905,979.3	923,983.9

As per Indian GAAP

Particulars	As at March 31, 2016 (Indian GAAP)	As at March 31, 2015 (Indian GAAP)
	(₹ in million)	(₹ in million)
Equity and liabilities		
Shareholders' funds		
Share capital	914.9	914.9
Reserves and surplus	180,555.9	209,505.8
Minority interest	8,002.8	8,572.5
Non-current liabilities		
Long-term borrowings	363,617.1	356,139.4
Deferred tax liabilities (net)	13,476.6	20,184.7
Other long term liabilities	1,216.3	2,139.0
Long-term provisions	1,957.3	1,593.2
Current liabilities		
Short-term borrowings	77,779.5	68,523.4
Trade payables	23,177.4	20,532.9
Other current liabilities	64,045.8	65,711.4
Short-term provisions	648.0	1,548.9
Total	735,391.6	755,366.1
Assets		
Non-current assets		
Fixed assets		
Tangible assets	416,108.3	427,376.1
Intangible assets		
- Intangible assets	32,774.3	33,572.9
- Goodwill on Consolidation	5,484.5	5,484.5
Capital work-in-progress	107,024.9	73,957.3
Intangible Assets under Development	11,241.0	16,722.4
Non-current investments	3,577.1	3,527.9
Long-term loans and advances	32,093.4	34,699.5
Other non-current assets	669.0	469.7
Current assets		
Current investments	0.3	14,324.0
Inventories	32,359.7	48,486.9
Trade receivables	14,291.8	16,907.0
Cash and bank balances	6,203.8	11,390.7
Short-term loans and advances	61,358.8	58,605.9
Other current assets	12,204.7	9,841.3
Total	735,391.6	755,366.1

Summary of Cash Flow Statement (on a consolidated basis)

As per Ind AS

Particulars	For the nine month ended December 31, 2017 (Ind AS) (Unaudited)	For the year ended March 31, 2017 (Ind AS) (Audited)	For the year ended March 31, 2016 (Ind AS) (Audited)
	(₹ in million)	(₹ in million)	(₹ in million)
Net Cash (used in) / generated from Operating Activities	62,266.9	67,986.8	43,327.8
Net Cash (used in) / generated from Investing Activities	(5,421.2)	(19,991.4)	(22,615.9)
Net Cash (used in) / generated from Financing Activities	(56,514.1)	(50,565.9)	(26,719.1)
Net increase/ (decrease) in cash and cash equivalents	331.6	(2,570.5)	(6,007.2)
Cash and cash equivalents at beginning of the period	2,461.0	5,024.6	11,031.8
Cash and cash equivalents on acquisition of subsidiary	-	6.9	-
Cash and cash equivalents at end of the relevant period	2,792.6	2,461.0	5,024.6

As per Indian GAAP

Particulars	For the year ended March 31,	
	2016 (Indian GAAP) (₹ in million)	2015 (Indian GAAP) (₹ in million)
Net cash flow from operating activities	43,319.8	11,824.8
Net Cash Flow/(Used) from Investing Activities	(22,615.9)	(67,174.3)
Net cash flow used in financing activities	(26,719.1)	57,079.3
Net increase in cash and cash equivalents	(6,015.2)	1,729.8
Cash and cash equivalents at beginning of the year	11,132.4	9,402.6
Cash and cash equivalents at end of the year	5,117.2	11,132.4

Reservations, qualifications or adverse remarks by Auditor: For details of reservations, qualifications or adverse remarks by Auditor for the last five Financial Years please refer to “Management’s Discussion and Analysis of Financial condition and Results of Operations- Certain Matters Identified by the Auditors” on page 371.

RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. Each investor should consider all information in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks and uncertainties described in this section are not the only risks that we or the industries in which we operate currently face. Additionally, risks and uncertainties not presently known to us or that we believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. If any of the following risks or any of the other risks and uncertainties discussed in this Preliminary Placement Document or other risks that are not currently known or believed to be adverse actually occur, our business, results of operations and financial condition could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Issue. To obtain a complete understanding of our business, you should read this section in conjunction with the section entitled “Our Business” on page 430, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 353 and “Financial Statements” on page 67 of this Preliminary Placement Document. For a discussion of certain significant differences between Ind AS, Indian GAAP and others, see “Summary of Key Differences Between Indian GAAP and Ind AS” on page 376.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section.

Unless the context otherwise requires, references in this section “we”, “us”, “our” or “our Company” are to Jindal Steel & Power Limited on a consolidated basis.

Unless otherwise stated or the context requires otherwise, the financial information used in this section is derived from our: Special Purpose Interim Condensed Consolidated Financial Statements as of and for the nine month period ended December 31, 2017, and our Audited Consolidated Financial Statements as of and for the years ended March 31, 2017, March 31, 2016 and March 31, 2015.

We have adopted Ind AS with effect from April 1, 2016 and accordingly our financial results as of and for the nine months ended December 31, 2017 (along with comparative results as of and for the nine months ended December 31, 2016) and as of and for the year ended March 31, 2017 (along with the comparative statements as of and for the year ended March 31, 2016) have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder. The financial statements/ results for the Fiscal Year 2016 and Fiscal Year 2015 have been prepared in accordance with Indian GAAP.

Risks Relating to our Company

- 1. Our Company, certain of our Subsidiaries and our Promoters are involved in certain legal proceedings, including investigations by the CBI, the investigative agency in India, which, if determined against us could have a material adverse effect on our financial condition, results of operations and our reputation.***

Our Company, certain of our Subsidiaries and our Promoters are involved in certain legal proceedings, claims and investigations. These include criminal cases, civil cases, tax proceedings, regulatory proceedings and investigations by the CBI against our Company and our Promoter, Naveen Jindal, in relation to irregularities in the allocation of certain coal blocks. These proceedings are pending at different levels of adjudication before various courts and tribunals. Although we/ they intend to defend or appeal these proceedings, we/ they may be required to devote management and financial resources to such actions. We cannot assure you that these matters will be settled in favour of our Company, our Subsidiaries or our Promoters, respectively, or that no further liability will arise out of these claims. For further details, see “Legal Proceedings” on page 504.

An adverse outcome in the aforesaid proceedings or any legal proceedings in future, individually or in the aggregate, involving our Company, our Subsidiaries or our Promoters could have an adverse effect on our reputation, business, prospects, financial condition and results of operations. Further, any adverse outcome in these proceedings may affect our reputation and standing and may impact future business.

- 2. We have incurred significant indebtedness and may incur further debt. Our substantial indebtedness and the conditions and restrictions imposed by our lenders and the terms of any future debt obligations may restrict our ability to conduct our business and operations. We have breached and expect to continue to be in breach of certain covenants under our indebtedness.***

As at December 31, 2017, we had total outstanding debt of ₹ 434,991.1 million, a debt to equity ratio of 1.47X and a weighted average interest cost of debt of 8.79%. Any unfavourable change in these ratios may adversely impact our results of operations and ability to raise further resources.

Our substantial indebtedness has had and could continue to have several important consequences. For example, in the past we have recorded net negative cash flows, primarily as a result of servicing our outstanding debts. For FY 2016 and FY 2017, we recorded net decreases in cash and cash equivalents of ₹ 6,007.2 million and ₹ 2,570.5 million, respectively. This has at times led us to delay payments on certain of our outstanding indebtedness. See “—We have delayed certain repayments of our existing indebtedness, resulting in some cases in lenders seeking to accelerate repayment of amounts due under such debt.” Moving forward, our substantial indebtedness could:

- increase our vulnerability to general adverse economic and industry conditions;
- require us to continue dedicating a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flows to fund working capital, capital expenditures, acquisitions, joint ventures and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to obtain financing in the future for working capital, capital expenditures, acquisitions or other purposes on acceptable terms, on a timely basis or at all.

Several of the existing agreements with our lenders contain restrictive covenants that require us to obtain the prior written consent of our lenders to take certain actions, including raising additional debt, making investments, declaration of dividends, alteration of capital structure, making changes to constitutional documents and merging, amalgamating or consolidating with any other company, issuing additional securities, issuing guarantees and selling significant assets, among others. In addition, certain of our financing arrangements include covenants to maintain certain debt to EBITDA ratios, debt to equity ratios, debt coverage ratios and certain other liquidity ratios and solvency ratios, and there can be no assurance that such financial covenants will not hinder business development and growth. We have, in the past, breached certain of these covenants, we are currently in breach of certain of these covenants, and moving forward we may continue to be in breach of certain covenants. We have in the past sought waivers for certain of these covenants from some of our lenders. We may need to seek waivers again in the future (including the near future), with no assurance that any such waiver will be granted. In the event of any existing or future breach of these covenants, and in the absence of a waiver of all of such breaches by the concerned lender, such lender may call for immediate repayment of the entire outstanding amount of the loan or such breach may result in a cross default under other loan agreements or termination of such financing agreements and other adverse consequence, which may adversely affect our business, financial condition and results of operations.

Our ability to meet our debt service obligations and to repay our outstanding borrowings will depend primarily upon the cash flow generated by our business. There can be no assurance that we will generate sufficient cash to enable us to service our existing or proposed borrowings, comply with covenants or fund other liquidity needs. Furthermore, adverse developments in the Indian and global credit markets or a reduced perception of our creditworthiness in the credit markets could increase our debt service costs and the overall cost of our funds. If we fail to meet our debt service obligations or financial covenants required under the financing documents, our lenders could declare us in default under the terms of our borrowings, accelerate the maturity of our obligations, enforce the security interest, take possession of our assets or substitute themselves or their nominees under any document in relation to the project. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay these borrowings. Failure to meet our obligations under the debt financing arrangements could have an adverse effect on our business, results of operations and cash flows.

3. *We have delayed certain repayments of our existing indebtedness, resulting in some cases in lenders seeking to accelerate repayment of amounts due under such debt, and in some cases causing the Company to sell assets in order to meet payment requirements.*

We have, in the past, experienced delayed payments under certain of our debt obligations. We have in the past sold certain assets to provide cash for repayment of our obligations. We cannot assure that we will be able to comply with our repayment obligations in future. Further, with respect to our account with one of our unsecured lenders, while there are no overdues as on the date of this Preliminary Placement Document, the same has been classified as a non-performing doubtful asset on technical grounds. The portion of our total indebtedness outstanding as of December 31, 2017 contributed by this lender was 0.22%.

No payments were past due as at December 31, 2017. Lenders of JSPML’s USD 150.0 million and USD 400.0 million debt facilities called an event of default, sought acceleration of repayment of such facilities and invoked guarantees issued by our Company. We have entered into restructuring arrangements whereby the unpaid sums are to be paid in tranches with a coupon step-up. JSPML is also in the process of restructuring its remaining facilities of USD 215.0 million, however, there is no assurance of the outcome of these negotiations. We also completed restructuring

negotiations with lenders of the USD 25.0 million facility held by our subsidiary Wollongong Coal Limited, following late payment under the facility and proposed acceleration of the facility repayment by such lenders. Our subsidiary Jindal Steel & Power (Australia) Pty Limited had delayed payments under its loan agreements of USD 417.8 million as at December 31, 2017. We are currently discussing these outstanding payments with Jindal Steel & Power (Australia) Pty Limited's lenders, and there is no assurance of the outcome of these negotiations.

If we are unable to successfully restructure these loan agreements or make payment on any of our overdue debt, certain of our lenders may call for immediate repayment of the entire outstanding amount of such loans or such failure to repay these loans may result in cross defaults under other loan agreements. We may also be required to divest or liquidate additional assets in order to meet payment demands. These occurrences may adversely affect our business, financial condition and results of operations.

4. *We are in the process of undertaking, and may in the future undertake, steps to restructure certain of our existing loan agreements, which may not be successful or which may result in restrictive covenants or other terms.*

We have in the past restructured certain of our loan agreements as a means of managing our debt maturity profile and cash flows. We have restructured the project loans of our Company under the RBI's framework for flexible restructuring for long term project loans and we are under the process of entering into restructuring agreements in this regard which will provide revised repayment schedules. Further, we have completed the restructuring of the USD 550.0 million in outstanding debt owed by our subsidiary JSPML to 18 international banks and financial institutions, receiving a moratorium of between three and five years on repayments in exchange for additional guarantees. We cannot provide assurance to you that we will not take additional restructuring actions in the future. Any additional restructuring efforts may not be successful or may require us to agree to more restrictive terms, which could adversely affect our business, financial condition and results of operations.

5. *Significant proportion of the Equity Shares held by our Promoters and Promoter Group in our Company are pledged.*

As on December 31, 2017, our Promoters and Promoter Group held 61.96% of the total outstanding shareholding of our Company (on a non-diluted basis). Further, as on December 31, 2017, 33.88% of the total shareholding of our Company which is held by our Promoters and Promoter Group has been pledged by them to banks, financial institutions and other lenders. As a result, certain defaults under our financing documents may result in such banks, financial institutions and other lenders selling the Equity Shares pledged to them in the open market, thereby diluting the shareholding of our Promoters and Promoter Group. Such sale of Equity Shares may also result in the price of the Equity Shares being adversely impacted.

6. *Our low debt rating could continue to result in high borrowing costs.*

As of December 31, 2017, our rating by Credit Analysis & Research Limited, CRISIL and ICRA Limited stands at "D", currently the lowest rating provided by these agencies. As a result of this rating, we have incurred higher borrowing costs in the past and may continue to do so in the future. We cannot guarantee these and other rating agencies will raise our credit rating in the future, as a result of which we could continue to incur high borrowing costs. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, which would adversely affect our business and financial performance.

7. *The Supreme Court of India had cancelled the allocation of coal blocks which were allocated to us in the past and imposed certain retrospective levy in this regard.*

The Supreme Court of India ("Supreme Court"), vide its order dated September 24, 2014 (the "Order") had cancelled the allocation of various coal blocks, including Gare Palma IV/1, Utkal B-1, Amarkonda Murgadangal, Gare Palma IV/6, Ramchandi, Urtan North and Jitpur coal blocks that were allocated to us from the year 1993 onwards. Additionally, the Supreme Court imposed an additional levy of ₹ 295 per metric ton of coal extracted, from the date of extraction of coal from the said Gare Palma IV/1 and Gare Palma IV/2&3 coal mines. Subsequent to the Order, the Government also passed the Coal Mines (Special Provisions) Ordinance, 2014 and the Coal Mines (Special Provisions) Rules, 2014 (the "Legislations"), which, inter alia, deal with the quantum and manner of determination of compensation for land and mining infrastructure in relation to cancellation of previously allocated coal blocks.

The cancellation of the coal blocks impacted our business and operations significantly owing to the loss of our domestic captive coal mines, especially considering that some of our steel and power plants were strategically placed in proximity to the coal blocks allocated to us in the past. Further, pursuant to the Order, we had to pay ₹ 32,674.3 million towards such additional levy, which we did under protest, and had challenged the Order before the Supreme Court. This had a significant impact on our short-term cash flows which resulted in delay in servicing certain interest obligations. We have also challenged the compensation computed by the Ministry as payable to us for the cancellation of the coal blocks under the Legislations. For further details, see "Legal Proceedings" on page 504.

8. *In recent years we have recorded losses, and may experience losses in the future.*

In recent years we have recorded significant losses. In FY 2016 and FY 2017 and the nine month period ended December 31, 2017, we recorded consolidated losses of ₹ (30,872.6) million, ₹ (25,375.2) million and ₹ (11,908.3) million, respectively. These results are largely driven by prices and availability of our key raw materials, particularly for our steel production business. For a further discussion of the impact of raw material prices and availability, see “—The steel industry is cyclical in nature and our performance, including operating margin, is affected by a variety of factors, including demand and supply of steel products, prices and availability of raw materials, and domestic and global economic conditions” on page 47, and “—Our operations have significant coal requirements, and we may not be able to ensure the availability of coal for our operations at competitive prices and in a timely manner, which could have an adverse effect on our results of operations” on page 38. These losses have at times resulted in delayed repayments under our existing indebtedness, or in breaches of certain covenants under the terms of such indebtedness. See “—We have incurred significant indebtedness and may incur further debt. Our substantial indebtedness and the conditions and restrictions imposed by our lenders and the terms of any future debt obligations may restrict our ability to conduct our business and operations, and we have breached and expect to continue to be in breach of certain covenants under our indebtedness” and “—We have incurred significant indebtedness and may incur further debt. Our substantial indebtedness and the conditions and restrictions imposed by our lenders and the terms of any future debt obligations may restrict our ability to conduct our business and operations. We have breached and expect to continue to be in breach of certain covenants under our indebtedness”. If we record losses in the future, we may delay repayments of indebtedness or breach certain covenants, which could result in our lenders seeking acceleration of all amounts due under our existing indebtedness. Any of the foregoing could adversely affect our business, financial condition and results of operations.

9. *Our operations have significant coal requirements, and we may not be able to ensure the availability of coal for our operations at competitive prices and in a timely manner, which could have an adverse effect on our results of operations.*

Our steel production plants, as well as our captive and independent power plants, are dependent on coal as a raw material. In FY 2017, we procured the majority of our coal requirements from the open market, domestic purchases or imports, with the remainder procured through our mining operations outside India. Coal grades may be different than what we originally expected, and hence our coal requirements may be higher than we had originally anticipated.

Our coal mines have experienced, among others issues, unresolved land matters, delays in receiving regulatory approvals, litigation, delays in execution of mining leases and receipt of mining plans, as well as de-allocation of coal blocks. In September 2014, allocation of our coal blocks was cancelled by the Supreme Court which resulted in subsequent imposition of a retrospective additional levy of approximately ₹ 32,674.3 million. JPL recently was the highest bidder to the Tara and Gare Palma IV/2 and IV/3 coal blocks. However the auction was annulled by the MoC, which is being contested by JPL. As a result, JPL is currently forced to source EUP I and EUP II's coal requirements through long term fuel supply agreements, open market purchases and e-auctions. Such issues have resulted in and may continue to result in delays and other deviations from production schedules. We cannot assure you that we will be able to obtain coal supplies either in sufficient quantities, expected quality or on acceptable terms. Our coal suppliers may default on their obligations to us under the coal supply agreements. Additionally, as part of our long term coal linkages we may have to procure higher quantity of coal than would be required for our operations. Failure to procure the fixed quantity as specified under our long term coal linkages may lead to an event of default, which would jeopardize our future procurement through such long term coal linkages and may also trigger the performance guarantees that are required to be issued by us under our long-term coal supply agreements. We may also have to purchase coal at a significantly higher spot price from the market for carrying out our operations, or we may be reliant on one or a limited number of suppliers, forcing us to accept higher prices or less advantageous terms. Moreover, any disruption of our suppliers' operations or breakdown of our relationship with such suppliers could adversely impact our access to key raw materials. Changes in the demand supply scenario of the domestic and global coal markets and any operational and/or business disruption in coal providers may also affect the supply of recently secured long term coal linkages and thus may result in an increase in our coal procurement costs, thereby increasing the cost of power production and consequently increasing our overall production cost. Third party contracts to procure coal expose us to credit, settlement, operational and reputational risks. If, for any reason, we are unable to procure sufficient coal of requisite quantity and quality, and at acceptable prices, it could disrupt our production of power, increase our power costs or reduce our production volumes.

10. *We have experienced delays in project implementation, and in the future may not be able to successfully manage our growth strategy, fund acquisitions or integrate new acquisitions and project expansions.*

As part of our growth strategy, we have expanded and may expand our capacity through a combination of brownfield growth, greenfield projects and acquisition opportunities. There can be no guarantees that any delay in our expansion plans will not have a material adverse effect on our results of operations.

Moreover, project implementation, expansion and potential acquisitions involve other risks, including those associated with the timely completion of these projects or acquisitions and integration within our existing businesses. For example, in the past we have acquired various businesses including Shadeed Iron & Steel LLC and CIC (Botswana), as well as infusing an equity stake in Gujarat NRE Coking Coal (Australia) to gain a controlling stake. These acquisitions posed significant logistical and integration issues for us, and future acquisitions or expansions may entail similar risks. Any difficulties that we may encounter in combining operations could result in higher integration costs and lower savings than we had originally expected. Integration of certain operations also requires the dedication of significant management resources, and time and costs devoted to the integration process may divert management's attention from day-to-day operations. Furthermore, although we conduct business, financial and legal due diligence in connection with the evaluation of future business or acquisition opportunities, there can be no assurance that such due diligence investigations will identify every matter that could have a material adverse effect on us should the acquisition take place. Any of these factors could materially and adversely affect our business, financial condition and results of operations.

In addition, we may make further acquisitions or expansions which may require us to incur or assume substantial new debt or expose us to future funding obligations. There can be no assurance that such funding will be available, and if such funding is made available, that it will be offered on economical terms. Even if we succeed in raising the required resources, such an effort may materially alter our risk profile and in turn have an adverse effect on our business, financial condition and results of operations.

The feasibility of any future expansion or enhancement project, as well as any future acquisitions, are also dependent upon our ability to obtain required regulatory approvals from central and state governments. Any of these factors may cause us to delay, modify or forego some or all aspects of our expansion and enhancement plans. Consequently, we cannot assure prospective investors that we will be able to execute potential projects, and to the extent that they proceed, that we will be able to complete them on schedule, within budget, or achieve an adequate return on our investment.

11. *We are subject to comprehensive laws, regulations and approvals that could increase the cost and alter the manner or feasibility of carrying our business.*

Our operations are regulated extensively across various countries where we operate, each of which may require a different compliance regime. Environmental and other governmental laws and regulations have increased our costs to plan, design, install and operate steel manufacturing facilities, mines and power production facilities. Under such laws and regulations, we could also be liable for personal injuries, property damage and other damages. Failure to comply with these laws and regulations may result in the suspension or termination of our operations and subject us to administrative, civil and criminal penalties. Moreover, public interest in environmental protection has increased in recent years, and environmental organizations have opposed, with some success, certain mining projects. There is also increasing effort globally, to limit climate change, including in India, and to move toward a stricter carbon emission regulation regime, the impact of which may be adverse to our business and results of operations.

Among the approvals necessary to operate our business, we require approval to carry out operations up to the full installed capacity at each of our steel plants. As of the date of this Preliminary Placement Document, we do not yet have such approval at certain of our steel plants.

Part of the regulatory environment in which we operate includes, in some cases, legal requirements for obtaining environmental assessments, environmental impact studies and/or plans of development before commencing production activities. In addition, our activities are subject to regulations regarding conservation practices and protection of correlative rights. Numerous governmental permits, approvals, licenses and leases are also required for our operations. We are required to prepare and present to national, state or local authorities' data pertaining to the effect or impact that any proposed exploration, mining or steel and power production activities may have upon the environment. In certain cases, our required approvals have expired without timely renewal, or we have applied for approvals but have not received these. For example, at the Raigarh plant, the approval for "Authorisation under Biomedical Waste (Management and Handling Rules), 1998 is still pending. This application was submitted for renewal on December 28, 2017.

Any expiration or delay of approvals could prevent us from carrying out certain aspects of our operations, which may be adverse to our business and results of operations.

12. *We face foreign exchange risks, which may adversely affect our cash flows and results of operations.*

There has been considerable volatility in foreign exchange rates in recent years, including rates between the Rupee, the U.S. Dollar, the Euro, the U.K. Pound Sterling and other foreign currencies. To the extent that we incur costs in one currency and generate sales in another, our profit margins may be affected by changes in the exchange rates between the two currencies.

For the year ended March 31, 2017, a major portion of our imports relating to raw materials, stores and spares and capital expenditure (in total ₹ 22,562.6 million), FOB value of exports (in total ₹ 23,396.8 million) and expenditure in foreign currency (including interest and finance charges) of ₹ 1,199.2 million, on a standalone basis, were denominated in

foreign currency. During the years ended March 31, 2017 and March 31, 2016, foreign exchange earned by us aggregated to ₹ 23,396.8 million and ₹ 6,588.4 million, respectively, on a standalone basis, and CIF value of imports and expenditure in foreign currency by us aggregated to ₹ 23,761.8 million and ₹ 29,041.5 million, respectively, on a standalone basis.

We are exposed to the risks arising from timing and quantum mismatches of inflows and outflows in foreign currency. While we enter into derivative financial instruments to manage our exposure to interest rates and foreign exchange risks to a certain extent, changes in exchange rates may still have a material adverse effect on our results of operations and financial condition and there can be no assurance that the use of derivative financial instruments would fully protect us from foreign exchange risks. Moreover, the principal component of our foreign currency loans/ debts and payables (amounting to ₹ 17,447.4 million as of March 31, 2017) and amounts receivable (through derivative instruments or otherwise) (amounting to ₹ 9,735.8 million as of March 31, 2017) were not hedged by derivative instruments, further exposing us to foreign exchange risks.

Further, hedging contracts may, at times, restrict us from realizing the full potential of a favourable movement in the currency markets on receivables as well as payables. Additionally, risk hedging contracts are regulated by the RBI and any change in its policies with respect to such hedging contracts may impact our ability to adequately hedge our foreign currency exposure. Changes in exchange rates could materially and adversely affect our cash flow, business, financial condition and results of operations.

13. *We operate a global business and our financial condition and results of operations are affected by the local conditions impacting countries where we operate.*

We operate a global business and have facilities and/or interests in India, Oman, South Africa, Mauritius, Mozambique, Indonesia, Botswana, Cameroon and Australia, amongst others. As a result, our financial condition and results of operations are affected by political and economic conditions impacting countries where we operate. We face a number of risks associated with our operations, including: challenges caused by distance, local business customs, languages and cultural differences and adverse changes in laws and policies, including those affecting taxes and royalties on energy resources. Other risks may relate to labour, local competition law regimes, environmental compliance and investments, difficulty in obtaining licenses, permits or other regulatory approvals from local authorities; adverse effects from fluctuations in exchange rates; multiple and possibly overlapping and conflicting standards and practices of the regulatory, tax, judicial and administrative bodies of the relevant foreign jurisdiction; political strife, social turmoil or deteriorating economic conditions; military hostilities or acts of terrorism; and natural disasters, including earthquakes in India and flooding and tsunamis in Southeast Asia, and epidemics or outbreaks such as avian flu, swine flu or severe acute respiratory syndrome. In addition, the infrastructure of certain countries where we operate our business, in particular India but also in Oman, South African and Mozambique, is less developed than that of many developed nations and problems with their port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activities.

Any failure on our part to recognize and respond to these risks may materially and adversely affect the success of our operations, which in turn could materially and adversely affect our business, financial condition and results of operations.

14. *We may have some activities, which may not be significant in the context of our consolidated financial conditions and results of operations, with entities from certain countries that are the subject of economic sanctions.*

We have sold steel products to certain Indian entities that onsell these products to entities in Iran, which is the subject of international economic sanctions, including sanctions administered by the U.S. Department of the Treasury's Office of Foreign Assets Control (collectively, "**Sanctions**"). In 2014 we entered into a memorandum of understanding with an Indian state trading company for the supply of head hardened steel rails to such company for further export to a potential customer in the Persian Gulf. In FY 2017 we completed the sale of 0.12 MT of head hardened rails to the Indian state trading company, for the purpose of their exporting the rails to Iran's state-owned railway authority, The Islamic Republic of Iran Railways. Under the terms of the agreement with the Indian state trading company, we completed sales of a further 0.03 MT to be delivered during FY 2018. While these activities are not significant in the context of our consolidated financial conditions and results of operations, there can be no assurance that persons and/or entities with whom we may engage in transactions in the future will not become the subject of Sanctions, or that the countries in which we currently may have some limited activities will not be the subject of further and more restrictive Sanctions in the future. In addition, there can be no assurance that Sanctions will not be imposed on other countries, persons, or entities with which we currently operate or may in the future operate.

15. *Certain of our steel and power plants are located on land which we lease from state governments and various other parties, and failure to renew these leases, obtain new leases or pay higher rental fees or royalties under these leases could negatively impact our results of operations and financial condition.*

Certain of our steel and power plants are located on land which is leased from various parties, including government entities, and we extract certain minerals pursuant to mining leases from state governments (including iron ore mines at

Tensa). From time to time, such leases come up for renewal and with the approval of relevant state governments and other parties, and in some cases the Government. Such renewals may take an indeterminable time to be completed and, among other requirements, the renewals are subject to the lessee not being in breach of any applicable laws, including environmental laws. In addition, our registered office and corporate office are located on land that is not owned by us.

If these various leases are not renewed, or renegotiated on terms that are less advantageous to us, no leases are made available to us, or royalties charged against our leases are increased, we may be forced to pay higher rental fees or royalties under these leases or in some cases relocate assets on leased land. For minerals extracted through mining leases, changes to lease terms could force us to purchase such minerals on the open market where prices may be significantly higher. Any such occurrences could adversely affect our business, financial condition and results of operations.

- 16. *If we do not continue to invest in new technologies and equipment, our technologies and equipment may become obsolete and our cost of processing may increase relative to our competitors, which may have an adverse impact on our business, results of operations and financial condition.***

We believe that going forward, our profitability and competitiveness will depend in large part on our ability to maintain low cost of operations, including our ability to process and supply sufficient quantities of our products as per the agreed specifications. While we believe that we have a strong focus on research and development and have achieved significant technological advancements, if we are unable to respond or adapt to changing trends and standards in technologies and equipment, or otherwise adapt our technologies and equipment to changes in market conditions or requirements, in a timely manner and at a reasonable cost, we may not be able to compete effectively and our business, financial condition and results of operations may be adversely affected.

- 17. *We have in the past entered into related party transactions and may continue to do so in the future.***

We have entered into certain transactions with related parties, including our Promoters, Directors, Subsidiaries, Promoter Group, Joint Ventures and Associates as well as members of the O.P. Jindal Group. Although regulations in India do require disclosure of related party transactions in a listed company's financial statements, such regulations only require shareholder approval in certain circumstances and may not require an independent assessment of all connected or related party transactions. All of our related party transactions require approval from the Audit Committee, which is headed by an Independent Non-Executive Director. Further, material related party transactions require approval of our shareholders who are not related parties of our Company. While we believe that all such transactions have been conducted on an arm's-length basis and contain commercially reasonable terms, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. For further details, see "Related Party Transactions".

- 18. *We are dependent on our manufacturing facilities and power plants, and the loss, or shutdown, of operations at any of our facilities or strikes, work stoppages or increased wage demands by our employees, or violation of any labor laws to which we are subject, may have an adverse effect on our business, financial condition and results of operations.***

Our facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, production outages, labour disputes, natural disasters, industrial accidents and the need to comply with new directives of the relevant government authorities. We are required to carry out planned shutdowns of our various plants and mines for routine and preventative maintenance, statutory inspections and testing. We also need to shut down our various plants and mines, from time to time, for capacity expansions, enhancements and equipment upgrades. Any disruptions in the operations of our facilities may have a material adverse impact on our business, financial condition and results of operations.

While we take precautions to minimize the risk of any significant operational problems at our facilities, there can be no assurance that our business, financial condition and results of operations will not be adversely affected by disruptions caused by operational problems at our facilities.

As at December 31, 2017, we had more than 15,000 full-time employees and approximately 20,000 contract labourers at various locations. Currently, employees at our plants at Raigarh and Dongamahauh and the mines located at Tensa have formed unions. While we consider our current labour relations to be good, and we have measures in place aimed at maintaining balanced employee relations, there can be no assurance that we will not experience future disruptions in our operations due to disputes or other problems with our employees. Moreover, we are subject to stringent labour laws, and any violation of these laws may lead regulators or other authorities to order a suspension of certain or all of our operations. Any of the foregoing may adversely affect our business and results of operations.

- 19. *Our steel, power and mining operations involve hazardous processes that can cause personal injury and loss of life, severe damage to and destruction of property and equipment and environmental damage, as a result of which we could suffer material liabilities, loss of revenues and increased expenses.***

Our steel, power and mining operations are subject to various risks associated with the inherently hazardous production of steel and power and extraction of coal and other resources. Hazards associated with our operations include accidents involving moving machinery, on-site transport, forklifts and overhead cranes; explosions, and resulting fires, in blast furnaces, coke ovens, steam generators and annealing ovens; fires in control rooms, electrical switch rooms, cable tunnels and vaults, transformers and lubricating oil rooms; fires caused by contact of molten metal in blast furnaces, open hearth furnaces; spills and spattering of molten materials; extreme temperatures, vibration and noise; and exposure to, through inhalation or contact with, hazardous chemicals including acids, ammonia, asbestos, carbon monoxide and various dusts such as coal dust and silica. In addition, there have been claims that the high-voltage transmission of electricity can have an adverse effect on the health of people who spend time near transmission infrastructure. These hazards may cause severe damage to and destruction of property and equipment, environmental damage and personal injury or even fatalities among our personnel, which may result in temporary or lengthy interruptions of operations, damage to our business reputation and corporate image and the imposition of civil and criminal liabilities.

Our employees, members of the public or government authorities may bring claims against us arising out of these hazardous production processes. If it is determined by the appropriate authorities that provisions and measures for safety within our premises are inadequate, the licenses granted to us for operations at such premises may be revoked, thereby adversely affecting our business, financial condition and results of operations. Such events may also adversely affect public perception of our business and the perception of our suppliers, customers and employees, leading to an adverse effect on our business, financial condition and results of operations.

20. *Environmental matters, including compliance with laws and regulations and remediation of contamination, could result in substantially increased capital requirements and operating costs.*

Our businesses are subject to numerous laws, regulations and contractual commitments relating to the environment in the countries in which we operate and our operations generate large amounts of pollutants and waste, some of which are hazardous. These laws, regulations and contractual commitments concern air emissions, wastewater discharges, solid and hazardous waste material handling and disposal, and the investigation and remediation of contamination or other environmental restoration. The risk of costs and liabilities related to compliance with these laws and regulations is an inherent part of our business. Facilities and mines currently or formerly owned or operated by us, or where wastes have been disposed or materials extracted, are all subject to risk of environmental cost and liabilities, which includes the costs or liabilities relating to the investigation and remediation of past or present contamination or other environmental restoration. In addition, future conditions and contamination may develop, arise or be discovered that create substantial environmental compliance, remediation or restoration liabilities and costs despite our efforts to comply with environmental laws and regulations, violations of such laws or regulations can result in civil and/or criminal penalties being imposed, the suspension of permits, requirements to curtail or suspend operations, lawsuits by third parties and negative reputational effects. There can be no assurance that costs and liabilities will not be incurred in the future.

An increase in the requirements of environmental laws and regulations, increasingly strict enforcement thereof by governmental authorities, or claims for damages to property or injury to persons resulting from the environmental impacts of our operations or past contamination, could prevent or restrict some of our operations, require the expenditure of significant funds to bring us into compliance, involve the imposition of clean up requirements and reporting obligations, and give rise to civil and/or criminal liability.

There can be no assurance that any such legislation, regulation, enforcement or private claim will not have a material adverse effect on our business, financial condition or results of operations. In the event that production at one of our facilities is partially or wholly disrupted due to this type of sanction, our business could suffer significantly and our financial condition and results of operations could be materially and adversely affected.

In addition, our current and future operations may be located in areas where communities may regard our activities as having a detrimental effect on their natural environment and conditions of life. Any actions taken by such communities in response to such concerns could compromise our profitability or, in extreme cases, the viability of an operation or the development of new activities in the relevant region or country. There are certain cases filed against us alleging violation of environmental laws and causing pollution to the environment. Even if no orders are passed against us, we have to bear the expense of various litigations and if any order is passed against us, it could have an impact on our continuation of our business operations and reputation. We may have to pay the penalty and related charges, and our financial condition and results of operations could be materially and adversely affected.

21. *The construction and operation of our facilities may face opposition from local communities and other parties.*

The construction and operation of our facilities in India have previously faced opposition from local communities where these projects are located and from special interest groups. In particular, the public may oppose our steel or power plants due to the perceived negative impact they may have on the environment. There can be no assurance that we will not encounter such opposition. The resettlement and rehabilitation program is developed on a project-by-project basis and is included in our budget for each project. However, the government of the state in which the project is located is

ultimately responsible for disbursing compensation funded by us to those individuals that are displaced due to our projects. Significant opposition by local communities, NGOs and other parties to the operation of our projects could cause authorities to order suspension of certain of our operations, attract negative publicity and adversely affect our results of operations and financial condition.

22. *We may not have sufficient insurance coverage for all possible economic losses.*

Our operations are subject to inherent risks such as fire, strikes, loss-in-transit of our products, cash-in transit, accidents and natural disasters. In addition, many of these operating and other risks may cause personal injury, damage to or destruction of our properties and may result in suspension of operations and the imposition of civil or criminal penalties.

As part of our risk management, we maintain insurance policies that may provide some insurance cover for mechanical failures, power interruptions, natural calamities or other problems at our facilities. Notwithstanding the insurance coverage that we carry, the occurrence of any event that causes losses in excess of limits specified under the policy, or losses arising from events not covered by insurance policies, could have a material adverse effect on our business, financial condition and results of operations.

While we believe that we maintain adequate insurance coverage amounts for our business and operations, our insurance policies do not cover all risks and are subject to exclusions and deductibles. If any or all of our facilities are damaged in whole or in part, our operations, totally or partially, may be interrupted for a temporary period.

Further, we do not maintain key-man insurance for any of our key personnel and the loss of services of such key personnel may have an adverse effect on our business, financial condition and results of operations.

23. *Members of our Promoter group may have conflicting interests from other shareholders.*

As at December 31, 2017, members of our Promoter group, through personal ownership, associates, investment companies and holding companies, owned 61.96% of our equity shares. Our Promoter group has significant ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company. In addition, for so long as our Promoter group continues to exercise significant control over our Company, it may influence our material policies in a manner that may conflict with the interests of other shareholders. Our Promoter group has interests that may be conflicting with the interests of other shareholders, and may take positions with which we or other shareholders may not agree.

24. *Our success depends in large part upon our senior management and key personnel and our ability to attract and retain them.*

We are highly dependent on our senior management and other key personnel. Their extensive experience in the steel, mining and power industries and in-depth knowledge of various aspects of our business operations are critical to our continued success and our future performance will depend upon the continued services of these persons. Competition for senior management in the steel, mining and power industries is intense. While we believe we have appropriate retention practices in place, we may not be able to retain our senior management personnel or attract and retain new senior management personnel in the future. The loss of any of these key personnel may adversely affect our business and results of operations.

25. *We face a number of contingent liabilities, guarantees and commitments, and our profitability could be adversely affected if any of these contingent liabilities or guarantees materialize.*

The following table sets forth our contingent liabilities and claims against us as at December 31, 2017, March 31, 2017 and March 31, 2016:

	(₹ million)		
	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016
CONTINGENT LIABILITIES, GUARANTEES, UNDERTAKINGS & LETTER OF CREDIT			
Guarantees issued by our bankers on our behalf	1,0631.8	12,212.3	9,358.7
Guarantees issued by our associates(s)' bankers on behalf of our associate(s)	7.5	3.4	0.0
Letter of credit opened by banks	1,3243.0	9,339.3	10,697.4
Corporate guarantees/undertakings issues on behalf of third parties	2,892.8	2,899.4	1,762.0

	(₹ million)		
	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016
DEMAND			
Disputed statutory and other demands	28,319.9	15,667.0	16,024.5
Income tax demands where the cases are pending at various stages of appeal with authorities	23,932.0	17,797.8	15,135.1
Disputed statutory and other demands of associate(s)	264.1	202.8	203.7
Bonds executed for machinery imports under EPCG scheme	11,208.3	18,307.4	28,488.9

Meanwhile, our commitments as at December 31, 2017, March 31, 2017 and March 31, 2016 are set forth below:

	(₹ million)		
	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016
COMMITMENTS			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	19,207.1	25,682.4	37,130.1
Estimated amount of contracts of associates remaining to be executed on capital account and not provided for (net of advances)	-	-	-
Uncalled liability towards partly paid up shares	-	-	-

If these contingent liabilities, guarantees or commitments fully, or substantially, materialize, or if we have not made adequate provisions for any of the guarantees or commitments we have extended, our business, financial condition and results of operations may be adversely affected.

26. *We have limited records of documents relating to corporate actions undertaken by our Company and we do not have statutory filings in relation to certain disclosures made in this Preliminary Placement Document.*

We are unable to trace complete set of documents pertaining to certain statutory and corporate records, including RoC filings in relation to allotment of Equity Shares made by our Company in the years 1981, 1982 and 2003. Consequently, certain disclosures in this Preliminary Placement Document in relation to the allotment of Equity Shares in the years 1981, 1982 and 2003 have been made in reliance on the minutes of the meetings of Board and register of members of our Company, to the extent available. We cannot assure you that we will not be subject to any penalty imposed by the competent regulatory authority in this respect or for misrepresentation of facts which may occur due to non-availability of documents.

27. *We have not yet secured trademark or other intellectual property protection rights for our name and logo appearing on the cover page of this Preliminary Placement Document.*

While we have filed applications for trademarks for our name and logo  appearing on the cover page of this Preliminary Placement Document, we have not yet secured any such trademarks or other intellectual property protection for such name and logo. The name and logo appearing on the cover page of this Preliminary Placement Document, is an important asset of our business. We cannot assure you that we will secure trademarks or other intellectual property protection for our name and logo. Until we do so, we may not have recourse against other parties which attempt to use our name or logo, which could confuse potential customers or others and adversely impact our brand strength and results of operations. Moreover, others may secure trademarks or intellectual property protection for use of our name and logo, which could restrict or prevent us from using these for our own business. Any of the foregoing could adversely impact or reputation, business, financial condition and results of operations.

28. *We may be unable to obtain future financing on favorable terms, or at all, to fund our operations, expected capital expenditure and working capital requirements.*

We expect to fund our operations, any future capital expenditure and working capital requirements through a combination of internally-generated funds and external financing. Our continued access to debt and equity financing is subject to various factors, many of which are outside our control: political instability, economic downturns, social unrest, or changes in the Indian or global regulatory environment could increase the cost of borrowing, decrease the price of our securities, or restrict our ability to obtain debt or equity financing. In addition, recent disruptions in global capital and credit markets may continue indefinitely or intensify. Other factors affecting our ability to borrow include (i) Indian or overseas regulations limiting bank exposure (including single borrower limits) to a single borrower or related group of borrowers, (ii) compliance by us with our existing debt covenants, and (iii) our ability to service new debt. Any inability on our part to obtain financing from banks and other financial institutions or from capital markets would adversely affect our ability to execute our expansion and growth strategies and could have a material adverse effect on

our business, financial condition and results of operations.

- 29. *For a period of approximately two months in 2017, our Board did not have the requisite number of independent directors and was therefore not duly constituted under relevant Indian regulations.***

Our Company had received a letter from the NSE dated January 16, 2017 on account of non-compliance observed in the corporate governance report for quarter ended December 31, 2016. The NSE observed that as prescribed under Regulation 17 of the SEBI Listing Regulations, half of the Board was not independent. Consequently, our Company submitted the response dated January 17, 2017 wherein our Company contended that as per the regulations an independent director who resigns from the Board of the listed entity shall be replaced by a new independent director at the earliest but not later than the immediate next meeting of the Board or three months (i.e. March 7, 2017) from the date of such vacancy, whichever is later. Subsequently, on April 25, 2017, we appointed an independent director and informed the NSE in the June 30, 2017 quarterly report. No response from NSE has been received in this regard. However, we cannot assure you that we will not be subject to any penalty imposed by the competent regulatory authority in this respect or that we will not incur additional expenses arising from the aforesaid non-compliance.

- 30. *Our auditors have made certain qualifications in their audit and review reports, as well as identified certain material weaknesses in our internal financial controls, which could impact the reliability of our consolidated financial statements.***

In their limited review report for the nine months ended December 31, 2017 and their audit report for the year ended March 31, 2017, our auditors made certain qualifications, primarily relating to some of our mining assets. For further details on these qualifications, please see the review report to our condensed reviewed consolidated financial statements as of and for the nine month periods ended December 31, 2017 and 2016, and our audited consolidated financial statements as of and for the years ended March 31, 2017, 2016 and 2015 included in this Preliminary Placement Document. In addition, our auditors have identified certain material weaknesses relating to our consolidation of results of certain Subsidiaries, Associates and Jointly Ventures. These material weaknesses included (i) adjustments taking into account additional coal levies, which could result in us recording a lower expense, and (ii) the net carrying value of certain fixed assets or investments not being considered presently determinable, which could result in carrying such asset or investment at a higher value. For details, see “Management Discussion and Analysis of Financial Condition and Results of Operations – Certain matters identified by the auditors”. These material weaknesses in internal financial controls may impact the reliability of our past reported financial results. Moreover, if we are unable to remedy these weaknesses, these may also impact the reliability of our future reported results. There can be no assurance that any similar qualification, reservations, adverse remarks or matters of emphasis will not form part of our financial statements for the future fiscal periods, which could subject us to penalties and additional liabilities due to which our reputation and financial condition may be adversely affected.

- 31. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

Applicable laws and our dividend distribution policy generally requires surplus profit to be available for distribution before dividends can be paid to shareholders. We have not paid any dividends in the last three Fiscal Years and any further losses may restrict our ability to pay dividends on the Equity Shares in the future, which could reduce shareholders’ returns from investing in the Equity Shares. See “Dividends”.

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements.

Additionally, under some of our loan agreements, we are not permitted to declare any dividends, if there is a default under such loan agreements or unless we have paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

- 32. *We rely on contractors for the implementation of various aspects of our regular as well as expansion and enhancement activities, and are therefore exposed to execution risks, including in relation to the timing or quality of their services, equipment or supplies.***

Our Company relies on the availability of skilled and experienced contractors for certain portion of our regular semi-skilled and unskilled workforce at our steel processing and power production facilities. The execution risks we face include the following:

- contractors hired by us may not be able to complete construction and installation on time, and within budgeted costs or to the agreed specifications and standards;
- as we expand, we may have to use contractors with whom we are not familiar, which may increase the risk of cost overruns or lower or no return on capital, construction defects and failures to meet scheduled completion dates;
- we rely, and may become further reliant upon, third parties for both our raw materials and finished goods transportation, exposing our operations to risk of accidents or other service disruptions by such transportation providers; and
- our regular labour contractors may engage contract labourers and although we do not engage such labourers directly, we may be held responsible under applicable Indian laws for wage payments to such labourers should our contractors default on wage payments.

Furthermore, as a result of increased industrial development in India in recent years, the demand for contractors and agencies with specialist design, engineering and project management skills and services has increased, resulting in a shortage of and increasing costs of services of such contractors and agencies. We cannot be certain that such skilled and experienced contractors and agencies will continue to be available to us at reasonable rates in the future. Any deterioration in our relationships with our identified suppliers or our failure to negotiate acceptable terms may result in us incurring substantial additional costs, beyond our budgeted expenditure, in identifying and entering into alternative arrangements with other suppliers.

Further, third party contractor defaults that disrupt or otherwise affect our operations and that are not adequately resolved or cured in a timely manner may render us liable to regulatory intervention, cause damage to our reputation, and adversely affect our business, financial condition and results of operations.

33. *Our business depends heavily on our reputation and perception of our brand, and any negative publicity, infringement or other harm to our brand or failure to maintain and enhance our brand recognition may materially and adversely affect our business, financial condition, results of operations and cash flows.*

We believe the brands under which our businesses operate are among India's most valuable and trusted brands, as a result of which our brands and reputation are important assets integral to our success in India and abroad. For example, we believe our "Jindal Panther" brand is among the most trusted in the industry for TMT rebars and certain other steel products. Many factors, including any real or perceived problems relating to any of our products, as well as the materialization of any of the other risks discussed in several of the other risk factors in this section, may impact the reputation of our brands, which could then have a material adverse effect on our operational performance, earnings, cash flows and financial condition.

34. *Security breaches and other disruptions to our information technology networks and systems could interfere with our operations, and could compromise the confidentiality of our proprietary information.*

We rely upon information technology networks and systems, some of which are managed by third parties, to process, transmit and store electronic information, and to manage or support a variety of business and manufacturing processes and activities. Additionally, we collect and store sensitive data, including intellectual property, proprietary business information, as well as personally identifiable information of our employees, in data centers and on information technology networks. The secure operation of these information technology networks, and the processing and maintenance of this information is important to our business operations and strategy. Despite security measures and business continuity plans, our information technology networks and systems may be vulnerable to damage, disruptions or shutdowns due to attacks by hackers or breaches due to errors or malfeasance by employees, contractors and others who have access to our networks and systems, or other disruptions during the process of upgrading or replacing computer software or hardware, power outages, computer viruses, telecommunication or utility failures or natural disasters or other catastrophic events. The occurrence of any of these events could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, disrupt operations and reduce the competitive advantage we hope to derive from our investment in new or proprietary business initiatives.

35. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.*

Our business and financial performance could be adversely affected by changes in law, or interpretations of existing laws, rules and regulations, or the promulgation of new laws, rules and regulations in India, applicable to us and our business.

The governmental and regulatory bodies in India and other jurisdictions where we operate may notify new regulations

and/ or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently.

Further, we run the risk of the Income Tax Department assessing our tax liability that may be materially different from the provision that we carry in our books for the past periods. The Government of India has introduced a comprehensive national GST, regime that will combine taxes and levies by the central and state governments into a unified rate structure. GST has become applicable from July 1, 2017.

Separately, the Government has issued the ICDS that will be applied in computing taxable income and payment of income taxes thereon, applicable with effect from the Fiscal Year 2017. ICDS shall apply to all taxpayers following an accrual system of accounting for the purpose of computation of income under the heads of “profits and gains of business or profession” and “income from other sources”.

Further, the Government has announced the union budget for the FY 2019 and the Finance Bill, 2018 which proposes various amendments and the same has been passed by the Lok Sabha on March 14, 2018. For example, it includes a proposal to withdraw an exemption previously granted in respect of payment of long term capital gains tax. Accordingly, such tax may become payable by the investors from April 1, 2018. However, there is no certainty on the impacts that the Finance Bill, 2018 may have on our business and operations or on the industry in which we operate.

Such specific standards for computation of income taxes in India are relatively new, and its impact on our results of operations and financial condition is uncertain.

36. *The steel industry is cyclical in nature and our performance, including operating margin, is affected by a variety of factors, including demand and supply of steel products, prices and availability of raw materials, and domestic and global economic conditions.*

The steel industry, like most capital intensive commodity industries, is cyclical in nature. Global steel production has fluctuated significantly in recent years depending upon demand and supply in the industry. Steel prices fluctuate based on a number of factors, such as the availability and cost of raw material inputs, steel demand, worldwide production and capacity, fluctuation in the volume of steel imports/exports, transportation costs, protective trade measures and various social and political factors, in the economies in which the steel producers sell their products and are sensitive to the trends of particular industries, such as the automotive, construction, packaging, appliance, machinery, equipment and transportation industries, which are among the biggest consumers of steel products. Moreover, the industries in which a large proportion of our customers operate, such as the automotive, construction and oil and gas industries, are also cyclical in nature, and this too can result in adverse fluctuations in the demand for, and prices of, our steel products.

Our operating margins are substantially affected by variations in the realized sales prices of our products, which, in turn, are influenced by a variety of factors, including fluctuations in demand and supply of steel products domestically and internationally, general economic conditions, movements in the international prices of steel products, capacity expansion by major producers, purchases made by traditional bulk steel end users or their customers and slowdowns in basic manufacturing industries. Further, demand for the raw materials necessary for the production of steel products, such as iron ore and coal, is generally correlated with the demand for steel products. The availability and price of key raw materials also affect our operating margins. The cost of goods sold accounted for the single largest component of our cost base and amounted to approximately 31.2% and 33.5% of consolidated total revenue for the year ended March 31, 2017 and the nine months ended December 31, 2017, respectively. Upward movements in the cost of key raw materials and any significant increase in the prices of raw materials would increase our manufacturing costs and adversely affect our business, financial condition and results of operations. For example, the price of iron ore fluctuated between USD 54/ton and USD 79/ton (CIF China Fe 62%) during the Fiscal Year 2017 while the price of coking coal (premium HCC) fluctuated between USD 89/ton and USD 157/ton (FOB Australia) during the same period, according to SteelMint. There can be no assurance that we will be able to pass on part or the whole of the increased cost to our customers.

While we source some of our coal and iron ore requirements from our captive mines in India and abroad, we also purchase a significant amount of our raw materials from outside sources. We may be at a comparative disadvantage to more integrated competitors who have more secure or diversified sources of key raw materials. Any shortage or termination in supply of raw materials may lead to partial or full closure of our facilities, thereby adversely impacting our production schedules and output. Further, any disruption in our suppliers' operations may result in unavailability of raw materials to us and a disruption to our operations. In recent years, many steel companies have been focused on acquiring raw materials around the world in an effort to limit their exposure to the volatility and instability of the markets for raw materials. To the extent such companies use these raw materials in their own steel production, these acquisitions will further limit the supply of these raw materials available for purchase in the global markets. Energy is also a key input for our steel plants – while we currently source our energy requirements at our Indian steel power plants from captive sources, our plant in Oman does not have a captive power source and is reliant upon an agreement with the Sultanate of Oman to supply the plant's power requirements. Any prolonged interruption in the supply of raw materials

or energy, or failure to obtain adequate supplies of raw materials or energy at reasonable prices or at all, or increases in costs which we cannot pass on to our customers, could have a material adverse effect on our business, financial condition, results of operations or prospects.

We may be affected by significant downturns and disruptions in the Indian market for a sustained period, which may be reflected in steep and sustained reductions in the price of steel in India. For example, our profitability in FY 2016, FY 2017 and the nine months ended December 31, 2017 was affected by fluctuations in the price of various steel products. The average spot price per ton for domestic flat steel products was ₹ 35,767.0/ton (USD 559.0/ton) in FY 2015, ₹29,870.0/ton (USD 467.0/ton) in FY 2016 and ₹ 34,815.0/ton (USD 544.0/ton) in FY 2017, according to CRISIL Steel Products Report, dated January 2018. Sustained periods of lower growth or lower public spending on infrastructure in Europe or in the United States, or further reductions in growth of emerging economies that are substantial consumers of steel (such as China and India, as well as emerging Asian markets, the Middle East and the Commonwealth of Independent States regions) would have a material adverse effect on the steel industry. There can be no assurance that the future global events will not have an adverse effect on the Indian economy and our business, financial condition and results of operations.

37. *We are currently developing mining operations in various parts of India, South Africa, Mozambique, Australia, Cameroon, Botswana and Indonesia and there can be no assurance that these operations will result in meaningful reserves or the expected quality of the mined materials.*

We are presently undertaking and plans to undertake mining activities in various parts of India and other countries. While some of these mines are currently operational, statutory clearance and permits for other mines are in the process of being obtained. The complexity and cost required in securing these regulatory clearances can vary widely between countries and different localities within countries, and no assurance can be given that we will be able to obtain all or any of the approvals required to undertake further mining activities.

Our estimates of iron ore and coal resources are subject to probabilistic assumptions based on interpretations of geological data obtained from sampling techniques and projected rates of production in the future. Actual reserves and production levels may differ significantly from reserve estimates. Furthermore, it may take many years from the initial phase of exploration before production is possible during which time the economic feasibility of exploiting such reserves may change. There can be no assurance that commercial levels of raw materials will be discovered or that the mines will produce raw materials at the estimated amounts or at all.

38. *Overcapacity and oversupply in the global steel industry may adversely affect our profitability.*

Our competitiveness and long-term profitability are, to a significant degree, dependent upon our ability to optimize capacity utilization and maintain low-cost and efficient production relative to competitors. Due to the high fixed costs related to steel production, steel producers generally attempt to maintain high capacity utilization rates in order to maintain their profitability. During periods of declining demand, this may result in a significant oversupply of steel and a corresponding decline in steel prices. During periods of economic weakness, such as is currently being experienced, overcapacity has increased due to weaker demand for steel. This may be further exacerbated by reduced levels of GDP growth and government policies in major economies, including China and the United States. In recent years, China has been affected by reduced growth in GDP, indexes of industrial production, real estate and other factors, all of which have resulted in lower growth in China's steel usage. Meanwhile in the United States, uncertainties exist over U.S. dollar appreciation and the potential for protective trade policies to be enacted, which could lead other countries to take protective countermeasures and further exacerbate overcapacity and oversupply challenges for the steel industry. Global steelmaking capacity already currently exceeds global consumption of steel products. This excess capacity often results in manufacturers exporting significant amounts of steel and steel products at prices that are at or below their costs of production. In addition, oversupply may result in decreased steel prices as well as lower utilization rate. Continued low utilization rates would also affect our fixed costs, which cannot be fully reduced in line with production, leading to a higher per unit cost. A decrease in our utilization rate could have a material adverse effect on our business, financial condition and results of operations.

39. *If industry-wide steel inventory levels are high, customers may draw from inventory rather than purchase new products, which would adversely affect our revenue and profitability.*

Above-normal industry inventory levels can cause a decrease in demand for our products and thereby adversely impact our revenue. High industry-wide inventory levels of steel reduce the demand for production of steel because customers can draw from inventory rather than purchase new products. This reduction in demand could result in a corresponding reduction in prices and sales, both of which could contribute to a decrease in profitability. Industry-wide inventory levels of steel products can fluctuate significantly from period to period.

40. *We face substantial competition, both from Indian and international steel producers, which may affect our prospects.*

The Indian steel industry is highly competitive. As an integrated steel manufacturer in India, we compete to varying

degrees with other Indian integrated steel manufacturers. The major integrated producers in India produce most of the flat steel products in India including hot rolled coils, cold rolled coils and galvanized steel and account for most of the steel production in India. In addition to these major integrated producers, we also compete with certain non-integrated steel producers, which manufacture value-added steel products.

Competing domestic steel producers have increased their manufacturing capacity and we expect domestic competition to further intensify with the ramping up of new facilities by these competitors. Some of our domestic competitors may possess an advantage over us due to various reasons, such as captive raw material sources, greater economies of scale, integrated manufacturing facilities, specialization in production of value-added or niche products and greater presence in certain markets. Maintaining or increasing our market share will depend on effective marketing initiatives and our ability to anticipate and respond to various competitive factors affecting the industry, including our ability to improve our manufacturing process and techniques, introduce new products, respond to pricing strategies of our competitors, and adapt to changes in technology and changes in customer preferences. Failure by us to compete effectively could have a material adverse effect on our business, financial condition and results of operations.

We also expect increasing competition from international steel producers due to the increasing consolidation in the steel industry worldwide. A number of our international competitors may have greater financial and other resources and some have announced plans to establish manufacturing operations in India. We may also face competition from new companies that are emerging which may attempt to obtain a share in our existing markets, including steel producers from China. These factors, among others, have intensified the competition from global steel players and there can be no assurance that we will be able to compete successfully in the future against our existing or potential competitors or that increased competition with respect to our activities may not have an adverse effect on our business, financial condition and results of operations.

Further, in the last few years, we have witnessed rising imports of steel, especially from countries such as Japan and South Korea with whom India has signed free trade agreements and steel manufacturers from these jurisdictions pose significant competition for us. Steel imports from South Korea, Japan and ASEAN countries have the benefit of concessional duty rates prevailing under bilateral and multilateral trade agreements, which could make our products relatively more expensive.

41. *Mining operations are subject to substantial risks, including those related to operational hazards and environmental issues.*

Our mining operations are subject to hazards and risks normally associated with the exploration, development and production of natural resources including industrial accidents, such as explosions, fires, transportation interruptions and inclement weather. The occurrence of any of these events, or similar events, could delay production, increase production costs and result in death or injury to persons, damage to property and liability for us, some or all of which may not be covered by insurance, as well as substantially harm our reputation.

These operations are also subject to hazards and risks relating to negative environmental consequences such as those resulting from tailings and sludge disposal, effluent management and disposal of mineralized waste water and rehabilitation of land disturbed during mining processes. In addition, environmental awareness throughout the world, including in India and other emerging markets, has grown significantly in recent years, and opposition to mining operations have also increased due to the perceived negative impact they have on the environment. Public protest over our mining operations could cause operations to slow down, damage our reputation and goodwill with the governments or public in the countries and communities in which we operate, or cause damage to our facilities.

42. *We rely on leased mines to secure certain portion of the raw materials for our steel plants and if we are unable to renew these leases, obtain new leases or are required to pay more royalties under these leases, we may be forced to purchase such raw materials for higher prices in the open market or pay increased royalties, which could negatively affect our results of operations and financial condition.*

The Group extracts iron ore pursuant to mining leases granted by the State Governments upon payment of a certain royalty. We currently have a lease for a mine located in the state of Odisha. This lease is granted under the Mines and Minerals (Development and Regulation) Act, 1957. If our mining leases are not renewed or royalties charged against our leases are increased, we may be forced to purchase such raw materials in the open market or pay increased royalties.

43. *Product liability claims could adversely affect our operations.*

We sell our steel products to major manufacturers who are engaged to sell a wide range of end products. Furthermore, our products are also sold to, and used in, certain safety-critical applications. If the quality of our steel does not meet the specifications of the order or the requirements of the application, there may be significant disruptions to the customer's production lines. There could be, as a result of such quality failure, significant consequential damages resulting from the use of such products. We do not currently carry any product liability insurance coverage, and a major claim for damages related to products sold could leave us uninsured against a portion or the entire award and, as a result,

materially harm our business, financial condition and results of operations.

- 44. *We lease certain equipment for carrying out our steel manufacturing operations and if we are unable to obtain new leases, comply with our obligations under existing lease agreements, renew the leases or are required to pay higher rentals under the agreements, it could cause disruptions to our operations and negatively affect the results of our operations and financial condition.***

We have entered into an equipment lease agreement for an oxygen plant used in the manufacturing of steel and steel products. This lease is for a term of eight years, and is subject to renewal on mutually agreeable terms and conditions, as agreed between us and the lessor.

The rent payable under some of these agreements is linked to benchmark rates prescribed by the lessor, and is subject to variance, based on any revisions to the benchmark rates so prescribed. Further, we are liable to pay heavy penalties for delay in payment of rent, or any other payments prescribed under the agreements. We are also required to ensure that the operation and maintenance of the equipment is in accordance with certain prescribed standards, failing which, the lessor is entitled to take measures including entering into our facility premises, shutting down the use of equipment, and operating the equipment at its sole discretion.

Our failure to renew existing lease agreements, enter into new lease agreements, comply with payment requirements and financial covenants, or suitably maintain the leased equipment could materially and adversely impact our planned expenditure, business and profitability.

- 45. *We face numerous protective trade restrictions, including anti-dumping laws, countervailing duties and tariffs, which could adversely affect our financial condition and results of operations.***

Protectionist measures, including anti-dumping laws, countervailing duties and tariffs and government subsidization adopted or currently contemplated by governments in some of our export markets could adversely affect our sales. Anti-dumping duty proceedings or any resulting penalties or any other form of import restrictions may limit our access to export markets for our products, and in the future additional markets could be closed to us as a result of similar proceedings, thereby adversely impacting our sales or limiting our opportunities for growth.

Tariffs are often driven by local political pressure in a particular country and therefore there can be no assurance that quotas or tariffs will not be imposed on us in the future. In the event that such protective trade restrictions are imposed on us, our exports could decline. Moreover, India is our largest market and we do not currently impose such restrictions. Foreign steel manufacturers may, as a result of trade restrictions in other regions or other factors, attempt to increase their sales in India thereby causing increased competition in our largest market. A decrease in exports from India or an increase in steel imports to India as a result of protective trade restrictions could have a negative impact on our business, financial condition and results of operations.

- 46. *A reduction in import duties on steel products in India may lead to increased competition from foreign companies, reduce our market share and reduce margins on our steel products.***

The basic import duty payable on plates is 10% and on TMT and structural steel is 12.5%. The import duty, along with lower freight costs and, in some countries, higher labour costs, have allowed domestic manufacturers to enjoy a significant price advantage over imported steel products in the domestic Indian market. However, any policy change by the Government, resulting in a reduction in import duties may assert downward pressure on our margins and prices. Reductions in import duties and lower priced imports from countries that benefit from bilateral or multilateral trade agreements with India may have an adverse effect on our business, financial condition and results of operations.

- 47. *New materials, products or technologies could reduce the demand for our steel products.***

In many applications, steel as a product competes with other materials that may be used as substitutes, such as aluminium (particularly in the automobile industry), cement, composites, glass, plastic and wood. Government regulatory initiatives mandating or incentivizing the use of such materials in lieu of steel, whether for environmental or other reasons, as well as the development of other new substitutes for steel products, could significantly reduce market prices and demand for steel products and thereby reduce our business, financial condition and results of operations.

In addition, the steel market is characterized by evolving technology standards that require improved quality and changing customer specifications. The products or manufacturing processes of the customers that use our steel products may change from time to time due to improved technologies or product enhancements. These changes may require us to develop new products and enhancements for our existing products to keep pace with evolving industry standards and changing customer requirements. In addition, some of our machinery may become outdated and, if we are not able to upgrade them or keep up with industry standards, then our operations may suffer. If we cannot keep pace with market changes and produce steel products that meet market preferences, customers' specifications and quality standards in a timely and cost-effective manner, there is a risk that the demand for our products would decrease and thereby have a

material adverse effect on our business, financial condition and results of operations.

48. *The steel industry involves fixed costs and is subject to long gestation periods, which exposes our production of steel to substantial price volatility.*

The production of steel is capital intensive, with a high proportion of investment in fixed assets such as land, plant and machinery. Further, setting up of new capacities or expansion of existing capacities requires long lead times. Significant capacity additions in the steel industry, if not matched by a corresponding growth in demand, may result in downward pressure on operating margins. Conversely, if demand grows strongly, prices increase rapidly, as additional capacity to meet the higher demand cannot be brought on line as quickly due to long gestation periods which may result in substantial price volatility. While we have taken steps to reduce operating costs, we may be negatively affected by significant price volatility, particularly in the event of excess production capacity in the global steel market, and incur operating losses as a result.

49. *Our power business is dependent on certain key customers and the loss of any of these customers may adversely affect our business and financial condition.*

A majority of our power sales from JPL's EUP I and EUP II power plants are made through PPAs between JPL and a limited number of key customers, including Tamil Nadu Generation and Distribution Corporation Limited and Kerala State Electricity Board. While these PPAs are currently in effect, one of these PPAs will terminate within the next two years unless renewed. Moreover, these PPAs are subject to termination in certain circumstances, including events of default. See "— JPL's PPAs may be terminated by its customers upon the triggering of "events of default" stipulated in the PPAs". The loss of any of JPL's customers as a result of any of the foregoing would have a material adverse effect on our business and financial condition. Moreover, there can be no assurance that we will be able to replace these major customers in the event that they cease to purchase power from us, or that any new customers will agree to long-term PPAs, which may force us to sell power at lower prices through the spot market.

50. *The profitability of our power business is largely a function of how effectively we are able to manage our costs during the terms of our contracts and our ability to operate our plants at optimal levels.*

The profitability of our power business is largely a function of how effectively we are able to manage our costs during the terms of our contracts and our ability to operate our plants at optimal levels. If we are unable to manage our costs effectively or operate our plants at optimal levels, our business prospects, financial condition and results of operations may be materially and adversely affected. JPL's long-term PPAs generally require JPL to guarantee certain minimum performance standards, such as plant availability and generation capacity. The tariffs we charge are also typically arrived at assuming a certain heat rate and other technical norms. If our facilities do not meet the required performance standards, our customers will not reimburse us for any increased costs arising as a result of our plants' failure to operate within the agreed norms, which in turn may affect our results of operations.

In addition to the performance requirements specified in JPL's long-term PPAs and other agreements, national and state regulatory bodies and other statutory and government mandated authorities may, from time to time, impose minimum performance standards upon us. Failure to meet these requirements could expose us to the risk of penalties. In addition, we may not receive certain agreed-upon incentives that may adversely affect our revenues. Any of the foregoing could have an adverse effect on our business, financial condition and results of operations.

51. *Political or financial pressures could force us to renegotiate JPL's PPAs.*

Government authorities, as well as the relevant state electricity boards and utility companies, determine electricity rates and effect rate increases periodically. In the past, several state governments have announced their intention to provide free electricity to farmers. Although changes in the retail price of electricity that is charged by the various state utility companies to their customers do not affect the tariffs which we are entitled to receive under the respective PPAs, such policies are likely to put further strain on the financial resources of the state utility companies and may lead to public and political pressure to reduce the rates we charge to the state utility companies. We cannot assure investors that the payments we are entitled to receive under the respective PPAs will not be subject to reductions. Any material reduction in these payments could materially and adversely affect our business prospects and results of operations.

52. *JPL does not have sufficient long-term PPAs or other agreements in place for sale of the majority of its existing installed power generation capacity.*

As of December 31, 2017, JPL has signed PPAs for offtake of approximately 30% of JPL's existing installed power generation capacity. For the remaining installed capacity, JPL seeks to sell such power through short-term offtake agreements or on the spot market. This includes all of JPL's installed power generation capacity at its EUP III plant. There can be no assurance that we or JPL will be able to find buyers for any of the power generation capacity at JPL's plants in excess of that required under our long-term PPAs. As a result, our power plants may remain underutilized, which could have a material adverse impact on our business, financial condition and results of operations.

53. *JPL's PPAs may be terminated by its customers if JPL triggers certain "events of default" stipulated in the PPAs.*

According to the terms of JPL's PPAs, any triggering of certain specified events of default by JPL could result in the termination of such PPAs by JPL's customers if such events of default are not remedied within the specified cure periods. Moreover, if any of JPL's PPAs are terminated by the relevant customer pursuant to a default by JPL, JPL may also be required to pay to certain liquidated damages or other compensation as specified in the PPAs. Any of the foregoing could have a material adverse effect on JPL's and our business prospects, financial condition and results of operations.

54. *JPL's PPAs may restrict its flexibility to respond to business needs and changes in the power industry.*

JPL has long-term PPAs with CSPTCL, TNGDCL and KSEB. These long-term PPAs restrict JPL's operational and financial flexibility in certain important aspects and restrict JPL's ability to grow its revenues from these projects. For example, business circumstances may materially change over the life of these contracts and JPL may not have the ability to modify the contracts to reflect these changes. Further, being committed under these contracts may restrict JPL's ability to implement changes in its business plan or to enter into agreements with other parties at higher prices should the market price for electricity rise. This limits JPL's business flexibility, exposes it to an increased risk of unforeseen business and industry changes and could have a material adverse effect on JPL's and our business prospects, financial condition and results of operations.

Given that JPL's revenue structure under each contract is set over the life of the contract (and fluctuates subject to the built-in adjustment mechanisms contained in each such contract), JPL's profitability is largely a function of how effectively JPL is able to manage its costs. If JPL is unable to effectively manage costs, JPL's and consequently our business prospects, financial condition and results of operations may be materially and adversely affected.

55. *Inflation at a rate higher than provided for in the PPAs may affect our profitability.*

The rate of inflation in India has been volatile in recent years, and such volatility may continue in the future. Increasing inflation in India could cause a rise in the price of transportation, wages, raw materials and other expenses. In such an event, JPL may be unable to reduce its costs or pass its increased costs on to its customers, and our results of operations and financial conditions may be materially and adversely affected. JPL's PPAs provide for reimbursement of increases in operation and maintenance costs, based on certain predefined parameters. Any increase in our operation and maintenance costs over and above the reimbursable amount may adversely impact our business, prospects, financial condition and results of operations.

56. *Changes in technology may impact our business by making our operating plants and projects less competitive.*

The future success of our power business will depend in part on our ability to respond to technological advances and emerging power generation industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails technical and business risks. We cannot assure investors that we will successfully implement new technologies effectively or adapt our processing systems to customer requirements or emerging industry standards. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business, prospects, financial condition and results of operations could be adversely affected.

Changes in technology may make other generation plants more competitive or may require us to make additional capital expenditures. In addition, other technologies that can produce electricity, such as microturbines, fuel cells, windmills and photovoltaic (solar) cells, are being developed. It is possible that advances in technology will increase the cost-efficiency and viability of alternative methods of electricity production to a level that is equal to or below that of most central station electricity production. If this were to happen, the value of our operating plants and projects may be significantly impaired, which would adversely affect our business, prospects, financial condition and results of operations.

57. *Our ability to increase revenues from power generation depends to a certain extent on the existence of transmission infrastructure with sufficient capacity to transmit the generating capacity of our existing and future power plants.*

As of the date of this Preliminary Placement Document, India's electric transmission infrastructure continues to experience constraints on the electricity that can be transmitted from power plants to off-takers. If these transmission constraints continue, the electricity that off-takers, distribution utilities and other large purchasers receive from independent power producers could be adversely affected. These transmission constraints could have an impact on our operating power plants. Therefore, any transmission constraints could have an adverse impact on the level of revenue that we generate from our power generation business. Further, if the power generated by us is not evacuated by our customers, our profitability will be adversely affected as we will not be able to claim incentives under the PPAs.

58. *We face significant competition as a result of deregulation in the Indian power sector.*

We operate in an increasingly competitive environment due, in particular, to the deregulation of the Indian power sector and increased private sector investment. The Electricity Act removed certain licensing requirements for thermal power generation companies, provided for open access to transmission and distribution networks and also facilitated additional capacity generation through captive power projects. These reforms provide opportunities for increased private sector participation in power generation. Specifically, the open access reform enables private power generators to sell power directly to distribution companies and ultimately to the end consumers, enhancing the financial viability of private investment in power generation. As a result, we may have to compete with other Indian and foreign power companies. We may also have to compete with central and state power utilities. A large number of power projects are awarded by the Government and the state governments following competitive bidding processes and satisfaction of other prescribed prequalification criteria. Once the prospective bidders meet the technical requirements of the tender, the contract is usually awarded to the lowest bidder. We face intense competition in the bidding process from domestic as well as international companies. In recent years, with the opening of these sectors to foreign companies, large international corporations with greater resources and assets than us have entered the market and they may be able to achieve better economies of scale allowing them to bid profitably at more competitive rates. In addition, new entrants to this sector may reduce their margin in order to gain market share. The nature of the bidding process may cause us and our competitors to lower prices to win contracts so as to maintain respective market share. As a result of this competition, we face substantial margin pressure, which could have a material adverse effect on our business, prospects, financial condition, and results of operations.

In addition, we expect to face future competition in acquiring new projects and assets from government entities or other power companies, including competition due to ongoing changes in government policy. These changes include the removal of licensing requirements for the establishment and operation of thermal power plants, open access to transmission and distribution networks and the removal of certain restrictions on the right to build captive power plants. These changes may increase the financial viability of private generation investment, and increase the competition we face in the expansion of our power business.

59. *A slowdown in economic growth internationally, as well as in India could adversely impact our business. Our performance and the growth of our business are necessarily dependent on the performance of the overall Indian economy.*

The global financial turmoil in 2008, an outcome of the sub-prime mortgage crisis which originated in the United States, led to a loss of investor confidence in worldwide financial markets. Indian financial markets also experienced the effect of the global financial turmoil, evident from the sharp decline in key Indian stock market indices. Any prolonged financial crisis in India or internationally, may have an adverse impact on the Indian economy, thereby having a material adverse effect on our business, financial condition and results of operations, and the price of our Equity Shares. A loss of investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Additionally, India's economy could be adversely affected by a general rise in interest rates, currency exchange rates, and adverse conditions affecting agriculture, commodity and electricity prices or various other factors.

60. *Anti-takeover provisions under Indian law could prevent or deter an entity from acquiring us.*

The Takeover Regulations contain certain provisions that may delay, deter or prevent a future takeover or change in control. These provisions may discourage a third party from attempting to take control over our business, even if change in control would result in the purchase of our Equity Shares at a premium to the market price or would otherwise be beneficial to the investor. For more details, see the section titled "The Securities Market of India" on page 486.

61. *Foreign investors are subject to certain restrictions under Indian law in relation to transfer of shareholding that may limit our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or fall under any of the relevant exceptions referred to above, then the prior approval of the RBI may be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other governmental agency in India can be obtained on any particular terms, or at all.

62. *Investors may have difficulty enforcing judgments against us or our management.*

We are incorporated under the laws of India and majority of our Directors and key managerial personnel reside in India. A majority of our assets, and the assets of our Directors and officers, are also located in India. As a result, investors may be unable to: (i) effect service of process outside of India upon us and such other persons or entities; or (ii) enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment, and any such amount may be subject to income tax in accordance with applicable laws. See “Enforcement of Civil Liabilities” on page 12.

Risks Relating to India

63. *Companies in India (based on notified thresholds), including our Company, are required to prepare financial statements under Ind AS (which is India's convergence to IFRS). The transition to Ind AS in India is recent and such transition may have an impact on us. Indian corporate and other disclosure and accounting standards differ from those observed in other jurisdictions such as U.S. GAAP and IFRS. Furthermore, all income tax assessments in India will also be required to follow the Income Computation Disclosure Standards.*

We prepared our annual and interim financial statements under Indian GAAP prior to April 1, 2016. Public companies in India, including our Company, are now required to prepare annual and interim financial statements under Ind AS in accordance with the roadmap announced on January 2, 2015 by the Ministry of Corporate Affairs, Government of India (the “MCA”), in consultation with the National Advisory Committee on Accounting Standards (the MCA Press Release) for the conversion of Ind AS with IFRS. On February 16, 2015, the MCA notified the public of the Companies (Indian Accounting Standards) Rules, 2015, which came into effect from April 1, 2016. We have adopted Ind AS with effect from April 1, 2016.

This Preliminary Placement Document includes (i) our Audited Financial Statements for the Fiscal Years 2015 and 2016 prepared in accordance with Indian GAAP (the “**FY 2015 / 2016 Financial Statements**”), as well as (ii) our Audited Consolidated Financial Statements for FY 2017 with comparative financial information for FY 2016 (the “**FY 2016 / 2017 Financial Statements**”) and Special Purpose Interim Condensed Consolidated Financial Statements for the nine months ended December 31, 2016 and 2017 (the “**Interim Financial Statements**”) prepared in accordance with Ind AS. Accounting principles under Ind AS vary in many respects from accounting principles under Indian GAAP, and our FY 2016 / 2017 Financial Statements and Interim Financial Statements are therefore not comparable to the FY 2015 / 2016 Financial Statements or any of our historical financial statements prepared under Indian GAAP. There can be no assurance that the impact of Ind AS on our future financial statements will not be significant. Furthermore, we have included in this Preliminary Placement Document “Summary of Key Differences Between Indian GAAP and Ind AS” on page 376, which sets out qualitative differences between Indian GAAP and Ind AS that are, or in the future may become, applicable to our financial statements. Note 72 to the FY 2016 / 2017 Financial Statements, included elsewhere in this Preliminary Placement Document, also includes information about our transition to Ind AS and certain reconciliations of our financial information between Ind AS and Indian GAAP. Such comparative statements have been included for illustrative purposes only and does not imply that all such differences apply, or will apply, to the manner in which our financial statements are prepared and presented under Ind AS or otherwise.

Additionally, Ind AS differs in certain respects from IFRS and U.S. GAAP. As a result, our financial statements and reported earnings may be significantly different from those which would be reported under U.S. GAAP or IFRS, which may be material to an investor’s consideration of the financial information prepared and presented in accordance with Indian GAAP contained in this Preliminary Placement Document. Accordingly, the degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Investors should rely on their own examination of our Company, the terms of the Issue and the financial information contained in this Preliminary Placement Document. See “Summary of Key Differences Between Indian GAAP and Ind AS”.

As part of our transition to Ind AS reporting, our accounting policies may continue to change in the future as further circulars and clarifications on the implementation of Ind AS are released and implemented by us. There can be no assurance that our continued implementation of Ind AS will not adversely affect our reported results of operations or financial condition and any failure to successfully implement Ind AS could adversely affect our business, financial condition and results of operations. In addition, in our transition to Ind AS reporting, we may encounter difficulties in the on-going process of implementing and enhancing our management information systems.

Furthermore, the Government has issued a set of Income Computation and Disclosure Standards (“**ICDS**”) that will be applied in computing taxable income and payment of income taxes thereon, effective from April 1, 2016. ICDS apply to all taxpayers following an accrual system of accounting for the purpose of computation of income under the heads of “Profits and gains of business/profession” and “Income from other sources”. This is the first time such specific standards

have been issued for income taxes in India, and the impact of the ICDS on our tax incidence is uncertain.

64. *Fluctuation in the exchange rate between the Indian Rupee and other foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.*

Our Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares may reduce the proceeds received by Equity Shareholders. The exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

65. *Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.*

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

66. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

67. *We are subject to regulatory, economic and social and political uncertainties and other factors beyond our control.*

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are listed on the BSE and the NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- political instability, including terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- civil unrest, acts of violence, regional conflicts or situations or war may adversely affect the financial markets;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- logistical and communication challenges;
- downgrading of India's sovereign debt rating by rating agencies;
- changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India;

- occurrence of natural calamities and force majeure events;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis; and
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

Risks Relating to the Equity Shares and the Trading Market

68. *Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.*

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

69. *An investor will not be able to sell any of the Equity Shares subscribed in the Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of the Issue of the Equity Shares.*

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the issue of Equity Shares in the Issue, QIBs subscribing to the Equity Shares in the Issue may only sell their Equity Shares on the Stock Exchanges and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of our Equity Shares.

Furthermore, stock exchanges may impose restrictions on the movements in trading price of our equity shares. Stock exchanges are not required to inform us of such restrictions and they may change without our knowledge. In the event such restrictions are imposed, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

70. *The trading price of the Equity Shares may be subject to volatility and investors in the Equity Shares may not be able to sell their Equity Shares at or above the Issue Price.*

The price of the Equity Shares on the Stock Exchanges may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and global securities market or in the Rupee's value relative to the U.S. Dollar, the Euro and other foreign currencies;
- our profitability and performance;
- perceptions about our future performance or the performance of Indian companies in general;
- performance of our competitors and the perception in the market about investments in our industries;
- adverse media reports about us, our Promoters or our Subsidiaries;
- significant developments in India's economic liberalization and deregulation policies;
- significant developments in India's fiscal and environmental regulations; and
- changes in central banks' monetary policies of developed economies, affecting the global liquidity scenario.

There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares are offered in this Issue or the price at which the Equity Shares will trade in the market subsequent to this Issue. The Equity Share price may be volatile and may decline post listing.

71. *Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.*

Our Memorandum of Association and Articles of Association and Indian law govern our corporate affairs. Legal

principles relating to these matters and the validity of corporate procedures, Directors' fiduciary duties and liabilities, quorum requirements and shareholders' rights may differ from those that would apply to a corporate entity in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a corporate entity in another jurisdiction.

72. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.*

We are subject to a daily circuit breaker imposed on listed companies by the Stock Exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges may change the percentage limit of the circuit breaker from time to time. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

73. *Future issuances or sales of the Equity Shares could affect the trading price of the Equity Shares.*

The future issuance of shares by us or the disposal of shares by any of our major shareholders, or the perception that such issuance or sales may occur, may affect the trading price of the Equity Shares. There can be no assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares.

74. *Investors in the Equity Shares may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Capital gains arising from the sale of the Equity Shares are generally taxable in India. Any gain realized on the sale of the Equity Shares on a stock exchange held for more than 12 months is currently not subject to capital gains tax in India if securities transaction tax, or STT, has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, in accordance with the Finance Bill, 2018, tabled before the Parliament, it has been proposed that the exemption on long term capital gains tax be withdrawn and such tax becoming payable in the hands of the investors.

Any gain realized on the sale of the Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the Equity Shares.

75. *There is no guarantee that the Equity Shares will be listed in a timely manner or at all, and any trading closures at the Stock Exchanges may adversely affect the trading price of the Equity Shares.*

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after the Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuing of the Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict the ability of investors to dispose of the Equity Shares.

Risks relating to certain statistical information in this Preliminary Placement Document

76. *This Preliminary Placement Document contains certain statistical and industry information.*

Certain statistical or industry information in this Preliminary Placement Document relating to India, other economies, the industries and markets in which our businesses compete, and other data used in this Preliminary Placement Document was obtained or derived from internal surveys, market research, governmental data, publicly available information and/or industry publications. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable. However, there is no assurance that such information is accurate or complete. Further, no consent has been obtained in relation to any information sourced from the websites of the relevant ministries of the Government. Similarly, internal surveys, industry forecasts and market research have not been independently verified by us and may not be accurate, complete, up-to-date, balanced or consistent with other information compiled within or outside India.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, 916,444,234 Equity Shares are issued, subscribed and fully paid up. The Equity Shares have been listed and are available for trading on BSE and NSE. The Company has allotted 48,000,000 convertible warrants and each warrant is convertible into equal number of Equity Shares.

On March 19, 2018 the closing price of the Equity Shares on BSE and NSE was ₹ 220.90 and ₹ 220.95 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

- (i) The following tables set forth the reported high, low, average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading volumes for the Fiscal Years ended March 31, 2017, March 31, 2016 and March 31, 2015:

BSE									
Fiscal	High (₹)	Date of high	Volume on date of High (Number of Equity Shares traded on the date of high)	Total value of Equity Shares traded on date of high (₹)	Low (₹)	Date of low	Volume on date of Low (Number of Equity Shares traded on the date of low)	Total value of Equity Shares traded on date of low (₹)	Average price for the year (₹)
2015	340.15	June 9, 2014	535,397	184,499,944.00	129.10	December 17, 2014	1,044,346	135,016,605.00	218.69
2016	165.30	April 7, 2015	1,803,334	294,045,054.00	53.35	February 29, 2016	1,371,995	73,843,553.00	86.40
2017	129.95	March 17, 2017	2,662,499	345,856,733.00	58.20	May 24, 2016	837,628	49,128,353.00	79.48

(Source: www.bseindia.com)

NSE									
Fiscal	High (₹)	Date of high	Volume on date of high (Number of Equity Shares traded on the date of high)	Total value of Equity Shares traded on date of high (₹)	Low (₹)	Date of low	Volume on date of low (Number of Equity Shares traded on the date of low)	Total value of Equity Shares traded on date of low (₹)	Average price for the year (₹)
2015	339.95	June 9, 2014	6,207,985	2,137,957,343.35	128.95	December 17, 2014	6,338,329	819,045,005.90	218.71
2016	165.50	April 7, 2015	11,597,714	1,882,223,760.95	53.40	February 29, 2016	8,912,582	479,705,796.10	86.41
2017	129.95	March 17, 2017	21,304,782	2,766,694,360.00	58.20	May 24, 2016	6,838,413	401,188,217.65	79.48

(Source: www.nseindia.com)

Notes:

1. High, low and average price for the year are based on the daily closing prices.
2. In case of two days with the same high or low price, the date with the higher volume has been chosen.
3. In the case of a year, average price for the year represents the average of the closing prices on each day of each year.

- (ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months:

BSE									
Month, year	High (₹)	Date of high	Volume on date of high (Number of Equity Shares traded on date of high)	Total value of Equity Shares traded on date of high (₹)	Low (₹)	Date of low	Volume on date of low (Number of Equity Shares traded on date of low)	Total value of Equity Shares traded on date of low (₹)	Average price for the month (₹)
September 2017	153.15	September 20, 2017	1,485,092	227,615,856.00	133.90	September 27, 2017	511,803	69,578,015.00	142.78
October 2017	167.80	October 26, 2017	921,746	153,006,346.00	144.00	October 3, 2017	1,593,163	226,415,206.00	158.74
November 2017	174.00	November 20, 2017	1,343,288	228,425,064.00	157.95	November 8, 2017	506,418	80,624,803.00	167.78
December 2017	204.95	December 29, 2017	636,231	129,725,962.00	158.65	December 6, 2017	617,615	98,855,853.00	175.53
January 2018	290.75	January 23, 2018	3,661,365	1,050,536,425.00	203.25	January 2, 2018	613,679	125,006,073.00	257.28
February 2018	274.05	February 12, 2018	964,806	266,119,053.00	247.15	February 21, 2018	859,557	212,685,651.00	259.59

(Source: www.bseindia.com)

NSE									
Month, year	High (₹)	Date of high	Volume on date of high (Number of Equity Shares traded on date of high)	Total value of Equity Shares traded on date of high (₹)	Low (₹)	Date of low	Volume on date of low (Number of Equity Shares traded on date of low)	Total value of Equity Shares traded on date of low (₹)	Average price for the month (₹)
September 2017	152.85	September 20, 2017	5,884,373	901,282,884.10	133.30	September 27, 2017	4,368,723	593,924,843.65	142.74
October 2017	168.15	October 26, 2017	10,581,514	1,763,074,214.25	144.20	October 3, 2017	13,646,630	1,941,681,006.60	158.80
November 2017	173.95	November 20, 2017	13,140,327	2,234,008,524.00	157.85	November 8, 2017	3,514,675	560,864,079.45	167.78
December 2017	205.05	December 29, 2017	6,035,925	1,230,632,155.05	158.45	December 6, 2017	6,322,982	1,011,758,911.75	175.60
January 2018	290.75	January 23, 2018	36,250,757	10,395,532,391.20	203.40	January 2, 2018	6,309,495	1,285,153,343.20	259.06
February 2018	274.10	February 12, 2018	7,007,854	1,931,830,347.25	247.30	February 21, 2018	8,618,601	2,133,283,829.75	259.63

(Source: www.nseindia.com)

Notes:

1. High, low and average price for the month are based on the daily closing prices.
2. In case of two days with the same high or low price, the date with the higher volume has been chosen.
3. In the case of a year, average price for the year represents the average of the closing prices on each day of each year.

- (iii) The following table set forth the details of the number of Equity Shares traded and the turnover during the financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 on the Stock Exchanges:

Fiscal	Number of Equity Shares Traded		Turnover (In ₹)	
	BSE	NSE	BSE	NSE
2015	187,046,988	1,558,856,367	36,368,315,982.00	311,756,932,979.35
2016	308,619,979	2,160,500,188	24,411,764,389.00	172,230,716,716.35
2017	453,690,722	3,061,689,595	38,267,034,320.00	261,745,316,395.65

(Source: www.bseindia.com and www.nseindia.com)

- (iv) The following table set forth the details of the number of Equity Shares traded and the turnover during the six immediately preceding months on the Stock Exchanges:

Period	Number of Equity Shares Traded		Turnover (In ₹)	
	BSE	NSE	BSE	NSE
September 2017	22,070,314	146,379,075	3,185,561,478.00	20,994,486,315.70
October 2017	20,001,989	176,538,112	3,160,404,801.00	27,930,481,610.90
November 2017	18,331,674	145,397,788	3,077,402,815.00	24,466,747,864.00
December 2017	13,866,570	134,798,095	2,492,607,486.00	24,190,775,794.70
January 2018	42,391,985.00	454,210,556.00	11,010,818,175.00	118,216,581,905.70
February 2018	25,950,511.00	205,668,126.00	6,721,827,231.00	53,277,530,321.30

(Source: www.bseindia.com and www.nseindia.com)

- (v) A. The following table sets forth the market price on the Stock Exchanges on August 9, 2017 the first working day following the approval of our Board for the Issue:

BSE						NSE					
Open	High	Low	Close	Number of Equity Shares traded	Volume (₹)	Open	High	Low	Close	Number of Equity Shares traded	Volume (₹)
141.00	143.60	134.00	135.95	2,159,044	302,339,744.00	142.00	143.90	134.25	135.95	15,924,281	2,231,539,743.30

(Source: www.bseindia.com and www.nseindia.com)

- B. The following table sets forth the market price on the Stock Exchanges on March 19, 2018 the first working day following the approval of our Board for the Issue:

BSE						NSE					
Open	High	Low	Close	Number of Equity Shares traded	Volume (₹)	Open	High	Low	Close	Number of Equity Shares traded	Volume (₹)
226.05	227.25	218.00	220.90	7,44,502	164,580,086.00	227.00	227.30	217.80	220.95	8,793,211	1,943,267,436.40

(Source: www.bseindia.com and www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from the Issue shall be approximately ₹ [●] million. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹ [●] million (the “**Net Proceeds**”).

Pursuant to discussions with various lenders of our Company, our Company has been requested to ensure infusion of equity capital into our Company within specific timelines and to utilise the funds so raised in accordance with the terms of the approval granted by certain of our lenders for the Issue. Accordingly, subject to compliance with applicable laws and regulations, our Company intends to use the Net Proceeds towards working capital, payment of operational creditors, payment of capital expenditure creditors, repayment of long term loans, and any other purpose in accordance with the conditions specified by such lenders. For details in relation to our financial indebtedness as on December 31, 2017, see “Management Discussion and Analysis of Financial Condition and Results of Operations – Indebtedness” on page 369.

The Net Proceeds of the Issue are not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose: (i) the break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, are not applicable.

As permissible under applicable laws and conditions specified by our lenders, our management will have flexibility in deploying the Net Proceeds received by our Company from the Issue. Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws.

Neither our Promoters nor the Directors are making any contribution either as part of the Issue or separately in furtherance of the objects of the Issue.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at December 31, 2017 on a consolidated basis extracted from Special Purpose Interim Condensed Consolidated Financial Statements and as adjusted to give effect to the receipt of the gross proceeds of the Issue and the application thereof. This table should be read in conjunction with the sections titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 353 and 67, respectively:

On a consolidated basis:

The following table sets forth the consolidated capitalisation of our Company as of December 31, 2017 on an:

- actual basis; and
- adjusted basis to give effect to the Issue.

	As at December 31, 2017	
	Actual	As Adjusted ⁽¹⁾
	(₹ million)	
Short term debt:		
Secured	52,293.4	[●]
Unsecured	15,464.7	[●]
Current Maturities of Long term debt	70,954.3	[●]
Long term debt:		
Secured	289,211.8	[●]
Unsecured	7,066.8	[●]
Total debt (A)	434,991.1	[●]
Shareholders’ funds:		
Share capital	916.4	[●]
Securities premium	1,893.6	[●]
Share warrant	48.0	[●]
Reserves and surplus (excluding securities premium)	292,197.1	[●]
Total funds (excluding loan funds) (B)	295,055.1	[●]
Total capitalisation (A+B)	730,046.2	[●]

⁽¹⁾As adjusted to reflect the sale of Equity Shares in the Issue and adjustments do not include Issue related expenses. No other adjustment has been made.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Preliminary Placement Document is set forth below:

	Aggregate value at face value (in ₹)
A AUTHORISED SHARE CAPITAL	
2,000,000,000 Equity Shares of ₹ 1 each	2,000,000,000.00
10,000,000 Preference Shares of ₹ 100 each	1,000,000,000.00
B ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE	
916,444,234 Equity Shares of ₹ 1 each ⁽²⁾	916,444,234.00
B 1 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE ON A FULLY DILUTED BASIS	
964,444,234 Equity Shares of ₹ 1 each ⁽³⁾	964,444,234.00
C PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT⁽¹⁾	
Up to [●] Equity Shares aggregating up to ₹ [●] million ⁽⁴⁾	[●]
D ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE	
[●] Equity Shares ⁽⁴⁾	[●]
D 1 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE ON A FULLY DILUTED BASIS	
[●] Equity Shares of ₹ 1 each ⁽⁴⁾	[●]
E SECURITIES PREMIUM ACCOUNT	
Before the Issue ⁽⁵⁾	1,848,592,086.20
After the Issue ⁽⁴⁾	[●]

⁽¹⁾ The Issue has been authorised by our Board pursuant to resolution dated August 8, 2017 and March 16, 2018, and by the shareholders of our Company pursuant to the resolution dated September 22, 2017, passed in the AGM of our Company.

⁽²⁾ The issued, subscribed and paid-up capital of the Company includes 1,779,690 outstanding Equity Shares in the unclaimed suspense account of the Company in accordance with the Schedule VI of the SEBI Listing Regulations.

⁽³⁾ The issued, subscribed and paid-up capital before the Issue on a fully diluted basis captures the aggregate number of Equity Shares after the conversion of warrants. Pursuant to the approval of the shareholders of the Company on November 6, 2017, the corporate management committee of the Board on November 10, 2017 allotted 48,000,000 convertible warrants to Opelina Finance and Investment Limited, a promoter group entity, at a price of ₹ 140.31 per warrant aggregating to ₹ 6,734.9 million. The Company has received an upfront subscription money equivalent to 25% of the total issue price i.e. ₹ 1683.7 million. Further, each warrant is convertible into equal number of Equity Shares.

⁽⁴⁾ To be determined upon finalisation of the Issue Price.

⁽⁵⁾ As on March 18, 2018.

Equity Share Capital History of our Company

The history of the Equity Share capital of our Company is set forth below:

S. No.	Date of Allotment/ Subscription	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Consideration (cash and other than cash etc.)	Nature of Allotment
1.	September 28, 1979	200	200	10	10	Cash	Subscription to the Memorandum
2.	June 23, 1981	810	1,010	10	10	Cash	Private placement
3.	November 10, 1982	200	1,210	10	10	Cash	Private placement
4.	April 28, 1987	45,500	46,710	10	10	Cash	Private placement
5.	July 29, 1987	4,500	51,210	10	10	Cash	Private placement
6.	March 18, 1988	41,500	92,710	10	10	Cash	Private placement
7.	April 4, 1988	7,290	100,000	10	10	Cash	Private placement
8.	July 12, 1999	12,612,262	12,712,262	10	10	Other than cash	Allotment of equity shares pursuant to the scheme of arrangement between the Company and Jindal Strips Limited sanctioned by the High Court of Punjab and Haryana under section 391 and 394 of the Companies Act, 1956 (“Scheme of Demerger”).
9.	June 29, 2001	183,850	12,896,112	10	100	Cash	Allotment pursuant to ESPS 2001

S. No.	Date of Allotment/ Subscription	No. of Equity Shares	Cumulative No. of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Consideration (cash and other than cash etc.)	Nature of Allotment
10.	November 6, 2002	1,735,000	14,631,112	10	155	Cash	Allotment pursuant to exercise of warrants
11.	May 8, 2003	22	14,631,134	10	10	Other than cash	Due to rounding off of shares pursuant to the Scheme of Demerger ⁽²⁾ .
12.	June 19, 2003	765,000	15,396,134	10	155	Cash	Allotment pursuant to exercise of warrants
<i>The sub-division of the face value of the Equity Shares of our Company having a face value of ₹ 10 each to a face value of ₹ 5 each was approved pursuant to a resolution passed by our shareholders on November 27, 2003; and the sub-division of the face value of the Equity Shares of our Company having a face value of ₹ 5 each to a face value of ₹ 1 each was approved pursuant to a resolution passed by our shareholders on December 27, 2007.</i>							
13.	June 16, 2008	691,343	154,652,683	1	203	Cash	Exercise of options under ESOS 2005
14.	April 13, 2009	57,136	154,709,819	1	225	Cash	Exercise of options under ESOS 2005
15.	July 21, 2009	420,487	155,130,306	1	203	Cash	Exercise of options under ESOS 2005
16.	September 19, 2009	775,651,530	930,781,836	1	NA	NA	Bonus issue
17.	January 30, 2010	452,246	931,234,082	1	61	Cash	Exercise of options under ESOS 2005
18.	April 13, 2010	252,006	931,486,088	1	38	Cash	Exercise of options under ESOS 2005
19.	June 23, 2010	2,456,922	933,943,010	1	34	Cash	Exercise of options under ESOS 2005
20.	February 1, 2011	326,021	934,269,031	1	61	Cash	Exercise of options under ESOS 2005
21.	April 14, 2011	240,564	934,509,595	1	38	Cash	Exercise of options under ESOS 2005
22.	December 12, 2011	324,223	934,833,818	1	61	Cash	Exercise of options under ESOS 2005
23.	July 31, 2013	11,750	934,845,568	1	202.55	Cash	Allotment pursuant to ESPS 2013
24.	February 18, 2014	(19,959,584)	914,885,984	1	NA	Cash ⁽¹⁾	Buy back
25.	July 21, 2014	17,816	914,903,800	1	296.95	Cash	Allotment pursuant to ESPS 2013
26.	February 3, 2017	120,434	915,024,234	1	79.46	Cash	Allotment pursuant to ESPS 2013
Allotments made in the last one year preceding the date of this Preliminary Placement Document							
27.	November 21, 2017	1,420,000	916,444,234	1	140.31	Cash	Preferential allotment

⁽¹⁾ Against buy-back of Equity Shares from September 16, 2013 to February 18, 2014.

⁽²⁾ This was pursuant to a difference of 22 equity shares that was discovered at the time of reconciliation of the issued Share capital held in physical and demat form, which was due to rounding off of fractional entitlements at the time of the crediting the demat shares pursuant to the scheme of arrangement, by NSDL.

Note:

(i) Pursuant to the approval of the shareholders of the Company on November 6, 2017, the corporate management committee of the Board on November 10, 2017 allotted 48,000,000 convertible warrants to Opelina Finance and Investment Limited, a promoter group entity, at a price of ₹ 140.31 per warrant aggregating to ₹ 6,734.9 million. The Company has received an upfront subscription money equivalent to 25% of the total issue price i.e. ₹ 1683.7 million.

(ii) Our Company has not issued Equity Shares for consideration other than cash in the last one preceding year from the date of this Preliminary Placement Document.

Employee Stock Purchase Scheme/ Employee Stock Option Plan

ESPS 2013

The Employee Stock Purchase Scheme 2013 (“**ESPS 2013**”) was adopted and recommended by the Board on April 25, 2013 and the same came into force on June 21, 2013. The objective of ESPS 2013 is to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use ESPS 2013 to attract and retain key talent in the organization. ESPS 2013 will continue to be in force until (i) its termination by the Board; or (ii) the date on which all of the shares available for issuance under ESPS 2013 have been allotted and issued. The Board may subject to compliance with applicable laws, at any time alter, amend, suspend or terminate ESPS 2013.

The Shareholders in their meeting on June 21, 2013 resolved to issue up to 1,000,000 fully paid-up Equity Shares of ₹ 1 each out of which 500,000 Equity Shares were reserved to be issued to employees and Directors of the Company and the remaining 500,000 Equity Shares were reserved to be issued to the employees and Directors of the Subsidiaries, in one or more tranches in accordance with the terms and conditions of ESPS 2013. The compensation committee was authorized to issue employee stock purchase offers to the employees from time to time. However, pursuant to the Board resolution dated October 30, 2013 the compensation committee merged with the Nomination and Remuneration Committee.

The Equity Shares allotted pursuant to ESPS 2013 shall not be transferable in any manner for a minimum period of one year subject to a maximum period of four years from the date of allotment thereof, as may be decided by the compensation committee (currently the Nomination and Remuneration Committee), from time to time.

As on date of this Preliminary Placement Document 150,000 Equity Shares have been offered and allotted under ESPS 2013.

ESOP 2017

The JSPL Employees Stock Option Plan 2017 (“**ESOP 2017**”) was adopted and recommended by the Board on August 8, 2017 and the same come into force from the date of AGM dated September 22, 2017. It applies only to the eligible employees of the Company and its Subsidiaries who are in permanent employment and Wholetime Directors of the Company and its Subsidiaries.

The objective of ESOP 2017 is to: (i) motivate the employees to contribute to the growth and profitability of the Company; (ii) retain the employees for the growth of the Company; (iii) provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company; (iv) achieve sustained growth and the creation of shareholder value by aligning the interests of the employees with the long term interests of the Company; and (v) create a sense of ownership and participation amongst the employees to share the value they create for the Company.

The maximum number of options that may be issued pursuant to the ESOP 2017 is 45,000,000 which will be converted into equal number of Equity Shares of the Company. The vesting period for such options shall never be less than minimum period of one year and maximum period of three years. Further, the exercise period of such options will be six months from the date of vesting. The Company shall at all times reserve and keep available a sufficient number of Equity Shares as will be required to satisfy the requirements of grants made under the ESOP 2017. Further, the maximum number of options that can be granted and the Equity Shares covered under this pool shall stand automatically enhanced in case of right issue, sub-division, bonus issue and others. Forfeited lapsed options under ESOP 2017 can be re-issued by the Company.

As on date of this Preliminary Placement Document 5,121,735 options have been granted under ESOP 2017.

DIVIDENDS

The declaration and payment of dividends, if any, will be recommended by our Board and approved by the shareholders of our Company, in their discretion, subject to the provisions of our Articles and the Companies Act 2013.

The Board of the Company have formulated and adopted a dividend distribution policy for our Company on December 8, 2016 to comply with the SEBI Listing Regulations.

A dividend, if any, is distributed to the shareholders in proportion to the amount paid-up on the shares held by them and includes interim dividend.

The Board assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors and declares dividend in any financial year. The dividend for any financial year shall normally be paid out of the Company profits for that year. The same is arrived at after providing for depreciation in accordance with the provisions of the Companies Act 2013. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Companies Act 2013 and regulations, as applicable.

Under the terms of the dividend distribution policy of our Company, the following financial parameters and other internal and external factors are considered for declaration of dividend: (i) distributable surplus available as per the Companies Act 2013 and regulations; (ii) the Company's liquidity position and future cash flow needs; (iii) track record of dividends distributed by the Company; (iv) pay-out ratios of comparable companies; (v) prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution; (vi) capital expenditure requirements considering the expansion and acquisition opportunities; (vii) cost and availability of alternative sources of financing; (viii) stipulations/ covenants of loan agreements; (ix) macroeconomic and business conditions in general; and (x) any other relevant factors that the Board may deem fit to consider before declaring dividend.

Our Company has not paid any dividend in the last three Fiscal Years.

For a summary of certain consequences under Indian taxation law of dividend distributions to shareholders, see "Taxation-Statement of Tax Benefits" on page 492.

FINANCIAL STATEMENTS

Financial Statements	Page Nos.
Special Purpose Interim Condensed Consolidated Financial Statements as of and for the nine months ended December 31, 2017 (Ind AS) together with the review report issued by Lodha & Co., Chartered Accountants	68
Audited consolidated financial statements for the Fiscal Year 2017 (Ind AS) together with the audit report issued by Lodha & Co., Chartered Accountants	86
Special purpose Ind AS consolidated financial statements for the Fiscal Year 2016 together with the report issued by Lodha & Co., Chartered Accountants	155
Audited consolidated financial statements for the Fiscal Year 2016 (Indian GAAP) together with the audit report issued by S.R. Batliboi & Co. LLP, Chartered Accountants	216
Audited consolidated financial statements for the Fiscal Year 2015 (Indian GAAP) together with the audit report issued by S.R. Batliboi & Co. LLP, Chartered Accountants	282

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

The Board of Directors,
Jindal Steel & Power Limited

1. We have reviewed the attached unaudited special purpose interim condensed consolidated financial statements of Jindal Steel & Power Limited ("**the Company**" or "**the Holding Company**"), its subsidiaries (the Holding Company and its subsidiaries together referred as the "**Group**"), its associates and its joint ventures which comprises of the unaudited condensed consolidated balance sheet as at December 31, 2017, the related unaudited condensed consolidated statement of profit and loss (including other comprehensive income) and the unaudited condensed consolidated cash flows statement for the nine months ended December 31, 2017 and unaudited condensed consolidated statement of changes in equity for the nine months ended December 31, 2017 and a summary of significant accounting policies and selected explanatory notes (collectively, the "**Special Purpose Interim Condensed Consolidated Financial Statements**"). The Special Purpose Interim Condensed Consolidated Financial Statements have been prepared on the basis as stated in Note 2.
2. The preparation of the Special Purpose Interim Condensed Consolidated Financial Statements is the responsibility of the management of the Company for the purpose set out in paragraph 8 below. The management's responsibility includes preventing and detecting fraud and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Special Purpose Interim Condensed Consolidated Financial Statements. The accounting policies adopted for preparation of these Special Purpose Interim Condensed Consolidated Financial Statements are consistent with those used for preparation of annual financial statements for the year ended March 31, 2017.
3. Our responsibility is to issue a report on these Special Purpose Interim Condensed Consolidated Financial Statements based on our review.

We conducted our review of the Special Purpose Interim Condensed 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

4. a) We did not review the special purpose interim condensed financial statements of 2 subsidiaries i.e., Jindal Power Limited and Shadeed Iron & Steel Co. LLC included in the Special Purpose Interim Condensed Consolidated Financial Statements, whose special purpose interim condensed financial statements reflect total assets as at December 31, 2017 of ₹ 30,058.61 crore, total revenue of ₹ 7,220.16 crore for the nine months ended December 31, 2017, total profit after tax of ₹ 181.77 crore for the nine months ended December 31, 2017 and total comprehensive income of ₹ 181.77 crore for the nine months ended December 31, 2017, as considered in the Special Purpose Interim Condensed Consolidated Financial Statements. These special purpose interim condensed financial statements have been reviewed by other auditors whose reports have been furnished to us by the management and our report on the Special

Purpose Interim Condensed 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 report of the other auditors.

b) We have relied on the management certified special purpose interim condensed financial statements (un-reviewed) of 89 subsidiaries (including 2 joint ventures considered for consolidation as per Ind AS 110), whose management certified special purpose interim condensed financial statements reflect total assets as at December 31, 2017 of ₹ 22,878.74 crore, total revenue of ₹ 696.52 crore for the nine months ended December 31, 2017, total loss after tax of ₹ 700.66 crore for the nine months ended December 31, 2017 and total comprehensive loss of ₹ 701.22 crore for the nine months ended December 31, 2017 (read with Note No. 14), as considered in the Special Purpose Interim Condensed Consolidated Financial Statements. The Special Purpose Interim Condensed Consolidated Financial Statements also include the Company's share of net profit of ₹ NIL for the nine months ended December 31, 2017, as considered in the Special Purpose Interim Condensed Consolidated Financial Statements, in respect of 2 associates i.e., Prodisyne (Pty) Ltd and Thuthukani Coal (Pty) Ltd. and 1 joint venture i.e., Shrestha Mining & Metals Pvt. Ltd.. These special purpose interim condensed financial statements / financial information have not been reviewed by their auditors and have been furnished to us by the management and our opinion on the Special Purpose Interim Condensed Consolidated Financial Statements, in so far as it relates to the amounts included and disclosure included in respect of these subsidiaries / joint ventures / associates is based solely on such management certified special purpose interim condensed financial statements / financial information.

5. Basis for Qualified Conclusion:

We draw attention regarding the impact on the net carrying value of fixed assets / investments made in mining assets not been considered for the reason stated in the Note No. 13 to the accompanying Special Purpose Interim Condensed Consolidated Financial Statements and the management's view regarding an additional levy paid amounting to ₹ 1,355.79 crore (being the difference between gross and net) as stated in the Note No. 12 to the accompanying Special Purpose Interim Condensed Consolidated Financial Statements, which is shown as good and recoverable. These matters were also qualified by us in the audit report on the consolidated Ind AS financial statements for the year ended March 31, 2017.

6. Qualified Conclusion

Based on our review conducted as stated above and based on the consideration of reports of the other auditors referred to in above paragraph 4(a), except for the effects / possible effects of our observation stated in para 5 above, nothing has come to our attention that causes us to believe that the accompanying Special Purpose Interim Condensed Consolidated Financial Statements have not been prepared in accordance with the basis set out in Note No. 2 to the Special Purpose Interim Condensed Consolidated Financial Statements, or that it contains any material misstatement.

7. The comparative consolidated balance sheet, changes in equity and related financial information of the Company as at March 31, 2017 included in these Special Purpose Interim Condensed Consolidated Financial Statements have been extracted from the audited consolidated financial statements as at March 31, 2017 which were audited by us and on which we have issued a qualified opinion on such financial statements through our report dated May 23, 2017. Furthermore, the comparative financial information of the Company including the unaudited condensed consolidated statement of profit and loss for the nine months ended December 31, 2016 included in these Special Purpose Interim Condensed Consolidated Financial Statements were reviewed by us and we issued a qualified conclusion on such financial information through our report dated February 14, 2017.
8. The Special Purpose Interim Condensed Consolidated Financial Statements have been prepared in accordance with Note No. 2, which describes the basis of accounting for the purpose of inclusion in the

Preliminary Placement Document and the Placement Document (together, the “**Placement Documents**”) prepared in connection with the proposed offering of the equity shares pursuant to the Qualified Institutions Placement of the Company and may be submitted / filed with the stock exchanges where the Company’s equity shares are listed and the Securities Exchange Board of India (the “**SEBI**”).

Our report is provided to the Company for the purpose of inclusion in the aforementioned Placement Documents and filing with the stock exchanges where the Company’s equity shares are listed and the SEBI.

For Lodha & Co,
Chartered Accountants
Firm Registration No. 301051E

(N. K. Lodha)
Partner
Membership No.: 085155

Place: New Delhi
Date: March 20, 2018

JINDAL STEEL & POWER LIMITED
UNAUDITED SPECIAL PURPOSE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

₹ crore

Particulars	As at 31st December, 2017	As at 31st March, 2017
ASSETS		
(1) Non - current assets		
(a) Property, plant and equipment	60,486.33	62,189.52
(b) Capital work - in - progress	8,443.81	8,713.98
(c) Investment property	31.52	31.89
(d) Goodwill	566.99	566.99
(e) Intangible assets	3,130.22	3,143.23
(f) Intangible assets under development	1,025.25	1,002.19
(g) Biological assets other than bearer plants	0.46	0.45
(h) Financial assets		
(i) Investments	366.98	367.66
(ii) Loans	86.98	91.25
(iii) Bank balances	19.10	36.81
(iv) Others Financial assets	268.93	508.85
(i) Other non - current assets	1,057.66	1,011.07
(2) Current assets		
(a) Inventories	4,389.92	3,599.26
(b) Financial assets		
(i) Investments	0.28	0.38
(ii) Trade receivables	1,797.66	1,716.62
(iii) Cash and cash equivalents	279.26	246.10
(iv) Bank balances other than (iii) above	187.05	231.12
(v) Loans	291.64	387.43
(vi) Others Financial assets	1,346.55	1,054.65
(c) Current tax assets (net)	547.02	527.59
(d) Other current assets	4,859.63	5,000.87
(e) Assets held for sale	167.63	170.02
Total assets	89,350.87	90,597.93
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	91.64	91.50
(b) Share Warrant	4.80	-
(c) Other equity	29,409.07	29,959.03
(d) Non controlling interest	556.90	646.71
LIABILITIES		
(1) Non - current liabilities		
(a) Financial liabilities		
(i) Borrowings	29,627.86	32,598.34
(ii) Trade payables	1.84	90.88
(iii) Other financial liabilities	376.69	673.21
(b) Provisions	306.27	307.21
(c) Deferred tax liabilities (net)	5,023.33	5,358.63
(d) Other non - current liabilities	0.28	0.27
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	6,775.81	7,360.10
(ii) Trade payables	3,963.40	2,937.82
(iii) Other financial liabilities	10,426.86	8,835.79
(b) Other current liabilities	2,723.44	1,675.90
(c) Provisions	62.40	62.43
(d) Current tax liabilities (net)	0.28	0.11
Total Equity & Liabilities	89,350.87	90,597.93

Overview and Significant Accounting Policies

The Accompanying Notes Form An Integral Part Of These Unaudited Special Purpose Interim Condensed Consolidated Financial Statements.

As per our report of even date

For & on behalf of the Board of Directors

For Lodha & Co.
Chartered Accountants
Firm Registration No. 301051E

Naveen Jindal
Chairman
DIN: 00001523

Rajeev R. Bhaduria
Whole Time Director
DIN: 00376562

N.K Lodha
Partner
Membership No. 85155

Deepak Sogani
Chief Financial Officer

Jagadish Patra
Company Secretary

Place: New Delhi
Dated: 20th March, 2018

JINDAL STEEL & POWER LIMITED
UNAUDITED SPECIAL PURPOSE INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE NINE MONTHS ENDED
31ST DECEMBER, 2017

	₹ crore	
Particulars	Nine Months ended 31st December, 2017	Nine Months ended 31st December, 2016
I Revenue from operations	19,738.34	16,349.57
Less: Captive Sales for own projects	(495.78)	(409.40)
II Other income	2.42	0.99
III Total income (I + II)	19,244.98	15,941.16
IV Expenses		
Cost of materials consumed	6,385.76	4,451.45
Purchases of stock - in - trade	245.55	155.84
Changes in inventories of finished goods, work -in -progress and scrap	(191.77)	101.46
Employee benefits expense	717.96	687.92
Finance costs(Net)	2,794.31	2,559.76
Depreciation and amortization expense	2,923.11	2,943.14
Excise Duty	457.89	1,180.16
Other expenses	7,790.37	6,632.40
Total expenses	21,123.18	18,712.13
Less: Captive Sales for own projects	(495.78)	(409.40)
	20,627.40	18,302.73
V Profit / (loss) before exceptional items and tax (III - IV)	(1,382.42)	(2,361.57)
VI Exceptional items	(149.72)	(625.72)
VII Profit / (loss) before tax (V - VI)	(1,532.14)	(2,987.29)
VIII Tax expense		
current tax	(1.70)	
Deferred tax	(332.53)	(545.43)
Total tax expense/(credit)	(334.23)	(545.43)
IX Profit / (loss) for the period (VII - VIII)	(1,197.91)	(2,441.86)
X Share in Profit / (Loss) of associates (Net of tax)	7.08	4.34
Total Profit/(Loss) (IX + X)	(1,190.83)	(2,437.52)
Other Comprehensive income(OCI)		
(i) Items that will not be reclassified to profit or Loss		
Remeasurement of the defined benefit plans	2.53	-
(ii) Income Tax relating to Items that will not be reclassified to profit or loss	1.08	-
(iii) Items that will be reclassified to profit or Loss		
Foreign Currency translation reserve (FCTR)	111.61	-
(iv) Income Tax relating to Items that will be reclassified to profit or loss		
Total comprehensive income	(1,077.77)	(2,437.52)
Net Profit attributable to:		
a) Owners of the equity	(1,101.02)	(2,235.58)
b) Non- Controlling interest	(89.81)	(201.94)
Other Comprehensive Income attributable to:		
a) Owners of the equity	113.06	-
b) Non- Controlling interest	-	-
Total Comprehensive Income attributable to:		
a) Owners of the equity	(987.96)	(2,235.58)
b) Non- Controlling interest	(89.81)	(201.94)
XII Earnings per equity share		
(1) Basic	(12.03)	(24.44)
(2) Diluted	(12.03)	(24.44)

Overview and Significant Accounting Policies

The Accompanying Notes Form An Integral Part Of These Unaudited Special Purpose Interim Condensed Consolidated Financial Statements.

As per our report of even date

For & on behalf of the Board of Directors

For Lodha & Co.
Chartered Accountants
Firm Registration No. 301051E

Naveen Jindal
Chairman
DIN: 00001523

Rajeev R. Bhaduria
Whole Time Director
DIN: 00376562

N.K Lodha
Partner
Membership No. 85155

Deepak Sogani
Chief Financial Officer

Jagadish Patrra
Company Secretary

Place: New Delhi
Dated: 20th March, 2018

UNAUDITED SPECIAL PURPOSE INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER, 2017

₹ crore

Particulars	Nine months 31st December, 2017	Nine months 31st December, 2016
A. Cash flow from operating activities	6,226.69	5,310.36
B. Cash flows from investing activities	(542.12)	(2,058.15)
C. Cash flows from financing activities	(5,651.41)	(3,632.12)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	33.16	(379.91)
Cash and cash equivalents at the beginning of the period	246.10	502.46
Cash and cash equivalents at the end of the period	279.26	122.55

The Accompanying Notes Form An Integral Part Of These Unaudited Special Purpose Interim Condensed Consolidated Financial Statements.

As per our report of even date

For & on behalf of the Board of Directors

For Lodha & Co.
Chartered Accountants
Firm Registration No. 301051E

Naveen Jindal
Chairman
DIN: 00001523

Rajeev R. Bhadauria
Whole Time Director
DIN: 00376562

N.K Lodha
Partner
Membership No. 85155

Deepak Sogani
Chief Financial Officer

Jagadish Patra
Company Secretary

Place: New Delhi
Dated: 20th March, 2018

JINDAL STEEL & POWER LIMITED
UNAUDITED SPECIAL PURPOSE INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2017

A. Equity Share Capital

₹ Crore				
As at 1st April, 2016	Movement during 2016-17	As at 31st March, 2017	Movement during Nine months	As at 31st December, 2017
91.49	0.01	91.50	0.14	91.64

B. Share Warrants

₹ Crore				
As at 1st April, 2016	Movement during 2016-17	As at 31st March, 2017	Movement during Nine months	As at 31st December, 2017
-	-	-	4.80	4.80

C. Other equity

Particulars	Reserves and Surplus									Items of other comprehensive income				Equity attributable to shareholders of the Group	Non controlling interest	Total
	Sales Tax Subsidy /Capital reserve*	Capital Redemption Reserve	Securities premium account	Debenture Redemption Reserve	Share Option outstanding Account-By subsidiary	Capital Reserve on Consolidation	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Retained earnings**	Share of Joint Venture & Associates	Foreign Currency Translation Reserve	Remeasurement of Defined Benefit Obligation/ Plan	Equity component of financial instruments			
Balance as at 1st April, 2016	417.05	72.00	5.03	1,102.08	16.64	1,710.67	(188.23)	1,619.21	28,254.16	0.73	(686.59)	21.86	-	32,344.61	899.83	33,244.44
Profit & Loss for the year									(2,281.28)	-				(2,281.28)	(256.24)	(2,537.52)
Other comprehensive income for the year										(0.06)	(130.18)	2.64		(127.60)	2.70	(124.90)
Movement during the year	(316.70)		0.98	163.10	0.54		54.06		(163.64)	(1.00)	278.06		7.90	23.30	0.42	23.72
As at 31st March, 2017	100.35	72.00	6.01	1,265.18	17.18	1,710.67	(134.17)	1,619.21	25,809.24	(0.33)	(538.71)	24.50	7.90	29,959.03	646.71	30,605.74
Adjustment on divestment of a step down subsidiary									43.01					43.01		43.01
Profit & Loss for the period									(1,101.02)					(1,101.02)		(1,101.02)
Other comprehensive income for the period											111.61			111.61		111.61
Movement during the period			183.35				128.13				83.51	1.45		396.44	(89.81)	306.63
As at 31st Dec, 2017	100.35	72.00	189.36	1,265.18	17.18	1,710.67	(6.04)	1,619.21	24,751.23	(0.33)	(343.59)	25.95	7.90	29,409.07	556.90	29,965.97

* includes capital reserve of ₹ 100.35 crore

** Includes upward fair valuation of PPE, read with note no.63 of the audited consolidated financial statements for the year ended 31st March, 2017.

As per our report of even date

For & on behalf of the Board of Directors

For Lodha & Co.
Chartered Accountants
Firm Registration No. 301051E

Naveen Jindal
Chairman
DIN: 00001523

Rajeev R. Bhaduria
Whole Time Director
DIN: 00376562

N.K Lodha
Partner
Membership No. 85155

Deepak Sogani
Chief Financial Officer

Jagadish Patra
Company Secretary

Place: New Delhi
Dated: 20th March, 2018

JINDAL STEEL & POWER LIMITED

NOTES FORMING PART OF THE UNAUDITED SPECIAL PURPOSE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

1 General Information

Jindal Steel & Power Limited (“the Company” or “the Parent Company”) is one of the India’s leading steel producers with significant presence in sectors like mining and power generation including through its subsidiaries in India and abroad. It is listed on the National Stock Exchange of India Limited and BSE Limited in India. The registered office is situated in the state of Haryana, the corporate office is situated in New Delhi and the manufacturing plants are in the states of Chhattisgarh, Odisha, Jharkhand etc. in India and also in Sultanate of Oman. The Group has global presence through subsidiaries, mainly in Australia, Botswana, Cameroon, China, Dubai, Indonesia, Liberia, Mauritania, Mauritius, Mozambique, Madagascar, Namibia, South Africa, Sultanate of Oman, Tanzania and Zambia. There are several business initiatives running simultaneously across continents.

2 BASIS OF PREPARATION

These Unaudited Special Purpose Interim Condensed Consolidated Financial Statements for the nine months ended December 31, 2017 have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard (Ind AS) 34, ‘Interim Financial Reporting’ and other accounting principles generally accepted in India for the purpose of inclusion in the Placement Documents prepared in connection to the proposed offerings of the equity shares pursuant to the Qualified Institutional Placement (QIP) of the Company and will be submitted/ filed with the stock exchanges where the Company’s equity shares are listed and the Securities Exchange Board of India (SEBI).

The Unaudited Special Purpose Interim Condensed Consolidated Financial Statements incorporate the condensed financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. It also includes the Group’s share of profits, net assets and retained post acquisition reserves of joint ventures and associates that are consolidated using the equity method of consolidation. Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity. Significant influence, is achieved when the Company has power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The results of subsidiaries, joint ventures and associates acquired or disposed off during the period are included in the interim condensed consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. The Accounting Policies of the parent company, its subsidiaries, joint ventures and associates are largely similar. However, few accounting policies are different as certain subsidiaries / associates located in different countries have to comply with the local regulatory requirements. Wherever necessary, adjustments are made to the financial statements of subsidiaries, joint ventures and associates to bring their accounting policies in line with those used by other members of the Group. The Financial Statements of parent Company and its subsidiaries have been consolidated on line-by-line basis by adding together book value of like items of assets, liabilities, income and expenses after eliminating Intra-group transactions, balances, income and expenses in accordance with Ind AS 110 “Consolidated Financial Statement”. Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group’s equity. The interest of noncontrolling shareholders may be initially measured either at fair value or at the non-controlling interests’ proportionate share of the fair value of the acquiree’s identifiable net assets. The choice of measurement basis is made on an acquisition by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests’ share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance. Impact of any insignificant and immaterial Non Controlling Interest is not considered. Foreign Subsidiaries : Items of the assets and liabilities, both monetary and non-monetary, have been translated at the exchange rates prevailing at the end of the period and items of income and expenses have been translated at the average rate prevailing during the period. Resulting exchange differences arising on translation of said items have been transferred to Foreign Currency Translation Reserve Account through Other Comprehensive Income. In case of associates, where Company holds directly or indirectly through subsidiaries 20% or more equity or / and exercises significant influence, investments are accounted for by using equity method in accordance with Ind AS 28 “Investments in Associates and Joint Ventures”. Post acquisition, the Company accounts for its share in the change in net assets of the associates (after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share), through its statement of profit and loss, other comprehensive income and through its reserves for the balance. The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be. However, for associates, Goodwill is not separately recognised but included in the value of investments. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with Parent company’s financial statements.

The preparation of the Unaudited Special Purpose Interim Condensed Consolidated Financial Statements in conformity with Indian Accounting Standards (Ind AS) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures at the date of the Special Purpose Interim Condensed consolidated financial statements. The judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years and, if material, their effects are disclosed in the notes to the Special Purpose Interim Condensed consolidated financial statements. Actual results could vary from these estimates.

The Unaudited Special Purpose Interim Condensed Consolidated Financial Statements includes the interim financial information of following entities:

Subsidiaries:

1	JINDAL SHADEED IRON & STEEL LLC	46	EVERBEST STEEL AND MINING HOLDINGS LIMITED
2	WOLLONGONG COAL LTD.	47	HARMONY OVERSEAS LIMITED
3	JINDAL STEEL & POWER(MAURITIUS) LIMITED	48	JUBILANT OVERSEAS LIMITED
4	JINDAL POWER LIMITED	49	JINDAL BOTSWANA (PTY) LIMITED
5	JINDAL MINING SA(PTY) LIMITED	50	VISION OVERSEAS LIMITED
6	JINDAL AFRICA INVESTMENTS (PTY) LTD.	51	PT JINDAL OVERSEAS LTD.
7	JSPL MOZAMBIQUE MINERALS LDA	52	PT SUMBER SURYA GEMILANG
8	JB FABLNFRA PVT LTD	53	PT MARUWAI BARA ABADI
9	TRISHAKTI REAL ESTATE INFRASTRUCTURE AND DEVELOPERS PVT. LTD.	54	PT BHI MINING INDONESIA
10	ALL TECH BUILDING SYSTEM LTD	55	JINDAL STEEL BOLIVIA SA
11	JINDAL POWER VENTURES(MAURITIUS) LTD	56	GAS TO LIQUIDS INTERNATIONAL SA
12	JINDAL POWER SENEGAL SAU	57	ATTUNLI HYDRO ELECTRIC POWER COMPANY LIMITED
13	BLUE CASTLE VENTURES	58	ETALIN HYDRO ELECTRIC POWER COMPANY LTD.
14	JIN AFRICA LTD	59	JINDAL HYDRO POWER LTD.
15	JINDAL INVESTIMENTOS LDA	60	JINDAL POWER DISTRIBUTION LTD.
16	JINDAL AFRICA LIBERIA LTD.	61	AMBITIOUS POWER TRADING COMPANY LIMITED
17	JINDAL AFRICA SA	62	JINDAL POWER TRANSMISSION LTD.
18	JINDAL STEEL & POWER (BC) LTD.	63	KAMALA HYDRO ELECTRIC POWER CO. LTD.
19	JINDAL KZN PROCESSING (PTY) LTD.	64	KINETA POWER LTD.
20	JINDAL STEEL & MINERALS ZIMBABWE LTD	65	UTTAM INFRALOGIX LTD.
21	JINDAL STEEL & POWER (AUSTRALIA) PTY LTD	66	PANTHER TRANSFREIGHT PVT. LTD.
22	JINDAL ZAMBIA LTD.	67	JINDAL BVI LTD.
23	SUNGU SUNGU PTY LTD	68	JINDAL (BARBADOS) HOLDINGS CORP
24	BON TERA MINING (PTY) LTD	69	JINDAL (BARBADOS) MINING CORP
25	JINDAL ENERGY (SA) PTY LTD	70	JINDAL (BARBADOS) ENERGY CORP
26	PEERBOOM COAL (PTY) LTD	71	MEEPONG RESOURCES (MAURITIUS)(PTY) LTD.
27	KOLEKO RESOURCES(PTY) LTD.	72	MEEPONG ENERGY(MAURITIUS)(PTY) LTD.
28	EASTERN SOLID FUELS(PTY) LTD.	73	JINDAL ENERGY BAHAMAS
29	LEGEND IRON LTD	74	JINDAL TRANSAFRICA(BARBADOS) CORP
30	BELDE EMPREENDIMENTOS MINEIROS LDA	75	MEEPONG RESOURCES PTY LTD.
31	SOUTHBULLI HOLDING PTY LTD.	76	MEEPONG ENERGY PTY LTD.
32	OCEANIC COAL REOURCES NL	77	MEEPONG SERVICES(PTY) LTD.
33	WONGAWILLI COAL PTY LTD.	78	MEEPONG WATER(PTY) LTD.
34	SAD-ELEC(PTY) LTD.	79	JINDAL RESOURCES BOTSWANA PTY LTD
35	BRAKE TRADING (PTY) LIMITED	80	TRANS AFRICA RAIL(PTY) LTD.
36	FIREFLASH INVESTMENTS(PTY) LIMITED	81	JINDAL ENERGY (BOTSWANA) PTY LTD.
37	LANDMARK MINERAL RESOURCES (PTY) LIMITED	82	OSHO MADAGASCAR SARL
38	CAMEROON MINING ACTION S.A.	83	JINDAL MADAGASCAR SARL
39	JINDAL STEEL DMCC	84	JINDAL TANZANIA LTD
40	SHADEED IRON & STELL CO. LIMITED-DUBAI	85	JINDAL MINING NAMIBIA(PTY) LTD.
41	JINDAL INVESTMENT HOLDINGS LIMITED	86	JINDAL MAURITANIA SARL
42	SKYHIGH OVERSEAS LIMITED	87	JINDAL REALITY PRIVATE LIMITED (GROUP)
43	TRANS ASIA MINING PTE. LTD.	88	RAIGARH PATHALGAON EXPRESSWAY LIMITED
44	JINDAL MINING & EXPLORATION LIMITED	89	ENVIRO WASTE GAS SERVICES PTY LTD.
45	JINDAL ANGUL POWER LIMITED	90	ENDURING OVERSEAS INC (ceased to be subsidiary during the period)

Joint Ventures:

1	JINDAL SYNFUEL LIMITED
2	URTAN NORTH MINING COMPANY LIMITED
3	SHRESTHA MINING & METALS PVT. LTD.

Associates:

1	PRODISYNE(PTY) LTD
2	THUTHUKANI COAL(PTY) LTD
3	NALWA STEEL & POWER LTD

These Unaudited Special Purpose Interim Condensed Consolidated Financial Statements have been approved and adopted by Board of Directors of the Company on 20th March, 2018.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the financial statements of the company and its subsidiaries are set out in their respective standalone financial statements for the year ended 31st March 2017. The significant accounting policies to prepare consolidated financial statements are in uniformity with the standalone financial statements of the Company. The accounting policies adopted for preparation of these Unaudited Special Purpose Interim Condensed Consolidated Financial Statements are consistent with those used for preparation of annual consolidated financial statements for year ended March 31, 2017.

JINDAL STEEL & POWER LIMITED
NOTES FORMING PART OF THE UNAUDITED SPECIAL PURPOSE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

4 CONTINGENT LIABILITIES AND COMMITMENTS ₹ crore

Particulars	As at 31st December,2017	As at 31st March,2017
A Contingent Liabilities		
a (i) Guarantees, Undertakings & Letter Of Credit		
Guarantees issued by the Company's Bankers on behalf of the Company	1,063.18	1,221.23
Guarantees issued by the Associates(s)' Bankers on behalf of the Associate(s) #	0.75	0.34
Letter of credit opened by banks	1,324.30	933.93
Corporate guarantees/undertakings issued on behalf of third parties	289.28	289.94
a (ii) Demand:		
Disputed Statutory and Other demands, as certified by management	2,831.99	1,566.70
Income Tax demands where the cases are pending at various stages of appeal with the authorities	2,393.20	1,779.78
Disputed Statutory and Other demands of Associate(s) #	26.41	20.28
Bonds executed for machinery imports under EPCG Scheme	1,120.83	1,830.74

Represents Group's share in associate i.e 40% in Nalwa Steel & Power Limited

- a (iii)** Hon'ble Supreme Court of India levied compensation on lessees of mines of Iron Ore and manganese in the State of Odisha for excess production (above environmental and/or forest clearances). Accordingly the Company has deposited ₹ 137.82 crore in December 2017, against the demand notice issued by the Department of Mines, Odisha, post separate hearing before Hon'ble Supreme Court. The Company did not agree to excess quantity as assessed by the State Government and Central Empowered Committee and filed review petition. Pending disposal of the same and based on the opinion of an expert, the Company believes that it has a credible case in its favour. Therefore amount paid is shown as recoverable.
- a (iv)** Pursuant to the Judgment dated 25.08.2014 read with Order dated 24.09.2014 passed by the Hon'ble Supreme Court the allocation of the coal blocks, Gare Palma IV/1 (operational); Utkal B-1, Amarkonda Murgadangal, Gare Palma IV/6, Ramchandi, Urtan North and Jitpur (non-operational) to the Company/its joint ventures stand de-allocated. Prior to the said de-allocation by the Hon'ble Supreme Court, the Government had invoked bank guarantees provided by the Company to the extent of ₹ 153.55 crore with respect to Ramchandi, Amarkonda Murhadangal and Jitpur Coal Blocks. These matters, besides the matters with respect to Urtan North and Gare Palma IV/6 coal blocks, were contested by the Company at various levels and the invocation of the said bank guarantees had been stayed by the respective Hon'ble High Courts. Bank guarantees amounting to ₹ 155.00 crore have been provided by the Company for the above mentioned non- operational coal blocks.

Pursuant to the said de-allocation by the Hon'ble Supreme Court and pending the decision/s of the Ministry of Coal on the show cause notices issued by the Ministry of Coal calling upon the Company to show cause as to why the delay in the development of the non-operational coal blocks should not be held as violation of the terms and conditions of the allocation letters of the said coal blocks, the respective Hon'ble High Courts have required the Company to keep the said Bank Guarantees alive pending the decision of the Government (Ministry of Coal) in individual case. The High Courts have restrained the Ministry of Coal to act in furtherance of its subsequent decision/s, to invoke the bank guarantee/s, for a further period of two weeks' time from the date of the communication of such decision/s in order to enable the Company to challenge such decision/s of the Ministry of Coal. In the meantime, the invocation of the bank guarantees has been stayed by the Hon'ble High Courts. The Company believes that it has good case in respect to this matter and hence no provision is considered necessary.

- (b)** In case of one of the subsidiaries, as a matter of prudence, as per the past practice till date 31st March 2015, had recognized an expense on account for disputed demand of electricity duty and interest thereon of amounting to ₹280.99 Crores (₹ 47.34 Crores as fees and taxes and ₹ 30.09 Crores as interest others in 2014-15). The subsidiary company has challenged the validity of demand made by the Government of Chhattisgarh, in Court, which is pending for decision. Considering the present status of the case, management consideration and opinion of an expert, the company has not recognized electricity duty of ₹47.17 crores and interest thereon of ₹37.97 crores for the year ending 31st March 2016 and electricity duty of ₹49.04 crores and interest thereon of ₹36.84 crores for the year ending 31st March 2017 against disputed demand of electricity duty and disclosed the same under contingent liability. Management feel that it has good creditable case and confident about favorable decision in respect of above disputed demand.
- (c)** In case of one of the subsidiaries:
i) Chief electrical inspector has raised the demand amounting ₹ 17.5 Crore of electricity duty on 4*600 MW as per the tariff applicable for start-up power whereas the Company is paying as the tariff applicable for EHT industrial power consumers provided by CSEB (Rate for start-up is more than EHT power consumer)
ii) Chief electrical inspector is demanding the electricity duty on KVAh whereas the company is paying on KWH basis.
- (d)** One of the subsidiaries had signed Bulk Power Transmission Agreements (BPTA) under Long Term Access (LTA) with Power Grid Corporation India Limited (PGCIL). The details of such BPTAs are as follows:-
i) 500MW LTA signed on 19.03.2008 for JPL Stage I (4 X 250 MW):
Subsidiary vide letter dated 29.09.2017, gave an application to PGCIL for surrender of 500MW of LTA from JPL 4 X 250 MW. PGCIL accepted surrender through letter dated 16.11.2017 wherein it stated that the effective date for relinquishment is from 01.11.2017. The subsidiary has considered Rs 86 Cr as contingent liability on 500 MW LTA as per Regulation 18 of the CERC (Grant of Connectivity Long Term Access) as on 31st December 2017.
ii) 1400 MW capacity signed on 24.02.2010 for JPL Stage II (4 X 600MW) Thermal Power Station, Tamnar, Dist. Raigarh, Chhattisgarh with two target regions (Western Region -700MW & Northern Region -700 MW):
Consequent to signing of long term PPAs (400 MW with TANGEDCO, 192 MW with KSEB and 142.5 MW with KSEB) of total 732.5 MW, the subsidiary Company has balance LTA of 667.5 MW for which it doesn't have any long term tie-up. Thus the subsidiary Company vide its letters dated 20.12.2017 and 18.01.2018, gave an application to PGCIL for surrender of 300MW LTA (110 MW from WR region & 190 MW from NR region) out of 1400 MW. Accordingly PGCIL vide dated 31.01.2018, revised the LTA quantum to 1100 MW with effect from 01.02.2018. The amount of relinquishment charges are still indeterminable as the same is subject to determination of stranded capacity in transmission system as envisaged under Regulation 18 of the CERC (Grant of Connectivity Long Term Access and Medium Term Open Access in Interstate Transmission and Related Matters) Regulations, 2009 by Hon'ble Commission in Petition no. 92/MP/2015.
- (e)** It is not possible to predict the outcome of the pending litigations with accuracy, the Company believes, based on legal opinions received, that it has meritorious defences to the claims. The management believe the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.

B Commitments: ₹ crore

Particulars	As at 31st December,2017	As at 31st March,2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,920.71	2,568.24

5

a Significant acquisitions and disposal of items of property, plant and equipments:

The Company has divested its oxygen plant assets at its integrated steel plant at Raigarh (Chattisgarh) and Angul (Odisha) and received total consideration (inclusive of taxes) of ₹ 1121 crore. The Company has also entered into operating lease back agreement with the buyer of the oxygen plant assets for continued operation by the Company for manufacturing of steel at respective plants. The loss of ₹ 149.72 crore on sale of oxygen plant assets has been shown as exceptional item.

Blast furnance, coke oven & sinter at Angul, Odisha have been commissioned during the current period and BOF at Angul, Odisha has been completed on 26th Dec 2017.

- b** "Other expenses" includes loss of ₹ 48.49 crore on divestment of a step down subsidiary.

6

Equity securities:

During the period the Company has issued 14,20,000 equity shares of ₹ 1 each at issue price of ₹ 140.31 each (including premium of ₹ 139.31 per share) and 4,80,00,000 convertible warrants at issue price of ₹ 140.31 each to the promoter group companies. Warrants are convertible into equal number of fully paid equity shares of ₹ 1 each and ₹ 168.37 crore has been paid up till date (out of receipt of ₹ 168.37 crore, ₹ 4.80 crore is shown as share warrant and balance ₹ 163.57 is shown as part of other equity). The warrants may be exercised by the warrant holder(s) at any time before the expiry of 18 months from the date of allotment (i.e 10th November, 2017) of the warrants.

7

Earnings per share (not annualised)

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	Nine months ended 31 December 2017	Nine months ended 31 December 2016
Net profit/ (loss) as attributable for equity shareholders (₹ crore) (A)	(1,101.02)	(2,235.58)
Weighted average number of equity shares in calculating basic/diluted EPS (crore) (B)	91.52	91.49
Basic Earnings per Share (₹) (A/B)	(12.03)	(24.44)
Diluted Earnings* per Share (₹) (A/B)	(12.03)	(24.44)

*Anti-dilutive

JINDAL STEEL & POWER LIMITED
NOTES FORMING PART OF THE UNAUDITED SPECIAL PURPOSE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS
ENDED 31 DECEMBER 2017

8A. Non current Financial liabilities- Borrowings

₹ crore

Particulars	As at 31st December, 2017	As at 31st March,2017
Secured		
i) Debentures		
10,000 (Previous Year 10,000), 9.80% Secured Redeemable Non Convertible Debentures of ₹1,000,000 each (Privately placed initially with Life Insurance Corporation of India)	1,000.00	1,000.00
620 (Previous Year 620), 9.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed initially with SBI Life Insurance Company Limited)	49.60	62.00
5000 (Previous Year 5000), 9.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed initially with Life Insurance Corporation of India)	500.00	500.00
10,000 (Previous Year NIL), 9.95% Secured Redeemable Non Convertible Debentures of ₹1,000,000 each (Privately placed initially with Kotak Mahindra Bank)	1,000.00	-
6,500 (Previous Year NIL), 9.45% Secured Redeemable Non Convertible Debentures of ₹1,000,000 each (Privately placed initially with HDFC Bank Limited)	650.00	-
	<u>3,199.60</u>	<u>1,562.00</u>
ii) Term Loan		
From Banks	28,095.46	29,459.35
From Other Parties	997.93	1,011.46
iii) Loan repayable on demand	-	-
iv) External Commercial Borrowings	19.98	113.47
v) Other Loans from Banks (Buyer's Credit)	750.09	660.10
	<u>33,063.06</u>	<u>32,806.38</u>
Less current maturities under Other current financial liabilities	<u>4,141.88</u>	<u>2,979.69</u>
	<u>28,921.18</u>	<u>29,826.69</u>

- Debentures: During the current period Non convertible debentures (NCD) aggregating to ₹ 50 crore have been issued by a subsidiary of the company and NCDs aggregating to ₹ 227.60 crore (including ₹ 127.60 crore by a subsidiary of the company) have been redeemed.
- Project Loan of ₹ 7,215.34 crores outstanding as on 30th Nov 2015 were elongated under the 5/25 Scheme (Outstanding as at 31st Dec, 2017 ₹ 7,051.99 crore). The company is in process of execution of Joint Documentation with lenders to affect the sanctioned restructuring scheme. On completion of Joint Documentation, security against the stated loans along with debentures (refer para: "Debenture" i & ii, "Term Loan from Bank" i, iv, v and "other Loans" of note no. 25 of audited financial statements for the year ended 31st March 2017) shall be modified to first charge on pari-passu basis over the movable and immovable fixed assets (ISP, DRI, CPP and other miscellaneous assets etc.) {including all the project contracts (including insurance policies, rights, titles etc.)} both present and future of Plant Phase 1A at Angul, Odisha of the company in favour of the Debenture Trustees/lenders. Accordingly, during the current period the Company has given rights to the lenders in terms of RBI circular on Strategic Debt Restructuring Scheme dated June 08, 2015 to convert all or part of the outstanding loans / financial assistance (including outstanding interest) granted to the Company from time to time by Joint Lenders Forum led by State Bank of India into fully paid-up equity shares of the Company ("Equity Shares"), subject to the provisions of applicable laws.
- Delay in repayment of borrowings : i. In Jindal Steel Power Mauritius Limited, lenders of USD 150 Mn & 400 Mn facility ('the facility') have accelerated the loan and demanded the full outstanding principal along with the due interest in view of delay in payment of interest and due amount of instalments and accordingly the outstanding loan amount of ₹ 3,516.00 Crore (at period-end rates) and interest thereon ₹ 175.97 crore has been shown under the head "current liabilities - other financial liabilities". Subsequently, the company has entered into standstill agreement with the lenders of USD 400 Mn & USD 150 Mn facility on 8th Feb 2018 which will become effective on the receipt of RBI approval for corporate guarantee of Holding Company.
ii. During the year in Wollongong Coal Limited, the MCB, lender of USD 25 Mn facility ('the facility') have accelerated the loan and demanded the full outstanding principal along with the due interest in view of delay in payment of interest and due amount of instalments outstanding loan amount of ₹ 133.19 crore and interest thereon ₹ 15.17 crore. Subsequently, the loan has been restructured with repayment due on 31st Dec 2018. Guarantee to be given by holding company is pending for RBI approvals.
iii. The Jindal steel & Power Australia has made certain delay in payment of interest amount to ₹ 53.97 crore. Guarantee to be given by holding company is pending for RBI approvals.
- For security and other notes refer note no. 25 & 30 of of audited financial statements for the year ended 31st March 2017.

Unsecured

Debentures		
500 nos. (Previous Year Nil), 10.95% Unsecured Redeemable Non Convertible Debentures of ₹8,00,000 each	40.00	-
5000 nos. (Previous Year 6176), 9.95% Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each (Privately placed initially with Kotak mahindra Bank Limited)	500.00	617.60
3,000 (Previous Year 3,000), 10.48% Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each (Privately placed initially with ICICI Bank Limited)	300.00	300.00
10,000 (Previous Year 10,000), 10.25% Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each (Privately placed initially with Kotak Mahindra Bank)*	-	1,000.00
7,500 (Previous Year 7,500), 9.75% Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each (Privately placed initially with HDFC Bank Limited)*	-	750.00
	<u>840.00</u>	<u>2,667.60</u>
* Became secured		
Term Loan		
- From Banks	2,684.95	2,723.87
Other Loans from Banks		
- Other Loans	-	-
- Liability component of compound financial instrument	36.96	34.64
Other Loans & Advances		
- 8% fully convertible bonds	-	-
- External Commercial Borrowings	92.47	201.46
- Others Loans	5.85	56.45
	<u>3,660.23</u>	<u>5,684.02</u>
	<u>2,953.55</u>	<u>2,912.37</u>
Less current maturities under Other current financial liabilities	<u>706.68</u>	<u>2,771.65</u>
	<u><u>29,627.86</u></u>	<u><u>32,598.34</u></u>

8B.Current financial liabilities-Borrowings

₹ crore

Particulars	As at 31st December, 2017	As at 31st March,2017
Secured		
i) Term Loans		
From Banks	695.69	562.64
ii) Cash credit from banks *	4,281.86	4,618.70
iii) Other Loans from Banks (Buyer's Credit)	<u>251.79</u>	<u>657.04</u>
	5,229.34	5,838.38
Unsecured		
- Term Loans		
From Banks	1,462.31	1,518.69
- From others	84.16	-
- Loans from related parties	-	3.03
	<u>1,546.47</u>	<u>1,521.72</u>
	<u><u>6,775.81</u></u>	<u><u>7,360.10</u></u>

* Including working capital demand loans.

JINDAL STEEL & POWER LIMITED

NOTES FORMING PART OF THE UNAUDITED SPECIAL PURPOSE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

9 Fair value of financials assets and liabilities

Class wise composition of carrying amount and fair value of financial assets and liabilities that are recognised in the financials statements is given below:

Particulars	₹ crore			
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	As at December 31 , 2017		As at March 31 , 2017	
Financial Assets at amortised cost				
Investment (Non Current)	3.19	3.19	3.19	3.19
Fixed deposits with banks (Non Current)	19.10	19.10	36.81	36.81
Cash and bank balances	466.31	466.31	477.22	477.22
Trade and other receivables	1,797.66	1,797.66	1,716.62	1,716.62
Loans (non current)	86.98	86.98	91.24	91.24
Loans (current)	291.64	291.64	387.43	387.43
Other financial assets (Non Current)	268.93	268.93	508.85	508.85
Other financial assets (Current)	1,346.55	1,346.55	1,054.65	1,054.65
Financial Asset at fair value through profit or loss :				
Investment (Non Current)	126.88	126.88	126.88	126.88
Investment (Current)	0.28	0.28	0.38	0.38
Financial Liabilities at amortised cost				
Borrowings (Non Current)	29,627.86	29,627.86	32,598.34	32,598.34
Borrowings (Current)	6,775.81	6,775.81	7,360.10	7,360.10
Trade & other payables	3,965.24	3,965.24	3,028.70	3,028.70
Other financial liabilities (Non current)	376.69	376.69	673.21	673.21
Other financial liabilities (Current)	10,426.86	10,426.86	8,830.06	8,830.06
Financial Liabilities at fair value through profit or loss :				
Other financial liabilities- Derivatives	6.06	6.06	5.73	5.73

Fair value hierarchy

The Company uses the following hierarchy for fair value measurement of the company's financials assets and liabilities :

Level 1: Quoted prices/NAV (unadjusted) in active markets for identical assets and liabilities at the measurement date.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3:

Particulars	31.12.2017	31.03.2017	Levels	Valuation Techniques and Key Inputs
	Carrying Value	Carrying Value		
Financial Assets at amortised cost :				
Other financial assets	268.93	508.85	level 3	Discounted cash flow method
Investment	3.19	3.19	level 3	Discounted cash flow method
Loans	378.62	478.67	level 3	Discounted cash flow method
Financial Asset at fair value through profit or loss :				
Investment (Non Current)	126.88	126.88	level 3	Net Asset Value
Investment(Current)	-	-	level 1	Quoted market price
Financial Liabilities at amortised cost :				
Borrowings (Non Current)	29,627.86	32,598.34	level 3	Discounted cash flow method
Borrowings (Current)	6,775.81	7,360.10	level 3	Discounted cash flow method
Other financial liabilities (Non-Current)	376.69	673.21	level 3	Discounted cash flow method
Financial Liabilities at Fair value through profit or loss :				
Other financial liabilities- Derivatives	6.06	5.73	level 2	Forward foreign currency exchange rates, Interest Rates to discount future cash flow

JINDAL STEEL & POWER LIMITED
NOTES FORMING PART OF THE UNAUDITED SPECIAL PURPOSE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

10 Operating Segment Reporting

Information about segments

The Group is engaged primarily into manufacturing of Iron & steel products and power. The Company's primary segments as identified by management are Iron and steel products and Power. Segments have been identified taking into account nature of product and differential risk and returns of the segment. These business segments are reviewed by the Chief Operating Officer of the Company (Chief operating decision maker).

Iron and steel products: Segment comprises of manufacturing of Steel products, sponge iron, pellets and castings.

Power: Segment comprises of business of power generation.

Others : it mainly comprises of aviation, real estate and machinery division.

The measurement principles for segment reporting are based on IND AS. Segment's performance is evaluated based on segment revenue and profit or loss from operating activities.

1. Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.
2. Finance income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting.
3. The total assets disclosed for each segment represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, intersegment assets and exclude derivative financial assets, deferred tax assets, income tax recoverable and capital work in progress related to ongoing projects.
4. Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial liabilities.
5. Unallocated expenses/ results, assets and liabilities include expenses/ results, assets and liabilities (including inter-segment assets and liabilities) and other activities not allocated to the operating segments. These also include current taxes, deferred taxes and certain financial assets and liabilities not allocated to the operating segments.

		₹ crore	
S.No.	Particulars	Nine months ended 31st December,2017	Nine months ended 31st December,2016
1.	Segment Revenue		
a)	Iron and Steel	15,361.57	12,697.58
b)	Power	5,113.33	4,813.86
c)	Others	566.34	578.22
	Sub Total (gross) A	21,041.24	18,089.66
	Inter Segment Revenue	1,798.68	2,149.49
	Net Segment Revenue (A-B)	19,242.56	15,940.17
2.	Segment Result(profit(+)/Loss(-) before tax and interest from each segment)		
a)	Iron and Steel	1,616.75	641.55
b)	Power	539.51	283.96
c)	Others	(441.34)	(265.70)
	Sub Total (gross)	1,714.92	659.81
	Less:		
	(i) Finance Cost (Net) (Interest, financial expenses and lease rent)	2,794.31	2,559.76
	(ii) Other un-allocable expenses(net of un-allocable Income)	303.03	461.62
	(iii) Exceptional items	149.72	625.72
	Profit before tax	(1,532.14)	(2,987.29)
		As at 31st December, 2017	As at 31st March, 2017
3.	Segment Assets		
a)	Iron and Steel	44,941.98	44,549.68
b)	Power	23,240.05	23,656.64
c)	Others	1,622.63	2,048.06
d)	Unallocated Assets*	19,546.20	20,343.55
	Total Assets	89,350.87	90,597.93
4.	Segment Liabilities		
a)	Iron and Steel	5,806.17	4,117.19
b)	Power	1,253.58	851.70
c)	Others	107.87	131.94
d)	Unallocated Liabilities	52,677.73	55,446.57
	Total Liabilities	59,845.35	60,547.40

* Unallocated assets include Capital work In progress relating to ongoing projects.

JINDAL STEEL & POWER LIMITED
NOTES FORMING PART OF THE UNAUDITED SPECIAL PURPOSE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

11. Related Party disclosures as per Ind AS 24

A. List of Related Parties and Relationships

a) Associates

- 1 Nalwa Steel & Power Limited
- 2 Prodisyne (Pty) Limited
- 3 Thuthukani Coal (Pty) Limited

b) Joint Ventures

- 1 Jindal Synfuels Limited
- 2 Shresht Mining and Metals Private Limited
- 3 Urtan North Mining Private Limited

c) Other Significant influences

- 1 OPJ Trading Private Limited

d) Key Managerial Person

- 1 Shri Naveen Jindal (Chairman)
- 2 Shri Ravi Uppal (Managing Director & Group CEO till 30 Sep 2016)
- 3 Shri D.K. Saraogi (Wholetime Director)
- 4 Shri Rajeev Bhadauria (Wholetime Director)
- 5 Shri Deepak Sogani (Chief Financial Officer w.e.f 19 Dec 2017)
- 6 Shri Rajesh Bhatia (Chief Financial Officer w.e.f 22 Nov 2016 till 27 June 2017)
- 7 Shri K Rajagopal (Group Chief Financial Officer till 21 Nov 2016)
- 8 Shri Murli Manohar Purohit (Company Secretary w.e.f 10 Oct 2016 till 31 May 2017)
- 9 Shri Jagdish Patra (Company Secretary till 11 Jul 2016 & again appointed w.e.f. 26 June 2017)

e) Enterprises over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year

- 1 Jindal Stainless Ltd
- 2 Bir Plantation Limited
- 3 India Flysafe Aviation Limited
- 4 Minerals Management Service (India) Pvt. Ltd.
- 5 Jindal Saw Limited
- 6 JSW Steel Limited
- 7 Rohit Tower Building Limited
- 8 JSW Energy Limited
- 9 JSW Projects Limited
- 10 JSW Steel Coated Product Ltd.
- 11 JSW Severfield Structures Ltd.
- 12 Jindal Coke Ltd.
- 13 Jindal Stainless (Hissar) Ltd.
- 14 JSW International Trade Corp. Pte Ltd.
- 15 JSW Cement Ltd.
- 16 Jindal Realty Private Limited (Upto 30 March 2017, subsidiary wef 31 March 2017)
- 17 Jindal Infosolutions Ltd.
- 18 Action Infrastructure Private Limited
- 19 Beau Green RealEstate Private Limited
- 20 Bhiwani Builders Private Limited
- 21 Bahadurgarh Townships Pvt Ltd
- 22 Green City Infrastructures Pvt. Ltd.
- 23 Jaandar Builders Pvt. Ltd.
- 24 Jagran Developers Pvt Ltd
- 25 Karnal Buildtech Pvt. Ltd.
- 26 Kufri Buildcon Pvt. Ltd.
- 27 Mount Abu Buildwell Pvt. Ltd.
- 28 Nainital Buildcon Pvt. Ltd.
- 29 Nainital Buildtech Pvt. Ltd.
- 30 Orissa Infrastructure Pvt. Ltd.
- 31 Rajkot Buildwell Pvt. Ltd.
- 32 Rohtak Townships Pvt. Ltd.
- 33 Specular Buildmart Pvt. Ltd.
- 34 Synergry Buildhome Pvt. Ltd.

f) Post-Employment Benefit entity

- 1 Jindal Steel & Power Ltd EPF Trust

B. Transaction with Related Parties

(₹ crore)

Description	Joint Ventire		Associates		Key management Personnel		Enterprises controlled by key management personnel & their relatives	
	Nine months ended 31st Dec 2017	Nine months ended 31st Dec 2016	Nine months ended 31st Dec 2017	Nine months ended 31st Dec 2016	Nine months ended 31st Dec 2017	Nine months ended 31st Dec 2016	Nine months ended 31st Dec 2017	Nine months ended 31st Dec 2016
Purchase of goods/services(incl capital goods)*			316.35	146.86			580.57	196.81
Sale of goods/ scrap (incl capital goods)*			242.79	22.65			504.92	280,346.32
Sale/ Transfer of Land due to delicensing							2.81	-
Rendering of services							0.01	0.05
Investment in equity shares/preference shares								
Adv Against Share/ Debenture Application Money								
Investment in debenture								
Other advances given/(taken)	-	0.18	-	(250.00)	0.12	0.05	(35.70)	(362.90)
Loan given/(taken)	-	(1.65)	(28.29)	-				
Other advances repaid back					0.56	2.22		
Excess remuneration recovered								
Allotment of equity shares								
Rent & other expenses paid			0.53	1.18			0.94	0.72
Interest income/ (expenses/net)							(32.31)	0.82
Security deposit received/(given)								
Remuneration					17.56	16.17		
Coraporate guarantee given/taken/extinguished)#**								
Inter corporate deposit (given)**								
Inter coporate deposit repaid/adjusted							14.56	-
Advanced received for sale of fixed assets								

(₹ in crore)

Particulars	Joint Venture		Associates		Key management Personnel		Enterprises controlled by key management personnel & their relatives	
	31st December 2017	31st March 2017	31st December 2017	31st March 2017	31st December 2017	31st March 2017	31st December 2017	31st March 2017
Outstanding balance as at								
Inter Corporate deposit (ICD) taken/(Given)						-	(27.48)	(42.04)
Guarantee outstanding **	16.50	16.50				-	0.25	0.25
Guarantee outstanding(given by others on behalf of the company)			(31.00)	(31.00)		-		-
Advance/security deposit paid						-	8.50	8.50
Loans & advance(including interest)					0.10	0.54	69.41	69.41
Advance for Sale of Power Plant						-	403.90	373.00
Security deposit receipt						-		-
Advanced against share application	0.18	0.18				-		-
Investment in equity shares/debentures			2.00	2.00		-		-
Other Advance received			(164.87)	(250.00)		-		-
Outstanding liabilities						-		-
Salary payable					0.39	0.24		-
Interest receivable							58.04	55.30
Debtors- Dr balance			59.23	-		-	39.10	69.88
Debtors- Cr balance						-	3.56	0.61
Creditors Dr balance			-	-		-	13.03	12.68
Creditors Cr balance			48.36	-		-	15.74	15.20

*Figures are inclusive of taxes & other expenses

** includes foreign currency gain & loss

amount of guarantee given is restricted to actual utilisation of limits including interest.

JINDAL STEEL & POWER LIMITED

NOTES FORMING PART OF THE UNAUDITED SPECIAL PURPOSE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

Material transactions with Associates & Joint Ventures

₹ crore			
Name of the related party	Nine Months ended	Nalwa steel power limited	Urtan North Mining Corporation Ltd
Relationship		Associate	Joint Venture
Purchase of goods/services(inc capital goods)*	31st Dec 2017	316.35	
	31st Dec 2016	146.86	
Sales of goods/scrap (inc capital goods)*	31st Dec 2017	242.79	
	31st Dec 2016	22.65	
Rendering of services	31st Dec 2017		
	31st Dec 2016		
Investment in equity shares/preference shares	31st Dec 2017		
	31st Dec 2016		
ADV AGAINST SHARE/ DEBENTURE APPLICATION MONEY	31st Dec 2017		
	31st Dec 2016		
Investment in debentures	31st Dec 2017		
	31st Dec 2016		
Other advances given /(taken)	31st Dec 2017	-	-
	31st Dec 2016	(250.00)	0.18
Loan given/(Taken)	31st Dec 2017	(28.29)	-
	31st Dec 2016	-	(1.65)
Rent & other expenses	31st Dec 2017	0.53	
	31st Dec 2016	1.18	
Interest income	31st Dec 2017		
	31st Dec 2016		
Interest expenses	31st Dec 2017		
	31st Dec 2016		
Loan received/(Repaid)	31st Dec 2017		
	31st Dec 2016		
Corporate guarantee given (taken) (extinguished)**	31st Dec 2017		
	31st Dec 2016		
Inter corporate deposit given**	31st Dec 2017		
	31st Dec 2016		
Inter corporate deposit repaid/adjusted	31st Dec 2017		
	31st Dec 2016		
Advance received for sale of fixed assets	31st Dec 2017		
	31st Dec 2016		

*figures are inclusive of taxes & other expenses reimbursed

** includes foreign currency gain or loss

JINDAL STEEL & POWER LIMITED
NOTES FORMING PART OF THE UNAUDITED SPECIAL PURPOSE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

Material transactions with Enterprises controlled by Key management Personnel															₹ crore		
Name Of Related Party	Nine Months ended	JSW Steel Ltd. Mumbai/ Bellary	JSW Energy Limited	Jindal Saw Limited	Jindal Stainless Ltd.	Jindal Realty Pvt. Ltd.	Jindal Coke Ltd.	Jindal Stainless (Hissar) Ltd.	Minerals Management Service (India) Pvt. Ltd.	Bir Plantation Pvt. Ltd.	Rohit Towers Pvt. Ltd.	JSW Steel Coated Product Ltd.	JSW Projects Ltd.	JSW Cement Ltd.	JSW International Trade Corp. Pte Ltd.	JSW Severfield Structures Ltd.	India Flysafe Aviation Limited
Purchase of Goods/Services(Inc Capital goods)*	31st Dec 2017	0.37		0.78	84.34		121.24	0.01				5.22			316.46		52.15
	31st Dec 2016	4.99		3.78	126.65		-	0.10				6.65			-		53.35
Sales Of Goods/ scrap (Inc Capital goods)*	31st Dec 2017	33.91		404.64	14.08	-			-			1.73	0.42	5.09		45.05	
	31st Dec 2016	70.00		181.33	4.87	0.84			0.02			280,000.00	0.37	-		88.89	
Rendering of services	31st Dec 2017		0.01	-													
	31st Dec 2016		-	0.05													
Other advances given/(taken)	31st Dec 2017		(30.90)														
	31st Dec 2016		(362.90)														
Rent and Other Expense	31st Dec 2017				0.43					0.11	0.40						
	31st Dec 2016				0.40					0.05	0.27						
Interest income/(expenses)	31st Dec 2017		(35.97)														
	31st Dec 2016		(3.07)														
Inter corporate deposits repaid/ adjusted	31st Dec 2017																
	31st Dec 2016																
*figures are inclusive of taxes & other expenses reimbursed																	

JINDAL STEEL & POWER LIMITED
NOTES FORMING PART OF THE UNAUDITED SPECIAL PURPOSE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

Material transactions with Enterprises controlled by Key management Personnel										₹ crore
Name Of Related Party	Nine Months ended	Action Infrastructure Private Limited	Beau Green RealEstate Private Limited	Bhiwani Builders Private Limited	Bahadurgarh Townships Pvt Ltd	Green City Infrastructures Pvt. Ltd.	Jaandar Builders Pvt. Ltd.	Jagran Developers Pvt Ltd	Karnal Buildtech Pvt. Ltd.	Jindal Infosolution Ltd.
Purchase of Goods/Services(Inc Capital goods)*	31st Dec 2017									-
	31st Dec 2016									1.29
Sales Of Goods/ scrap (Inc Capital goods)*	31st Dec 2017									
	31st Dec 2016									
Sale/ Transfer of Land due to delicensing	31st Dec 2017	2.14					0.67			
	31st Dec 2016	-					-			
Rendering of services	31st Dec 2017									
	31st Dec 2016									
Other advances given/(taken)	31st Dec 2017	(4.37)	(0.15)	0.02	(0.25)	0.00	(1.46)	1.01	(0.31)	
	31st Dec 2016	-	-	-	-	-	-	-	-	
Rent and Other Expense	31st Dec 2017									
	31st Dec 2016									
Interest income/(expenses)	31st Dec 2017							2.74		
	31st Dec 2016							2.74		
Inter corporate deposits repaid/ adjusted	31st Dec 2017									
	31st Dec 2016									

Material transactions with Enterprises controlled by Key management Personnel										₹ crore
Name Of Related Party	Nine Months ended	Kufri Buildcon Pvt. Ltd.	Mount Abu Buildwell Pvt. Ltd.	Nainital Buildcon Pvt. Ltd.	Nainital Buildtech Pvt. Ltd.	Orissa Infrastructure Pvt. Ltd.	Rajkot Buildwell Pvt. Ltd.	Rohtak Townships Pvt. Ltd.	Specular Buildmart Pvt. Ltd.	Synergry Buildhome Pvt. Ltd.
Purchase of Goods/Services(Inc Capital goods)*	31st Dec 2017									
	31st Dec 2016									
Sales Of Goods/ scrap (Inc Capital goods)*	31st Dec 2017									
	31st Dec 2016									
Sale/ Transfer of Land due to delicensing	31st Dec 2017									
	31st Dec 2016									
Rendering of services	31st Dec 2017									
	31st Dec 2016									
Other advances given/(taken)	31st Dec 2017	(0.39)	0.00	(0.07)	0.00	0.00	0.00	1.15	0.00	0.00
	31st Dec 2016	-	-	-	-	-	-	-	-	-
Rent and Other Expense	31st Dec 2017									
	31st Dec 2016									
Interest income/(expenses)	31st Dec 2017									0.92
	31st Dec 2016									1.15
Inter corporate deposits repaid/ adjusted	31st Dec 2017									14.56
	31st Dec 2016									-

*figures are inclusive of taxes & other expenses reimbursed

Compensation to Key Management Personnels for each of the following categories			₹ crore
Particulars	Nine months ended 31st Dec 2017	Nine months ended 31st Dec 2016*	
Short term benefits	16.31	14.91	
Post employment benefits			
- Defined Contribution Plan	1.25	1.26	
Share based payments		-	
Total	17.56	16.17	

Note: Remuneration paid/payable to Chairman & WTDs are subject to necessary regulatory approvals.

*excess paid since recovered

Jindal Steel & Power Ltd EPF Trust			₹ crore
Particulars	Nine months ended 31st Dec 2017	Nine months ended 31st Dec 2016	
Provident fund contribution	11.83	12.59	

JINDAL STEEL & POWER LIMITED
NOTES FORMING PART OF THE UNAUDITED SPECIAL PURPOSE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE NINE MONTHS ENDED 31 DECEMBER 2017

12 The Hon'ble Supreme Court of India by its Order dated 24 September 2014 cancelled number of coal blocks allocated to the Company by Ministry of Coal, Government of India and directed to pay an additional levy of ₹ 295 per MT on gross coal extracted. The Company and one of it's subsidiaries have paid under protest such levy on coal extracted during the period from 1993 to 31 March 2015 of ₹ 2,082.23 crore(₹ 3,267.43 crore including a subsidiary). The management based on legal opinion has charged to the statement of profit and loss ,as exceptional item during the year 2014-15 for ₹ 807.77 Crore (₹ 1,911.64 crore including a subsidiary) computed on net extraction (run of mines less shale, rejects and ungraded middling) of coal by the Company. The balance amount of ₹ 1,274.46 crore(₹ 1,355.79 crore including a subsidiary) has been shown as recoverable from the Government Authority since the entire amount of additional levy has been paid under protest.

13 The Company has net book value of investment made in mining assets including land, infrastructure and clearance etc. of ₹ 425 crore (₹ 608.58 crore including a subsidiary) and filed claim for the same pursuant to directive vide letter dated 26 December, 2014 given by the Ministry of Coal on such mines . Meanwhile the Ministry of Coal has made interim payment to the Company of ₹ 22.72 crore towards the same. Pending final settlement of the aforesaid claim, this amount has been accounted for as advance.

14 a) As per Power Purchase Agreement with Tamilnadu State Electricity Board (TNSEB), one of the subsidiaries has filed petition before Hon'ble CERC for tariff impact due to change of law as per contract and accounted revenue of ₹ 57.06 Cr during the year till 31st December,2017.(Previous Year till December, 2016 ₹ 107.07 Cr).

b) As per the interim order of the CERC the transmission income has been accounted for in respect of 400 KV JPL Tamnar - Raipur DC line (along with 400 KV bays, 2 no. 315 MVA transformers etc.) @ ₹ 45.44 Cr per annum and realized the same from Power Grid Corporation India Limited (PGCIL). During the period, in terms of section 61 & 62 of the Electricity Act 2003 and Regulation 79(1)(a) of the Central Electricity Regulation Commission (Terms & condition of Tariff) Regulations 2009, the CERC vide its order dated 18.12.2015 has reduced & restricted transmission charges payable to the one of the subsidiaries for the period ended till 31st December 2017 to ₹ 124 Cr & ₹ 105.21 Cr till December, 2016 (against the revenue claimed and accounted for by the one of the subsidiaries amounting to ₹ 303.66 Cr & ₹ 258.91 Cr till December 2016). The one of the subsidiaries has challenged the order of CERC by filing petition in Appellate tribunal which is pending for the decision. Pending decision, no effect have been given in this regard and the one of the subsidiaries continue its practice to account for the income as per past based on the interim order of CERC.

15 One of the step down subsidiaries has entered into development agreement(s) with various companies for development of land. Pursuant to said agreement the company has advanced ₹ 388.75 crore as on 31st December, 2017 (₹ 393.85 crore as on 31st March, 2017) to these various company as interest free advances.

16 Unaudited Special Purpose Interim Condensed Consolidated Financial Statements include results of one overseas subsidiary which is based on unaudited financial statements having revenue of ₹ 8.12 crore during the nine months ended 31 December, 2017 and assets of ₹ 3669.08 crore as at 31st December, 2017.

17 Subject to customary regulatory approvals and other conditions precedent(s), the Board of Directors at its meeting held on 3rd May,2016 has approved the agreement for divestment of 1,000 MW Power unit of Jindal Power Limited (a subsidiary of the Company (JPL)), located in Chhattisgarh into a separate purpose vehicle (SPV), for the purpose of transferring the same to JSW Energy Limited through sale of the entire share capital and other securities of the aforesaid entity in terms of the share purchase agreement for an enterprise value of ₹ 6,500 Crores plus the value of Net Current Assets as on the Closing Date. The valuation may vary based upon the achievement of PPA's before the closing date 30th June, 2018 and as prescribed in the Agreement subject to minimum of ₹ 4,000 crore plus the value of Net Current Assets as on the Closing Date.The Company has received advance of ₹ 403.90 Crore from JSW Energy against the same.

In order to streamline cash flows of the group and create SPV amenable for, the Board of Directors of the Company and JPL have in principle approved the restructuring involving parent Company and JPL and formed a committee of directors ("Restructuring Committee"), to explore and evaluate various restructuring options available including a scheme of arrangement. The restructuring will entail that 1000 MW Power Plant owned by JPL is hived off into an separate purpose vehicle, being subsidiary of the parent company, creation of other SPV amenable for monetization by way of divestments as well as achieve better synergy across the parent company and its subsidiaries, and to ensure that the businesses of these entities are operated in the most efficient and cost effective manner, including by pooling of technical, distribution and marketing skills, creating optimal utilisation of resources, better administration and cost reduction. Upon completion of evaluation of the possible arrangement options, the Restructuring Committee is to submit its recommendations to the Board of Directors and to such other committee(s) of the Board, including the Audit Committee, shareholders as may be required by applicable laws.

18 During the previous financial year, the Board of Directors of the Holding Company approved sale of certain captive power plants (CPP) to Jindal Power Limited (JPL) a subsidiary company situated at Angul, Odisha (6x135 MW) and at Raigarh, Chattisgarh (2x55 MW) aggregating to 920 MW at a fair market value determined by independent valuer appointed by the Board of Directors amounting to ₹ 5,275 crore; which is subject to necessary approvals to be arranged by the Holding Company. The Holding Company has received interest free advance against above of ₹ 2,854 crore.

19 Balances of certain advances,creditors and receivables are in process of confirmantion/reconciliation.

20 Hon'ble Supreme Court of India, in its judgement in March 2017 has upheld constitutional validity of entry tax levied by the different State Governments and referred the same to divisional/ regular benches for testing and determination of validity of state legislation vis a vis the Article 304 (a) of the constitution and left open levy of entry tax on goods entering the landmass of India from another country to be determined in appropriate proceedings. Full provision amounting to ₹ 47.75 Cr has been made in this regard except in case of import of goods from outside India, where part amount (₹ 56.47 Crore) of entry tax has been deposited (shown under loans and advances) based on the Order of High Court in other assessee's case and as advised by an expert (against amount calculated till 31.12.2017 of ₹ 115.24 Crore).

The Hon'ble Supreme Court of India, further to its Judgement as stated above, has decided appeal in favor of State Governmant vide its Order dated 09.10.2017 that the imported goods are not exempted from entry tax.

Management is in process of exploring further course of action.

21 On account of substantial investment made by the Company in setting up/ expansion of industrial unit(s) at Raigarh (Chhattisgarh), including investment in acquisition of capital assets, one of the Company's unit is eligible for sales tax exemption under the State Industrial Policy which aims towards industrialization of the State and development of backward areas. The Company had earlier treated the amount relating to sales tax exemption as capital receipt and credited the same to "Sales tax subsidy / Capital reserve" shown under the head "Reserve and Surplus" upto the Financial year ended 31st March, 2015. However, in the year ended 31st March, 2016, the Company had, in view of amendment in the Income tax laws and applicability of Ind AS with effect from 1st April, 2016, credited a sum of ₹ 35.12 crore to sales in the statement of profit and loss. Considering the above, the Company had decided to transfer the accumulated balance of ₹ 316.70 crore appearing under "Sales tax subsidy / Capital Reserve" under the head "Reserve and Surplus" as at 31st March,2016 to the statement of profit and loss during the previous year 2016-17. Accordingly, during the nine months ended 31st Dec 2016 ₹ 237.53 crore as stated has been credited to and considered as part of "other operating revenue" and loss before tax for the nine months ended 31st Dec 2016 is lower to that extent.

22 The Nomination & Remuneration Committee of the Board of Directors had, in its meeting held on January 5, 2018, approved the grant of 51,21,735 Options convertible into equal number of equity shares of the Company, to the eligible employees under JSPL ESOP PLAN 2017, at an exercise price of ₹ 244.55 per option. The vesting period of the aforesaid options are not less than one year and not more than 3 years from the date grant .

23 Effective 1st July, 2017, sales are recorded net of GST whereas earlier sales were recorded gross of excise duty which formed part of expenses. Hence, revenue from operation for nine months ended 31st December, 2017 are not comparable with previous period corresponding figures.

24 Comparative figures have been regrouped/ rearranged / recast, wherever considered necessary to conform to current period's classification. Figures less than ₹ 50,000 have been shown as absolute number.

25 Notes 1 to 25 are annexed to and form an integral part of these Unaudited Special Purpose Interim Condensed Consolidated Financial Statements.

As per our report of even date

For & on behalf of the Board of Directors

For Lodha & Co.
Chartered Accountants
Firm Registration No. 301051E

Naveen Jindal
Chairman
DIN: 00001523

Rajeev R. Bhadauria
Whole Time Director
DIN: 00376562

N.K Lodha
Partner
Membership No. 85155

Deepak Sogani
Chief Financial Officer

Jagadish Patrra
Company Secretary

Place: New Delhi
Dated: 20th March, 2018

Independent Auditors' Report on Consolidated Ind AS financial Statements

To the Members of JINDAL STEEL & POWER LIMITED

Report on the Consolidated Ind AS financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of JINDAL STEEL & POWER LIMITED (herein after referred to as "the Holding Company") and its subsidiaries ("the Holding Company & its subsidiaries" together referred as "the Group"), its associates and jointly controlled companies, comprising of the Consolidated Balance Sheet as at 31st March 2017, the Consolidated statement of profit and loss (including other comprehensive income), the Consolidated cash flow statement for the year then ended and the consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the Consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (herein after referred as "the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group, its associates and jointly controlled companies in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. The respective Board of Directors of the Companies included in the Group, its associates and jointly controlled companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group, its associates and jointly controlled companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on the Consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in the other matter below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Basis of Qualified Opinion:

We draw attention regarding impact on the net carrying value of fixed assets/investment made in mining assets not been considered for the reason stated in the Note No. 59 to the consolidated financial statements of the company for the year ended 31st March 2017 and the management's view not to provide for additional levy paid of amounting to ₹ 1,355.79 crore (being differential between Gross and Net) as stated in the Note No. 58 to the consolidated financial statements of the company for the year ended 31st March 2017, which shown as good and recoverable.

Auditors have also qualified in its report on consolidated financial statements for the year ended 31st March 2016.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/ possible effects of our observation stated in "Basis of Qualified Opinion paragraph" above, read with 'Other Matters' paragraph (b) below, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the Consolidated state of affairs (financial position) of the Group, as at 31 March 2017, and their Consolidated loss (financial performance) including other

comprehensive income, their Consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements of 25 subsidiaries (including 2 numbers JVs considered for consolidation as per Ind AS 110) included in the consolidated financial statements of the company for the year ended 31st March 2017, whose financial statements reflect total assets of ₹ 36,281.95 crore and net assets of ₹ 13,130.34 crore as at 31st March, 2017, total revenue of ₹ 7,563.22 crore, for the year ended 31st March 2017 and net cash inflow of ₹ 159.12 crore for the year ended 31st March 2017, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Company's share of net profit of ₹ 3.51 crore for the year ended 31st March 2017, as considered in the consolidated Ind AS financial statements, in respect of 1 associate and 1 joint venture. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our report on the statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint venture is based solely on the reports of the other auditors.

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

- (b) We have relied on the management certified financial statements (un-audited) of 61 subsidiaries, whose financial statements reflect total assets of ₹ 16,343.77 crore and net assets of ₹ 2,207.15 crore as at 31st March, 2017, total revenue of ₹ 280.02 crore for the year ended 31st March, 2017 and net cash outflow of ₹ 117.96 crore for the year ended 31st March 2017, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Company's share of net loss of ₹ 6,156.53 for the year ended 31st March 2017, as considered in the consolidated Ind AS financial statements, in respect of 2 associates. These Financial statements are un-audited and have been furnished to us by the management and our opinion on the statement, in so far as it relates to the amounts included and disclosure included in respect of these subsidiaries / Associates is based solely on such management certified financial statements / financial information.

Our opinion on the Consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated balance sheet, the Consolidated statement of profit and loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.
- (d) In our opinion, except for the effect / possible effect of the matters described in 'Basis of Qualified Opinion' paragraph above, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
- (e) The matters described in 'Basis of Qualified Opinion' paragraph above, in our opinion, may not have an adverse effect on the functioning of the Group.
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the Directors of the Group, its associates and jointly controlled companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group (Holding Company, Subsidiary Companies, associates companies and jointly controlled companies incorporated in India) the operating effectiveness of such controls, refer to our separate report in "Annexure- A"; and

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on the Consolidated financial position of the Group, its associates and jointly controlled companies - Refer Note No. 44(a) to the Consolidated Ind AS financial statements.
 - ii. Provision has been made in the Consolidated Ind AS financial statement, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and its subsidiaries companies, associate Companies and jointly controlled entities incorporated in India.
 - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note No. 17 to the Consolidated Ind AS financial statements.

For **LODHA & CO.**
Chartered Accountants
FRN: 301051E

N.K. LODHA
Partner
Membership No. 85155
Place: New Delhi
Dated: 23rd May 2017

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED Ind AS FINANCIAL STATEMENTS of JINDAL STEEL & POWER LIMITED

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of JINDAL STEEL & POWER LIMITED ("the Holding Company") and its subsidiaries (**the Holding Company and its subsidiaries** (incorporated in India) together referred to as "**the Group**"), its associates and jointly controlled companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the companies are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit and based on the reports issued by other auditors on internal financial control over financial reporting system, the following weaknesses has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at 31st March 2017:

(a) Provision/adjustment to be made by Group in regard to expense relating to additional coal levy could potentially result in the Group recording lower expense. (Note no. 58)

(b) Provision/impact of the net carrying value of fixed assets/ investment made in mining assets by Group not been considered (presently not determinable); which may result in carrying the assets at higher value. (Note No. 59)

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects / possible effects of the material weaknesses described above in (a) and (b) under Qualified Opinion paragraph on the achievement of the objectives of the control criteria, the Holding Company, its subsidiary companies, its associates and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters:

Our report u/s 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding company in so far as it relates to 9 numbers subsidiary companies, 1 associate company and 3 jointly controlled companies, which are incorporated in India, is based solely on the corresponding reports of respective auditors of such subsidiaries, associate company and jointly controlled companies incorporated in India.

We have considered material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 consolidated financial statements of the Company and these material weaknesses affect our opinion on consolidated financial statements of the Company for the year ended 31st March 2017 [our audit report dated May 23, 2017, which expressed an qualified opinion on those consolidated financial statements of the Company].

For LODHA & CO.

Chartered Accountants
ICAI-FRN: 301051E

N.K. LODHA

Partner
Membership No. 85155
Place: New Delhi
Dated: 23rd May 2017

Consolidated Balance Sheet

as at 31st March, 2017

₹ crore				
Particulars	Note	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS				
(1) Non - current assets				
(a) Property, plant and equipment	6	62,189.52	61,212.22	63,586.93
(b) Capital work- in- progress	6	8,713.98	10,702.70	7,395.73
(c) Investment property	7	31.89	32.41	32.94
(d) Goodwill	8	566.99	548.45	548.45
(e) Intangible assets	8	3,143.23	3,277.43	3,357.30
(f) Intangible assets under development		1,002.19	1,124.10	1,672.24
(g) Biological assets other than bearer plants	8	0.45	0.45	0.49
(h) Financial assets				
(i) Investments	9	367.66	359.36	352.81
(ii) Loans	10	91.25	950.38	485.29
(iii) Bank balances	11	36.81	66.90	46.97
(iv) Others Financial assets	12	508.85	511.42	466.86
(i) Other non- current assets	13	1,011.07	880.77	1,648.46
(2) Current assets				
(a) Inventories	14	3,599.26	3,254.10	4,848.69
(b) Financial assets				
(i) Investments	15	0.38	0.03	1,456.02
(ii) Trade receivables	16	1,716.62	1,429.18	1,690.70
(iii) Cash and cash equivalents	17	246.10	502.46	1,103.18
(iv) Bank balances other than (iii) above	18	231.12	117.92	35.89
(v) Loans	19	387.43	211.52	489.65
(vi) Others Financial assets	20	1,054.65	979.41	696.77
(c) Current tax assets (net)	21	527.59	569.33	553.71
(d) Other current assets	22	5,000.87	5,667.85	5,178.94
(e) Assets held for sale	48	170.02	-	-
Total assets		90,597.93	92,398.39	95,648.02
Equity and Liabilities				
Equity				
(a) Equity share capital	23	91.50	91.49	91.49
(b) Other equity	24	29,959.03	32,344.61	36,281.25
(c) Non controlling interest		646.71	899.83	979.33
Liabilities				
(1) Non - current liabilities				
(a) Financial liabilities				
(i) Borrowings	25	32,598.34	36,353.90	35,605.18
(ii) Trade payables	26	90.88	-	-
(iii) Other financial liabilities	27	673.21	93.70	102.91
(b) Provisions	28	307.21	195.73	159.32
(c) Deferred tax liabilities (net)	29	5,358.63	5,872.37	6,738.04
(d) Other non- current liabilities		0.27	-	-
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	30	7,360.10	7,777.95	6,852.34
(ii) Trade payables	31	2,937.82	2,317.74	2,053.29
(iii) Other financial liabilities	32	8,835.79	5,040.34	5,173.26
(b) Other current liabilities	33	1,675.90	1,345.93	1,456.72
(c) Provisions	34	62.43	64.80	154.89
(d) Current tax liabilities (net)		0.11	-	-
Total Equity & Liabilities		90,597.93	92,398.39	95,648.02

Overview and Significant Accounting Policies

1-5

The notes referred to above form an integral part of financial statements

As per our report of even date

For & on behalf of the Board of Directors

For **Lodha & Co.**

Chartered Accountants

Firm Registration No. 301051E

Naveen Jindal

Chairman

DIN: 00001523

N.K Lodha

Partner

Membership No. 85155

Place: New Delhi

Dated: 23rd May, 2017

Rajesh Bhatia

Chief Financial Officer

Ravi Uppal

Managing Director & Group CEO

DIN: 00025970

Murli Manohar Purohit

Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2017

₹ crore

Particulars	Note	Year ended 31st March, 2017	Year ended 31st March, 2016
I Revenue from operations	35	23,301.23	21,465.64
Less: Captive Sales for own projects		(604.99)	(1,097.51)
II Other income	36	9.99	156.69
III Total income (I + II)		22,706.23	20,524.82
IV Expenses			
Cost of materials consumed	37	6,535.46	6,076.27
Purchases of stock-in-trade	38	265.39	20.58
Changes in inventories of finished goods, work-in-progress and scrap	39	282.62	448.19
Employee benefits expense	40	913.55	946.57
Finance costs(Net)	41	3,389.59	3,253.56
Depreciation and amortization expense		3,949.02	4,067.88
Excise Duty		1,645.73	1,996.90
Other expenses	42	9,000.45	8,540.26
Total expenses		25,981.81	25,350.21
Less: Captive Sales for own projects		(604.99)	(1,097.51)
		25,376.82	24,252.70
V Profit / (loss) before exceptional items and tax (III - IV)		(2,670.59)	(3,727.88)
VI Exceptional items	67	(372.31)	(235.83)
VII Profit / (loss) before tax (V - VI)		(3,042.89)	(3,963.71)
VIII Tax expense			
Current tax		0.72	0.67
Deferred tax	43	(503.40)	(878.13)
Total tax expense/(credit)		(502.68)	(877.46)
IX Profit / (loss) for the period (VII - VIII)		(2,540.22)	(3,086.25)
X Share in Profit / (Loss) of associates (Net of tax)		2.70	(1.01)
XI Total Profit/(Loss) (IX + X)		(2,537.52)	(3,087.26)
Other Comprehensive income(OCI)			
(i) Items that will not be reclassified to profit or Loss			
Remeasurement of the defined benefit plans		4.01	35.99
(ii) Income Tax relating to Items that will not be reclassified to profit or loss		1.39	12.46
(iii) Items that will be reclassified to profit or Loss			
Foreign Currency translation reserve (FCTR)		(127.52)	(767.81)
(iv) Income Tax relating to Items that will be reclassified to profit or loss			
XII Total comprehensive income		(2,662.42)	(3,831.54)
Net Profit attributable to:			
a) Owners of the equity		(2,281.28)	(2,966.24)
b) Non- Controlling interest		(256.24)	(121.02)
Other Comprehensive Income attributable to:			
a) Owners of the equity		(127.60)	(699.16)
b) Non- Controlling interest		2.70	(45.12)
Total Comprehensive Income attributable to:			
a) Owners of the equity		(2,408.87)	(3,665.40)
b) Non- Controlling interest		(253.55)	(166.14)
Earnings per equity share	46		
(1) Basic		(27.73)	(33.74)
(2) Diluted		(27.73)	(33.74)
Overview and Significant Accounting Policies	1-5		

The notes referred to above form an integral part of financial statements

As per our report of even date

For & on behalf of the Board of Directors

For **Lodha & Co.**

Chartered Accountants
Firm Registration No. 301051E

Naveen Jindal
Chairman
DIN: 00001523

Ravi Uppal
Managing Director & Group CEO
DIN: 00025970

N.K Lodha
Partner
Membership No. 85155

Rajesh Bhatia
Chief Financial Officer

Murli Manohar Purohit
Company Secretary

Place: New Delhi
Dated: 23rd May, 2017

Consolidated Cash Flow Statement

for the year ended 31st March, 2017

₹ crore		
Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Operating activities		
Profit before tax	(3,042.90)	(3,963.77)
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	3,949.02	4,067.88
Impairment of intangible (included under exceptional items)	372.31	226.82
Impairment of Investment	5.64	-
Loss/(Gain) on disposal of property, plant & equipment	(20.88)	(3.25)
Gain on Slump sale	(8.88)	(2.67)
Gain on sale of Investments	(1.11)	(151.14)
Liability / Provisions no longer required written back	(2.15)	(135.61)
Bad debts written off/ Provision for Doubtful debts & advances	11.93	42.17
Unrealised foreign exchange fluctuation/Foreign Currency Monetary Item Translation Difference	170.69	(364.46)
Employee stock compensation expense	1.52	-
Sales Tax Subsidy transferred	(316.70)	-
Dividend (Income)	-	(2.88)
Finance costs (Net)	3,389.59	3,253.56
Operating Profit before Working Capital Changes	4,508.08	2,966.71
Working capital adjustments		
Decrease/ (Increase) in trade and other receivables	(297.14)	257.24
Decrease/ (Increase) in inventories	648.33	1,589.07
Decrease/ (Increase) in Non Current Financial Assets	12.97	(40.19)
Decrease/ (Increase) in Current Financial Assets	(323.79)	(272.78)
Decrease/ (Increase) in Other Non-Current and Current Assets	1,000.85	(452.00)
Increase/ (decrease) in trade and other payables	310.41	335.16
Increase/ (decrease) in Other Non-current and current Financial Liabilities	506.27	136.22
Increase/ (decrease) in Other Non- current and Current Liabilities	275.32	(116.69)
Increase/ (decrease) in Provisions	112.38	(53.02)
	6,753.68	4,349.73
Income- tax paid	45.00	(16.95)
Net cash flows from (used in) operating activities	6,798.68	4,332.78
Investing activities		
Purchase of property, plant & equipment, including CWIP and capital advances	(2,497.50)	(3,949.95)
Proceeds from sale of property, plant & equipment	143.36	97.05
Dividend Received	-	2.88
Loan/advance given to related party	-	(133.71)
Interest Received	75.44	226.33
Purchase of non current Investments (subsidiary)	(10.01)	-
Purchase of non current Investments	(0.08)	(10.31)
Proceeds from sale of non current investment	-	105.19
(Increase) /decrease in current investment (net)	0.76	1,503.69
Deposit with original maturity more than three months	(84.11)	(102.76)
Advance for sale of Investment	373.00	-
Net cash flows from (used in) investing activities	(1,999.14)	(2,261.59)

Consolidated Cash Flow Statement

for the year ended 31st March, 2017

₹ crore

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Financing activities		
Proceeds from issue of shares	0.01	-
Working Capital Borrowings from Banks/other short term loans (net)	(464.59)	1,795.89
Proceeds from long term Borrowings	2,371.58	16,212.63
Repayment of long term borrowings	(2,875.18)	(17,085.52)
Dividend Paid (including tax thereon)	-	(0.80)
Interest Paid	(4,088.41)	(3,594.11)
Net cash flows from (used in) financing activities	(5,056.59)	(2,671.91)
Net increase (decrease) in cash and cash equivalents (A+B+C)	(257.05)	(600.72)
Cash and cash equivalents at the beginning of the year	502.46	1,103.18
Cash and cash equivalents on acquisition of subsidiary	0.69	-
Cash and cash equivalents at year end	246.10	502.46
Components of cash and cash equivalent as at		
Cash on hand	0.75	1.41
Cheques/Drafts in hand	0.12	4.71
Balances with banks:		
On current accounts	167.29	254.52
On deposits accounts with original maturity of less than three months	77.89	241.79
On others	0.05	0.03
Cash and bank balances	246.10	502.46
	246.10	502.46

As per our report of even date

For **Lodha & Co.**

Chartered Accountants
Firm Registration No. 301051E

N.K Lodha

Partner
Membership No. 85155

Place: New Delhi
Dated: 23rd May, 2017

For & on behalf of the Board of Directors

Naveen Jindal

Chairman
DIN: 00001523

Rajesh Bhatia

Chief Financial Officer

Ravi Uppal

Managing Director & Group CEO
DIN: 00025970

Murli Manohar Purohit

Company Secretary

for the year ended 31st March, 2017

	As at 1st April, 2015	Movement during 2015-16	As at 31st March, 2016	Movement during 2016-17	As at 31st March, 2017
	91.49	-	91.49	0.01	91.50

Particulars	Reserves and Surplus										Items of other comprehensive income					Equity component of financial instruments	Equity attributable to shareholders of the Group Total	Non controlling interest	Total
	Sales Tax Subsidy /Capital reserve*	Capital Redemption Reserve	Securities premium account	Debt Redemption Reserve	Share Option outstanding Account-By subsidiary	Share Reserve on Consolidation	Capital Reserve on Monetary Item Translation Difference Account	Foreign Currency Reserve	General Reserve	Retained earnings	Share of Joint Venture & Associates	Foreign Currency Translation Reserve	Remeasurement of Defined Benefit Obligation/ Plan						
Balance as at 01.04.2015	417.05	72.00	5.03	864.54	23.52	1,155.22	-	1,613.48	32,049.18	-	81.23	-	-	36,281.25	979.33	37,260.58			
Profit & Loss for the year	-	-	-	-	-	-	-	-	(2,966.24)	-	-	-	-	(2,966.24)	(121.02)	(3,087.26)			
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	0.73	(721.75)	21.86	-	(699.16)	(45.12)	(744.28)			
Movement during the year	-	-	-	237.54	(6.88)	555.45	(188.23)	5.73	(828.78)	-	(46.07)	-	-	(271.24)	47.44	(223.80)			
Balance as at 31st March, 2016	417.05	72.00	5.03	1,102.08	16.64	1,710.67	(188.23)	1,619.21	28,254.16	0.73	(686.59)	21.86	-	32,344.61	899.83	33,244.44			
Profit & Loss for the year	-	-	-	-	-	-	-	-	(2,281.28)	-	-	-	-	(2,281.28)	(256.24)	(2,537.52)			
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(0.06)	(130.18)	2.64	-	(127.60)	2.70	(124.90)			
Movement during the year	(316.70)	-	0.98	163.10	0.54	-	54.06	-	(163.64)	(1.00)	278.06	-	-	23.30	0.42	23.72			
As at 31.3.2017	100.35	72.00	6.01	1,265.18	17.18	1,710.67	(134.17)	1,619.21	25,809.24	(0.33)	(538.71)	24.50	7.90	29,959.03	646.71	30,605.74			
Includes capital reserve of ₹ 100.35 crore																			

* includes capital reserve of ₹ 100.35 crore

Murli Manohar Purohit
Company Secretary

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

1. OVERVIEW

Jindal Steel & Power Limited ("the Company" or "the Parent Company") is one of the India's leading steel producers with significant presence in sectors like mining and power generation including through its subsidiaries in India and abroad. It is listed on the National Stock Exchange of India and Bombay Stock Exchange in India. The registered office is situated in the state of Haryana, the corporate office is situated in New Delhi and the manufacturing plants are in the states of Chhattisgarh, Odisha, Jharkhand etc. in India and also in Sultanate of Oman. The Group has global presence through subsidiaries, mainly in Australia, Botswana, Cameroon, China, Dubai, Indonesia, Liberia, Mauritania, Mauritius, Mozambique, Madagascar, Namibia, South Africa, Sultanate of Oman, Tanzania and Zambia. There are several business initiatives running simultaneously across continents.

2. Statement of Compliance:

The consolidated financial statements related to Jindal Steel & Power Limited (hereinafter referred to as the Company or Parent Company) and its subsidiaries (hereinafter collectively referred to as "Group"), its joint ventures and associate companies.

The Group has adopted Indian Accounting Standards (the 'Ind AS') prescribed under section 133 of the Companies Act, 2013 (the 'Act'), read with the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, with effect from 1st April 2016 with 1st April 2015 as the date of transition. Accordingly these consolidated financial statements have been prepared in accordance with the said Ind AS & Rules issued thereunder and other recognized accounting practices & policies to the extent applicable and the relevant provisions of the Companies Act, 2013 and listing requirements.

For all periods up to and including the year ended 31st March 2016, the Group had prepared its consolidated financial statements in accordance with accounting standards as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (referred to as 'Indian GAAP'). The Group has consistently applied the accounting policies used in the preparation of its opening IND AS Balance Sheet at April 1, 2015 throughout all periods presented, as if these policies had always been in effect and are covered by IND AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India ("Indian GAAP") which is considered as the previous GAAP, as defined in IND AS 101. The reconciliation of effects of the transition from

Indian GAAP on the equity as at April 1, 2015 and March 31, 2016 and on the net profit and material adjustments to cash flows, if any, for the year ended March 31, 2016 is disclosed in Note no. 72 to these consolidated financial statements.

The consolidated financial statements provide comparative information in respect of previous year. In addition, the Group presents balance sheet as at the beginning of previous year which is the transition date to Ind AS.

The preparation of the consolidated financial statements in conformity with Indian Accounting Standards (Ind AS) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures at the date of the consolidated financial statements. The judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years and, if material, their effects are disclosed in the notes to the consolidated financial statements. Actual results could vary from these estimates. (refer Note no. 5 on critical accounting estimates, assumptions and judgments).

These Consolidated financial statements have been approved and adopted by Board of Directors of the Company in their meeting held on 23rd May 2017. These consolidated financial statements are available on the website of the Company for public use.

3. Basis of preparation of Consolidated Financial Statements:

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. It also includes the Group's share of profits, net assets and retained post acquisition reserves of joint ventures and associates that are consolidated using the equity method of consolidation. Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity. Significant influence, is achieved when the Company has power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The results of subsidiaries, joint ventures and associates acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. The Accounting

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

Policies of the parent company, its subsidiaries, joint ventures and associates are largely similar. However, few accounting policies are different as certain subsidiaries / associates located in different countries have to comply with the local regulatory requirements. Wherever necessary, adjustments are made to the financial statements of subsidiaries, joint ventures and associates to bring their accounting policies in line with those used by other members of the Group. The Financial Statements of parent Company and its subsidiaries have been consolidated on line-by-line basis by adding together book value of like items of assets, liabilities, income and expenses after eliminating Intra-group transactions, balances, income and expenses in accordance with Ind AS 110 "Consolidated Financial Statement". Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity. The interest of noncontrolling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance. Impact of any insignificant and immaterial Non Controlling Interest is not considered. Foreign Subsidiaries : Items of the assets and liabilities, both monetary and non-monetary, have been translated at the exchange rates prevailing at the end of the year and items of income and expenses have been translated at the average rate prevailing during the year. Resulting exchange differences arising on translation of said items have been transferred to Foreign Currency Translation Reserve Account through Other Comprehensive Income. In case of associates, where Company holds directly or indirectly through subsidiaries 20% or more equity or / and exercises significant influence, investments are accounted for by using equity method in accordance with Ind AS 28 "Investments in Associates and Joint Ventures". Post acquisition, the Company accounts for its share in the change in net assets of the associates (after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share), through its statement

of profit and loss, other comprehensive income and through its reserves for the balance. The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be. However, for associates, Goodwill is not separately recognised but included in the value of investments. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with Parent company's financial statements.

4. Exemptions from retrospective application:

Business Combinations: The Company has opted to apply Ind AS 103 prospectively from the date of transition to Ind AS, i.e. 1st April, 2015 onwards. As such, previous GAAP balances relating to assets and liabilities acquired under business combinations entered into before transition date, have been carried forward without any adjustments.

5. Significant accounting policies:

Significant accounting policies of the financial statements of the Company and its subsidiaries are set out in their respective standalone financial statements. The significant accounting policies to prepare consolidated financial statements are in uniformity with the standalone financial statements of the Company. Following are the additional policies specifically considered for preparation of consolidated financial statements:

a) Business Combinations

The acquisitions of businesses are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard. Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities recognised and contingent liabilities

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

assumed. In the case of bargain purchase, resultant gain is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in other equity.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders proportionate share of the acquiree's identifiable net assets.

b) Goodwill

Goodwill arising on an acquisition of 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 group of cash-

generating units) that is expected to benefit from the synergies of the combination.

c) Deferred Tax

The deferred tax is recognised for temporary differences arising after elimination of profits and losses resulting from intragroup transactions. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

6. Property, Plant & Equipment

Particulars	Freehold land	Leasehold land	Buildings	Plant & Equipments	Electrical Fittings	Furniture and Fixtures	Vehicles	Aircraft	Office Equipment	Total
Gross carrying value (Cost/deemed cost)										
As at 01st April, 2015	3,099.35	2,820.21	9,400.34	47,495.37	1,845.96	73.61	161.34	163.30	55.95	65,115.43
Additions	72.10	26.64	150.74	1,601.35	41.49	6.35	31.66	-	7.67	1,938.00
Disposals	0.83	0.94	60.52	22.62	8.97	0.13	22.86	142.00	0.74	259.61
Other adjustments	-	-	17.30	20.72	1.91	0.06	15.59	-	(0.00)	55.58
Translation Reserve	(25.45)	-	9.14	(262.17)	57.00	(1.14)	(12.14)	-	(4.05)	(238.81)
As at 31st March 2016	3,145.17	2,845.91	9,517.00	48,832.65	1,937.39	78.75	173.59	21.30	58.83	66,610.59
Additions	20.50	37.41	570.90	4,331.12	427.12	4.50	15.86	-	6.43	5,413.84
Disposals	1.30	-	0.18	140.95	0.84	1.68	7.37	-	0.18	152.50
Other adjustments	-	-	0.72	(131.32)	0.15	-	-	-	-	(130.45)
Translation Reserve	(4.97)	-	(72.95)	(112.58)	(20.04)	0.11	(14.36)	-	0.69	(224.10)
As at 31st March 2017	3,159.40	2,883.32	10,015.49	52,778.92	2,343.78	81.68	167.72	21.30	65.77	71,517.38
Depreciation										
Accumulated Depreciation as at 01.04.2015	-	0.00	118.33	1,252.44	146.58	0.65	3.82	(0.00)	6.68	1,528.50
Charge for the year 2015-16	-	41.82	580.48	3,215.56	96.25	18.74	32.96	70.01	17.86	4,073.68
Disposals	-	-	(0.55)	2.36	0.00	0.09	(0.09)	68.28	0.55	70.64
Translation Reserve	-	-	(3.01)	(129.40)	4.88	0.34	(2.55)	-	(3.43)	(133.17)
As at 31st March 2016	-	41.82	696.35	4,336.24	247.71	19.64	34.32	1.73	20.56	5,398.37
Charge for the year	-	43.29	566.57	3,204.85	113.14	16.79	27.78	1.74	11.54	3,985.70
Disposals	-	-	21.68	13.31	0.54	1.35	1.87	-	0.16	38.91
Translation Reserve	-	-	(12.70)	(1.49)	0.40	0.13	(3.39)	-	(0.25)	(17.30)
As at 31st March 2017	-	85.11	1,228.54	7,526.29	360.71	35.21	56.84	3.47	31.69	9,327.86
Net carrying value										
As at 01st April, 2015	3,099.35	2,820.21	9,282.02	46,242.92	1,699.38	72.96	157.52	163.30	49.27	63,586.93
As at 31st March 2016	3,145.17	2,804.09	8,820.66	44,496.41	1,689.68	59.10	139.27	19.57	38.27	61,212.22
As at 31st March 2017	3,159.40	2,798.22	8,786.95	45,252.63	1,983.07	46.47	110.88	17.83	34.08	62,189.52
Capital Work in Progress										
As at 01st April, 2015	-	-	-	-	-	-	-	-	-	7,395.73
As at 31st March 2016	-	-	-	-	-	-	-	-	-	10,702.70
As at 31st March 2017	-	-	-	-	-	-	-	-	-	8,713.98

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

Notes-

- a) Statement showing the details of pre operating expenditure (including during trial run) pending allocation/capitalisation forming part of capital work in progress.

₹ crore

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016	Year ended 01st April, 2015
Amount brought forward during the year	1,765.29	1,368.98	1,668.59
Add: Expenditure incurred during the year			
Raw materials consumed	276.76	48.66	303.93
Salaries and wages	111.04	166.71	145.09
Contribution to Provident and other funds	4.86	9.96	6.35
Staff Welfare Expenses	0.15	1.33	2.91
Depreciation and amortisation expenses	78.79	54.04	31.37
Interest Cost (Net)	0.70	-	99.06
Consumption of Power and fuel	53.45	95.11	185.61
Consumption of stores and spares	68.67	33.01	57.15
Other Manufacturing expenses	34.30	58.27	18.78
Financial expenses	5.93	0.00	43.73
Foreign exchange fluctuation	(12.46)	15.44	22.72
Insurance	1.27	0.47	2.98
Rates and Taxes	0.31	0.69	0.04
Rent	0.68	4.28	0.02
Repair and Maintenance	0.02	0.68	3.21
Miscellaneous expenses	34.13	118.85	127.03
Consultancy charges	23.03	-	-
	2,446.93	1,976.48	2,718.55
Less:			
Sale of Products finished goods	133.81	61.03	14.58
Sale of Products Inter- division transfer	101.12	-	197.49
Other Income	28.13	-	21.95
	263.06	61.03	234.02
Total	2,183.87	1,915.45	2,484.53
Less: Capitalized/transferred	422.95	150.16	1,115.57
Expenses written off	0.12		
Net Balance	1,760.79	1,765.29	1,368.98

- b. Capital Work in Progress includes ₹ 1,760.79 crore (March 31, 2016 ₹ 1,765.29 crore & April 01, 2015 ₹ 1,368.98 crore) being Pre-operative expenditure and ₹ 383.21 crore (March 31, 2016 ₹ 563.94 crore & April 01, 2015 ₹ 344.00 crores) being Capital stores.
- c. Additions to Property, Plant & Equipment include ₹ 148.32 crore (March 31, 2016 ₹ 1.50 crore & April 01, 2015 ₹ 14.22 crore) and addition to Capital work- in- progress include ₹- 0.02 crore (March 31, 2016 ₹ 0.02 crore & April 01, 2015 ₹ 10.22 crore)being expenditure incurred on Research & Development Activities. Additions to Property, Plant & Equipment includes ₹ (0.02) crore (March 31, 2016 ₹ 1.52 & April 01, 2015 ₹ 14.22 crore) being capitalized from Capital work in progress.
- d. The Company has opted to continue the policy to capitalise foreign currency fluctuation on long term borrowings which was followed as per previous I-GAAP as per optional election of Ind AS-101, on all long term foreign currency borrowings outstanding on March 31, 2016. Accordingly additions /adjustments to plant and machinery/ capital work-in-progress includes addition of ₹ (41.49) crore (March 31, 2016 ₹ 141.77 crore & April 01, 2015 ₹ 118.11 crore) on account of foreign exchange fluctuation (Gain)/loss and other adjustments of Nil (March 31, 2016 ₹ Nil & April 01, 2015 ₹ (2.64) crore).
- e. Borrowing cost incurred during the year and capitalized is ₹ 5.02 crore (March 31, 2016 ₹ 97.24 crore & April 01, 2015 ₹ 581.15 crore). Borrowing cost incurred during the year and transferred to capital work-in-progress is ₹ 602.10 crore (March 31, 2016 ₹ 307.26 & April 01, 2015 ₹ 12.75 crore).

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

7. Investment property

		₹ crore	
Particulars	Freehold Commercial Properties	Total	
Gross Block (at cost)			
As at 01.04.2015	33.19	33.19	
Additions	-	-	
Disposals	-	-	
As at 31.03.2016	33.19	33.19	
Additions	-	-	
Disposals	-	-	
As at 31.03.2017	33.19	33.19	
Depreciation			
As at 01.04.2015	0.25	0.25	
Charge for the year	0.53	0.53	
Disposals	-	-	
As at 31.03.2016	0.78	0.78	
Charge for the year	0.52	0.52	
Disposals	-	-	
Adjustments	-	-	
As at 31.03.2017	1.30	1.30	
Net Block			
As at 01.04.2015	32.94	32.94	
As at 31.03.2016	32.41	32.41	
As at 31.03.2017	31.89	31.89	

Notes-

(i) Information regarding income and expenditure of Investment property

		₹ crore	
Particulars	2016-17	2015-16	
Rental income derived from investment properties	1.63	1.63	
Direct operating expenses (including repairs and maintenance) generating rental income	0.80	0.83	
Profit arising from investment properties	0.83	0.80	

(ii) The Group's investment properties consist of commercial properties in India.

As at 31 March 2017, 31 March 2016 and 1st April, 2015, the fair values of the properties are ₹ 24.21 crore, ₹ 24.21 crore and ₹ 24.21 crore respectively. These valuations are based on valuations performed by an accredited independent valuer. Fair valuation is based on income approach method. The fair value is categorised in Level 2 fair value hierarchy.

8A. Goodwill Arising on Consolidation

		₹ crore
Particulars		Goodwill
Gross Block		
As at 01.04.2015		548.45
Additions		-
Disposals		-
Demergers		-
As at 31.03.2016		548.45
Additions		18.55
Disposals		-
Demergers		-
As at 31.03.2017		566.99

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

The carrying amount predominantly relates to goodwill that arose on acquisition of various entities and has been tested against the potential of respective cash generating unit (CGU). The calculation uses cash flow forecast based on approved financial budgets/strategic forecast which cover future periods of 5-10 years. Key assumptions for the value in use calculation are those regarding the expected changes to selling prices, demand etc. The outcome of the group's goodwill impairment test as at 31st March 2017 resulted in no impairment of goodwill (as at 31st March 2016: Nil). The management believes that no reasonably possible change in the key assumption used in value in use calculation would cause the carrying value of CGU to materially exceed its value in use.

8B. Intangible assets

₹ crore					
Particulars	Copyright, patent, other intellectual property rights, services and operating rights	Design & Drawings	Computer software bought out	Mining development rights	Total
Gross carrying value (Cost)					
As at 01st April, 2015	58.44	0.84	44.87	6,137.62	6,241.77
Additions	10.51	-	2.63	157.76	170.90
Disposals/adjustments	-	-	(0.03)	-	(0.03)
Other adjustments	15.90	-	-	(15.90)	-
Translation reserve	-	-	1.10	22.44	23.54
As at 31st March, 2016	84.85	0.84	48.57	6,301.92	6,436.18
Additions	-	-	0.17	215.38	215.55
Translation reserve	(41.38)	-	0.07	151.22	109.91
As at 31st March, 2017	43.47	0.84	48.81	6,668.52	6,761.64
Amortisation					
As at 01st April, 2015	3.65	0.52	27.88	2,852.42	2,884.47
Impairment for the year	-	-	-	226.82	226.82
Charge for the year	5.78	0.17	4.89	36.89	47.73
Disposals/adjustments	0.24	-	0.03	-	0.27
As at 31st March, 2016	9.19	0.69	32.74	3,116.13	3,158.75
Charge for the year	7.06	0.15	3.73	30.64	41.58
Translation reserve	(5.06)	-	0.07	50.77	45.77
Impairment for the year	-	-	-	372.31	372.31
As at 31st March, 2017	11.19	0.84	36.54	3,569.85	3,618.41
Net Carrying Value					
As at 01st April, 2015	54.79	0.32	16.99	3,285.20	3,357.30
As at 31st March, 2016	75.66	0.15	15.83	3,185.79	3,277.43
As at 31st March, 2017	32.28	-	12.27	3,098.67	3,143.23

8C. Biological assets other than bearer plants

₹ crore	
Particulars	Live stock
Gross carrying value (Cost)	
As at 01st April, 2015	0.49
Additions	-
Disposals	(0.04)
As at 31st March, 2016	0.45
Additions	-
Disposals	-
As at 31st March, 2017	0.45

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

9. Investments (Non current)

Particulars	Face Value (₹ unless otherwise stated)	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		No. of Units	₹ in crore	No. of Units	₹ crore	No. of Units	₹ crore
(A) Quoted							
Investment in equity instruments (Fully paid-up unless otherwise stated)							
a) Equity Shares (at fair value thorough profit & loss)							
Hwange Colliery Company Limited		440,680	0.65	440,680	0.65	440,680	0.47
African Energy Resources Limited		100,000	0.10	100,000	0.10	100,000	0.08
Decimal Software Ltd		33,333	0.10	33,333	0.10	33,333	0.08
Hodges Resources Limited		100,000	0.10	100,000	0.10	100,000	0.08
Walkabout Resources Limited		100,000	0.01	100,000	0.01	100,000	0.01
Apollo Minerals Limited		31,419,496	6.21	31,419,496	6.21	31,419,496	6.59
Shree Minerals Limited		15,000,000	1.93	15,000,000	1.29	15,000,000	3.98
Total Quoted Investment (A)			9.10		8.47		11.30
(B) Unquoted							
i) Investment in equity instruments (Fully paid-up unless otherwise stated)							
a) Associates (at cost or deemed cost)							
Fully paid up Equity Shares of Nalwa Steel & Power Limited	10	2,000,000	2.00	2,000,000	2.00	2,000,000	2.00
Add / (Less): Share in Profit / (Loss) - Prior years			229.42		229.17		226.54
Add / (Less): Share in Profit / (Loss) - Current year			2.70		0.25		2.63
Prodisyne (Pty) Limited	R 1	50	1.42	50	1.42	50	1.21
Add / (Less): Share in Profit / (Loss) - Prior years			-		-		-
Add / (Less): Share in Profit / (Loss) - Current year			-		-		-
Thuthukani Coal (Pty) Limited		1,029	0.00	1,029	0.00		
Add / (Less): Share in Profit / (Loss) - Prior years			-		-		-
Add / (Less): Share in Profit / (Loss) - Current year			-		-		-
Everbest steel and Mining Holdings Limited (Note 1)		-	-			100,000	0.10
			235.54		232.84		232.48
b) Joint Ventures (at cost or deemed cost)							
Shresht Mining and Metals Private Limited	10	7,694,248	7.69				
			7.69		-		-
c) Others (at fair value thorough profit & loss)							
Investment in equity instruments (Fully paid-up unless otherwise stated)							
Angul Sukinda Railway Limited	10	25,000	0.03	25,000	0.03	25,000	0.03
Angul Sukinda Railway Limited (Note 2)	10	59,975,000	59.98	59,975,000	59.98	59,975,000	49.82
Brahmaputra Capital and Finance Limited	10	19,200,000	19.20	19,200,000	19.20	19,200,000	19.20
Indian Energy Exchange Limited						1,250,000	1.25
Jindal Holdings Limited	10	2,414,000	14.48	2,414,000	14.48	2,414,000	14.48
Jindal Petroleum Limited	10	49,400	0.05	49,400	0.05	49,400	0.05
Jindal Rex Exploration Private Limited	10	9,800	0.01	9,800	0.01	9,800	0.01
Stainless Investments Limited	10	1,242,000	6.05	1,242,000	6.05	1,242,000	6.05
X-Zone SDN BHD	RM 1	36,250	0.04	36,250	0.04	36,250	0.04
Jindal Infosolutions Limited	10	175,000	0.18	95,000	0.10	95,000	0.10
Port Kembla Coal Terminal		120,000	0.59	120,000	0.57	120,000	0.66

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

Particulars	Face Value (₹ unless otherwise stated)	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		No. of Units	₹ in crore	No. of Units	₹ crore	No. of Units	₹ crore
Danta Enterprises Private Limited (₹ 14,470)	10	1,447	0.00	1,447	0.00	1,447	0.00
Haridaspur Paradip Railway Company Limited	10	5,000,000	5.00	5,000,000	5.00	5,000,000	5.00
OPJ Trading Private Limited (₹ 14,470)	10	1,447	0.00	1,447	0.00	1,447	0.00
Sahyog Holdings Private limited (formerly known as Sahyog tradecorp Private Limited) (₹ 14,470)	10	1,447	0.00	1,447	0.00	1,447	0.00
Virtuous Tradecorp Private Limited (₹ 14,470)	10	1,447	0.00	1,447	0.00	1,447	0.00
Opelina Finance & Investment Limited	10	10	0.01	10	0.01	10	0.01
Jagran Developers Pvt. Ltd (₹ 19,000)	10	1,900	0.00				
India Flysafe Aviation Ltd (₹ 3,000)	10	300	0.00				
Panacore Investment Limited	\$1	3,000	10.86	3,000	11.11	3,000	10.48
Golden Age Investment (Pty) Limited	\$1	70	1.29	70	1.29	70	1.21
Indusglobe Multiventures Pvt Ltd (₹ 1,450)	10	145	0.00	-	-	-	-
Strata Multiventures Pvt Ltd (₹ 1,450)	10	145	0.00	-	-	-	-
Genova Multisolutions Pvt Ltd (₹ 1,450)	10	145	0.00	-	-	-	-
Radius Multiventures Pvt Ltd (₹ 1,450)	10	145	0.00	-	-	-	-
Divino Multiventures Pvt Ltd (₹ 1,450)	10	145	0.00	-	-	-	-
Total Investment in equity instrument (i)			117.76		117.91		108.39
ii) Investment in convertible preference shares (at amortised cost)							
Jagran Developers Pvt Ltd	100	300,000	3.00				
Indusglobe Multiventures Pvt Ltd (₹ 1,45,000)	10	14,500		-	-	-	-
Strata Multiventures Pvt Ltd (₹ 1,45,000)	10	14,500		-	-	-	-
Genova Multisolutions Pvt Ltd (₹ 1,45,000)	10	14,500		-	-	-	-
Radius Multiventures Pvt Ltd (₹ 1,45,000)	10	14,500		-	-	-	-
Divino Multiventures Pvt Ltd (₹ 1,45,000)	10	14,500		-	-	-	-
Opelina Finance & Investment Limited (note 3)	10	3,000	-				
Total (ii)			3.07		-		-
(iii) Investment In Government Securities (at amortised cost)							
National Saving Certificates			0.12		0.12		0.12
(Pledged with Government departments)			0.12		0.12		0.12
Total (iii)							
(iv) Investment In Bonds (at amortised cost)							
8.15% ICICI- 2016 Bond	1000000		-		-	5	0.50
Total (iv)			-		-		0.50
v) Other Investments (Licences & Telecom Society)(at fair value thorough profit & loss)			0.01		0.01		0.01
Total (v)			0.01		0.01		0.01
Total Unquoted Investment (i+ii+iii+iv+v) (B)			364.20		350.89		341.51
Total Investment (A+B)			373.30		359.35		352.81
Less: Provision for impairment			5.64		-		-
Total non-current Investment			367.66		359.36		352.81
Aggregate book/ market value of quoted investments			3.46		8.47		11.30
Aggregate book value of unquoted investments			364.20		350.89		341.51
Aggregate provision for impairment in value of investments			5.64		-		-

Notes:-

- 1) Associate as at 1st April, 2015
- 2) Partly paid up ₹ 8.30 as at 1st April 2015
- 3) Received as bonus shares

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

10. Non-current financial assets- Loans

₹ crore			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured, Considered good			
Security deposits	1.32	1.22	1.23
Other Loans	0.88	-	-
Unsecured, considered good			
Security deposits	5.95	0.18	0.26
Loans to related parties	-	850.00	381.50
Other Loans	83.10	98.98	102.30
	91.25	950.38	485.29

11. Non-current financial assets- Bank balances

₹ crore			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Bank balances (other than cash & cash equivalents)			
Fixed deposits with original maturity of more than 12 months (Pledged with government department and others ₹ 34.00 crore (₹ 16.68 crore 31st March, 2016 & ₹ 1.08 crore 1st April , 2015)	36.81	66.90	46.97
Total	36.81	66.90	46.97

12. Non-current financial assets-others

₹ crore			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Share Application Money	0.62	2.78	2.62
Security deposits	190.67	192.69	148.29
Other advance	317.56	315.95	315.95
	508.85	511.42	466.86

13. Other Non-current assets

₹ crore			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital advances	860.91	802.73	1,574.39
Advances other than capital advances			
- Advance to vendors/others	116.02	78.04	74.07
- Prepaid expenses	34.14	-	-
	1,011.07	880.77	1,648.46

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

14. Inventories

₹ crore			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(Valued at lower of cost and net realisable value)			
Raw Materials			
- Inventories	935.87	1,241.63	1,639.20
- Goods In Transit	52.04	45.98	287.15
Work-in-progress			
- Work-in-progress	157.42	309.91	149.65
Finished Goods			
- Inventories	655.07	811.39	1,484.14
Stores & Spares			
- Inventories	794.15	812.92	1,252.53
- Goods In Transit	6.06	5.43	5.21
Others			
- Land bank/Project in progress*	990.45	-	-
- Scrap	8.20	26.84	30.81
Total inventories	3,599.26	3,254.10	4,848.69

* Includes advance given to various companies by one of the subsidiaries of ₹ 393.85 crore (including interest paid by the said subsidiary) for development of land pending execution of project

15. Current Investments

₹ crore			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
LIC mutual fund	0.01	-	-
SBI Mutual Fund PLF DIR Plan Growth	0.01	-	200.00
ICICI Prudential Liquid Direct Plan Growth	-	-	200.00
Birla Sun Cash Plus Growth Direct	-	-	200.00
HDFC Liquid Direct Growth Plan Growth Option	-	-	200.00
Reliance Liquid Fund Treasury Plan Direct Plan Growth Plan	-	-	200.00
Reliance Liquid Fund Treasury Plan Divided Plan	-	-	2.16
Axis liquid Fund Growth	-	-	40.00
Birla Sun life Cash Plus Growth	-	-	50.00
HDFC liquid Fund Growth	-	-	45.00
ICICI Prudential Liquid Fund Growth	-	-	50.00
IDBI Liquid Fund Growth	-	-	25.00
SBI Premier Liquid Fund Growth	-	-	100.00
Tata liquid Fund Growth	-	-	30.00
Taurus liquid Fund Super Institutional Growth	-	-	90.00
Reliance Liquid Fund Cash Plan Growth	0.20	-	0.20
Momentum Money Market Fund Unit Trust	0.03	0.03	0.04
Remeasurement of Investments as FVTPL	0.12	-	23.62
Total	0.38	0.03	1,456.02

NAV of units of mutual funds	0.38	0.03	1,455.87

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

16. Trade receivables

₹ crore			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured			
-considered good	41.05	32.47	30.97
Total-Secured	41.05	32.47	30.97
Unsecured			
- Considered good	1,675.57	1,396.71	1,659.73
-Considered doubtful	52.17	40.26	45.06
- Less: allowance for bad & doubtful debts	(52.17)	(40.26)	(45.06)
Total-Unsecured	1,675.57	1,396.71	1,659.73
	1,716.62	1,429.18	1,690.70

17. Cash & cash equivalents

₹ crore			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
- Balances with banks			
Current accounts	167.29	254.52	551.44
Bank deposits with maturity of less than 3 months	77.89	241.79	505.68
- Cheques/Drafts in hand	0.12	4.71	44.39
- Cash on hand	0.75	1.41	1.64
- Others	0.05	0.03	0.03
	246.10	502.46	1,103.18

Additional disclosure with respect to cash and cash equivalents: Specified Bank Notes (SBNs)

₹ crore			
Particulars	SBNs	Other denominaion notes	Total
Closing Cash in Hand on 08.11.2016	1.19	0.44	1.63
Add: Permitted receipts (SBNs ₹ 21500)	0.00	0.77	0.77
Less: Permitted payments	0.04	0.89	0.93
Less: Amount deposited to banks	1.15	0.00	1.15
Closing Cash in Hand on 30.12.2016	-	0.32	0.32

Note: The 'Specified Bank Notes' (SBNs) have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs S.O.3407(E), dated 8 November, 2016.

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

18. Other bank balances

₹ crore

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
- Fixed deposits *	222.86	108.66	25.83
- Earmarked- Unpaid dividend accounts	8.26	9.26	10.06
	231.12	117.92	35.89

* Includes ₹ 29.05 crore (previous year ₹ 29.94 crore) restricted cash balance held and maintained for debt service coverage in one of the subsidiaries.

19. Current financial assets-loans

₹ crore

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured, considered good			
- Loans to related parties (refer note 56)	-	-	293.91
	-	-	293.91
Unsecured, considered good			
- Loans to others	383.44	208.66	170.49
- Security Deposit	3.99	2.86	25.25
	387.43	211.52	195.74
	387.43	211.52	489.65

20. Current financial assets-others

₹ crore

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Security deposit	49.30	154.82	54.18
Interest receivable on short term loans and advances*	455.75	572.72	547.06
Unbilled Revenue	319.43	86.53	-
Other Receivable	121.00	121.00	40.60
Advance to others	89.39	8.89	5.78
Advance to employees	19.78	35.45	49.13
Total current financial assets	1,054.65	979.41	696.77

*Including recoverable from related parties (Refer note 56)

21. Current tax assets / liabilities (net)

₹ crore

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advance income tax	4,073.57	4,114.34	5,737.53
Less: Provision for income tax	(3,545.98)	(3,545.01)	(5,183.82)
Net current tax assets	527.59	569.33	553.71

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

22. Other current assets

₹ crore			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advances other than capital advances			
- Security deposit	22.98	53.31	16.97
- Advances to related parties	-	119.40	40.88
- Advance to vendors	595.12	331.59	334.33
- Others	3,211.27	3,626.28	3,228.70
- Others Considered doubtful	48.31	48.31	10.42
- Provision for doubtful advances	(48.31)	(48.31)	(10.42)
	3,829.37	4,130.58	3,620.88
Others			
- Unamortised Premium on Forward Contract	0.98	1.25	
- Prepaid expenses	121.02	154.18	144.68
- Due from Government Authorities & others	1,049.50	1,381.84	1,395.86
	1,171.50	1,537.27	1,558.06
	5,000.87	5,667.85	5,178.94

23. Share Capital

₹ crore			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Authorised			
200,00,00,000 (31st March, 2016: 200,00,00,000 and 1st April, 2015: 200,00,00,000) Equity shares of ₹ 1 each	200.00	200.00	200.00
	200.00	200.00	200.00
Issued, subscribed & fully paid up			
91,50,24,234 (31st March 2016 : 91,49,03,800 and 1st April 2015: 91,49,03,800) Equity Shares of ₹ 1 each	91.50	91.49	91.49
	91.50	91.49	91.49

(a) Reconciliation of the number of shares outstanding at the beginning and end of the year

Equity Shares	As at 31st March 2017	As at 31st March, 2016	As at 1st April, 2015
Shares outstanding at the beginning of the year	914,903,800	914,903,800	914,903,800
Add: Equity Shares issued under Employees Stock Purchase Scheme	120,434	-	-
Shares outstanding at the end of the year	915,024,234	914,903,800	914,903,800

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares dividend in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

In accordance with Section 77 of the Companies Act, 1956 and buy back regulations of SEBI, the Company during the financial year 2013-14 bought back and extinguished 19,959,584 equity shares of ₹ 1 each and created a Capital Redemption Reserve of ₹ 2.00 crore out of surplus in the Statement of Profit and Loss. The premium on buy back of ₹ 498.80 crore had been utilised from Securities Premium Account ₹ 122.96 crore and out of surplus in Statement of Profit and Loss ₹ 375.84 crore.

During the five years immediately preceding 31st March, 2017, the Company has not allotted any equity shares as bonus shares and also not issued any share for consideration other than cash.

In addition the Company allotted 5,94,353 nos. equity shares during the preceding five years under its various Employees Stock Option Schemes / Employee Stock Purchase Scheme.

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31st March 2017		As at 31st March 2016		As at 01st April 2015	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of ₹ 1 each fully paid						
Danta Enterprises Private Limited	62,238,816	6.80%	62,238,816	6.80%	62,238,816	6.80%
Gagan Infraenergy Limited	49,709,952	5.43%	49,709,952	5.43%	49,709,952	5.43%
Opelina Finance and Investment Limited	91,300,393	9.98%	89,852,393	9.82%	87,252,964	9.54%
OPJ Trading Private Limited	187,637,898	20.51%	187,637,898	20.51%	187,637,898	20.51%
Virtuous Tradecorp Private Limited	64,395,867	7.04%	64,395,867	7.04%	64,395,867	7.04%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e) Employees Stock purchase Scheme

In accordance with SEBI (Share Based Employees Benefits) Regulations 2014 and pursuant to JSPL ESPS 2013 Scheme, the Nomination and Remuneration Committee has vide its resolution dated 27.01.2017 offered and the Corporate Management Committee of the Board vide its resolution dated 03.02.2017 allotted 1,20,434 nos. equity shares of ₹ 1 each at a premium of ₹ 81.20 each to Mr Ravi Uppal, Managing Director & Group CEO. Out of total offered 150,000 nos. equity shares so far, the Company had during the earlier year allotted 29,566 nos. equity shares of ₹ 1 each.

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

24. Other equity

Particulars	Reserves and Surplus										Items of other comprehensive income				Equity component of financial instruments	Total
	Sales Tax Subsidy /Capital reserve	Capital Redemption Reserve	Securities premium account	Debt Redemption Reserve	Share Option outstanding Account-By subsidiary	Reserve on Consolidation	Central/ State Subsidy Reserve	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Retained earnings	Share of Joint Venture & Associates	Foreign Currency Translation Reserve	Remeasurement of Defined Benefit Obligation/ Plan			
Balance as at 01.04.2015	417.05	72.00	5.03	864.54	23.52	1,155.22	-	-	1,613.48	32,049.18	-	81.23	-	-	36,281.25	
Profit & Loss for the year										(2,966.24)					(2,966.24)	
Other comprehensive income for the year											0.73	(767.82)	21.86		(745.23)	
Movement during the year				237.54	(6.88)	555.45*		(188.23)	5.73	(828.78)					(225.17)	
Balance as at 31st March, 2016	417.05	72.00	5.03	1,102.08	16.64	1,710.67	-	(188.23)	1,619.21	28,254.16	0.73	(686.59)	21.86	-	32,344.61	
Addition on account of ESOP			-												-	
Profit & Loss for the year										(2,281.28)					(2,281.28)	
Other comprehensive income for the year											(0.06)	(130.18)	2.64		(127.60)	
Movement during the year	(316.70)		0.98	163.10	0.54	-	-	54.06	-	(163.64)	(1.00)	278.06	-	7.90	23.30	
As at 31.3.2017	100.35	72.00	6.01	1,265.18	17.18	1,710.67	-	(134.17)	1,619.21	25,809.24	(0.33)	(538.71)	24.50	7.90	29,959.03	

Notes-

- On account of substantial investment made by the parent Company in setting up/ expansion of industrial unit(s) at Raigarh (Chhattisgarh), including investment in acquisition of capital assets, one of the units of parent Company is eligible for sales tax exemption under the State Industrial Policy which aims towards industrialization of the State and development of backward areas. The Company had earlier treated the amount relating to sales tax exemption as capital receipt and credited the same to "Sales tax subsidy / Capital reserve" shown under the head "Reserve and Surplus" upto the Financial year ended 31st March, 2015. However, in the year ended 31st March, 2016, the Company had, in view of amendment in the Income tax laws and applicability of Ind AS with effect from 1st April, 2016, credited a sum of ₹ 35.12 crore to sales in the statement of profit and loss. Considering the above, the Company had decided to transfer the accumulated balance of ₹ 316.70 crore appearing under "Sales tax subsidy / Capital Reserve" under the head "Reserve and Surplus" as at 31st March, 2016 to the statement of profit and loss during the year 2016-17. Accordingly, during the current year ₹ 316.70 crore as stated above has been credited to and considered as part of "other operating revenue" and loss before tax for the current year is lower to that extent.
- The Parent Company is required to create Debenture Redemption Reserve out of the profits which is available for the purpose of redemption of debentures.
- Capital Redemption Reserve represents the statutory reserve created when capital is redeemed/during buy back. It is not available for distribution.
- Securities Premium Reserve represents the amount received in excess of par value of securities (equity shares, preference shares and debentures). This reserve is utilised in accordance with provisions of the act.
- General reserve includes ₹ 84.84 crore (2015-16 ₹ 70.75 crore & 1st April, 2015 ₹ 66.10 crore in respect of pertaining to one of the subsidiaries which is not available for distribution.

* Includes ₹ 551.34 crore in respect of bonus shares allotted within group

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

25. Non current Financial liabilities- Borrowings

₹ crore

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured			
i) Debentures			
10,000 (Previous Year 10,000), 9.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed initially with Life Insurance Corporation of India)	1,000.00	1,000.00	1,000.00
620 (Previous Year 620), 9.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed initially with SBI Life Insurance Company Limited)	62.00	62.00	62.00
5000 (Previous Year 5000), 9.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed initially with Life Insurance Corporation of India)	500.00	500.00	500.00
	1,562.00	1,562.00	1,562.00
ii) Term Loan from Banks	29,459.35	29,095.65	28,119.28
From Other Parties	1,011.46	1,031.02	1,273.17
iii) Loan repayable on demand	-	-	-
iv) External Commercial Borrowings	113.47	149.24	-
v) Other Loans from Banks (Buyer's Credit)	660.10	798.10	302.49
	32,806.38	32,636.01	31,256.94
Less current maturities presented in Note 32	2,979.69	2,240.99	2,512.15
	29,826.69	30,395.02	28,744.79

Debentures

Security

- i) Debentures of ₹ 1000 crore (March 31, 2016 ₹ 1000 crore) placed initially with Life Insurance Corporation of India on private placement basis are redeemable at par in 2 equal annual installments at the end of 9.5 and 10.5 years from the date of respective allotments i.e. ₹ 100 crore (12.10.2009), ₹ 150 crore (22.10.2009), ₹ 150 crore (24.11.2009), ₹ 150 crore (24.12.2009), ₹ 150 crore (25.01.2010), ₹ 150 crore (19.02.2010) and ₹ 150 crore (26.03.2010). The debentures are secured by way of first charge on pari-passu charge basis over the movable and immovable fixed assets of 810 MW (6x135MW) Captive Power Plant, both present and future, of the company at Angul, Odisha in favour of the Debenture Trustees.
- ii) Debentures of ₹ 62 crore (March 31, 2016 ₹ 62 crore) placed initially with SBI Life Insurance Company Limited on private placement basis are redeemable at par in 5 equal annual installments commencing from the end of 8 years from the date of allotment i.e. 29.12.2009. The debentures are secured by way of first charge on pari-passu charge basis over the movable and immovable fixed assets of 810 MW (6x135MW)

Captive Power Plant, both present and future, of the company at Angul, Odisha in favour of the Debenture Trustees.

- iii) Debentures of ₹ 500 crore (March 31, 2016 ₹ 500 crore) placed initially with Life Insurance Corporation of India on private placement basis are redeemable at par in 2 equal annual installments at the end of 9.5 and 10.5 years from the date of respective allotments i.e. ₹ 100 crore (24.08.2009), ₹ 80 crore (08.09.2009), ₹ 80 crore (08.10.2009), ₹ 80 crore (09.11.2009), ₹ 80 crore (08.12.2009) and ₹ 80 crore (08.01.2010). The debentures are secured on pari-passu charge basis by way of hypothecation of movable fixed assets of the Company (excluding assets charged on exclusive basis) in favour of the Debenture Trustees. In addition a first pari passu mortgage on a part of immovable property of the pertaining to unit located at Kharsia Road, Raigarh and a part of the immovable property pertaining to unit located at 13 KM Stone, G E Road, Mandir Hasaud, Raipur.

Term Loans from Banks

Security

- i) Loans of ₹ 2829.64 crore (March 31, 2016 ₹ 2775.44 crore) have been refinanced and are repayable in 79 quarterly installments

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

starting from June, 2016 are secured by way of first pari passu charge on all movable plant & machinery, spares including all insurance policies, project contracts, movable contracts and immovable fixed assets, both present and future under the 1.8 MTPA DRI facility at Angul, Odisha.

- ii) Loans of ₹ 40.42 crore (March 31, 2016 ₹ 53.89 crore) repayable in 38 quarterly installments starting from October, 2010 (refinancing is in process) are secured by way of first pari passu charge on all movable and immovable fixed assets both present and future under 2X135 MW Power Plant (Phase- 1) at Dongamauha, Raigarh, Chhattisgarh.
- iii) Loans of ₹ 319.80 crore (March 31, 2016 ₹ 314.00 crore) have been refinanced and are repayable in 79 quarterly installments starting from June, 2016 are secured by way of first mortgage and pari passu charge on all movable and immovable fixed assets including machinery spares, both present and future, of DCP [2X135 MW Power Plant (Phase- 1)] at Dongamauha, Raigarh, Chhattisgarh. Further, IDFC Loan 1 of ₹ 126.78 crore (March 31, 2016 ₹ 127.50 crore) included in above is additionally secured by all the assets of DCP [2X135 MW Power Plant (Phase- 2)] at Dongamauha, Raigarh, Chhattisgarh.
- iv) Loans of ₹ 2328.99 crore (March 31, 2016 ₹ 2,217.88 crore) have been refinanced and are repayable in 79 quarterly installments starting from June, 2016 are secured by first pari passu charge on all movable (including project contracts) and immovable fixed assets, both present and future under 1.5 MTPA Integrated Steel Plant and 1.2 MTPA Plate Mill project at Angul, Odisha.
- v) Loans of ₹ 959.59 crore (March 31, 2016 ₹ 935.22 crore) have been refinanced and are repayable in 79 quarterly installments starting from June, 2016 are secured by first pari passu charge on all movable plant & machinery, spare parts, furniture & fixtures including all the project contracts (including insurance policies, rights and titles) and immovable fixed assets, both present and future under 6x135 MW Power Plant Project at Angul, Odisha.
- vi) Loans of ₹ NIL (March 31, 2016 ₹ 62.25 crore) repayable in 16 quarterly installments starting from March 2013 was secured by subservient charge on fixed assets of the Company.
- vii) Loans of ₹ 1340 crore (March 31, 2016 ₹ 1,430 crore) initially taken from ICICI bank on bilateral basis are repayable by way of ballooning installments in two tranches. An amount of

₹ 500 crore shall be repayable in a period of 5 (five) years in 16 (sixteen) quarterly installment, whereas an amount of ₹ 1000 crore shall be repayable in a period of 10 (Ten) years in 36 (thirty six) quarterly installment starting from January, 2015. Loans of ₹ 956.24 crore (March 31, 2016 ₹ 979.67 crore) initially taken from HDFC Bank on bilateral basis are repayable in a period of 8 (eight) years in 28 (twenty eight) quarterly installments starting from June, 2015. Loans of ₹ 1,465.94 crore (March 31, 2016 ₹ 1,500 crore) from State Bank of India are repayable in a period of 8 (eight) years in 32 (Thirty Two) quarterly installments starting from June, 2016. Above loans are secured by way of a first pari passu charge on all the present movable Fixed Assets of units located at Balkudra, Patratu, District Ramgarh, Jharkhand; 13 KM Stone, G E Road, Mandir Hasaud, Raipur; 201 to 204, Industrial Park SSD, Punjipatra, Raigarh, Chhattisgarh; Bhikaji Cama Place, New Delhi; and all movable Fixed Assets (present as well as future) located at Kharsia Road, Raigarh, Chhattisgarh. In addition a first ranking mortgage and pari passu charge on immovable property pertaining to unit located at Kharsia Road, Raigarh and a part of the immovable property pertaining to unit located at 13 KM Stone, G E Road, Mandir Hasaud, Raipur.

- viii) a. Loans of ₹ 1,559.61 crore (March 31, 2016 ₹ 1574.98 crore) repayable in a period of 8 (eight) years in 31 (Thirty One) quarterly installments, starting from June, 2017 are secured by way of a first charge on pari passu basis over all the movable and immovable fixed assets (Plate Mill & ISP facility, DRI, Captive power plant and other misc. assets etc.), both present and future, of plant Phase 1A at Angul, Odisha.

b. Loans of ₹ 500.00 crore (March 31, 2016 ₹ 500.00 crore) repayable to HDFC bank in a period of 8 (eight) years in 31 (Thirty One) quarterly installments starting from June, 2017 are secured by way of a first charge on pari passu basis over all movable fixed assets (Plate Mill & ISP facility, DRI, CPP and other misc. assets etc.), both present and future, of Plant Phase 1A at Angul, Odisha. Further, charge in favour of HDFC bank in respect of said loan by way of a first charge on immovable fixed assets, both present and future, of Plant Phase 1A at Angul, Odisha is yet to be created.

- ix) Loans of ₹ 483.16 crore (March 31, 2016 ₹ 485.90 crore) have been refinanced and are repayable in 79 quarterly installments starting from June, 2016 are secured by way of a first pari passu charge on all movable plant and machinery, spares, vehicles etc. and immovable fixed assets both present and future under 2X135 MW Power Plant (Phase 2) at Dongamahua Raigarh Chattisgarh.

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

TERM LOANS (In Indian Subsidiaries)

- x) Term loans from Banks and Body Corporate of ₹ 3204.73 crore (P.Y. ₹ 3270.81 crore 2015-16 and ₹ 3487.39 crore 2014-15) are secured by way of first pari passu mortgage / charge on all the fixed assets (immovable and movable), both present and future, including charge on inventory, book debts and receivables, all bank accounts and assignment of all rights, titles and interest etc. in accounts of the Units pertaining to third Phase of the Power Plant of 1200MW comprising two units of 600 MW each at Tamnar (Unit 1 and Unit 2) and immovable properties of company situated at Mouje Pali of Sudhagad Taluka, District Raigad, Maharashtra state. The Loan is further secured (charge to be created) by way of First charges on the receivables of Phase I & II project of the Power Plant of 1000MW comprising four units of 250MW each at Tamnar. The company is in process of creating further securities as required.
- xi) Term Loan from Banks of ₹ 1487.50 crore (P.Y. ₹ 1500 crore 2015-16 and ₹ 1500 crore 2014-15) are secured by way of first pari passu mortgage / charge on all the fixed assets (movable and immovable), of the company both present and future with respect to fourth Phase of the Power Plant of 1200MW comprising two units of 600 MW each at Tamnar (Unit 3 and Unit 4).
- xii) Term Loan from Banks of ₹ 1000 crore (P.Y. ₹ 1000 crore 2015-16 and Nil 2014-15) are secured by way of first pari passu mortgage / charge on all the fixed assets (movable and immovable), over the cash flows pertaining to fourth Phase of the Power Plant of 1200MW comprising two units of 600 MW each at Tamnar (Unit 3 and Unit 4).
- xiii) Term Loan from Banks of ₹ 1700 crore (P.Y. ₹ 1700 crore 2015-16 and Nil 2014-15) are secured by way of first pari passu mortgage / charge on all the fixed assets (movable and immovable) and receivables of pertaining to fourth Phase of the Power Plant of 1200MW comprising two units of 600 MW each at Tamnar (Unit 3 and Unit 4). The Loan is further secured / to be secured by way of the First Pari passu Charge on all the Fixed assets of third Phase of the Power Plant of 1200MW comprising two units of 600 MW each at Tamnar (Unit 1 and Unit 2). The loan is further to be secured by way of pari passu charge on assets to be acquired (i.e. captive power assets) out of loan proceeds; obligation to create such charge will arise after the assets are transferred to JPL. In such case bank will release the above created charge.
- xiv) Balance amount of Term loans from Banks and Body Corporate aggregating to ₹ 3,204.73 crore is repayable as ₹ 66.08 crore in year 2019-20, ₹ 181.71 crore in year 2020-21, ₹ 231.27 crore each in year 2021-22 & year 2022-23, ₹ 214.75 crore in year 2023-24, ₹ 198.23 crore each in year 2024-25 & year 2025-26, ₹ 231.27 crore each from year 2026-27 to 2031-32 and ₹ 264.31 in year 2032-33 by way of quarterly installments.
- xv) Term Loan from Banks amounting to ₹ 1487.50 crore is repayable as- ₹ 112.50 crore each in year 2017-18 and year 2018-19, ₹ 175 crore in year 2019-20, ₹ 237.50 crore in year 2020-21, ₹ 225 crore in year 2021-22, ₹ 187.50 crore each in year 2022-23 and year 2023-24 and ₹ 250 crore in year 2024-25- by way of quarterly installments.
- xvii) Term Loan from Banks amounting to ₹ 1000 crore is repayable as- ₹ 12.50 crore in year 2017-18, ₹ 25.00 crore in year 2018-19, ₹ 37.5 crore in year 2019-20, ₹ 100.00 crore in year 2020-21, ₹ 150 crore in year 2021-22, ₹ 175.00 crore in year 2022-23, ₹ 200 crore in year 2023-24, ₹ 233.30 crore in year 2024-25 and ₹ 66.70 crore in Jun 2025- by way of quarterly installments.
- xviii) Term Loan from Banks amounting to ₹ 1700 crore is repayable as- ₹ 85.00 crore each in year 2017-18 and year 2018-19, ₹ 170.00 crore in year 2019-20, ₹ 255.00 crore in year 2020-21 year 2021-22, year 2022-23 and year 2023-24 and ₹ 340.00 crore in year 2024-25 (upto Dec 24 Qtr),- by way of quarterly installments.
- xviii) Certain charges in one of subsidiaries are in the process of modification and satisfaction.
- xix) Term loan from bank amounting to ₹ 10.66 crore is Secured against Hypothecation of respective vehicle and repayable by way of EMI (Panther Trans Freight).
- xx) Term Loan for Axis Bank limited amounting ₹ 12.50 crore Term loan from Bank is secured by equitable mortgage of project properties in possession of the company for development of real estate project in terms of collaboration arrangements with holding/ land owing companies and for which consideration has been paid by the company for its land development rights and corporate guarantees provided by such holding/ land owing companies.
- Term loan is further secured by charge on fixed assets & hypothecation of current assets (both present & future) including book debts & inventories of the project and pre-cast plant.
- Terms of Repayment : 16 equal Quaterly Installments starting

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

from 30.09.2014

- xxi) Terms Loan from SREI Infrastructure Finance Limited amounting ₹ 92.95 crore.

Term Loan is secured by equitable mortgage of unencumbered licensed land of the Project, First pari passu charge by way of hypothecation on movable fixed assets and current assets (including cash flows), both present and future of the Project, First pari passu charge on the Escrow Account of the Project and Corporate guarantee of holding/ land owing companies.

Terms of Repayment : 54 monthly Installments starting from 31.01.2016.

- xxii) Equipment Loan from HDFC Bank Limited
Equipment Loan is Secured by hypothecation against specific Asset.
Terms of Repayment : 60 Monthly Installments starting from 07.10.2015

TERM LOANS (In foreign Subsidiaries)

- xxiii) Loan of ₹ 20.72 crore (Previous year ₹ 40.30 crore) bearing rate of interest 10.25% p.a. repayable over a period of 3 years are secured over plant and equipment of Jindal Mining SA (Pty) Ltd.

- xxiv) Loan of ₹ 17.40 crore (Previous year ₹ 17.20 crore) bearing rate of interest 9.50% p.a. is secured over the Land/ Office Building at ERF 3079 & ERF 3780/22 Kildoon Street Bryanston and Portion 1 to 5 of ERF 5283, Bryanston belonging to Eastern Solid Fuels Pty Ltd. Jindal Mining SA (Pty) Ltd & Eastern Solid fuel Pty Ltd have provided corporate guarantee for the aforesaid loan.

- xxv) Loan of ₹ 4,512.77 crore (Previous Year ₹ 4,712.95 crore) is secured by first priority Commercial mortgage over all tangible assets owned by the Mortgagor in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project, all of the intangible assets owned by the Mortgagor in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project, such as licences, approvals, consents, trademarks, designs and drawings, goodwill, patents and in general all copyrights and intangible assets owned or to be owned by the Mortgagor and forming part of the assets, all authorisations, consents, approvals licenses, exemptions, filings, notarisations or registrations which are necessary for the Mortgagor in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project to carry on its business, all of the Mortgagor's right, title and interest, express or implied, present or future in, to, under or in respect of, and

the rights to enforce, each of the Contracts in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project, causes of action, payments and proceeds at any time receivable or distributable in respect of them (but excluding the Gas Supply Agreement, Future Assets in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project, the Insurances in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project and Second priority commercial mortgage over all of the working capital assets in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project, and all receivables in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project and first priority legal mortgage of the Property The loan is repayable in 44 unequal quarterly installment commencing from June, 2015. The loan carry interest rate @ USD LIBOR plus 3% p.a.

- xxvi) Loan of ₹ 583.55 crore (Previous Year Nil) is secured by first priority Commercial mortgage over all tangible assets owned by the Mortgagor in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project, all of the intangible assets owned by the Mortgagor in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project, such as licences, approvals, consents, trademarks, designs and drawings, goodwill, patents and in general all copyrights and intangible assets owned or to be owned by the Mortgagor and forming part of the assets, all authorisations, consents, approvals licenses, exemptions, filings, notarisations or registrations which are necessary for the Mortgagor in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project to carry on its business, all of the Shaded right, title and interest, express or implied, present or future in, to, under or in respect of, and the rights to enforce, each of the Contracts in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project, causes of action, payments and proceeds at any time receivable or distributable in respect of them (but excluding the Gas Supply Agreement, Future Assets in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project, the Insurances in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project and Second priority commercial mortgage over all of the working capital assets in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project, and all receivables in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project and first priority legal mortgage of the Property The loan is repayable in 44 unequal quarterly installment commencing from June, 2017. The loan carry interest rate @ USD LIBOR plus 4.75% p.a.

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

xxvii) Loan of ₹ 907.74 crore (Previous Year ₹ 928.66 crore) from ICICI Bank Limited at interest for (LIBOR + 4% p.a as margin rate), is secured by pledge of 1,090,313,872 equity shares of Wollongong Coal Limited and charged over Debt service Reserve Account. Parent Company has given a shortfall undertaking to fund, if required Debt Service Reserve Account that will be subject to RBI approval. Guarantee to be provided by the Parent Company subject to RBI approval.

xxviii) Loan of ₹ 972.58 crore (Previous Year ₹ 994.99 crore) from Varde Investment, Monarch, SC Lowy, Arkkan Opportunities Fund Ltd, Bank of Taiwan, Cathay United Bank and Standard Chartered Bank at interest for (LIBOR + 3.02% p.a as margin rate), is secured by first ranking pledge of 49% share capital of Jindal Mining SA (Pty) Limited held by the company through its step down subsidiaries. The above loan has been further guaranteed by the Parent Company.

xxix) Loan of ₹ 356.61 crore (Previous Year ₹ 364.83 crore) from Axis Bank Limited, at interest for (LIBOR + 4% p.a as margin rate) is secured by way of charge over all movable fixed assets of JSPL Mozambique Minerais Limitada, a subsidiary of the Company and charge over Debt Service Reserve Account (DSRA). The said facility is secured by way of corporate guarantee of Parent Company. . JSPL has given a shortfall undertaking to fund, if required, DSRA that will be subject to RBI approval.

xxx) Loan of ₹ 152.18 crore (Previous Year ₹ 392.70 crore) bearing effective rate of interest 5.25% p.a. is secured by First ranking pari-passu charge on the present and future fixed assets of the Wollongong coal and Wongawilli Coal Pty Ltd ("Wongawilli"). Pari-passu assignment of lease deed of the mines of the Company and Wongawilli; Debt service reserve account maintained by the company; Negative line over 100% of the company's shareholding in Oceanic Coal Resources NL ('OCR'); Negative line over 100% of OCR's shareholding in Wongawilli; and First ranking pari-passu assignment of insurance policies related to fixed and current assets of the company, charged to the bank.

xxxi) Loan of ₹ 2,501.28 crore (Previous Year ₹ 2,174.83 crore) is secured by first ranking pari passu charge over all present and future assets of the Jindal Steel & Power (Australia) Pty Ltd., rights, title, interests, all of the present and future property, undertaking and rights, including all of its real and personal property, uncalled capital, capital which has been called but is unpaid, any choses in action and goodwill, of the Wollongong Coal Limited including all of the Borrower's rights, title and interest in and to the Escrow Account and the Loan Agreement between the JSPAL and Wollongong Coal; all present and future fixed assets of Wollongong Coal limited, assignment

of NSW mining leases Consolidated Coal Lease No 745 (Act 1973), ML No. 1575 (Act 1992) and Mining Purposes Lease No. 271 (Act 1973); and all present and future fixed assets of Wongawilli Coal Pty. Ltd other than interest in the land of approximately 130.81 hectares and assignment of NSW mining leases Mining Lease No.1565 (Act 1992), Consolidated Coal Lease No 766 (Act 1973), Mining Lease No. 1596 (Act 1992). Further, Corporate Guarantee of Parent Company shall also be provided upon receipt of approval from RBI. Pending approval from RBI, Jindal Steel & Power (Mauritius) Ltd has provided Corporate Guarantee along with Wollongong, Wongawilli and OCR. The loan carries interest rate (LIBOR+3%).

Other Loans

Security

Other loans of ₹ 196.21 crore (Previous Year ₹ 197.33 crore) have been refinanced and are repayable in 79 quarterly installments starting from June, 2016 are secured by first pari passu charge on all movable plant & machinery, spare parts, furniture & fixtures including all the project contracts (including insurance policies, rights and titles) and immovable fixed assets, both present and future under 6x135 MW Power Plant Project at Angul, Odisha.

Note-

Project Loan of ₹ 7215.34 crore outstanding as on 30th Nov 2015 (including loan of ₹ 57.26 crore from a bank which is in process of sanction on balance sheet date) were elongated under the 5/25 Scheme (outstanding as on 31st March, 2017 ₹ 7,157.81 crore). The company is in process of execution of Joint Documentation with lenders to affect the sanctioned restructuring scheme. On completion of Joint Documentation, security against the stated loans along with debentures (refer para: ""Debenture"" i & ii, ""Term Loan from Bank"" i, iv, v and ""other Loans"") shall be modified to first charge on pari-passu basis over the movable and immovable fixed assets (ISP, DRI, CPP and other miscellaneous assets etc.) {including all the project contracts (including insurance policies, rights, titles etc.)} both present and future of Plant Phase 1A at Angul, Odisha of the company in favour of the Debenture Trustees/lenders.

External Commerical Borrowings

ECB from Mizuho Bank Limited of ₹ 113.47 crore (Previous year ₹ 149.24 crore) repayable in a period of 2 years, in 9 quarterly installments starting from March 30, 2016 are secured (Charge to be created) by way of a first pari passu charge on all the present movable and immovable fixed assets of 1.5 MTPA Integrated Steel Plant including 1.2 MTPA Plate Mill project , 1.8 MTPA DRI facility, 810 MW Captive Power Plant at Angul including movable plant & machinery, spares, tools and accessories, furniture, fixtures and the miscellaneous fixed assets of the units at Angul.

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

Buyer's credit

Loans ₹ 660.10 crore (Previous Year ₹798.10 crore) are secured by First ranking pari-passu charge by way of hypothecation over all of the company's current assets, including aggregate rupee value of the company's cash and bank balances, investments (of which return of principal is guaranteed), advance paid, raw materials, finished and semi-finished goods, consumable stores, spares, stock in progress, bills of lading, airways bills, railways receipt (RR), good receipt (GR), motor transport receipts (MTR) or such other receipts (issued by approved carrier carrying consignment of raw material/ consumable spares), irrevocable letter of credit, receivables, book debts and consumable stores (including those stored at company's work at Raigarh and Raipur, Chhattisgarh) and include any money

owing to it and payable on demand or within 1 (one) year from the date of computation, in whatsoever currency denominated or as otherwise defined/classified by guidelines of the RBI from time to time in force or any other applicable law and all other current assets which are required to be classified as such as per applicable law, both present and future and second ranking pari passu charge (charge created/to be created) over the entire fixed assets, both movable & immovable of the company [except the fixed assets related to 1x368 tonnes per day, 2x380 tonnes per day (both at Raigarh) and 2x1200 tonnes per day (at Angul) Oxygen Plants of the Company]. The Company is constantly rolling over the buyer's credit for capex as per the guidelines of RBI.

Repayments and Interest rates for the above Secured Debentures, Term Loans, External Commercial Borrowings and Buyer's Credit are as follows:

					₹ crore
Year	2017-18	2018-19	2019-20	2020-21 & Above	Total
Loan	3097.30	2,521.93	3,650.18	22,876.87	32,146.28
Buyers' Credit					660.10
					32,806.38

The interest rate for the above term loans from banks and others (excluding penal interest) varies from 4.45% to 13% p.a.

The interest rate for the above External Commercial Borrowings is 3.24%.p.a.

The weighted average rate of interest for buyers credit is 1.59%.p.a.

25. Non current Financial liabilities- Borrowings (contd.)

				₹ crore
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	
Unsecured				
Debentures				
3,000 (Previous Year 3,000), 9.63% Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed initially with HDFC Bank Limited)	-	300.00	300.00	
6176 nos. (Previous Year 5000), 10.25% Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed initially with Kotak mahindra Bank Limited)	617.60	500.00	500.00	
3,000 (Previous Year 3,000), 10.48% Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed initially with ICICI Bank Limited)	300.00	300.00	300.00	
10,000 (Previous Year 10,000), 10.25% Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed initially with Kotak Mahindra Bank)	1,000.00	1,000.00	1,000.00	
7,500 (Previous Year 7,500), 9.75% Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed initially with HDFC Bank Limited)	750.00	750.00	750.00	
	2,667.60	2,850.00	2,850.00	
Term Loan				

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

₹ crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
- From Banks	2,723.87	2,785.98	2,942.40
Other Loans from Banks			
- Other Loans	-	65.46	500.17
- Liability component of compound financial instrument	34.64	-	-
Other Loans & Advances			
- 8% fully convertible bonds	-	-	50.87
- External Commercial Borrowings	201.46	290.23	994.58
- Others Loans	56.45	391.14	259.05
	5,684.02	6,382.81	7,597.07
Less current maturities presented in Note 32	2,912.37	423.93	736.68
	2,771.65	5,958.88	6,860.39
	32,598.34	36,353.90	35,605.18

Debentures

- Debentures of ₹ NIL (Previous Year ₹ 300 crore) placed initially with HDFC Bank Limited on private placement basis are redeemable at par at the end of 3 years from the date of allotment i.e. 05.04.2013.
- Debentures of ₹ 300 crore (Previous Year ₹ 300 crore) placed initially with ICICI Bank Limited on private placement basis are redeemable at par at the end of 5 years from the date of allotment i.e. 11.08.2014.
- Debentures of ₹ 1000 crore (Previous Year ₹ 1000 crore) placed initially with Kotak Mahindra Bank on private placement basis are redeemable at par in 3 installments, ₹ 330 crore at the end of 4 years, ₹ 330 crore at the end of 5 years and ₹ 340 crore at the end of 6 years from the date of allotment i.e. 18th December, 2014.
- Debentures of ₹ 750 crore (Previous Year ₹ 750 crore) placed initially with HDFC Bank Limited on private placement basis are redeemable at par at the end of 6 years from the date of allotment i.e. 11.03.2015.
- The following unsecured redeemable non convertible debentures are privately placed and are redeemable at par.
 - 1650 nos. Non Convertible debentures of ₹ 10,00,000 each (date of allotment 22nd December 2014) (Date of Redemption: on 21st December 2018) at Interest Rate of 1% above SBI Base Rate (Effective Rate as on 31st March 2017 is 10.25%)
 - 1650 nos. Non Convertible debentures of ₹ 10,00,000 each (date of allotment 22nd December 2014) (Date of Redemption: on 20th December 2019) at Interest Rate of

1% above SBI Base Rate (Effective Rate as on 31st March 2017 is 10.25%)

- 1700 nos. Non Convertible debentures of ₹ 10,00,000 each (date of allotment 22nd December 2014) (Date of Redemption: on 22nd December 2020) at Interest Rate of 1% above SBI Base Rate (Effective Rate as on 31st March 2017 is 10.25%)
- 1960 nos. Non Convertible debentures of ₹ 6,00,000 each (date of allotment 4th April 2016) (Date of Redemption: on 14th August 2017) at Interest Rate of 1.7% above SBI Base Rate (Effective Rate as on 31st March 2017 is 10.95%)

External Commercial Borrowings

- ECA from Credit Agricole CIB of ₹ 1.51 crore (Previous Year ₹ 4.92 crore) at year end rate repayable in 14 half yearly installments starting from October 21, 2010.
- ECA from Credit Agricole CIB of ₹ 23.28 crore (Previous Year ₹ 50.50 crore) at year end rate repayable in 16 half yearly installments starting from May 25, 2010.
- ECA from Credit Agricole CIB of ₹ 69.53 crore (Previous Year ₹ 84.83 crore) at year end rate repayable in 20 half yearly installments starting from March 9, 2011.
- ECA from Credit Agricole CIB of ₹ NIL (Previous Year ₹ 3.77 crore) at year end rate repayable in 14 half yearly installments starting from June 21, 2010.
- ECB from ICICI Bank Limited of ₹ 107.14 crore (Previous Year ₹ 145.56 crore) at year end rate repayable in 15 half yearly installments starting from March 11, 2011.

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

Repayments and Interest rates for the above Unsecured Debenture External Commercial Borrowings and Buyer's Credit are as follows:

					₹ crore
Year	2017-18	2018-19	2019-20	2020-21 & Above	Total
Loan	2794.77	655.28	812.38	1,421.58	5,684.03
					5,684.03

The interest rate for the above External Commercial Borrowings taken by parent company varies from 0.04% to 1.35% p.a.

Loan of ₹ 2,623.87 crore (March, 2016 ₹ 2,785.98 crore & 1st April, 2015 ₹ 2,942.40 crore) carries rate of interest 3.69%p.a

Delay in repayment of borrowings :

- The Parent Company has made certain delay in repayment of Term Loans and interest thereon. The details of continuing delay as at March 31, 2017 is as follows:

Particulars	Amount (₹ in crore)	Period of Delay (in days)
Principal repayment	147.45	less than 90 days
Interest payment	300.95	less than 90 days

- In Jindal Steel Power Mauritius Limited, lenders of USD 150 Mn & 400 Mn facility ('the facility') have accelerated the loan and demanded the full outstanding principal along with the due interest in view of delay in payment of interest and due amount of installments and accordingly the outstanding loan amount of ₹ 3,566.12 crore (at year-end rates) and interest thereon ₹ 193.77 crore has been shown under the head "current liabilities- other financial liabilities". The Company is in process of restructuring of the facility for elongation of repayment period for another period of 5 years and the negotiation with facility lenders is at advance stage. The Company's management is confident about favourable outcome in the matter.
- During the year in Wollongong Coal Limited, the MCB, lender of USD 25 Mn facility ('the facility') have accelerated the loan and demanded the full outstanding principal along with the due interest in view of delay in payment of interest and due amount of installments outstanding loan amount of ₹ 135.09 crore and interest thereon ₹ 3.15 crore. The Company is under negotiation with the MCB of restructuring of the facility for another period 9 years and the negotiation with facility lenders is at very advance stage. The Company's management is confident about favourable outcome in the matter.
- The Jindal Steel & Power Australia has delayed payment of interest in certain cases amount to ₹ 43.27 crore.

26. Non-current financial liabilities-Trade Payable

				₹ crore
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	
Due to other parties	90.88			
	90.88	-	-	

27. Non-current financial liabilities-Others

				₹ crore
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	
Security Deposits				
- From others	62.01	93.70	102.91	
Capital creditors	237.97	-	-	
Others (refer note 61)	373.23	-	-	
	673.21	93.70	102.91	

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

28. Provisions-Non-Current

₹ crore			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for employee benefits			
- Gratuity	40.88	28.43	30.60
- Other Defined Benefit Plans	16.55	11.89	11.41
Provision for mines restoration*	249.78	155.41	117.31
	307.21	195.73	159.32

* Provision for mining restoration expenses represents estimates made towards the expected expenditure for restoring the mining area and other obligatory expenses as per the mining closure plan

29. Deferred tax assets/(liabilities)

₹ crore			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deferred tax assets			
Deferred tax assets			
- Unabsorbed depreciation & Carried forward tax losses	4,164.26	3,650.17	2,539.68
- Reversal of deferred tax assets on Property, Plant & equipment	110.96	-	-
- Difference between book & tax base related to Investments	7.46	9.83	2.51
- Disallowance u/s 43B of Income Tax Act, 1961	259.50	137.59	148.09
- Difference between book & tax base related to Borrowing	1.60	0.49	-
- Provision for doubtful debts & advances	33.01	30.65	19.20
Total (A)	4,576.79	3,828.73	2,709.48
Deferred tax liabilities			
- Difference between book & tax base related to PPE (including CWIP)	10,211.08	9,980.27	9,743.04
- Difference between book & tax base related to Intangible assets	9.72	7.95	4.26
- Difference between book & tax base related to Borrowing	15.14	15.63	3.03
- Difference between book & tax base related to others	441.11	441.10	441.10
- Deferred TAX on profit of Associates	53.38	51.16	51.11
Total (B)	10,730.43	10,496.11	10,242.53
Net liability (A-B)	(6,153.64)	(6,667.38)	(7,533.05)
Mat credit entitlement	795.01	795.01	795.01
	(5,358.63)	(5,872.37)	(6,738.04)

Reconciliation of Deferred Tax Asset/ (Liabilities):

₹ crore		
Particulars	As at 31.03.2017	As at 31.03.2016
Opening Balance as on 1st April	(6,667.38)	(7,533.05)
Deferred tax asset recognised through business combination	11.73	
Deferred tax income/ (expense) during the period recognised in profit & loss	503.40	878.13
Deferred tax income/ (expense) during the period recognised in Other Comprehensive Income	(1.39)	(12.46)
Closing Balance	(6,153.64)	(6,667.38)

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

30. Current financial liabilities-Borrowings

₹ crore			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured			
i) Term Loans			
From Banks	562.64	762.50	-
ii) Cash credit from banks *	4,618.70	4,631.37	2,835.48
iii) Other Loans from Banks (Buyer's Credit)	657.04	420.28	798.72
	5,838.38	5,814.15	3,634.20
Unsecured			
Term Loans			
- From Banks	1,518.69	1,615.34	2,190.02
- Other Loans from Banks (Buyer's Credit)	-	20.60	28.12
- From others	-	327.86	-
- Loans from related parties	3.03	-	-
- Commercial Papers	-	-	1,000.00
	1,521.72	1,963.80	3,218.14
	7,360.10	7,777.95	6,852.34

* Including working capital demand loans.

Cash Credit from Bank and Buyer's Credit

i) The working capital facilities of ₹ 3987.62 crore (previous year 2798.81 crore) is secured by first ranking pari-passu charge by way of hypothecation over all of the company's current assets, including aggregate rupee value of the company's cash and bank balances investments (of which return of principal is guaranteed), advance paid, raw materials, finished and semi-finished goods, consumable stores, spares, stock in progress, bills of lading, airways bills, railways receipt (RR), good receipt (GR), motor transport receipts (MTR) or such other receipts (issued by approved carrier carrying consignment of raw material/consumable spares), irrevocable letter of credit, receivables, book debts and consumable stores (including those stored at company's work at Raigarh and Raipur, Chhattisgarh) and include any money owing to it and payable on demand or within 1 (one) year from the date of computation, in whatsoever currency denominated or as otherwise defined/ classified by guidelines of the RBI from time to time in force or any other applicable law and all other current assets which are required to be classified as such as per applicable law, both present and future and second ranking pari passu charge (charge created/to be created) over the entire fixed assets, both movable & immovable of the company [except the fixed assets related to 1x368 tonnes per day, 2x380 tonnes per day (both at Raigarh) and 2x1200 tonnes per day (at Angul) Oxygen Plants of the Company]. The cash credit is repayable on demand.

ii) Loans of ₹ 562.50 crore (Previous year ₹ 562.50 crore) are secured by subservient charge by way of hypothecation of current assets of the Company comprising of book debts and stocks.

iii) Working Capital facility from Banks of ₹ 400.90 crore (P.Y. ₹ 302.66 crore 2015-16 and Nil 2014-15) are secured (charge to be created) by way of first pari passu mortgage / charge on all the fixed assets (immovable and movable), both present and future, including charge on inventory, book debts and receivables, all bank accounts and assignment of all rights, titles and interest etc. in accounts of the Units pertaining to third Phase of the Power Plant of 1200MW comprising two units of 600 MW each at Tamnar (Unit 1 and Unit 2) and immovable properties of company situated at Mouje Pali of Sudhagad Taluka, District Raigad, Maharashtra state.

Overdraft facility sanctioned for ₹ 60 crore from Bank is secured by equitable mortgage of project properties in possession of the company for development of real estate project in terms of collaboration arrangements with holding/ land owing companies and for which consideration has been paid by the company for its land development rights and corporate guarantees provided by such holding/ land owing companies.

Overdraft facility is further secured by charge on fixed assets & hypothecation of current assets (both present & future)

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

including book debts & inventories of the project and pre-cast plant.

- iv) Loan of ₹ 788.56 crore (Previous year ₹ 1,532.87 crore) bearing rate of interest varying from 2.25% to 4.50%+ Libor p.a. is secured by First priority commercial mortgage over all of the working capital assets in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project, and all receivables in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project and second priority Commercial mortgage over all tangible assets owned by the Mortgagor in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project, all of the intangible assets owned by the Mortgagor in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project, such as licences, approvals, consents, trademarks, designs and drawings, goodwill, patents and in general all copyrights and intangible assets owned or to be owned by the Mortgagor and forming part of the assets, all authorisations, consents, approvals licenses, exemptions, filings, notarisations or registrations which are necessary for the Mortgagor in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project to carry on its business, all of the Mortgagor's right, title and interest, express or implied, present or future in, to, under or in respect of, and the rights to enforce, each of the Contracts in connection with the Existing Operations, the Expansion Project and the Rolling Mill

Project, causes of action, payments and proceeds at any time receivable or distributable in respect of them (but excluding the Gas Supply Agreement, Future Assets in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project, the Insurances in connection with the Existing Operations, the Expansion Project and the Rolling Mill Project and Second priority legal mortgage of the Property of the Jindal Shadeed Iron & Steel LLC.

- v) The working capital facility of ₹ 28.68 crore (Previous year Nil) is secured by charged over trade receivables and Inventory of the Jindal mining SA (Pty) Limited.

Note

The weighted average rate of interest for cash credit/ working capital is 3.70% to 10.90% p.a.

The weighted average rate of interest for secured short term loans is 12.00 % p.a.

The weighted average rate of interest for Other Loans from Bank (Buyer's Credit) is 1.64 % p.a.

The average rate of interest for Inter Corporate Deposit is 10.05% p.a.

The weighted average rate of interest for unsecured short term loans is 10.89 % p.a.

The Parent Company has made certain delays in repayment of principal amount and payment of interest. The details of continuing delays as on March 31, 2017 are as follows:

Particulars	Amount (₹ crore)	Period of Delay
Principal repayment	80.52	Less than 90 days
Interest repayment	15.47	Less than 90 days

31. Trade payables

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	₹ crore		
Due to micro & small enterprises	2.88	0.11	0.38
Acceptances(Other than micro & small enterprises)	806.56	863.96	397.84
Others	2,128.38	1,453.67	1,655.07
Total Trade payables	2,937.82	2,317.74	2,053.29

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

Notes-

Based on the information so far by the Group, payment to enterprises covered under the micro, small and medium enterprises development act, 2006 (MSMED Act) has been made within 45 days and disclosure in accordance with section 22 of the MSMED Act is as under :-

₹ crore			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Principal amount remaning unpaid	2.88	0.11	0.38
Principal amount remaning unpaid above 45 days	-	-	-
Interest due on above	-	-	-
Total of above	-	-	-
Interest paid in terms of section 16	-	-	-
interest due and payable for the period of delay in payment	-	-	-
Interest due and remaining unpaid	-	-	-
Interest due and payable even in succeeding years	-	-	-

32. Current financial liabilities-others

₹ crore			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current maturities of long term debt (Refer note 25)	5,892.06	2,664.92	3,248.83
Security Deposits	25.46	50.36	143.32
Interest accrued	729.47	519.91	204.79
Unpaid dividend*	8.27	9.26	10.06
Creditors for Capital Expenditure	1,426.18	1,309.65	1,321.64
Advance for sale of power plant	-	-	-
Book Overdraft	1.44	11.86	3.33
Forward Contract Payable	5.73	2.95	21.69
Others	747.18	471.43	219.60
	8,835.79	5,040.34	5,173.26

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund

33. Other current liabilities

₹ crore			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advance from customers	666.55	381.23	130.88
Statutory dues	573.94	502.33	898.08
others	435.41	462.37	427.76
	1,675.90	1,345.93	1,456.72

34. Provisions-Current

₹ crore			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for employee benefits	-	-	-
- Leave encashment	62.43	64.80	154.23
Others*	-	-	-
- Provision for Wealth Tax	-	-	0.66
Total	62.43	64.80	154.89

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

*Movement of provision during the financial year:

Particulars	₹ crore
As at 1st April, 2015	0.66
Provision during the year	-
Payment during the year	(0.66)
As at 31st March, 2016	-
Provision during the year	-
Payment during the year	-
As at 31st March, 2017	-

35. Revenue from operations

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
a) Sale of products		
-Finished Goods	22,148.23	21,027.11
-Traded Goods	511.63	15.38
-Inter Divisional Transfer	6,021.72	5,346.58
	28,681.58	26,389.07
b) Other operating revenue		
- Transmission Charges	45.44	45.44
- Scrap sales	10.17	13.64
- Export Incentives	68.87	15.59
- Aviation Income	11.16	14.80
- Provision / Liability no longer required written back	2.15	64.90
- Liquidated Damages Written Back	-	70.71
- Profit on Sale/Transfer of PPE	31.46	3.25
- Sales tax subsidy/capital reserve transferred	316.70	45.44
- Others	155.42	149.38
	641.37	423.15
Less : Inter Divisional Transfer	(6,021.72)	(5,346.58)
Total Revenue from operations	23,301.23	21,465.64

Notes:-

- As per Power Purchase Agreement with Tamilnadu State Electricity Board (TNSEB), one of the subsidiaries has filed petition before Hon'ble CERC for tariff impact due to change of law as per contract and accounted revenue of ₹ 206.62 crore (PY: NIL) during the year till 31st March, 2017.
- As per the interim order of the CERC the transmission income has been accounted for in respect of 400 KV JPL Tamnar - Raipur DC line (along with 400 KV bays, 2 no. 315 MVA transformers etc.) @ ₹ 45.44 crore per annum and realised the same from Power Grid Corporation India Limited (PGCIL). During the year, in terms of section 61 & 62 of the Electricity Act 2003 and Regulation 79(1)(a) of the Central Electricity Regulation Commission (Terms & condition of Tariff) Regulations 2009, the CERC vide its order dated 18.12.2015 has reduced & restricted transmission charges payable to the one of the subsidiaries for the period ended till 31st March 2014 to ₹ 53.53 crore (against the revenue claimed and accounted for by the one of the subsidiaries amounting to ₹ 134.68 crore). One of the subsidiaries has challenged the order of CERC by filing petition in Appellate tribunal which is pending for the decision. Pending decision, no effect have been given in this regard and the one of the subsidiaries continue its practice to account for the income as per past based on the interim order of CERC.

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

36. Other income

₹ crore		
Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Dividend Income	-	2.88
Net gain on sale of current and other than trade investments	-	47.70
Net gain on sale of investments	1.11	103.44
Profit on slump sale*	8.88	2.67
Total Other Income	9.99	156.69

*Represents profit on sale of wind power plant (Previous year crusher plant)

37. Cost of materials consumed

₹ crore		
Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Raw Material Consumed	6,535.46	6,076.27
Inter Division Transfer	6,021.72	5,346.58
	12,557.18	11,422.85
Less: Inter Division Transfer	(6,021.72)	(5,346.58)
Total Cost of Material Consumed *	6,535.46	6,076.27

* Including material transferred from capital work in progress (Refer Note 6)

38. Purchases of Stock In Trade

₹ crore		
Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Purchases of Stock In trade	265.39	20.58
	265.39	20.58

39. Changes in inventories of finished goods, stock -in- trade & work -in- progress and scrap

₹ crore		
Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Opening stock		
Finished Goods	811.39	1,484.14
Work-in-progress	309.91	149.65
Scrap	26.84	30.81
	1,148.14	1,664.60
Closing stock		
Finished Goods	655.07	811.39
Work-in-progress	157.42	309.91
Scrap	8.20	26.84
	820.69	1,148.14
Less : Excise duty on account of increase/ (decrease) on stock of finished goods and scrap	(44.83)	(68.27)
Total	282.62	448.19

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

40. Employee benefits expenses

₹ crore		
Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Salaries & wages *	826.22	843.80
Contribution to provident & other funds	48.92	66.18
Employee compensation expenses under Employee Stock Purchase Scheme (refer note 23)	1.52	-
Staff welfare expenses	36.89	36.59
Total	913.55	946.57

*Current year expenditure includes ₹ 7.07 crore (P.Y. ₹ 6.75 crore)incurred on research & development activities.

41. Finance costs (Net)

₹ crore		
Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest		
- Debentures and other term-loans	3,240.48	3,047.21
- Exchange Difference to the extent considered as an adjustment to borrowing costs	2.69	57.17
- Others	349.45	369.84
	3,592.62	3,474.22
Financial Expenses	98.23	31.46
	3,690.85	3,505.68
Less: Interest income		
Interest on Intercompany Deposits	(163.25)	(112.23)
Others	(138.01)	(139.89)
	(301.26)	(252.12)
Net finance cost	3,389.59	3,253.56

42. Other expenses

₹ crore		
Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Consumption of stores & spares	1,597.71	1,510.56
Consumption of power & fuel	4,349.16	4,368.31
Other manufacturing expenses	1,018.06	973.11
Repair and maintenance		
Plant and machinery	183.83	173.99
Building	6.97	7.36
Others	62.03	129.68
Rent*	39.98	36.43
Rate & taxes	52.17	54.94
Insurance	44.86	55.86
Research and Development Expenses**	0.76	0.29
(Profit)/Loss on sale/discard of PPE (net)	10.58	-
Donation	11.09	57.74
Directors' sitting fee	0.31	0.73
Bad debts / provision for doubtful debts & advances	11.93	42.17
Provision for impairment of investment	5.64	-
Freight handling and other selling expenses	955.85	555.02
Miscellaneous expenses	616.05	616.51
Foreign exchange fluctuation (net)	33.47	(42.44)
Total	9,000.45	8,540.26

* The Group has paid lease rentals of ₹ 39.98 crore (previous year ₹ 36.43 crore) under operating leases (also refer note no. 45)

** Expenditure on research & development activities, incurred during the year, is ₹ 149.08 crore (previous year ₹ 1.82 crore) (including capital expenditure of ₹ 148.32 crore (previous year ₹ 1.52crore)) excluding salary and wages of ₹ 7.07 crore (previous year ₹ 6.75 crore).

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

43. Tax expense

₹ crore		
Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Current tax	0.72	0.67
	0.72	0.67
Deferred tax	(503.40)	(878.13)
	(503.40)	(878.13)
Total	(502.68)	(877.46)

Effective tax Reconciliation :

Numerical reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

₹ crore		
Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Net (Profit)/Loss before taxes	3,042.89	3,963.71
Enacted tax rates for parent company i.e. Jindal Steel & Power Limited under MAT	34.608%	34.608%
Computed tax Income/(expense)	1,053.08	1,371.76
Increase/(reduction) in taxes on account of:	-	-
Additional allowance for tax purpose (net)	6.15	70.60
Expenses not allowed for tax purpose	(22.55)	(31.89)
Income in nature of capital receipt under Income Tax Act	-	56.10
Capital gain on slump sale / investments	(28.53)	(66.90)
Inter company adjustment/ elimination	(80.19)	(27.82)
Change in rate of tax	15.58	-
DTA not created on losses	0.82	(37.15)
Past year adjustment	(95.46)	8.80
Income exempt from tax/Others	(288.11)	(194.46)
Ind AS Effect	(58.11)	(271.58)
Income tax expense reported	502.68	877.46
Effective Income tax rate	16.52%	22.15%

44 (a) Contingent liabilities and claims against the Company

(to the extent not provided for)

₹ crore			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Contingent Liabilities *			
Guarantees, Undertakings & Letter Of Credit			
Guarantees issued by the Company's Bankers on behalf of the Company	1,221.23	935.87	1,096.28
Guarantees issued by the Associates(s)' Bankers on behalf of the Associate(s)#	0.34	0.00	0.07
Letter of credit opened by banks	933.93	1,069.74	1,152.38
Corporate guarantees/undertakings issued on behalf of third parties	289.94	176.20	291.57

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

₹ crore

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Demand:			
Disputed Statutory and Other demands	1,566.70	1,602.45	1,637.39
Income Tax demands where the cases are pending at various stages of appeal with the authorities	1,779.78	1,513.51	917.91
Disputed Statutory and Other demands of Associate(s) #	20.28	20.37	18.77
Bonds executed for machinery imports under EPCG Scheme	1,830.74	2,848.89	3,098.44

*Also Refer Note 50

Represents Group's share in associate i.e 40% in Nalwa Steel & Power Limited

- In case of one of subsidiaries, as a matter of prudence, as per the past practice till date 31st March 2015, had recognized an expense on account for disputed demand of electricity duty and interest thereon of amounting to ₹280.99 crore (₹ 47.34 crore as fees and taxes and ₹ 30.09 crore as interest others in 2014-15). The said subsidiary company has challenged the validity of demand made by the Government of Chhattisgarh, in Court, which is pending for decision. Considering the present status of the case, management consideration and opinion of an expert, the said company has not recognized electricity duty of ₹47.17 crore and interest thereon of ₹37.97 crore for the year ending 31st March 2016 and electricity duty of ₹49.04 crore and interest thereon of ₹36.84 crore for the year ending 31st March 2017 against disputed demand of electricity duty and disclosed the same under contingent liability. Management feels that it has good creditable case and confident about favourable decision in respect of above disputed demand.
- Chief electrical inspector has raised the demand amounting ₹ 17.5 crore of electricity duty on 4*600 MW of one of the subsidiaries as per the tariff applicable for start-up power whereas the said Company is paying as the tariff applicable for EHT industrial power consumers provided by CSEB (Rate for start-up is more than EHT power consumer)
 - Chief electrical inspector is demanding the electricity duty on KVAh whereas the said company is paying on KWH basis.
- It is not possible to predict the outcome of the pending litigations with accuracy, the Management believes, based on legal opinions received, that it has meritorious defences to the claims, the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Group.

(b) Commitments

₹ crore

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,568.24	3,713.01	5,084.76
Estimated amount of contracts of Associate(s) remaining to be executed on capital account and not provided for (net of advances)#	-	-	14.21
Uncalled liability towards partly paid up shares.	-	-	10.20

Represents Group's share in associate i.e 40% in Nalwa Steel & Power Limited

45. Operating lease commitments

One of the foreign subsidiaries has leased two plots from sohar industrial port company, sohar under an operating non cancellable lease agreement on which the plant and building is constructed. The Future minimum lease payment are as follows:-

₹ crore

Particulars	Current year	Previous Year
Within one year	29.60	29.42
Later 1 year but not later than 5 years	118.42	117.69
Later than 5 years	156.01	186.34
Total	304.03	333.45

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

46. Earnings per share

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
A Net profit/ (loss) as attributable for equity shareholders (₹ crore)	(2,537.52)	(3,087.26)
B Weighted average number of equity shares in calculating basic/diluted EPS (refer note 23)	914,922,608	914,903,800
Basic Earnings per Share (₹) (A/B)	(27.73)	(33.74)
Diluted Earnings per Share (₹) (A/B)	(27.73)	(33.74)

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

47. CSR Expenses

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Amount spent during the year on		
i) Construction/acquisition of any assets	-	-
ii) On purpose other than (i) above	21.58	47.32
Total	21.58	47.32

48. One of the overseas subsidiaries has identified certain assets for disposal. The management is in discussions with potential buyers. Based on preliminary discussions with potential buyers and an external valuation, the fair value of these assets is considered approximately equal to its carrying value by the management and therefore no impairment is considered necessary :-

Particulars	As at 31st March, 2017	As at 31st March, 2016
Property, plant & equipment	170.02	-

49. Operating Segment Reporting

Information about segments

The Group is engaged primarily into manufacturing of Iron & steel products and power. The Company's primary segments as identified by management are Iron and steel products and Power. Segments have been identified taking into account nature of product and differential risk and returns of the segment. These business segments are reviewed by the Chief Operating Officer of the Company (Chief operating decision maker).

Iron and steel products: Segment comprises of manufacturing of Steel products, sponge iron, pellets and castings.

Power: Segment comprises of business of power generation.

Others : It mainly comprises of aviation, machinery division and real estate.

The measurement principles for segment reporting are based on IND AS. Segment's performance is evaluated based on segment revenue and profit or loss from operating activities.

- Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.

- Finance income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting.
- The total assets disclosed for each segment represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, intersegment assets and exclude derivative financial assets, deferred tax assets, income tax recoverable and capital work in progress related to ongoing projects.
- Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial liabilities.
- Unallocated expenses/ results, assets and liabilities include expenses/ results, assets and liabilities (including inter-segment assets and liabilities) and other activities not allocated to the operating segments. These also include current taxes, deferred taxes and certain financial assets and liabilities not allocated to the operating segments.

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

₹ crore

S. No.	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
1.	Segment Revenue		
	a) Iron and Steel	17925.60	16,611.29
	b) Power	6378.44	5,720.91
	c) Others	890.68	439.39
	Sub Total(gross) A	25,194.72	22,771.59
	Inter Segment Revenue		
	a) Iron and Steel	214.63	284.52
	b) Power	2,283.85	2,118.94
	c) Others	-	-
	Sub Total(gross) B	2,498.48	2,403.46
	External Segment Revenue		
	a) Iron and Steel	17,710.97	16,326.77
	b) Power	4,094.59	3,601.97
	c) Others	890.68	439.39
	Net Segment Revenue (A-B)	22,696.24	20,368.13
2.	Segment Result(profit(+)/Loss(-) before tax and interest from each segment)		
	a) Iron and Steel	1,124.48	576.90
	b) Power	299.89	744.10
	c) Others	(59.83)	(220.41)
	Sub Total(gross)	1,364.54	1,100.59
	Less:		
	(i) Finance Cost (Net) (Interest, financial expenses and lease rent)	3,389.59	3,253.56
	(ii) Other un-allocable expenses(net of un-allocable Income)	645.54	1,574.91
	Exceptional items	372.31	235.83
	Profit before tax	(3,042.90)	(3,963.71)
	Less:		
	Current Tax	0.72	0.67
	Deferred Tax	(503.40)	(878.13)
	Profit after tax	(2,540.22)	(3,086.25)
	Share in Profit / (Loss) of associates (Net of tax)	2.70	(1.01)
	Total Profit/(Loss)	(2,537.52)	(3,087.26)
4.	Depreciation & amortisation expenses		
	a) Iron and Steel	1,967.67	2,063.09
	b) Power	1,644.98	1,677.39
	c) Others	336.37	327.40
	Total	3,949.02	4,067.88
5.	Non- Cash expenditure other than depreciation		
	a) Iron and Steel	11.92	42.17
	b) Power	-	-
	c) Others	377.95	235.83
	Total	389.87	278.00

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

₹ crore

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
1.	Segment Assets		
	a) Iron and Steel	44,549.68	45,476.51
	b) Power	23,656.64	21,979.28
	c) Others	2,048.06	3,390.65
	d) Unallocated Assets*#	20,343.55	21,551.95
	Total Assets	90,597.93	92,398.39
	# Investment in (included above):		
	Associates	235.54	232.84
	Joint Venture	7.69	-
2.	Segment Liabilities		
	a) Iron and Steel	4,117.19	2,864.91
	b) Power	851.70	1,217.96
	c) Others	131.94	128.30
	d) Unallocated Liabilities	55,446.57	55,751.13
	Total Liabilities	60,547.40	59,962.30
3.	Addition to Non-Current Assets		
	a) Iron and Steel	2,618.25	4,483.36
	b) Power	404.15	713.50
	c) Others	153.32	288.79
	d) Unallocated	130.30	(767.69)
	Total	3,306.01	4,717.96

* Unallocated assets include Capital work in progress relating to ongoing projects.

Secondary Segment (Geographical Segment)

₹ crore

Particulars	Current year			Previous year		
	India	outside india	Total	India	outside india	Total
Segment Revenue	15,951.19	6,745.05	22,696.24	17,124.18	3,243.95	20,368.13
segment non current assets	62,885.11	12,196.16	75,081.26	63,655.44	12,693.86	76,349.30

Capital expenditure excludes Intangible assets under development

50. Pursuant to the Judgment dated 25.08.2014 read with Order dated 24.09.2014 passed by the Hon'ble Supreme Court the allocation of the coal blocks, Gare Palma IV/1 (operational); Utkal B-1, Amarkonda Murgadangal, Gare Palma IV/6, Ramchandi, Urtan North and Jitpur (non-operational) to the Company/its joint ventures stand de-allocated. Prior to the said de-allocation by the Hon'ble Supreme Court, the Government had invoked bank guarantees provided by the Company to the extent of ₹ 153.55 crore with respect to Ramchandi, Amarkonda Murhadangal and Jitpur Coal Blocks. These matters, besides the matters with respect to Urtan North and Gare Palma IV/6 coal blocks, were contested by the Company at various levels and the invocation of the said bank guarantees had been stayed by the respective Hon'ble High Courts. Bank guarantees amounting to ₹ 155.00 crore have been provided by the Company for the above mentioned non-operational coal blocks.

Pursuant to the said de-allocation by the Hon'ble Supreme Court and pending the decision/s of the Ministry of Coal on the show cause notices issued by the Ministry of Coal calling upon the Company to show cause as to why the delay in the development of the non-operational coal blocks should not be held as violation of the terms and conditions of the allocation letters of the said coal blocks, the respective Hon'ble High Courts have required the Company to keep the said Bank Guarantees alive pending the decision of the Government (Ministry of Coal) in individual case. The High Courts have restrained the Ministry of Coal to act in furtherance of its subsequent decision/s, to invoke the bank guarantee/s, for a further period of two weeks' time from the date of the communication of such decision/s in order to enable the Company to challenge such decision/s of the Ministry of Coal. In the meantime, the invocation of the bank guarantees has been stayed by the Hon'ble High Courts.

The Company believes that it has good case in respect to this matter and hence no provision is considered necessary.

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

51.a Interest in Joint Ventures:

Details of the Group's immaterial joint venture is as follows:

S. No.	Particulars	Country of Incorporation	Percentage of ownership interest as at 31st March, 2017	Percentage of ownership interest as at 31st March, 2016	Percentage of ownership interest as at 1st April, 2015
1	Jindal Synfuels Limited	India	*70	*70	70
2	Shresht Mining and Metals Private Limited#	India	50	50	50
3	Urtan North Mining Company Limited	India	*66.67	*66.67	66.67

* Considered for consolidation as per Ind AS 110

Carrying amount of investment is ₹ 7.69 crore. Profit & loss and other comprehensive income are Nil.

51.b Interest in Associates:

Details of the Group's immaterial associate is as follows:

S. No.	Particulars	Country of Incorporation	Percentage of ownership interest as at 31st March, 2017	Percentage of ownership interest as at 31st March, 2016	Percentage of ownership interest as at 1st April, 2015
1	Nalwa Steel & Power Limited	India	40%	40%	40%
2	Prodisyne (Pty) Limited	South Africa	50%	50%	50%
3	Thuthukani Coal (Pty) Limited	South Africa	49%	49%	49%

₹ crore

Associates	31st March, 2017	31st March, 2016
Carrying Amount	235.54	232.84
Profit & loss from continuing operation	2.70	(1.01)
Post tax profit or loss from discontinuing operation	-	-
Other Comprehensive income	0.73	(0.06)
Total Comprehensive income	3.43	(1.07)

51 c. Subsidiaries- Non Controlling interest

Financial information of Jindal Power Limited

₹ crore

Particulars	31st March, 2017	31st March, 2016
Total assets	22,019.40	22,722.36
Total liabilities	10,262.86	9,849.25
Equity attributable to owners of equity	11,336.83	11,980.76
Non controlling interest	419.71	443.55
profit & loss after tax	(667.70)	(776.97)
Cash Flow	(77.33)	(413.60)

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

52. Financial and Derivative Instruments:

- a) The Company uses foreign currency forward and Interest rate swap contracts to manage some of its transactions exposure. The details of derivative financial instruments are as follows:

Particulars	₹ crore	
	2016-17	2015-16
Assets		
Forward Contracts-Export	Nil	Nil
Liabilities		
Forward Contracts-Import	155.04 (USD 23.91 Millions)	353.59 (USD 52.86 Millions)

- b) The principal component of monetary foreign currency loans/debts and payable amounting to ₹ 1,744.74 crore (Previous year ₹ 1,729.90 crore) and receivable amounting to ₹ 973.58 crore (Previous year ₹ 79.28 crore) are not hedged by derivative instruments.

53. Fair value of financial assets and liabilities

Class wise composition of carrying amount and fair value of financial assets and liabilities that are recognised in the financials statements is given below:

Particulars	₹ crore					
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Financial Assets at amortised cost						
Investment (Non Current)	3.19	3.19	0.12	0.12	0.62	0.62
Fixed deposits with banks (Non Current)	36.81	36.81	66.90	66.90	46.97	46.97
Cash and bank balances	477.22	477.22	620.38	620.38	1,139.07	1,139.07
Trade and other receivables	1,716.62	1,716.62	1,429.18	1,429.18	1,690.70	1,690.70
Loans (non current)	91.24	91.24	950.38	950.38	485.29	485.29
Loans (current)	387.43	387.43	211.55	211.55	489.65	489.65
Other financial assets (Non Current)	508.85	508.85	511.42	511.42	466.86	466.86
Other financial assets (Current)	1,054.65	1,054.65	979.41	979.41	696.75	696.75
Financial Asset at fair value through profit or loss :						
Investment (Non Current)	126.88	126.88	126.39	126.39	119.70	119.70
Investment (Current)	0.38	0.38	0.03	0.03	1,456.02	1,456.02
Financial Liabilities at amortised cost						
Borrowings (Non Current)	32,598.34	32,598.34	36,353.90	36,353.90	35,605.18	35,605.18
Borrowings (Current)	7,360.10	7,360.10	7,777.95	7,777.95	6,852.34	6,852.34
Trade & other payables	3,028.70	3,028.70	2,317.74	2,317.74	2,053.29	2,053.29
Other financial liabilities (Non current)	673.21	673.21	93.70	93.70	102.91	102.91
Other financial liabilities (Current)	8,830.06	8,830.06	5,037.38	5,037.38	5,151.57	5,151.57
Financial Liabilities at fair value through profit or loss :						
Other financial liabilities- Derivatives	5.73	5.73	2.95	2.95	21.69	21.69

Fair value hierarchy

The Company uses the following hierarchy for fair value measurement of the company's financials assets and liabilities:

Level 1: Quoted prices/NAV (unadjusted) in active markets for identical assets and liabilities at the measurement date.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3:

₹ crore

Particulars	31.03.2017 Carrying Value	31.03.2016 Carrying Value	01.04.2015 Carrying Value	Levels	Valuation techniques and Key Inputs
Financial Assets at amortised cost :					
Other financial assets	508.85	511.42	466.86	level 3	Discounted cash flow method
Investment	3.19	0.12	0.62	level 3	Discounted cash flow method
Loans	478.67	1,161.93	974.94	level 3	Discounted cash flow method
Financial Asset at fair value through profit or loss :					
Investment (Non Current)	126.88	126.39	119.70	level 3	Net Asset Value
Investment (Current)	-	-	1,456.02	level 1	Quoted market price
Financial Liabilities at amortised cost :					
Borrowings (Non Current)	32,598.34	36,353.90	35,605.18	level 3	Discounted cash flow method
Borrowings (Current)	7,360.10	7,777.95	6,852.34	level 3	Discounted cash flow method
Other financial liabilities (Non-Current)	673.21	93.70	102.91	level 3	Discounted cash flow method
Financial Liabilities at Fair value through profit or loss :					
Other financial liabilities- Derivatives	5.73	2.95	21.69	level 2	Forward foreign currency exchange rates, Interest Rates to discount future cash flow

During the year ended March 31, 2017 and March 31, 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

Fair valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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. The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- 2) Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate

borrowings approximates their carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance of the Company is considered to be insignificant in valuation.

- 3) The fair values of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity, and market parameters such as interest rates, foreign exchange rates, and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivative counter parties and believe them to be insignificant and not warranting a credit adjustment.
- 4) Ind AS 101 allow Company to fair value property, plant and machinery on transition to IND AS, the Company has fair valued property, plant and equipment, and the fair valuation is based on replacement cost approach.

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

54. Financial Risk Management

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's financial assets comprise investments, loan and other receivables, trade and other receivables, cash, and deposits that arise directly from its operations.

The Company's activities are exposed to **market risk, credit risk and liquidity risk**. In order to minimise adverse effects on the financial performance of the Company, derivative financial instruments such as forward contracts are entered into to hedge foreign currency risk exposure. Derivatives are used exclusively for hedging purposes and not as trading and speculative purpose.

I. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings,

deposits, investments, and derivative financial instruments. The sensitivity analysis in the following sections relate to the position as at 31st March 2017 and 31st March 2016. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. The Company uses derivative financial instruments such as foreign exchange forward contracts of varying maturity depending upon the underlying contract and risk management strategy to manage its exposures to foreign exchange fluctuations.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, the Company performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

- (i) the exposure of the Company's borrowings to interest rate changes at the end of reporting period are as follows:

Particulars	₹ crore	
	As at 31st March, 2017	As at 31st March, 2016
Variable rate borrowings*	36,494.16	36,691.42
Fixed rate borrowings*	9,356.35	10,105.35
Total borrowings	45,850.51	46,796.77

*Inclusive of current maturity

- (ii) Sensitivity
With all other variables held constant the following table demonstrates impact of borrowing cost on floating rate portion of loans and borrowings:

Particulars	₹ crore			
	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
INR	+50	+50	(116.87)	(115.57)
	- 50	- 50	116.87	115.57
EURO	+25	+25	(0.24)	(0.36)
	-25	-25	0.24	0.36
USD	+25	+25	(32.20)	(33.06)
	-25	-25	32.20	33.06
JPY	+25	+25	(0.27)	(0.36)
	-25	-25	0.27	0.36
ZAR	+25	+25	(0.09)	(0.16)
	-25	-25	0.09	0.16

The Assumed movement in basis point for interest rate sensitivity analysis is based on currently observable market environment.

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business primarily in Indian Rupees and US dollars. The Company has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk the Company adopts a policy of selective hedging based on risk perception of the management. Foreign exchange contracts are carried at fair value.

The Company hedges its exposure to fluctuations by using foreign currency forwards contracts on the basis of risk perception of the management.

The carrying amounts of the Company's net foreign currency exposure (net of forward contracts) denominated monetary assets and monetary liabilities at the end of the reporting period as follows:

	₹ crore	
INR pertaining to exposure in specified currencies	31.03.2017	31.03.2016
USD	(235.91)	(140.00)
Euro	(406.38)	(15.11)
GBP	(21.38)	(0.13)
Others	(107.49)	(32.12)
Total	(771.16)	(187.36)

Foreign currency sensitivity

5% increase or decrease in foreign exchange rates vis-à-vis Indian Rupees, with all other variables held constant, will have the following impact on profit before tax and other comprehensive income:

	₹ crore			
Particulars	2016-17		2015-16	
	5 % increase	5 % decrease	5 % increase	5 % decrease
USD	(11.80)	11.80	(7.00)	7.00
Euro	(20.32)	20.32	(0.76)	0.76
GBP	(1.07)	1.07	(0.01)	0.01
Others	(5.37)	5.37	(1.61)	1.61

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment by the management.

(c) Commodity Price Risk

Commodity Price Risk is the risk that future cash flow of the Company will fluctuate on account of changes in market price of key raw materials.

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company enters into contracts for procurement of materials, most of the transactions are short term fixed price contract and a few transactions are long term fixed price contracts.

II. Credit risk

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the Company. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation
- (iv) Significant increase in credit risk and other financial instruments of the same counterparty
- (v) Significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

The ageing analysis of the trade receivables (gross) has been considered from the date the invoice falls due:

				₹ crore
Ageing	0-6 months	6-12 months	more than 12 months	Total
As at 31-03-2017				
Gross Carrying Amount	658.22	24.46	205.78	888.45
Expected Credit Loss (in ₹)			(52.17)	(52.17)
Carrying Amount (net of impairment)	658.22	24.46	153.61	836.28
As at 31-03-2016				
Gross Carrying Amount	632.05	77.75	106.00	815.79
Expected Credit Loss (in ₹)			(40.26)	(40.26)
Carrying Amount (net of impairment)	632.05	77.75	65.74	775.53

III. Liquidity Risk

Liquidity risk refers to risk of financial distress or extra ordinary high financing cost arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing. The Company's objective is to maintain at all times optimum

levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are overseen by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

₹ crore					
As at 31-03-2017	Carrying Amount	Less than 1 year	1-3 years	More than 3 years	Total
Borrowings (Inclusive of current maturity)	45,850.50	13,252.16	7,967.22	24,631.13	45,850.50
Trade payables	3,028.70	2,937.82	90.88	-	3,028.70
Other financial liabilities	3,616.94	2,943.73	610.97	62.24	3,616.94
Total	52,496.14	19,133.71	8,669.07	24,693.37	52,496.14

₹ crore					
As at 31-03-2016	Carrying Amount	Less than 1 year	1-3 years	More than 3 years	Total
Borrowings (Inclusive of current maturity)	46,796.77	10,442.87	9,513.82	26,840.08	46,796.77
Trade payables	2,317.74	2,317.74	-	-	2,317.74
Other financial liabilities	2,469.12	2,375.42	-	93.70	2,469.12
Total	51,583.63	15,136.03	9,513.82	26,933.78	51,583.63

Unused Borrowing Facilities (i.e sanctioned but not availed)

₹ crore				
Particulars	Fixed		Floating	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Short term borrowings	188.66	797.95	40.11	141.31
Long term borrowings	-	-	-	-
	188.66	797.95	40.11	141.31

55. Capital Risk Management

The Group manages its capital structures and makes adjustment in light of changes in economic conditions and requirements of financing covenants. To this end the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The primary objective of the Company's Capital Management is to maximize the shareholder value by maintaining an efficient capital structure and healthy ratios and safeguard Company's ability to continue as a going concern. The Company also works towards maintaining optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies, processes during the year ended 31st March, 2017 and 31st March, 2016.

₹ crore			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Debt	45,850.51	46,796.77	45,706.35
Cash & bank balances	(477.22)	(620.38)	(1,139.07)
Net Debt	45,373.29	46,176.39	44,567.28
Total Capital	30,050.53	32,436.10	36,372.74
Total Capital and Net Debt	75,423.82	78,612.49	80,940.02
Gearing Ratio	60%	59%	55%

Notes-

- Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives and financial guarantee contracts) as described in notes 25 and 30.
- Equity includes all capital and reserves of the Company that are managed as capital.

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

56. Related Party disclosures as per Ind AS 24

A. List of Related Parties and Relationships

a) Associates

- 1 Nalwa Steel & Power Limited
- 2 Prodisyne (Pty) Limited
- 3 Thuthukani Coal (Pty) Limited

b) Joint Ventures

- 1 Jindal Synfuels Limited
- 2 Shresht Mining and Metals Private Limited
- 3 Urtan North Mining Private Limited

c) Other Significant influences

- 1 OPJ Trading Private Limited

d) Key Managerial Person

- 1 Shri Naveen Jindal (Chairman)
- 2 Shri Ravi Uppal (Managing Director & Group CEO)
- 3 Shri D.K. Saraogi (Wholetime Director)
- 4 Shri Rajeev Bhadauria (Wholetime Director)
- 5 Shri Rajesh Bhatia (Chief Financial Officer w.e.f 22 Nov 2016)
- 6 Shri K Rajagopal (Group Chief Financial Officer till 21 Nov 2016)

- 7 Shri Murli Manohar Purohit (Company Secretary w.e.f 10 Oct 2016)
- 8 Shri Jagdish Patra (Company Secretary till 11 Jul 2016)

e) Enterprises over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year

- 1 Jindal Stainless Ltd
- 2 Jindal Industries Limited
- 3 Bir Plantation Limited
- 4 India Flysafe Aviation Limited
- 5 Minerals Management Service (India) Pvt. Ltd.
- 6 Jindal Saw Limited
- 7 JSW Steel Limited
- 8 Rohit Tower Building Limited
- 9 JSW Energy Limited
- 10 JSW Projects Limited
- 11 JSW Steel Coated Product Ltd.
- 12 JSW Severfield Structures Ltd.
- 13 Jindal Realty Private Limited (Upto 30 March 2017, subsidiary wef 31 March 2017)

f) Post-Employment Benefit entity

- 1 Jindal Steel & Power Ltd EPF Trust

56 B. Transaction with Related Parties

₹ crore

Description	Associates		Key management Personnel		Enterprises controlled by key management personnel & their relatives	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Purchase of goods / services (Incl. capital goods)*	213.46	277.58	-	-	279.68	234.81
Sale of goods / scraps (Incl. capital goods)*	33.14	50.96	-	-	398.60	421.67
Rendering of services	-	-	-	-	3.13	1.60
Investment in equity shares/preference shares	-	-	-	-	-	-
Adv Against Share / Debenture Application Money	-	-	-	-	-	-
Investment in debenture	-	-	-	-	-	-
Other advances given / (taken)	(250.00)	-	0.05	6.96	-	-
Loan given / (taken)	-	-	-	-	-	-
Other advances repaid back	-	-	3.53	2.94	-	-
Excess remuneration recovered	-	-	6.13	-	-	-
Allotment of equity shares	-	-	0.01	-	-	-
Rent & other expenses paid	-	-	-	-	1.62	1.78
Interest income / (expenses / net)	-	-	-	0.32	(14.62)	98.44
Security deposit received / (given)	-	-	-	-	-	-
Remuneration	-	-	20.09	25.46	-	-
Corporate guarantee given / taken / extinguished)##**	-	(31.00)	-	-	-	-
Inter corporate deposit (given)**	-	-	-	-	-	468.50
Inter corporate deposit repaid / adjusted	-	-	-	-	-	293.90
Advanced received for sale of fixed assets	-	-	-	-	373.00	-

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

₹ crore

Particulars	Joint ventures			Associates			Key management Personnel			Enterprises controlled by key management personnel & their relatives		
	2016-17	2015-16	1st Apr 2015	2016-17	2015-16	1st Apr 2015	2016-17	2015-16	1st Apr 2015	2016-17	2015-16	1st Apr 2015
Outstanding balance at the year end												
Inter Corporate deposit (ICD) taken	-	-	-	-	-	-	-	-	-	-	850.00	675.40
Guarantee outstanding **	16.50	16.50	16.50	-	-	-	-	-	-	0.25	0.25	0.25
Guarantee outstanding(given by others on behalf of the company)	-	-	-	(31.00)	(31.00)	-	-	-	-	-	-	-
Advance/security deposit paid	-	-	-	-	-	-	-	-	-	8.50	8.50	8.50
Loans & advance(including interest)	-	-	-	-	-	-	0.54	4.02	-	69.41	69.41	221.24
Advance for Sale of Power Plant	-	-	-	-	-	-	-	-	-	373.00	-	-
Security deposit receipt	-	-	-	-	-	-	-	-	-	-	-	-
Advanced against share application	0.18	0.18	0.18	-	-	-	-	-	-	-	-	-
Investment in equity shares/debentures	-	-	-	2.00	2.00	-	-	-	-	-	-	-
Other Advance received	-	-	-	(250.00)	-	-	-	-	-	-	-	-
Outstanding liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Salary payable	-	-	-	-	-	-	0.24	0.33	-	-	-	-
Interest receivable	-	-	-	-	-	-	-	-	-	-	235.80	176.01
Debtors- dr balance	-	-	-	-	3.03	-	-	-	-	69.88	28.92	73.48
Debtors- cr balance	-	-	-	-	0.04	0.03	-	-	-	0.61	3.88	0.71
Creditors Dr balance	-	-	-	-	-	-	-	-	-	12.68	4.51	24.31
Creditors cr balance	-	-	-	-	57.81	41.65	-	-	-	15.20	23.08	26.86

*Figures are inclusive of taxes & other expenses

** includes foreign currency gain & loss

amount of guarantee given is restricted to actual utilisation of limits including interest.

Material transactions with Associates

₹ crore

Name of the related party	Year	Nalwa steel power limited
Relationship		Associate
Purchase of goods/services*	2016-17	213.45
	2015-16	268.65
Sales of goods (inc capital goods)*	2016-17	33.02
	2015-16	46.30
Rendering of services	2016-17	-
	2015-16	-
Investment in equity shares/preference shares	2016-17	-
	2015-16	-
ADV AGAINST SHARE/ DEBENTURE APPLICATION MONEY	2016-17	-
	2015-16	-
Investment in debentures	2016-17	-
	2015-16	-
Other advances given /(taken)	2016-17	(250.00)
	2015-16	-

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

		₹ crore
Name of the related party	Year	Nalwa steel power limited
Relationship		Associate
Loan given/(Taken)	2016-17	-
	2015-16	-
Rent & other expenses	2016-17	-
	2015-16	-
Interest income	2016-17	-
	2015-16	-
Interest expenses	2016-17	-
	2015-16	-
Security deposit received/(given)	2016-17	-
	2015-16	-
Corporate guarantee given (taken) (extinguished)**	2016-17	-
	2015-16	(31.00)
Inter corporate deposit given**	2016-17	-
	2015-16	-
Inter corporate deposit repaid/adjusted	2016-17	-
	2015-16	-
Advance received for sale of fixed assets	2016-17	-
	2015-16	-

*figures are inclusive of taxes & other expenses reimbursed

** includes foreign currency gain or loss

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

Material transactions with Enterprises controlled by Key management Personnel

Name of the related party	Year	JSW Steel Ltd. Mumbai/Bellary	JSW Energy Limited	Jindal Saw Limited	Jindal Stainless Ltd. Hissar,	Jindal Reality Pvt. Ltd.	Minerals Management Service (India) Pvt. Ltd.	Bir Plantation Pvt. Ltd.	Rohit Towers Pvt. Ltd.	Jindal Industries Ltd.	JSW Steel Coated Product Ltd.	JSW Projects Ltd.	JSW Severfield Structures Ltd.	India Flysafe Aviation Limited
Purchase of Goods/ Services(Incl Capital goods)*	2016-17	8.24	-	6.03	186.21	0.84	-	-	-	0.01	3.29	-	-	75.08
	2015-16	17.41	-	9.59	109.49	24.16	-	-	-	1.72	3.89	-	-	68.55
Sales Of Goods/ scrap (Incl Capital goods)*	2016-17	84.83	0.12	268.64	10.80	0.49	0.06	-	-	-	0.54	0.37	32.75	-
	2015-16	137.46	-	275.76	7.73	0.21	-	-	-	-	0.47	0.04	-	-
Rendering of services	2016-17	2.85	0.29	-	-	-	-	-	-	-	-	-	-	-
	2015-16	1.39	0.18	-	0.03	-	-	-	-	-	-	-	-	-
Other advances given/ (taken)	2016-17	-	(373.00)	-	-	-	-	-	-	-	-	-	-	-
	2015-16	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent and Other Expense	2016-17	-	-	0.69	0.55	-	-	0.07	0.31	-	-	-	-	-
	2015-16	-	-	0.52	0.70	-	-	0.11	0.45	-	-	-	-	-
Interest income/ (expenses)	2016-17	-	(14.62)	-	-	-	-	-	-	-	-	-	-	-
	2015-16	-	-	-	-	98.44	-	-	-	-	-	-	-	-
Inter corporate deposits repaid/ adjusted	2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-
	2015-16	-	-	-	-	293.90	-	-	-	-	-	-	-	-

*figures are inclusive of taxes & other expenses reimbursed

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

Compensation to Key Management Personnels for each of the following categories

Particulars	₹ crore	
	Year ended March 31, 2017	Year ended March 31, 2016
Short term benefits	18.78	23.51
Post employment benefits		
- Defined Contribution Plan	1.31	1.95
Share based payments	0.98	-
Total	21.07	25.47

Jindal Steel & Power Ltd EPF Trust

Particulars	₹ crore	
	Year ended March 31, 2017	Year ended March 31, 2016
Provident fund contribution	18.51	20.28

57. Impairment Review

Assets are tested for impairment whenever there are any internal or external indicators of impairment.

Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the goodwill or other assets are monitored for internal management purposes, within an operating segment.

The impairment assessment is based on higher of value in use and value from sale calculations.

During the year, the testing did not result in any impairment in the carrying amount of goodwill and other assets.

The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid term market conditions.

Key assumptions used in value-in-use calculations:

- Operating margins (Earnings before interest and taxes)
- Discount Rate
- Growth Rates
- Capital expenditures

Operating margins: Operating margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in a hyper

competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company; at the same time, factors like higher churn, increased cost of operations may impact the margins negatively.

Discount rate: Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs.

Growth rates: The growth rates used are in line with the long term average growth rates of the respective industry and country in which the Company operates and are consistent with the forecasts included in the industry reports.

Capital expenditures: The cash flow forecasts of capital expenditure are based on past experience coupled with additional capital expenditure required.

In case of one of the overseas subsidiaries, based on the valuations a net impairment of ₹ 372.31 crore has been provided under Exceptional items in the statement of profit and loss being an impairment of Mining assets.

58 The Hon'ble Supreme Court of India by its Order dated 24 September 2014 cancelled number of coal blocks allocated to the Company by Ministry of Coal, Government of India and directed to pay an additional levy of ₹ 295 per MT on gross coal extracted. The Company and one of its subsidiaries have paid under protest such levy on coal extracted during the period from 1993 to 31 March 2015 of ₹ 2,082.23 crore (₹ 3,267.43 crore including a subsidiary). The management based on legal opinion has charged to the statement of

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

profit and loss, as exceptional item during the year 2014-15 for ₹ 807.77 crore (₹ 1,911.64 crore including a subsidiary) computed on net extraction (run of mines less shale, rejects and ungraded middling) of coal by the Company. The balance amount of ₹ 1,274.46 crore (₹ 1,355.79 crore including a subsidiary) has been shown as recoverable from the Government Authority since the entire amount of additional levy has been paid under protest.

59. The Company has net book value of investment made in mining assets including land, infrastructure and clearance etc. of ₹ 425 crore (₹ 608.58 crore including a subsidiary) and filed claim for the same pursuant to directive vide letter dated 26 December, 2014 given by the Ministry of Coal on such mines. Meanwhile the Ministry of Coal has made interim payment to the Company of ₹ 22.72 crore towards the same. Pending final settlement of the aforesaid claim, this amount has been accounted for as advance.

60. The Company has filed legal suits /notices or in the process of filing legal case /sending legal notices / making efforts for recovery of debit balances of ₹ 243.56 crore (P.Y. 2015-16 ₹ 630.99 crore) plus interest wherever applicable, which are being carried as long term /short term advances, trade receivables and other recoverable. Pending outcome of legal proceedings/Company's efforts for recovery and based on legal advice in certain cases, the Company has considered aforesaid amounts as fully recoverable. Hence, no provision has been made in respect of these balances.

61. Subject to customary regulatory approvals and other conditions precedent(s), the Board of Directors at its meeting held on 3rd May, 2016 has approved the agreement for divestment of 1,000 MW Power unit of Jindal Power Limited (a subsidiary of the Company (JPL)), located in Chhattisgarh into a separate purpose vehicle (SPV), for the purpose of transferring the same to JSW Energy Limited through sale of the entire share capital and other securities of the aforesaid entity in terms of the share purchase agreement for an enterprise value of ₹ 6,500 crore plus the value of Net Current Assets as on the Closing Date. The valuation may vary based upon the achievement of PPA's before the closing date 30th June, 2018 and as prescribed in the Agreement subject to minimum of ₹ 4,000 crore plus the value of Net Current Assets as on the Closing Date. The Company has received advance of ₹ 373.00 crore from JSW Energy against the same.

In order to streamline cash flows of the group and create SPV amenable for, the Board of Directors of the Company and JPL have in principle approved the restructuring involving

parent Company and JPL and formed a committee of directors ("Restructuring Committee"), to explore and evaluate various restructuring options available including a scheme of arrangement. The restructuring will entail that 1000 MW Power Plant owned by JPL is hived off into a separate purpose vehicle, being subsidiary of the parent company, creation of other SPV amenable for monetization by way of divestments as well as achieve better synergy across the parent company and its subsidiaries, and to ensure that the businesses of these entities are operated in the most efficient and cost effective manner, including by pooling of technical, distribution and marketing skills, creating optimal utilisation of resources, better administration and cost reduction. Upon completion of evaluation of the possible arrangement options, the Restructuring Committee is to submit its recommendations to the Board of Directors and to such other committee(s) of the Board, including the Audit Committee, shareholders as may be required by applicable laws.

62. Balances of certain advances, creditors and receivables are in process of confirmation/reconciliation.

63. The company and one of its subsidiaries have considered fair value of Property plant and equipment (fair value as assessed by independent valuer) i.e. Land, Building and plant & machinery (PPE) in accordance with stipulation of IND AS 101 with resulted impact been given and accounted for in reserves, Accordingly on fair value of assets as cost on transition date (1st April 2015) as per option available in Ind AS and being increase in value (net) in PPE of ₹ 20,882.75 crore and useful life (as assessed and estimated by the management and a technical valuer), depreciation reflected in statement of profit & loss of current year is higher by ₹ 1248.49 crore for the year ended 31st March 2017 and to that extent loss is higher.

64. Hon'ble Supreme Court of India, in its recent judgement has upheld constitutional validity of entry tax levied by the different State Governments and referred the same to divisional/ regular benches for testing and determination of validity of state legislation vis a vis the Article 304 (a) of the constitution and left open levy of entry tax on goods entering the landmass of India from another country to be determined in appropriate proceedings. Full provision has been made in this regard except in case of import of goods from outside India, where part amount (₹ 55.83 crore) of entry tax has been deposited (shown under loans and advances) based on the Order of High Court in other assessee's case and as advised by an expert (against amount calculated till 31.03.2017 of ₹ 113.96 crore). As advised, no material provision is required to be made on this account. Further ₹ 0.64 crore has been paid subsequent to balance sheet date.

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

- 65** On 31st March, 2017 one of the subsidiaries acquired 100% equity of Jindal Reality Private Limited, a Company engaged in real state business. The acquisition has been accounted for in the consolidated financials using acquisition method. The fair value of purchase consideration as on date of acquisition was ₹ 10 crore the recognised amount of assets acquired and liabilities assumed are as follows :-

Particulars	₹ In crore
Assets Acquired	
Property Plant and Equipment	37.14
Financial Assets	3.35
Deferred Tax Assets	13.09
Other Non current assets	5.75
Current Assets	1,446.12
Liabilities Assumed	
Non Current Liabilities	122.87
Current Liabilities	198.32
Net Identifiable Assets	1,184.26
Net Identifiable Assets (net of intercompany loan and interest thereon)	(8.53)

- 66** Cost of captive sales (reduced from total expenditure) includes interest on internal manufactured goods consumed in capital projects which is not separately ascertainable.
- 67** Exceptional Items comprise impairment loss on fixed assets of ₹ 372.31 crore (Previous year ₹ 226.82 crore) and foreign exchange variation of ₹ Nil (Previous year ₹ 9.01 crore).
- 68** The Group w.e.f from 1st April 2015 decided to amortised foreign exchange difference of inter group long term foreign currency loans transactions of overseas business to the extend of financing requirement other than acquiring the fixed assets, if material, over the remaining period of the loan. Accordingly ₹ 21.24 crore (Previous year ₹ 188.23 crore) and ₹ 75.29 crore has been including Foreign Currency Monetary items translation Difference Account.

69 In Resepect of Certain Projects of Subsidiary Companies :

The 1800 MW Kamla Hydroelectric Power Project (Kamala Project) is a run of the river project located on Kamala River in the state of Arunachal Pradesh. Detailed Project Report (DPR)

of Kamala Project is under detailed examination by the central Electricity Authority. Issues related to cost compensation owing to Land Acquisition, diversion of forest Land and Environment studies are in progress. Government of Arunachal Pradesh has been requested for grant of extension of time for commencement of Kamala Project. The management believe that the departure from the schedule does not have any material impact.

The 3097 MW Etalin Hydroelectric Power Project (Etalin Project) is a run of the river project located on Dri River and Tangon River in the state of Arunachal Pradesh. Substantial progress has been achieved with respect to the land acquisition, environment and forest clearance and other statutory clearances. Further The Central Electricity Authority (CEA) has also issued concurrence for implementation of the project subject to fulfillment of certain conditions. As assessed by the management. The project has achieved some milestones and is likely to be developed in due course of time; the management believe that the departure from the schedule does not have any material impact.

The 680 MW Attunli Hydroelectric Power Project is a run of the river project located on Tangon River in the state of Arunachal Pradesh. Survey and Investigation works for preparation of Detailed Project Report (DPR) has been completed and draft DPR is under consideration. The project is likely to be developed in due course of time; the management believe that the departure from the schedule does not have any material impact.

In the opinion of the management, no impairment is required to be provided for in respect of assets of the above stated Hydro Power Projects.

70. Information related to Consolidated financial

The company is listed on stock exchanges in India. The Company has prepared consolidated financial statements as required under Ind AS 110, Sections 129 of Companies Act, 2013 and listing requirements. The consolidated financial statements are available on the Company's website for public use.

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

71. Financial information pursuant to Schedule III of Companies Act, 2013

S.No.	Name Of Entity	Net Assets i.e total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated Net Assets	Amount (₹ In crore)	As % of Consolidated profit & loss	Amount (₹ In crore)	As % of Consolidated other comprehensive income	Amount (₹ In crore)	As % of total comprehensive income	Amount (₹ In crore)
PARENT									
	Jindal Steel & Power Limited	72%	21,766.20	39%	(986.45)	-2%	2.69	36.95%	(983.76)
INDIAN SUBSIDIARIES									
1	Jindal Power limited	39%	11,756.54	26%	(667.70)	0%	(0.14)	25.08%	(667.84)
2	Everbest Steel & mining Holding Limited	0%	-	0%	(0.01)	0%	-	0.00%	(0.01)
3	Jindal Angul Power limited	0%	0.02	0%	(0.01)	0%	-	0.00%	(0.01)
4	JB Fabinfra Limited	0%	0.01	0%	(0.83)	0%	-	0.03%	(0.83)
5	Trishakti Real Estate Infrastructure and Developers Private Limited	0%	42.45	0%	1.06	0%	-	-0.04%	1.06
6	Attunil Hydro Electric Power Company Limited	0%	19.28	0%	-	0%	-	0.00%	-
7	Etalin Hydro Electric Power Company Limited	1%	211.07	0%	-	0%	-	0.00%	-
8	Jindal Hydro Power Limited	0%	0.08	0%	-	0%	-	0.00%	-
9	Jindal Power Distribution limited	0%	0.02	0%	(0.03)	0%	-	0.00%	(0.03)
10	Ambitious Power Trading Company Limited	0%	10.11	0%	0.48	0%	-	-0.02%	0.48
11	Jindal Power Transmision Limited	0%	0.02	0%	(0.06)	0%	-	0.00%	(0.06)
12	Jindal Power Venture (Mauritus) Limited	0%	(0.24)	0%	(0.05)	0%	-	0.00%	(0.05)
13	Kamala Hydro Electric Power Co. Limited	0%	123.71	0%	-	0%	-	0.00%	-
14	Kineta Power Limited	0%	145.09	0%	-	0%	-	0.00%	-
15	Uttam Infralogix Limited	0%	6.05	0%	(0.50)	0%	-	0.02%	(0.50)
16	Panther Transfreight Ltd.	0%	-	0%	-	0%	-	0.00%	-
17	Jindal Realty Private Limited	0%	(8.53)	0%	(0.01)	0%	-	0.00%	(0.01)
18	All tech Building System	0%	(1.61)	0%	(0.85)	0%	-	0.03%	(0.85)
19	Raigarh Pathalgaon Expressway Ltd. [w.e.f. 18th October,2016]	0%	-	0%	-	0%	-	0.00%	-
FOREIGN SUBSIDIARIES									
1	Jindal Steel & Power (Mautritius) Limited	0%	(97.58)	8%	(205.58)	0%	-	7.72%	(205.58)
2	Skyhigh Overseas Limited	0%	144.82	0%	(0.01)	0%	-	0.00%	(0.01)
3	Gas to liquids International S.A	0%	133.04	0%	-	0%	-	0.00%	-
4	Jindal Power Senegual SAU	0%	0.04	0%	0.01	0%	-	0.00%	0.01
5	Blue Castle Ventures Limited	0%	(2.30)	0%	-	0%	-	0.00%	-
6	Brake trading (pty)Limited	0%	-	0%	-	0%	-	0.00%	-
7	Enduring Overseas Inc	0%	(42.90)	0%	(6.27)	0%	-	0.24%	(6.27)
8	Fire Flash Investments (pty) Limited	0%	-	0%	-	0%	-	0.00%	-
9	Harmony Overseas Limited	0%	34.22	0%	(3.09)	0%	-	0.12%	(3.09)
10	Jin Africa Limited	0%	(7.03)	0%	-	0%	-	0.00%	-
11	Jindal (BVI) Limited	4%	1,101.40	0%	-	0%	-	0.00%	-
12	Jindal Africa Investment (pty) Limited	0%	(77.74)	1%	(20.00)	0%	-	0.75%	(20.00)
13	Jindal Africa Liberia Limited	0%	(0.19)	0%	-	0%	-	0.00%	-
14	Jindal Botswana (pty) Limited	0%	(4.06)	0%	0.10	0%	-	0.00%	0.10
15	Jindal Investimentos LDA	0%	(1.99)	0%	(0.45)	0%	-	0.02%	(0.45)
16	Jindal Investment Holding Limited	0%	(0.09)	0%	(0.01)	0%	-	0.00%	(0.01)
17	Jindal KZN Processing (pty) limited	0%	-	0%	-	0%	-	0.00%	-
18	Jindal Madagascar SARL	0%	(1.64)	0%	(0.03)	0%	-	0.00%	(0.03)
19	Jindal Mining & Exploration Limited	0%	9.22	1%	(13.71)	0%	-	0.51%	(13.71)
20	Jindal Mining Namibia (pty) Limited	0%	(25.87)	0%	(1.04)	0%	-	0.04%	(1.04)
21	Jindal Steel & Minerals Zimbabwe Limited	0%	(8.76)	0%	(0.04)	0%	-	0.00%	(0.04)
22	Jindal Steel & Power (Australia) pty Limited	0%	14.65	0%	9.80	0%	-	-0.37%	9.80
23	Jindal Tanzania Limited	0%	(8.55)	0%	(0.01)	0%	-	0.00%	(0.01)
24	Jindal Zambia Limited	0%	(16.30)	0%	-	0%	-	0.00%	-
25	Jspl Mozambique Minerais LDA	-1%	(418.90)	0%	(2.45)	0%	-	0.09%	(2.45)

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

S.No.	Name Of Entity	Net Assets i.e total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated Net Assets	Amount (₹ In crore)	As % of Consolidated profit & loss	Amount (₹ In crore)	As % of Consolidated other comprehensive income	Amount (₹ In crore)	As % of total comprehensive income	Amount (₹ In crore)
26	Jubilant Overseas Limited	0%	0.80	-1%	18.56	0%	-	-0.70%	18.56
27	Landmark Mineral Resources (Pty) Limited	0%	-	0%	-	0%	-	0.00%	-
28	Osho madagascar SARL	0%	(0.98)	0%	-	0%	-	0.00%	-
29	PT Jindal Overseas	0%	(35.55)	0%	0.01	0%	-	0.00%	0.01
30	Shadeed Iron & Steel L.L.C	7%	1,968.83	-8%	191.57	0%	-	-7.20%	191.57
31	Sungu sungu pty Limited	0%	0.01	0%	-	0%	-	0.00%	-
32	Vision Overseas Limited	0%	(1.96)	0%	(1.26)	0%	-	0.05%	(1.26)
33	Wollongong Coal Limited	-1%	(296.80)	23%	(576.92)	0%	-	21.67%	(576.92)
34	Jindal Steel DMCC	0%	(13.29)	0%	(1.56)	0%	-	0.06%	(1.56)
35	Belde Empreendimentos Mineiros LDA	0%	-	0%	-	0%	-	0.00%	-
36	Eastern Solid Fuels (pty) Limited	0%	(10.52)	0%	(1.50)	0%	-	0.06%	(1.50)
37	PT BHI Mining Indonesia	0%	(22.51)	0%	0.11	0%	-	0.00%	0.11
38	PT Sumber Surya Gemilang	0%	(17.28)	0%	(0.05)	0%	-	0.00%	(0.05)
39	PT Maruwai Bara Abadi	0%	(3.37)	0%	(0.03)	0%	-	0.00%	(0.03)
40	Jindal Mining SA (pty) Limited	0%	(12.53)	1%	(13.75)	0%	-	0.52%	(13.75)
41	Bon Terra Mining (pty) Limited	0%	-	0%	-	0%	-	0.00%	-
42	jindal (Barbados) Holding Corp.	0%	(0.13)	0%	-	0%	-	0.00%	-
43	Jindal Energy (Bhamas) Limited	0%	(11.29)	0%	-	0%	-	0.00%	-
44	Jindal Energy (Botswana) pty Limited	0%	(7.75)	0%	(0.69)	0%	-	0.03%	(0.69)
45	Jindal energy (SA) pty Limited	0%	(0.52)	0%	(0.53)	0%	-	0.02%	(0.53)
46	jindal Transfrica (Barbados) pty Limited	0%	(0.06)	0%	-	0%	-	0.00%	-
47	Jindal Resources (Botswana) pty Limited	0%	(108.44)	-1%	16.70	0%	-	-0.63%	16.70
48	Trans Africa Rail (pty) Limited	0%	(0.08)	0%	(0.02)	0%	-	0.00%	(0.02)
49	Sad- Elec (pty) Limited	0%	(0.01)	0%	-	0%	-	0.00%	-
50	Jindal (Barbados) Mining Corp.	0%	(135.59)	0%	-	0%	-	0.00%	-
51	Jindal (Barbados) Energy Corp.	0%	(0.13)	0%	-	0%	-	0.00%	-
52	Meepong Resources (Mauritius) (pty) Limited	0%	(0.30)	0%	0.03	0%	-	0.00%	0.03
53	Meepong Resources (pty) Limited	0%	(58.25)	0%	12.30	0%	-	-0.46%	12.30
54	Meepong Energy (Mauritius) (pty) Limited	0%	(0.30)	0%	0.06	0%	-	0.00%	0.06
55	Meepong Energy (pty) Limited	0%	(53.47)	-1%	15.41	0%	-	-0.58%	15.41
56	Meepong Service (pty) Limited	0%	(0.28)	0%	0.03	0%	-	0.00%	0.03
57	Meepong water (pty) Limited	0%	(3.25)	0%	0.76	0%	-	-0.03%	0.76
58	Peerboom Coal (pty) Limited	0%	-	0%	-	0%	-	0.00%	-
59	Shadeed Iron & Steel Company Limited	0%	1.35	0%	0.58	0%	-	-0.02%	0.58
60	Koleko Resources (pty) Limited	0%	-	0%	-	0%	-	0.00%	-
61	Legend Iron Limited	0%	117.27	0%	-	0%	-	0.00%	-
62	Cameroon Mining Action (CAMINA)SA	0%	(30.23)	0%	(4.80)	0%	-	0.18%	(4.80)
63	Jindal Africa SA	0%	-	0%	-	0%	-	0.00%	-
64	Jindal Steel & power (BC) Limited	0%	-	0%	-	0%	-	0.00%	-
65	Jindal Mauritania SARL	0%	-	0%	-	0%	-	0.00%	-
66	Trans Asia Mining Pte.Limited	0%	(0.18)	0%	(0.02)	0%	-	0.00%	(0.02)
67	Wongawilli Coal Pty Limited	2%	475.92	-22%	548.20	0%	-	-20.59%	548.20
68	Oceanic Coal Resources	1%	254.19	0%	(8.21)	0%	-	0.31%	(8.21)
69	Southbulli Holding Pty Limited	0%	25.26	0%	(0.11)	0%	-	0.00%	(0.11)
70	Enviro Waste Gas Services Pty Ltd	0%	0.02	0%	-	0%	-	0.00%	-
71	Jindal Steel Bolivia SA @	0%	-	0%	-	0%	-	0.00%	-
	Minority Interest in all Subsidiaries	2%	646.71	10%	(256.24)	-2%	2.70	9.52%	(253.54)

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

S.No.	Name Of Entity	Net Assets i.e total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated Net Assets	Amount (₹ In crore)	As % of Consolidated profit & loss	Amount (₹ In crore)	As % of Consolidated other comprehensive income	Amount (₹ In crore)	As % of total comprehensive income	Amount (₹ In crore)
Associates*									
1	Nalwa Steel & Power Limited	2%	234.12	0%	2.70	0%	0.06	-0.10%	2.76
2	Prodisyne (oty) Limited	0%	1.42	0%	-	0%	-	0.00%	-
3	Thuthukani Coal (pty) Limited	0%	-	0%	-	0%	-	0.00%	-
Joint Ventures									
1	Jindal Synfuels Limited#	0%	101.48	0%	-	0%	-	0.00%	-
2	Shresht Mining & Metals Private limited*	0%	7.69	0%	-	0%	-	0.00%	-
3	Urtan North Mining Company Limited#	0%	17.25	0%	-	0%	-	0.00%	-
	Consolidation Adjustments/Elimination	-27%	(7,770.50)	23%	(581.11)	104%	(130.21)	26.72%	(711.32)
	TOTAL	100%	30,050.53	100%	(2,537.52)	100%	(124.90)	100%	(2,662.42)

The above figures for Parent, its subsidiaries and joint ventures are before inter-company eliminations and consolidation adjustments.

* Investment as per the equity method

Considered for consolidation as per Ind AS 110

@ Provision for write-off taken in earlier years.

72. Transition to Ind AS

These Financial Statements, for the year ended 31st March 2017 are the first, the Company has prepared in accordance with Ind AS.

Accordingly, the Company has prepared its financial statement to comply with the Ind AS for the year ending 31st March, 2017, together with the comparative data as at and for the year ended 31st March, 2016, as described in note no. 1. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2015, the date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April, 2015 and the financial statements as at and for the year ended 31st March, 2016.

Exemptions Applied

Ind AS 101 First time adoption of Indian Accounting Standards allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS, effective for 1st April 2015 opening balance sheet. The Company has applied the exemptions which have been explained below:

1 Deemed Cost of Property, Plant & Equipment

The Company has elected to measure items of Property, Plant & Equipment (PPE) at the date of transition to Ind AS at their

fair value. The Company has used the fair value of PPE, which is considered as deemed cost on transition. Fair valuations are assessed as on 1st April, 2015.

2 Fair value of financial assets and liabilities

The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under Ind AS, these financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to Ind AS, the requirement of initial recognition at fair value is applied prospectively.

3 Long Term Foreign Currency Monetary items

The Company has opted to continue the policy adopted for accounting for exchange differences arising from translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP, accordingly the Company has continued the capitalisation of foreign exchange gain/loss on long term loan outstanding on the date of transition i.e April 1st 2015 and such capitalised amount is amortised over the remaining useful life of the asset.

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

4 Investments in Subsidiaries, joint ventures and associates

The Company has elected to apply previous GAAP carrying amount of its investment in equity shares in subsidiaries, associates and joint ventures as deemed cost as on the date of transition to Ind AS. However, the debt instruments in subsidiaries, associates and joint ventures are recognised at amortized cost.

5 Leases

The Company has applied the transition provision in Appendix C of Ind AS 17, "Determining whether an arrangement contains a Lease", and has assessed all arrangement as at the date of transition.

Estimates

The estimates at 1st April, 2015 and at 31st March, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences if any, in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss method.
- Investment in debt instruments carried at Amortized Cost.
- Investment in equity instruments carried at Fair value through profit or loss

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at the transition date and as of 31st March, 2016.

Exceptions to retrospective application of Ind AS

1 Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exists at the date of transition to Ind AS.

2 Derecognition of financial assets & financial liabilities

The Company has elected to apply the derecognition requirements for financial assets & financial liabilities in accordance with Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

Impact of transition to IND AS

The following is a summary of the effects of the differences between Ind AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the financial period for the periods previously reported under Indian GAAP following the date of transition to Ind AS.

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

72 a. RECONCILIATION OF BALANCE SHEET AS AT 01.04.2015, DATE OF TRANSITION TO IND AS

			₹crore
Particulars	IGAAP As at 31.03.2015	Adjustments	Ind AS As at 01.04.2015
ASSETS			
(1) Non - current assets			
(a) Property, plant and equipment	42,737.61	20,849.32	63,586.93
(b) Capital work- in- progress	7,395.73	-	7,395.73
(c) Investment property		32.94	32.94
(d) Goodwill	548.45	-	548.45
(c) intangible assets	3,357.29	0.01	3,357.30
(d) Intangible assets under development	1,672.24	-	1,672.24
(e) Biological assets other than bearer plants		0.49	0.49
(f) Financial assets			
(i) Investments	352.79	0.02	352.81
(ii) Loans	3,469.95	(2,984.66)	485.29
(iii) Bank balances	-	46.97	46.97
(iv) Others	-	466.86	466.86
(g) Other non- current assets	46.97	1,601.49	1,648.46
	59,581.03	20,013.44	79,594.47
(2) Current assets			
(a) Inventories	4,848.69	-	4,848.69
(b) Financial assets			
(i) Investments	1,432.40	23.62	1,456.02
(ii) Trade receivables	1,690.70	-	1,690.70
(iii) Cash and cash equivalents	1,139.07	(35.89)	1,103.18
(iv) Bank balances other than (iii) above		35.89	35.89
(v) Loans	5,860.59	(5,370.94)	489.65
(vi) Others (to be specified)		696.77	696.77
(c) Current tax assets (net)		553.71	553.71
(d) Other current assets	984.13	4,194.81	5,178.94
	15,955.58	97.97	16,053.55
Total assets	75,536.61	20,111.41	95,648.02
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	91.49	-	91.49
(b) Other equity	20,950.58	15,330.67	36,281.25
(c) Non controlling interest	857.25	122.08	979.33
	21,899.32	15,452.75	37,352.07
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	35,613.94	(8.76)	35,605.18
(ii) Trade payables			-
(iii) Other financial liabilities	213.90	(110.99)	102.91
(b) Provisions	159.32	-	159.32
(c) Deferred tax liabilities (net)	2,018.47	4,719.57	6,738.04
	38,005.63	4,599.82	42,605.45
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	6,852.34	-	6,852.34
(ii) Trade payables	2,053.29	-	2,053.29
(iii) Other financial liabilities excl. provisions		5,173.26	5,173.26
(b) Other current liabilities	6,571.14	(5,114.42)	1,456.72
(c) Provisions	154.89	-	154.89
	15,631.66	58.84	15,690.50
	53,637.29	4,658.66	58,295.95
Total Equity & Liabilities	75,536.61	20,111.41	95,648.02

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

72 b. RECONCILIATION OF BALANCE SHEET AS AT 31.03.2016

₹ crore			
Particulars	IGAAP As at 31.03.2016	Adjustments	Ind AS As at 31.03.2016
ASSETS			
(1) Non - current assets			
(a) Property, plant and equipment	41,610.83	19,601.39	61,212.22
(b) Capital work- in- progress	10,702.49	0.21	10,702.70
(c) Investment property	-	32.41	32.41
(d) Goodwill	548.45	-	548.45
(c) intangible assets	3,277.43	-	3,277.43
(d) Intangible assets under development	1,124.10	-	1,124.10
(e) Biological assets other than bearer plants	-	0.45	0.45
(f) Financial assets			
(i) Investments	357.71	1.65	359.36
(ii) Loans	3,209.34	(2,258.96)	950.38
(iii) Bank balances	-	66.90	66.90
(iv) Others	66.90	444.52	511.42
(g) Other non- current assets	-	880.77	880.77
	60,897.25	18,769.34	79,666.59
(2) Current assets			
(a) Inventories	3,235.97	18.13	3,254.10
(b) Financial assets		-	-
(i) Investments	0.03	-	0.03
(ii) Trade receivables	1,429.18	(0.00)	1,429.18
(iii) Cash and cash equivalents	620.38	(117.92)	502.46
(iv) Bank balances other than (iii) above		117.92	117.92
(v) Loans	6,135.88	(5,924.36)	211.52
(vi) Others		979.41	979.41
(c) Current tax assets (net)		569.33	569.33
(d) Other current assets	1,220.47	4,447.38	5,667.85
	12,641.91	89.89	12,731.80
Total assets	73,539.16	18,859.23	92,398.39
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	91.49	(0.00)	91.49
(b) Other equity	18,055.59	14,289.02	32,344.61
(c) Non controlling interest	800.28	99.55	899.83
	18,947.36	14,388.57	33,335.93
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	36,361.71	(7.81)	36,353.90
(ii) Trade payables		-	-
(iii) Other financial liabilities	121.63	(27.93)	93.70
(b) Provisions	195.73	(0.00)	195.73
(c) Deferred tax liabilities (net)	1,347.66	4,524.71	5,872.37
	38,026.73	4,488.97	42,515.70
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	7,777.95	-	7,777.95
(ii) Trade payables	2,317.74	-	2,317.74
(iii) Other financial liabilities excl. provisions		5,040.34	5,040.34
(b) Other current liabilities	6,404.58	(5,058.65)	1,345.93
(c) Provisions	64.80	-	64.80
	16,565.07	(18.31)	16,546.76
	54,591.80	4,470.66	59,062.46
Total Equity & Liabilities	73,539.16	18,859.23	92,398.39

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

72 c. RECONCILIATION OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016

₹ crore

Particulars	IGAAP Year ended 31.03.2016	Adjustments	IND AS Year ended 31.03.2016
I Revenue from operations	19,202.43	2,263.21	21,465.64
Less: Captive Sales for own projects	(1,097.51)	-	(1,097.51)
II Other income	527.34	(370.65)	156.69
III Total income (I + II)	18,632.26	1,892.56	20,524.82
IV Expenses			
Cost of materials consumed	6,076.27	-	6,076.27
Purchases of stock-in-trade	20.58	-	20.58
Changes in inventories of finished goods, work-in-progress and scrap	466.32	(18.13)	448.19
Employee benefits expense	912.51	34.06	946.57
Finance costs(Net)	3,252.74	0.82	3,253.56
Depreciation and amortization expense	2,819.39	1,248.49	4,067.88
Excise Duty	-	1,996.90	1,996.90
Other expenses	8,621.06	(80.80)	8,540.26
Total expenses	22,168.87	3,181.34	25,350.21
Less: Captive Sales for own projects	(1,097.51)	-	(1,097.51)
	21,071.36	3,181.34	24,252.70
V Profit / (loss) before exceptional items and tax (III - IV)	(2,439.10)	(1,288.78)	(3,727.88)
VI Exceptional items	(235.83)	-	(235.83)
VII Profit / (loss) before tax (V - VI)	(2,674.93)	(1,288.78)	(3,963.71)
VIII Tax expense			
current tax	0.67	-	0.67
Deferred tax	(676.97)	(201.16)	(878.13)
Total tax expense/(credit)	(676.30)	(201.16)	(877.46)
IX Profit / (loss) for the period (VII - VIII)	(1,998.63)	(1,087.62)	(3,086.25)
X Share in Profit / (Loss) of associates (Net of tax)	(1.40)	0.39	(1.01)
Total Profit/(Loss) (IX + X)	(2,000.03)	(1,087.23)	(3,087.26)
Other Comprehensive income(OCI)			
(i) Items that will not be reclassified to profit or Loss			
Remeasurement of the defined benefit plans	-	35.99	35.99
(ii) Income Tax relating to Items that will not be reclassified to profit or loss	-	12.46	12.46
(iii) Items that will be reclassified to profit or Loss			
Foreign Currency translation reserve (FCTR)	-	(767.81)	(767.81)
(iv) Income Tax relating to Items that will be reclassified to profit or loss	-	-	-
XI Total comprehensive income	(2,000.03)	(1,831.51)	(3,831.54)
Net Profit attributable to:			
a) Owners of the equity	-	(2,966.24)	(2,966.24)
b) Non- Controlling interest	-	(121.02)	(121.02)
Other Comprehensive Income attributable to:			
a) Owners of the equity	-	(699.16)	(699.16)
b) Non- Controlling interest	-	(45.12)	(45.12)
XII Total Comprehensive Income attributable to:			
a) Owners of the equity	(1,902.01)	(1,763.39)	(3,665.40)
b) Non- Controlling interest	(98.02)	(68.12)	(166.14)
Earnings per equity share			
(1) Basic	(20.79)	-	(33.74)
(2) Diluted	(20.79)	-	(33.74)

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

72 d. Other equity as at 1st April 2015

Particulars	Reserves and Surplus							Items of other comprehensive income					Total	Non controlling interest
	Sales Tax Subsidy / Capital reserve	Capital Redemption Reserve	Securities premium account	Debenture Redemption Reserve	Share Option outstanding Account-By subsidiary	Capital Reserve on Consolidation	Central/ State Subsidy Reserve	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Retained earnings	Share of Joint Venture & Associates	Foreign Currency Translation Reserve		
As at 01.4.2015	417.05	72.00	5.03	864.54	23.52	1,155.22	0.12	-	1,613.48	16,718.39	-	81.23	20,950.58	857.25
Re-Measurement														
- Valuation of Investments at fair value										23.62			23.62	
- Remeasurement of Borrowings										8.76			8.76	
- Remeasurement of Subsidy							(0.12)			0.12			-	
- Fair Valuation of PPE										20,882.75			20,882.75	
- Deferred Tax on adjustments										(5,462.38)			(5,462.38)	
- Change in Share of Minority										(122.08)			(122.08)	122.08
Restated balance as at 01.04.2015	417.05	72.00	5.03	864.54	23.52	1,155.22	-	-	1,613.48	32,049.18	-	81.23	-	979.33

Other equity as at 31st March 2016

Particulars	Reserves and Surplus						Items of other comprehensive income					Total controlling interest	₹ crore		
	Sales Tax Subsidy /Capital reserve	Capital Redemption Reserve	Securities premium account	Debt Redemption Reserve	Share Option outstanding Account-By subsidiary	Capital Reserve on Consolidation	Central/ State Subsidy Reserve	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Retained earnings	Share of Joint Venture & Associates			Foreign Currency Translation Reserve	Remeasurement of Defined Benefit Obligation/ Plan
As at 31.03.2016 as per IGAP	417.05	72	5.03	1102.08	16.64	1710.67	0.12	-188.23	1619.21	13,987.60		-686.58		18,055.59	857.25
Profit and loss for the year															
Additions during the year										(1,064.24)	0.73		21.86	(1,041.65)	
Adjustments:															
- Valuation of Investments at fair value										23.62				23.62	
- Remeasurement of Borrowings										8.76				8.76	
- Remeasurement of Subsidy							(0.12)			0.12				-	
- Fair Valuation of PPE										20,882.75				20,882.75	
- Deferred Tax on adjustments										(5,462.38)				(5,462.38)	
- Change in Share of Minority										(122.08)				(122.08)	122.08
Transfer to Minority														-	39.20
As at 31.3.2016	417.05	72.00	5.03	1,102.08	16.64	1,710.67	-	(188.23)	1,619.21	28,254.15	0.73	(686.58)	21.86	32,344.61	899.83

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

72 e. Summary of reconciliation of movement in profit and loss on transition to IND AS for year ended March 31, 2016

	₹ crore
Particulars	31.03.2016
Reported net profit for the period as per Indian GAAP	(1,998.63)
Adjustments:	
a. Fair valuation of investments	(23.62)
b. Actuarial gain on defined benefit obligations accounted through Other Comprehensive Income	(22.27)
c. Fair Valuation of PPE	-
d. Change in depreciation due to fair value of property, plant and equipment	(1,248.49)
e. Other Ind AS adjustment	17.39
f. Deferred tax on above adjustments (net)	189.37
Net profit before OCI as per Ind AS	(3,086.25)

72 f. Notes to the reconciliation of equity as at 1st April 2015 and 31st March 2016 and total comprehensive income for the year ended 31st March 2016

Property, Plant and Equipments carried at deemed cost

The Company has considered fair value as deemed cost of Property Plant and Equipments i.e Land, building and Plant & machinery and re assessed useful life (as assessed and estimated by the management & technical valuer) as on the date of transition to Ind AS i.e 1st April 2015 and impact of ₹ 20882.75 crore in accordance with said stipulations with resulted impact being accounted for in reserves. The depreciation as per Ind AS has been accounted on fair value and on revised useful life.

Investments

Investments other than investment in subsidiaries, joint ventures and associates has been considered at fair value through profit & loss. Investments in subsidiaries, joint ventures and associates: (i) in equity shares has been considered at carrying value as deemed cost; (ii) other than equity shares has been considered at amortised cost. Difference between the instruments carrying value and amortised cost as at the date of transition has been recognised in retained earnings.

Defined benefit obligation

The impact of change in actuarial assumption and experience adjustments for defined benefit obligation is accounted in Other Comprehensive Income with reversal in profit & loss.

Deferred Tax

The Company has accounted for deferred tax on various adjustment between indian GAAP and Ind AS as well as on temporary differences between the carrying amount of assets and liabilities in the balance

sheet and corresponding tax bases at the tax rate at which they are expected to be reversed. Corresponding net impact has been recognised in retained earning/profit & loss/Other Comprehensive Income as applicable.

Excise Duty

Under Ind AS, Excise duty on sale of goods is separately presented as expenses. Thus sale of goods under Ind AS for the year ended 31st March 2016 has increased by ₹ 1,996.90 crore with a corresponding increase in other expense.

Financial assets and Financial Liabilities

Financial assets and financial liabilities have been classified as per Ind AS 109 read with Ind AS 32.

Statement of Cash Flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

Discounts

Under Indian GAAP, discounts were recognised as expenses which has been adjusted against the revenue under Ind AS during the year ended 31st March 2016.

Standards issued but not effective yet

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2017

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

The Company has an Employee Share Purchase Scheme namely JSPL ESPS 2013; accordingly the said amendment does not have any possible impact on the financials of the Company.

73. Previous year figures have been regrouped/ rearranged / recast, wherever considered necessary to conform to current year's classification. Figures less than 50000 have been shown as absolute number.

74. Notes 1 to 74 are annexed to and form an integral part of financial statements.

As per our report of even date

For **Lodha & Co.**
Chartered Accountants
Firm Registration No. 301051E

N.K Lodha
Partner
Membership No. 85155

Place: New Delhi
Dated: 23rd May, 2017

For & on behalf of the Board of Directors

Naveen Jindal
Chairman
DIN: 00001523

Rajesh Bhatia
Chief Financial Officer

Ravi Uppal
Managing Director & Group CEO
DIN: 00025970

Murli Manohar Purohit
Company Secretary

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors of
Jindal Steel & Power Limited

Background

1. We have audited in accordance with Ind-AS (as defined hereinafter) the consolidated balance sheet, statement of profit and loss (including other comprehensive income), statement of cash flows and statement of changes in equity and related notes thereto as at and for the year ended March 31, 2017 ("**FY17 Consolidated Financial Statements**") of Jindal Steel & Power Limited ("**the Company**" or "**the Holding Company**") and its subsidiaries (the Holding Company & its subsidiaries together referred as "**the Group**"), its associates and jointly controlled companies and have issued our audit report dated May 23, 2017 ("**FY17 Audit Report**") in this regard. The FY17 Consolidated Financial Statements included the comparative figures for the year ended March 31, 2016. However, we did not issue a separate audit opinion on such comparative figures prepared by the management of the Company under Ind-AS in our FY17 Audit Report which has been audited by us.
2. We did not audit the consolidated balance sheet, statement of profit and loss, statement of cash flows and related notes thereto as at and for the year ended March 31, 2016 as prepared under Indian GAAP (as defined hereinafter) of the Group, its associates and jointly controlled companies ("**FY16 Indian GAAP Consolidated Financial Statements**"). The erstwhile auditors of the Company, S.R. Batliboi & Co. LLP conducted an audit of the FY16 Indian GAAP Consolidated Financial Statements and issued an audit report dated May 4, 2016 in this regard ("**FY16 Audit Report**").
3. The Company adopted Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as amended ("**Companies Act**"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind-AS Rules**", and such standards, "**Ind-AS**"), with effect from April 1, 2016, with April 1, 2015 as the date of transition. For all periods up to and including the year ended March 31 2016, the Company had prepared its financial statements in accordance with accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended (referred to as "**Indian GAAP**"). The Company has consistently applied the accounting policies used in the preparation of its opening Ind-AS balance sheet as at April 1, 2015 throughout all periods presented (i.e. subsequent to this), as if these policies had always been in effect and are covered by Ind-AS 101 "First-time adoption of Indian Accounting Standards" and this is to be read with Note no. 72. The transition was carried out from accounting principles under Indian GAAP which is considered as the previous generally accepted accounting principles, as defined in Ind-AS 101 to Ind-AS.

Report on the Consolidated Ind-AS Financial Statements

4. Based on the request received from the Company's management and for the purposes of inclusion in the preliminary placement document and the placement document (together referred to as the "**Placement Documents**") and other related material prepared in connection with the

proposed offering of the equity shares by way of qualified institutions placement in accordance with section 42 of part II of chapter III of the Companies Act read with rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (“**PAS Rules**”) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (“**QIP**”), we have audited the adjustments carried out by the management between the Indian GAAP and in the accounting principles adopted by the Company on transition to the Ind-AS made in these Special Purpose FY16 Ind-AS Consolidated Financial Statements comprising of the consolidated balance sheet, statement of profit and loss (including other comprehensive income), statement of cash flows and statement of changes in equity and related notes thereto as at and for the year ended March 31, 2016 (“**Special Purpose FY16 Ind-AS Consolidated Financial Statements**”), and have been prepared in accordance with the requirements of the Companies Act, 2013 read with the rules framed thereunder and amended from time to time, (the “**Companies Act**”) and Ind-AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 and which are based on the previously issued FY16 Indian GAAP Consolidated Financial Statements prepared in accordance with Indian GAAP audited by the Company’s previous auditor whose report dated May 4, 2016 expressed an qualified opinion on those FY16 Indian GAAP Consolidated Financial Statements.

Management’s Responsibility

5. The Company’s board of directors is responsible for the matters stated in Section 134(5) of the Companies Act with respect to the preparation of these Special Purpose FY16 Ind-AS Consolidated Financial Statements for the year ended March 31, 2016 in accordance with the basis of accounting described in Note No. 3

The responsibility of the management also includes maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose FY16 Ind-AS Consolidated Financial Statements.

Auditor’s Responsibility

6. Our responsibility is to express an opinion on these Special Purpose FY16 Ind-AS Consolidated Financial Statements based on our audit.

We conducted our audit of the Special Purpose FY16 Ind-AS Consolidated Financial Statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. \

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose FY16 Ind-AS Consolidated Financial Statements.

Our audit of the adjustments for the difference in the accounting principles adopted by the Company on transition to Ind-AS of the FY16 Indian GAAP Consolidated Financial Statements for the year ended March 31, 2016 has been carried out in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibility is to issue a report on the Special Purpose FY16 Ind-AS Consolidated Financial Statements based on our review of the Special Purpose FY16 Ind-AS Consolidated Financial Statements prepared by the management of the Company.

Basis of qualified opinion

7. The previous auditor has issued a qualified opinion on the FY16 Indian GAAP Consolidated Financial Statements (this is to be read as stated in para 4 above) which are reproduced herein below:-
 - a) As detailed in note no. 58(i) and (iii) of the Special Purpose Ind-AS Consolidated Financial Statements, based on the Order of Hon'ble Supreme Court of India, the Group paid an additional levy of ₹ 295 per metric ton on gross coal extracted from its operational mines. Through March 31, 2015, such levy on the gross extraction amounts to ₹ 3,267.43 crore. Based on legal opinion, the Group had recorded ₹ 1,911.64 crore as an exceptional item representing the levy on net extraction (run of mines less shale, rejects and ungraded middling) of coal in last year. Had the gross levy been recorded, net loss before tax for the year ended March 31, 2016, would have been higher by ₹ 1,355.79 crore and reserves and surplus as at March 31, 2016, would have been lower by ₹ 1,355.79 crore.
 - b) As detailed in note no. 58(ii) of the Special Purpose Ind-AS Consolidated Financial Statements, the Group has not made adjustment in the net carrying value of investment made in mining assets including land, infrastructure and clearance, etc., of ₹ 608.58 crore as at March 31, 2016 (including ₹ 183.58 crore by a subsidiary), pending finalization of the compensation claim filed by the Company with the Government authorities. Accordingly, we are unable to comment on the matter including any consequential adjustments that may be required in this regard in these Special Purpose Ind-AS Consolidated Financial Statements.
 - c) As detailed in Note 65 of the Special Purpose Ind-AS Consolidated Financial Statements, the Company has an investment in overseas subsidiary whose total assets as at March 31, 2016 are ₹ 4,335.90 crore, total revenue is ₹ 37.02 crore during the year ended March 31, 2016, which has been consolidated in Special Purpose Ind-AS Consolidated Financial Statements based on management certified accounts. In respect of above matter, audit report for the year ended March 31, 2015 was similarly qualified by previous auditor. During the year ended March 31, 2015, the financial statements of above subsidiary for the year ended March 31, 2015 was consolidated based on unaudited management certified accounts. During the current year, financial statements of above subsidiary have been consolidated based on audited financial statements for the year ended March 31, 2015 and accordingly our audit report is

modified only for the unaudited management certified accounts for the year ended March 31, 2016. In the absence of the audited financial statements of this subsidiary, we are unable to comment upon the consequential effects, if any on the accompanying Special Purpose Ind-AS Consolidated Financial Statements had the said audited financial statements of this subsidiary been made available to us.

Qualified Opinion

8. Except for the effects / possible effects of the observation stated in “Basis of Qualified Opinion” paragraph as stated above, nothing has come to our attention that causes us to believe that the accompanying financial statements have not been prepared in accordance with the basis set out in Note No. 3 to the Special Purpose Ind-AS Consolidated Financial Statements, or that it contains any material misstatement or omission.

9. Other Matters

- a) We have only audited the adjustments carried out by the management between Indian GAAP and accounting principles adopted by the Company on transition to Ind-AS, as stated in para 4 above. However, the previous auditor who has audited the FY16 Indian GAAP Consolidated Financial Statements has stated the matters below under the “Other Matters” paragraph of FY16 Audit Report which are reproduced herein below-

- (i) The accompanying consolidated financial statements include total assets of ₹ 25,952.90 crore as at March 31, 2016, and total revenues and net cash outflows of ₹ 5,625.80 crore and ₹ 641.01 crore for the year ended on that date, in respect of 62 subsidiaries, and 3 jointly controlled entities which have been audited by other auditors, whose financial statements, other financial information and auditor’s reports have been furnished to us by the management. The consolidated financial statements also include the Company’s share of net loss of ₹ 1.40 crore for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of 3 associates, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Companies Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the report(s) of such other auditors.
- (ii) The accompanying consolidated financial statements include total assets of ₹ 5,120.79 crore as at March 31, 2016, and total revenues and net cash outflows of ₹ 40.40 crore and ₹ 9.52 crore for the year ended on that date, in respect of 26 subsidiaries which have not been audited, whose unaudited financial statements and other unaudited financial information have been furnished to us. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Companies Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the

Management, these financial statements and other financial information of these entities (except for an entity as referred above in paragraph (c) of “Basis for qualified opinion”) are not material to the Group.

- (iii) As detailed in Note 63 (iii) of the Special Purpose Ind-AS Consolidated Financial Statements, one of the subsidiary companies has changed the method of providing depreciation on certain fixed assets from straight line method to written down value method from April 1, 2015 and such a change has been accounted as a change in estimate in accordance with requirements of Accounting Standard (AS) 10 and AS 5 notified by Ministry of Corporate Affairs (MCA) on March 30, 2016 vide Companies (Accounting Standards) Amendment Rules, 2016. The financial statements of the said subsidiary have been approved by the board of directors (“**BOD**”) of the subsidiary in its meeting held on April 27, 2016. On April 27, 2016, the MCA clarified that the above notification would be applicable for the accounting period commencing from the date of the said notification. However, based on the legal opinion obtained by the Parent company and said Company, the financial statements of the said subsidiary as approved by the subsidiary’s BOD on 27th April 2016, prepared after considering the impact of such change in method of providing depreciation on certain fixed assets prospectively as a change in estimate rather than retrospectively as per the requirements of relevant accounting standard prior to such amendment, have been considered for the purpose of preparation of the consolidated financial statements of the Group.

- b) Certain subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company’s management has converted the financial statements of such subsidiaries located outside India as per the Ind-AS and we have only relied on these conversion adjustments made by the management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company.

As stated in para 9(a)(i) above, financial statements of certain subsidiaries for the year ended March 31, 2016 were audited under Indian GAAP. We have relied upon the statement prepared for the purpose of converting the Indian GAAP financial statements to Ind-AS financial statements, prepared by the management of the Company.

- c) Further, the previous auditor vide its report dated May 4, 2016 has given a qualified opinion in its report on the Internal Financial Controls over Financial Reporting under clause (i) of Sub-section 3 of Section 143 of the Companies Act which is reproduced below:

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls system over financial reporting in case of subsidiary companies, associate companies and jointly controlled companies, which are companies incorporated in India, the following material weaknesses have been identified as at March 31, 2016:

- a) The Group's internal financial controls over adjustment and provision to be made in regard to expenses relating to additional coal levy were not operating effectively which could potentially result in the material misstatement in the financial statements by way of Group recording lower expense.
- b) The Group's internal financial controls over adjustments and provisions to be made in the carrying value of investment in mining assets including land, infrastructure and clearance, etc. were not operating effectively which could potentially result in the material misstatement in the financial statements by way of the Group carrying the assets at a higher value.
- c) The Holding Company's internal financial controls in respect of the financial statement closure process, in respect of consolidation of unaudited financial statements of overseas subsidiary, were not operating effectively which could potentially result in materials misstatement in the preparation of consolidated financial statements by consolidating unaudited financial statements of such overseas entities.

10. Based on the request received from the Company's management and for the purposes of inclusion in Placement Documents and other related material prepared in connection with the proposed offering of the equity shares by way of a QIP, this Special Purpose Audit Report on the Special Purpose FY16 Ind-AS Consolidated Financial Statements can be included in Placement Documents prepared in connection with the QIP of the Company and may be submitted/ filed with the and the Securities Exchange Board of India ("SEBI") and stock exchanges where the Company's equity shares are listed.

For Lodha & Co,
Chartered Accountants
Firm Registration No. 301051E

(N. K. Lodha)
Partner
Membership No. 085155

Place: New Delhi
Date: March 20, 2018

JINDAL STEEL & POWER LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 ST MARCH, 2016

₹ in crores

Particulars	Note	As at 31st March, 2016
ASSETS		
(1) Non - current assets		
(a) Property, plant and equipment	6	61,212.22
(b) Capital work - in - progress	6	10,702.70
(c) Investment property	7	32.41
(d) Goodwill	8	548.45
(e) Intangible assets	8	3,277.43
(f) Intangible assets under development		1,124.10
(g) Biological assets other than bearer plants	8	0.45
(h) Financial assets		
(i) Investments	9	359.36
(ii) Loans	10	950.38
(iii) Bank balances	11	66.90
(iv) Others Financial assets	12	511.42
(i) Other non - current assets	13	880.77
(2) Current assets		
(a) Inventories	14	3,254.10
(b) Financial assets		
(i) Investments	15	0.03
(ii) Trade receivables	16	1,429.18
(iii) Cash and cash equivalents	17	502.46
(iv) Bank balances other than (iii) above	18	117.92
(v) Loans	19	211.52
(vi) Others Financial assets	20	979.41
(c) Current tax assets (net)	21	569.33
(d) Other current assets	22	5,667.85
Total assets		92,398.39
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	23	91.49
(b) Other equity	24	32,344.61
(c) Non controlling interest		899.83
LIABILITIES		
(1) Non - current liabilities		
(a) Financial liabilities		
(i) Borrowings	25	36,353.90
(ii) Trade payables	26	-
(iii) Other financial liabilities	27	93.70
(b) Provisions	28	195.73
(c) Deferred tax liabilities (net)	29	5,872.37
(d) Other non - current liabilities		-
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	30	7,777.95
(ii) Trade payables	31	2,317.74
(iii) Other financial liabilities	32	5,040.34
(b) Other current liabilities	33	1,345.93
(c) Provisions	34	64.80
(d) Current tax liabilities (net)		-
Total Equity & Liabilities		92,398.39

Overview and Significant Accounting Policies 1-5

The notes referred to above form an integral part of financial statements

As per our report of even date

For Lodha & Co.
Chartered Accountants
Firm Registration No. 301051E

For & on behalf of the Board of Directors

N.K Lodha
Partner
Membership No. 85155

Naveen Jindal
Chairman
DIN: 00001523

Rajeev R. Bhaduria
Wholetime Director
DIN: 00376562

Deepak Sogani
Chief Financial Officer

Jagadish Patra
Company Secretary

Place: New Delhi
Dated: 20th March, 2018

JINDAL STEEL & POWER LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

		₹ in crores
Particulars	Note	Year ended 31st March, 2016
I Revenue from operations	35	21,465.64
Less: Captive Sales for own projects		(1,097.51)
II Other income	36	156.69
III Total income (I + II)		20,524.82
IV Expenses		
Cost of materials consumed	37	6,076.27
Purchases of stock - in - trade	38	20.58
Changes in inventories of finished goods, work -in -progress and scrap	39	448.19
Employee benefits expense	40	946.57
Finance costs(Net)	41	3,253.56
Depreciation and amortization expense		4,067.88
Excise Duty		1,996.90
Other expenses	42	8,540.26
Total expenses		25,350.21
Less: Captive Sales for own projects		(1,097.51)
		24,252.70
V Profit / (loss) before exceptional items and tax (III - IV)		(3,727.88)
VI Exceptional items	66	(235.83)
VII Profit / (loss) before tax (V - VI)		(3,963.71)
VIII Tax expense		
current tax		0.67
Deferred tax	43	(878.13)
Total tax expense/(credit)		(877.46)
IX Profit / (loss) for the period (VII - VIII)		(3,086.25)
X Share in Profit / (Loss) of associates (Net of tax)		(1.01)
Total Profit/(Loss) (IX + X)		(3,087.26)
Other Comprehensive income(OCI)		
(i) Items that will not be reclassified to profit or Loss		
Remeasurement of the defined benefit plans		35.99
(ii) Income Tax relating to Items that will not be reclassified to profit or loss		12.46
(iii) Items that will be reclassified to profit or Loss		
Foreign Currency translation reserve (FCTR)		(767.81)
(iv) Income Tax relating to Items that will be reclassified to profit or loss		
Total comprehensive income		(3,831.54)
Net Profit attributable to:		
a) Owners of the equity		(2,966.24)
b) Non- Controlling interest		(121.02)
Other Comprehensive Income attributable to:		
a) Owners of the equity		(699.16)
b) Non- Controlling interest		(45.12)
Total Comprehensive Income attributable to:		
a) Owners of the equity		(3,665.40)
b) Non- Controlling interest		(166.14)
XII Earnings per equity share	46	
(1) Basic		(33.74)
(2) Diluted		(33.74)

Overview and Significant Accounting Policies

1-5

The notes referred to above form an integral part of financial statements

As per our report of even date

For & on behalf of the Board of Directors

For Lodha & Co.
Chartered Accountants
Firm Registration No. 301051E

Naveen Jindal
Chairman
DIN: 00001523

Rajeev R. Bhaduria
Wholetime Director
DIN: 00376562

N.K Lodha
Partner
Membership No. 85155

Deepak Sogani Jagadish Pattra
Chief Financial Officer Company Secretary

Place: New Delhi
Dated: 20th March, 2018

JINDAL STEEL & POWER LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

₹ in crores

Particulars	Year ended 31st March, 2016
Operating activities	
Profit before tax	(3,963.71)
Adjustments to reconcile profit before tax to net cash flows	
Depreciation and amortization expense	4,067.88
Impairment of intangible (included under exceptional items)	226.82
Loss/(Gain) on disposal of property, plant & equipment	(3.25)
Gain on Slump sale	(2.67)
Gain on sale of Investments	(151.14)
Liability / Provisions no longer required written back	(135.61)
Bad debts written off/ Provision for Doubtful debts & advances	42.17
Unrealised foreign exchange fluctuation/Foreign Currency Monetary Item Translation Difference	(364.46)
Dividend (Income)	(2.88)
Finance costs (Net)	3,253.56
Operating Profit before Working Capital Changes	2,966.71
Working capital adjustments	
Decrease/ (Increase) in trade and other receivables	257.24
Decrease/ (Increase) in inventories	1,589.07
Decrease/ (Increase) in Non Current Financial Assets	(40.19)
Decrease/ (Increase) in Current Financial Assets	(272.78)
Decrease/ (Increase) in Other Non-Current and Current Assets	(452.00)
Increase/ (decrease) in trade and other payables	335.16
Increase/ (decrease) in Other Non-current and current Financial Liabilities	136.22
Increase/ (decrease) in Other Non- current and Current Liabilities	(116.69)
Increase/ (decrease) in Provisions	(53.02)
	4,349.73
Income - tax paid	(16.95)
Net cash flows from (used in) operating activities (A)	4,332.78
Investing activities	
Purchase of property, plant & equipment, including CWIP and capital advances	(3,949.95)
Proceeds from sale of property, plant & equipment	97.05
Dividend Received	2.88
Loan/advance given to related party	(133.71)
Interest Received	226.33
Purchase of non current Investments	(10.31)
Proceeds from sale of non current investment	105.19
(Increase) /decrease in current investment (net)	1,503.69
Deposit with original maturity more than three months	(102.76)
Net cash flows from (used in) investing activities (B)	(2,261.59)
Financing activities	
Working Capital Borrowings from Banks/other short term loans (net)	1,795.89
Proceeds from long term Borrowings	16,212.63
Repayment of long term borrowings	(17,085.52)
Dividend Paid (including tax thereon)	(0.80)
Interest Paid	(3,594.11)
Net cash flows from (used in) financing activities (C)	(2,671.91)
Net increase (decrease) in cash and cash equivalents (A+B+C)	(600.72)
Cash and cash equivalents at the beginning of the year	1,103.18
Cash and cash equivalents on acquisition of subsidiary	-
Cash and cash equivalents at year end	502.46
Components of cash and cash equivalent as at	
Cash on hand	1.41
Cheques/Drafts in hand	4.71
Balances with banks:	
On current accounts	254.52
On deposits accounts with original maturity of less than three months	241.79
on others	0.03
Cash and bank balances	502.46
	502.46

As per our report of even date

For Lodha & Co.
Chartered Accountants
Firm Registration No. 301051E

For & on behalf of the Board of Directors

Naveen Jindal
Chairman
DIN: 00001523

Rajeev R. Bhaduria
Wholetime Director
DIN: 00376562

N.K Lodha
Partner
Membership No. 85155

Deepak Sogani
Chief Financial Officer

Jagadish Pattra
Company Secretary

Place: New Delhi
Dated: 20th March, 2018

JINDAL STEEL & POWER LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2016

A. Equity Share Capital

₹ in crores

As at 1st April, 2015	Movement during 2015-16	As at 31st March, 2016
91.49	-	91.49

B . Other equity

₹ in crores

Particulars	Reserves and Surplus									Items of other comprehensive income			Equity attributable to shareholders of the Group Total	Non controlling interest	Total
	Sales Tax Subsidy /Capital reserve*	Capital Redemption Reserve	Securities premium account	Debenture Redemption Reserve	Share Option outstanding Account-By subsidiary	Capital Reserve on Consolidation	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Retained earnings	Share of Joint Venture & Associates	Foreign Currency Translation Reserve	Remeasurement of Defined Benefit Obligation/ Plan			
Balance as at 01st April 2015	417.05	72.00	5.03	864.54	23.52	1,155.22	-	1,613.48	32,049.18	-	81.23	-	36,281.25	979.33	37,260.58
Profit & Loss for the year	-	-	-	-	-	-	-	-	(2,966.24)	-	-	-	(2,966.24)	(121.02)	(3,087.26)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	0.73	(721.75)	21.86	(699.16)	(45.12)	(744.28)
Movement during the year	-	-	-	237.54	(6.88)	555.45	(188.23)	5.73	(828.78)	-	(46.07)	-	(271.24)	47.44	(223.80)
Balance as at 31st March, 2016	417.05	72.00	5.03	1,102.08	16.64	1,710.67	(188.23)	1,619.21	28,254.16	0.73	(686.59)	21.86	32,344.61	899.83	33,244.44

* includes capital reserve of ₹ 100.35 crore

As per our report of even date

For & on behalf of the Board of Directors

For Lodha & Co.
Chartered Accountants
Firm Registration No. 301051E

N.K Lodha
Partner
Membership No. 85155

Place: New Delhi
Dated: 20th March, 2018

Naveen Jindal
Chairman
DIN: 00001523

Deepak Sogani
Chief Financial Officer

Rajeev R. Bhaduria
Wholetime Director
DIN: 00376562

Jagadish Pattra
Company Secretary

Notes

to the Consolidated financial statements as at and for the year ended 31st March, 2016

1. OVERVIEW

Jindal Steel & Power Limited ("the Company" or "the Parent Company") is one of the India's leading steel producers with significant presence in sectors like mining and power generation including through its subsidiaries in India and abroad. It is listed on the National Stock Exchange of India and Bombay Stock Exchange in India. The registered office is situated in the state of Haryana, the corporate office is situated in New Delhi and the manufacturing plants are in the states of Chhattisgarh, Odisha, Jharkhand etc. in India and also in Sultanate of Oman. The Group has global presence through subsidiaries, mainly in Australia, Botswana, Cameroon, China, Dubai, Indonesia, Liberia, Mauritania, Mauritius, Mozambique, Madagascar, Namibia, South Africa, Sultanate of Oman, Tanzania and Zambia. There are several business initiatives running simultaneously across continents.

2. Statement of Compliance:

The consolidated financial statements related to Jindal Steel & Power Limited (hereinafter referred to as the Company or Parent Company) and its subsidiaries (hereinafter collectively referred to as "Group"), its joint ventures and associate Companies.

The Group has adopted Indian Accounting Standards (the 'Ind AS') prescribed under section 133 of the Companies Act, 2013 (the 'Act'), read with the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, with effect from 1st April 2016 with 1st April 2015 as the date of transition. Accordingly these consolidated financial statements have been prepared in accordance with the said Ind AS & Rules issued thereunder and other recognized accounting practices & policies to the extent applicable and the relevant provisions of the Companies Act, 2013 and listing requirements.

For all periods up to and including the year ended 31st March 2016, the Group had prepared its consolidated financial statements in accordance with accounting standards as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (referred to as 'Indian GAAP'). The Group has consistently applied the accounting policies used in the preparation of its opening IND AS Balance Sheet at April 1, 2015 throughout all periods presented, as if these policies had always been in effect and are covered by IND AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India ("Indian GAAP") which is considered as the previous GAAP, as defined in IND AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at April 1, 2015 and March 31, 2016 and on the net profit and material adjustments to cash flows, if any, for the year ended March 31, 2016 is disclosed in Note no. 72 to these consolidated financial statements.

The consolidated financial statements provide comparative information in respect of previous year. In addition, the Group presents balance sheet as at the beginning of previous year which is the transition date to Ind AS.

The preparation of the consolidated financial statements in conformity with Indian Accounting Standards (Ind AS) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures at the date of the consolidated financial statements. The judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years and, if material, their effects are disclosed in the notes to the consolidated financial statements. Actual results could vary from these estimates. (refer Note no. 5 on critical accounting estimates, assumptions and judgments).

The accounting policies are different than the as per the audited financial statements for the year ended 31st March 2016 to the extent the same made in compliance w.r.t. applicable IND AS which was made applicable to the company for the financial year 2016-17 with transition date i.e. 1st April 2015.

These Special Purpose Consolidated financial statements for the year ended March 31, 2016 have been approved and adopted by Board of Directors of the Company in their meeting held on 20th March, 2018

3. Basis of preparation of Consolidated Financial Statements:

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. It also includes the Group's share of profits, net assets and retained post acquisition reserves of joint ventures and associates that are consolidated using the equity method of consolidation. Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity. Significant influence, is achieved when the Company has power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The results of subsidiaries, joint ventures and associates acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. The Accounting Policies of the parent company, its subsidiaries, joint ventures and associates are largely similar. However, few accounting policies are different as certain subsidiaries / associates located in different countries have to comply with the local regulatory requirements. Wherever necessary, adjustments are made to the financial statements of subsidiaries, joint ventures and associates to bring their accounting policies in line with those used by other members of the Group. The Financial Statements of parent Company and its subsidiaries have been consolidated on line-by-line basis by adding together book value of like items of assets, liabilities, income and expenses after eliminating Intra-group transactions, balances, income and expenses in accordance with Ind AS 110 "Consolidated Financial Statement". Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity. The interest of non controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by- acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance. Impact of any insignificant and immaterial Non Controlling Interest is not considered. Foreign Subsidiaries : Items of the assets and liabilities, both monetary and non-monetary, have been translated at the exchange rates prevailing at the end of the year and items of income and expenses have been translated at the average rate prevailing during the year. Resulting exchange differences arising on translation of said items have been transferred to Foreign Currency Translation Reserve Account through Other Comprehensive Income. In case of associates, where Company holds directly or indirectly through subsidiaries 20% or more equity or / and exercises significant influence, investments are accounted for by using equity method in accordance with Ind AS 28 "Investments in Associates and Joint Ventures". Post acquisition, the Company accounts for its share in the change in net assets of the associates (after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share), through its statement of profit and loss, other comprehensive income and through its reserves for the balance. The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be. However, for associates, Goodwill is not separately recognised but included in the value of investments. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with Parent company's financial statements.

4. Exemptions from retrospective application:

Business Combinations: The Company has opted to apply Ind AS 103 prospectively from the date of transition to Ind AS, i.e. 1st April, 2015 onwards. As such, previous GAAP balances relating to assets and liabilities acquired under business combinations entered into before transition date, have been carried forward without any adjustments.

5. Significant accounting policies:

Significant accounting policies of the financial statements of the Company and its subsidiaries are set out in their respective standalone financial statements. The significant accounting policies to prepare consolidated financial statements are in uniformity with the standalone financial statements of the Company. The accounting policies are different than the as per the audited financial statements for the year ended 31st March 2016 to the extent the same made in compliance w.r.t. applicable IND AS which was made applicable to the company for the financial year 2016-17 with transition date i.e. 1st April 2015. Following are the additional policies specifically considered for preparation of consolidated financial statements:

a) Business Combinations

The acquisitions of businesses are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard. Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities recognised and contingent assumed. In the case of bargain purchase, resultant gain is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in other equity.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders proportionate share of the acquiree's identifiable net assets

b) Goodwill

Goodwill arising on an acquisition of 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 group of cash-generating units) that is expected to benefit from the synergies of the combination.

c) Deferred Tax

The deferred tax is recognised for temporary differences arising after elimination of profits and losses resulting from intragroup transactions. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of future taxable profits together with future tax planning strategies.

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

6. Property, Plant & Equipment

	₹ in crores									
Particulars	Freehold Land	Leasehold Land	Buildings	Plant & Equipments	Electrical Fittings	Furniture and Fixtures	Vehicles	Aircraft	Office Equipment	Total
Gross carrying value (Cost/deemed cost)										
As at 01st April, 2015	3,099.35	2,820.21	9,400.34	47,495.37	1,845.96	73.61	161.34	163.30	55.95	65,115.43
Additions	72.10	26.64	150.74	1,601.35	41.49	6.35	31.66	-	7.67	1,938.00
Disposals	0.83	0.94	60.52	22.62	8.97	0.13	22.86	142.00	0.74	259.61
Other adjustments	-	-	17.30	20.72	1.91	0.06	15.59	-	(0.00)	55.58
Translation Reserve	(25.45)	-	9.14	(262.17)	57.00	(1.14)	(12.14)	-	(4.05)	(238.81)
As at 31st March 2016	3,145.17	2,845.91	9,517.00	48,832.65	1,937.39	78.75	173.59	21.30	58.83	66,610.59
Depreciation										
Accumulated Depreciation as at 01.04.2015	-	-	118.33	1,252.44	146.58	0.65	3.82	-	6.68	1,528.50
Charge for the year 2015-16	-	41.82	580.48	3,215.56	96.25	18.74	32.96	70.01	17.86	4,073.68
Disposals	-	-	(0.55)	2.36	-	0.09	(0.09)	68.28	0.55	70.64
Translation Reserve	-	-	(3.01)	(129.40)	4.88	0.34	(2.55)	-	(3.43)	(133.17)
As at 31st March 2016	-	41.82	696.35	4,336.24	247.71	19.64	34.32	1.73	20.56	5,398.37
Net carrying value										
As at 31st March 2016	3,145.17	2,804.09	8,820.66	44,496.41	1,689.68	59.10	139.27	19.57	38.27	61,212.22
Capital Work In Progress										
As at 31st March 2016										10,702.70

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

Notes-

- a)** Statement showing the details of pre operating expenditure (including during trial run) pending allocation/capitalisation forming part of capital work in progress.

₹ in crores	
Particulars	Year ended 31st March, 2016
Amount brought forward during the year	1,368.98
<u>Add: Expenditure incurred during the year</u>	
Raw materials consumed	48.66
Salaries and wages	166.71
Contribution to Provident and other funds	9.96
Staff Welfare Expenses	1.33
Depreciation and amortisation expenses	54.04
Consumption of Power and fuel	95.11
Consumption of stores and spares	33.01
Other Manufacturing expenses	58.27
Financial expenses	-
Foreign exchange fluctuation	15.44
Insurance	0.47
Rates and Taxes	0.69
Rent	4.28
Repair and Maintenance	0.68
Miscellaneous expenses	118.85
	<u>1,976.48</u>
<u>Less:</u>	
Sale of Products finished goods	61.03
	<u>61.03</u>
Total	<u>1,915.45</u>
Less: Capitalized/transferred	<u>150.16</u>
Net Balance	<u><u>1,765.29</u></u>

- b.** Capital Work in Progress includes ₹1765.29 Crore being Pre- operative expenditure and ₹.563.94 crore being Capital stores.
- c.** Additions to Property, Plant & Equipment include ₹ 1.50 Crore and addition to Capital work- in- progress include ₹ 0.02 crore being expenditure incurred on Research & Development Activities. Additions to Property, Plant & Equipment includes ₹ 1.52 crore being capitalized from Capital work in progress.
- d.** The Company has opted to continue the policy to capitalise foreign currency fluctuation on long term borrowings which was followed as per previous I-GAAP as per optional election of Ind AS -101, on all long term foreign currency borrowings outstanding on March 31, 2016. Accordingly additions /adjustments to plant and machinery/ capital work-in-progress includes addition of ₹141.77 Crore on account of foreign exchange fluctuation (Gain)/loss.
- e.** Borrowing cost incurred during the year and capitalized is ₹ 97.24 crore . Borrowing cost incurred during the year and transferred to capital work-in-progress is ₹ 307.26 crore

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March,
2016

7. Investment property

	₹ in crores	
Particulars	Freehold Commercial Properties	Total
Gross Block (at cost)		
As at 01.04.2015	33.19	33.19
Additions	-	-
Disposals	-	-
As at 31.03.2016	33.19	33.19
Depreciation		
As at 01.04.2015	0.25	0.25
Charge for the year	0.53	0.53
Disposals	-	-
As at 31.03.2016	0.78	0.78
Net Block		
As at 31.03.2016	32.41	32.41

Notes-

(i) Information regarding income and expenditure of Investment property	₹ in crores
Particulars	2015-16
Rental income derived from investment properties	1.63
Direct operating expenses (including repairs and maintenance) generating rental income	0.83
Profit arising from investment properties	0.80

(ii) The Group's investment properties consist of commercial properties in India.

As at 31 March 2016 the fair values of the properties are ₹ 24.21 Crs.,. These valuations are based on valuations performed by an accredited independent valuer. Fair valuation is based on income approach method. The fair value is categorised in Level 2 fair value hierarchy.

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

8A. Goodwill Arising on Consolidation

₹ in crores	
Particulars	Goodwill
Gross Block	
As at 01.04.2015	548.45
Additions	-
Disposals	-
Demergers	-
As at 31.03.2016	548.45

The carrying amount predominantly relates to goodwill that arose on acquisition of various entities and has been tested against the potential of respective cash generating unit (CGU). The calculation uses cash flow forecast based on approved financial budgets/strategic forecast which cover future periods of 5-10 years. Key assumptions for the value in use calculation are those regarding the expected changes to selling prices, demand etc. The outcome of the group's goodwill impairment test as at 31st March 2016 resulted in no impairment of goodwill. The management believes that no reasonably possible change in the key assumption used in value in use calculation would cause the carrying value of CGU to materially exceed its value in use.

8B. Intangible assets

₹ in crores					
Particulars	Copyright, patent, other intellectual property rights, services and operating rights	Design & Drawings	Computer software bought out	Mining development rights	Total
Gross carrying value (Cost)					
As at 01st April, 2015	58.44	0.84	44.87	6,137.62	6,241.77
Additions	10.51	-	2.63	157.76	170.90
Disposals/adjustments	-	-	(0.03)	-	(0.03)
Other adjustments	15.90	-	-	(15.90)	-
Translation reserve	-	-	1.10	22.44	23.54
As at 31st March, 2016	84.85	0.84	48.57	6,301.92	6,436.18
Amortisation					
As at 01st April, 2015	3.65	0.52	27.88	2,852.42	2,884.47
Impairment for the year	-	-	-	226.82	226.82
Charge for the year	5.78	0.17	4.89	36.89	47.73
Disposals/adjustments	0.24	-	0.03	-	0.27
As at 31st March, 2016	9.19	0.69	32.74	3,116.13	3,158.75
Net Carrying Value					
As at 31st March, 2016	75.66	0.15	15.83	3,185.79	3,277.43

8C. Biological assets other than bearer plants

₹ in crores	
Particulars	Live stock
Gross carrying value (Cost)	
As at 01st April, 2015	0.49
Additions	-
Disposals	(0.04)
As at 31st March, 2016	0.45

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

9. Investments(Non current)

Particulars	Face Value (₹ unless otherwise stated)	As at 31st March,2016	
		No. of Units	₹ in crores
(A) Quoted			
Investment in equity instruments (Fully paid-up unless otherwise stated)			
a) Equity Shares (at fair value thorough profit & loss)			
Hwange Colliery Company Limited		440,680	0.65
African Energy Resources Limited		100,000	0.10
Decimal Software Ltd		33,333	0.10
Hodges Resources Limited		100,000	0.10
Walkabout Resources Limited		100,000	0.01
Apollo Minerals Limited		31,419,496	6.21
Shree Minerals Limited		15,000,000	1.29
Total Quoted Investment (A)			8.47
(B) Unquoted			
i) Investment in equity instruments (Fully paid-up unless otherwise stated)			
a) Associates (at cost or deemed cost)			
Fully paid up Equity Shares of Nalwa Steel & Power Limited	10	2,000,000	2.00
Add/(Less): Share in Profit/(Loss) - Prior years			229.17
Add/(Less): Share in Profit/(Loss) - Current year			0.25
Prodisyne (Pty) Limited	R 1	50	1.42
Add/(Less): Share in Profit/(Loss) - Prior years			-
Add/(Less): Share in Profit/(Loss) - Current year			-
Thuthukani Coal (Pty) Limited		1,029	0.00
Add/(Less): Share in Profit/(Loss) - Prior years			-
Add/(Less): Share in Profit/(Loss) - Current year			-
			232.84
b) Others (at fair value thorough profit & loss)			
Investment in equity instruments (Fully paid-up unless otherwise stated)			
Angul Sukinda Railway Limited	10	25,000	0.03
Angul Sukinda Railway Limited	10	59,975,000	59.98
Brahmaputra Capital and Finance Limited	10	19,200,000	19.20
Jindal Holdings Limited	10	2,414,000	14.48
Jindal Petroleum Limited	10	49,400	0.05
Jindal Rex Exploration Private Limited	10	9,800	0.01
Stainless Investments Limited	10	1,242,000	6.05
X-Zone SDN BHD	RM 1	36,250	0.04
Jindal Infosolutions Limited	10	95,000	0.10
Port Kembla Coal Terminal		120,000	0.57
Danta Enterprises Private Limited (₹ 14,470)	10	1,447	0.00

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

9. Investments(Non current)

Particulars	Face Value (₹ unless otherwise stated)	As at 31st March,2016	
		No. of Units	₹ in crores
Haridaspur Paradip Railway Company Limited	10	5,000,000	5.00
OPJ Trading Private Limited (₹ 14,470)	10	1,447	0.00
Sahyog Holdings Private limited (formerly known as Sahyog tradecorp Private Limited) (₹ 14,470)	10	1,447	0.00
Virtuous Tradecorp Private Limited (₹ 14,470)	10	1,447	0.00
Opelina Finance & Investment Limited	10	10	0.01
Panacore Investment Limited	\$1	3,000	11.11
Golden Age Investment (Pty) Limited	\$1	70	1.29
Total Investment in equity instrument (i)			117.91
(ii) Investment In Government Securities (at amortised cost)			
National Saving Certificates			0.12
(Pledged with Government departments)			0.12
Total (ii)			
iii) Other Investments (Licences & Telecom Society)(at fair value thorough profit & loss)			
			0.01
Total (iii)			0.01
Total Unquoted Investment (i+ii+iii) (B)			350.89
Total Investment (A+B)			359.35
Less: Provision for impairment			-
Total non-current Investment			359.36
Aggregate book/ market value of quoted investments			8.47
Aggregate book value of unquoted investments			350.89
Aggregate provision for impairment in value of investments			-

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 201

10. Non-current financial assets- Loans	₹ in crores
Particulars	As at 31st March, 2016
Secured, Considered good	
Security deposits	1.22
Unsecured, considered good	
Security deposits	0.18
Loans to related parties	850.00
Other Loans	98.98
	950.38
11. Non-current financial assets- Bank balances	₹ in crores
Particulars	As at 31st March, 2016
Bank balances (other than cash & cash equivalents)	
Fixed deposits with original maturity of more than 12 months (Pledged with government department and others ₹ 16.68crore)	66.90
Total	66.90
12. Non-current financial assets-others	₹ in crores
Particulars	As at 31st March, 2016
Share Application Money	2.78
Security deposits	192.69
Other advance	315.95
Total	511.42
13. Other Non-current assets	₹ in crores
Particulars	As at 31st March, 2016
Capital advances	802.73
Advances other than capital advances	
- Advance to vendors/others	78.04
Total	880.77
14. Inventories	₹ in crores
Particulars	As at 31st March, 2016
(Valued at lower of cost and net realisable value)	
Raw Materials	
- Inventories	1,241.63
- Goods In Transit	45.98
Work-in-progress	
- Work-in-progress	309.91
Finished Goods *	
- Inventories	811.39
Stores & Spares	
- Inventories	812.92
- Goods In Transit	5.43
Others	
- Scrap	26.84
Total inventories	3,254.10

* including stock of traded goods

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

Note-15 Current Investments **₹ in crores**

Particulars	As at 31st March, 2016
Momentum Money Market Fund Unit Trust	0.03
Total	0.03
NAV of units of mutual funds	0.03

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 201
16. Trade receivables

	₹ in crores
Particulars	As at 31st March, 2016
Secured	
-considered good	32.47
Total-Secured	32.47
Unsecured	
- Considered good	1,396.71
-Considered doubtful	40.26
- Less: allowance for bad & doubtful debts	(40.26)
Total-Unsecured	1,396.71
	1,429.18

17. Cash & cash equivalents

	₹ in crores
Particulars	As at 31st March, 2016
- Balances with banks	
Current accounts	254.52
Bank deposits with maturity of less than 3 months	241.79
- Cheques/Drafts in hand	4.71
- Cash on hand	1.41
- Others	0.03
Total	502.46

18. Other bank balances

	₹ in crores
Particulars	As at 31st March, 2016
- Fixed deposits *	108.66
- Earmarked - Unpaid dividend accounts	9.26
Total	117.92

* Includes ₹ 29.94 crore restricted cash balance held and maintained for debt service coverage in one of the subsidiaries.

19. Current financial assets-loans

	₹ in crores
Particulars	As at 31st March, 2016
Unsecured, considered good	
- Loans to others	208.66
- Security Deposit	2.86
Total	211.52

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016
20. Current financial assets-others

₹ in crores	
Particulars	As at 31st March, 2016
Security deposit	154.82
Interest receivable on short term loans and advances*	572.72
Unbilled Revenue	86.53
Other Receivable	121.00
Advance to others	8.89
Advance to employees	35.45
Total current financial assets	979.41

*Including recoverable from related parties (Refer note 56)

₹ in crores	
Particulars	As at 31st March, 2016
Advance income tax	4,114.34
Less: Provision for income tax	(3,545.01)
Net current tax assets	569.33

₹ in crores	
Particulars	As at 31st March, 2016
Advances other than capital advances	
- Security deposit	53.31
- Advances to related parties	119.40
- Advance to vendors	331.59
- Others	3,626.28
- Others Considered doubtful	48.31
- Provision for doubtful advances	(48.31)
	4,130.58
Others	
- Unamortised Premium on Forward Contract *	1.25
- Prepaid expenses	154.18
- Due from Government Authorities & others	1,381.84
	1,537.27
	5,667.85

* the unamortized foreign exchange premium on outstanding foreign exchange contracts is being carried forward to be charged on the consolidated statement of profit & Loss of subsequent year.

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

23 Share Capital

		₹ In crores
Particulars		As at 31st March, 2016
Authorised		
200,00,00,000 Equity shares of ₹ 1 each		200.00
		200.00
Issued, subscribed & fully paid up		
91,49,03,800 Equity Shares of ₹ 1 each		91.49
		91.49

(a) Reconciliation of the number of shares outstanding at the beginning and end of the year reporting year

Equity Shares	As at 31 st March 2016
Shares outstanding at the beginning of the year	914,903,800
Shares outstanding at the end of the year	914,903,800

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares dividend in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Aggregate number of bonus shares Issued, shares Issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

During five years immediately preceding 31st March, 2016, the parent Company has bought back 19,959,584 equity share.

During the five years immediately preceding 31st March, 2016, the parent Company allotted nil equity shares as fully paid bonus shares by capitalising securities premium account.

In addition the Company allotted 3,629,302 equity shares during the preceding five years under its various Employees Stock Option Schemes / Employee Stock Purchase Scheme.

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 st March 2016	
	No. of Shares	% holding
Equity Shares of ₹ 1 each fully paid		
Danta Enterprises Private Limited	62,238,816	6.80%
Gagan Infraenergy Limited	49,709,952	5.43%
Opelina Finance and Investment Limited	89,852,393	9.82%
OPJ Trading Private Limited	187,637,898	20.51%
Virtuous Tradecorp Private Limited	64,395,867	7.04%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e) Forfeited shares

During the year ended 31st March, 2010, the parent company had cancelled 2,000,000 preference shares of ₹ 100 each (₹ 5 Paid up) which were forfeited earlier. Upon cancellation of such shares, the amount of ₹ 10,000,000 was transferred to General Reserve

f) Buy Back of Equity shares

In accordance with Section 77 of the Companies Act, 1956 and buy back regulations of SEBI, the Parent Company during the financial year 2013-14 bought back and extinguished 19,959,584 equity shares of ₹ 1 each and created a Capital Redemption Reserve of ₹ 2.00 crore out of surplus in the Statement of Profit and Loss. The premium on buy back of ₹ 498.80 crore had been utilised from Securities Premium Account ₹ 122.96 crore and out of surplus in Statement of Profit and Loss ₹ 375.84 crore.

g) Employees Stock Purchase Scheme

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 and pursuant to JSPL ESPS 2013 Scheme, the Compensation Committee of the Board vide its resolution dated 29.08.2013 offered 21,000 equity shares of ₹. 1/-each at a premium of ₹ 295.95 each to Mr Ravi Uppal, Managing Director & Group CEO. Out of total offered equity shares the parent Company has during the previous year issued 17,816 equity shares of ₹ 1/- each.

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

24. Other equity

Particulars	Reserves and Surplus										Items of other comprehensive income				Equity component of financial instruments	Total
	Sales Tax Subsidy /Capital reserve	Capital Redemption Reserve	Securities premium account	Debenture Redemption Reserve	Share Option outstanding Account-By subsidiary	Capital Reserve on Consolidation	Central/ State Subsidy Reserve	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Retained earnings	Share of Joint Venture & Associates	Foreign Currency Translation Reserve	Remeasurement of Defined Benefit Obligation/ Plan			
Balance as at 01st April 2015	417.05	72.00	5.03	864.54	23.52	1,155.22	-	-	1,613.48	32,049.18	-	81.23	-	-	-	36,281.25
Profit & Loss for the year										(2,966.24)						(2,966.24)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	0.73	(767.82)	21.86	-	-	(745.23)
Movement during the year				237.54	(6.88)	555.45 *	-	(188.23)	5.73	(828.78)						(225.17)
Balance as at 31st March, 2016	417.05	72.00	5.03	1,102.08	16.64	1,710.67	-	(188.23)	1,619.21	28,254.16	0.73	(686.59)	21.86	-	-	32,344.61

Notes:-

(i) The Parent Company is required to create Debenture Redemption Reserve out of the profits which is available for the purpose of redemption of debentures.

(ii) Capital Redemption Reserve represents the statutory reserve created when capital is redeemed/during buy back. It is not available for distribution.

(iii) Securities Premium Reserve represents the amount received in excess of par value of securities (equity shares, preference shares and debentures). This reserve is utilised in accordance with provisions of the act.

iv) General reserve includes ₹ 70.75 crore in respect of pertaining to one of the subsidiaries which is not available for distribution.

* Includes ₹ 551.34 crore in respect of bonus shares allotted within group

V) In the parent Company on account of substantial investment made by the Parent Company in setting up/ expansion of industrial unit(s) at Raigarh (Chhattisgarh), including investment in acquisition of capital assets, one of the Parent Company's units is eligible for sales tax exemption under the State Industrial Policy which aims towards industrialization of the State and development of backward areas. The period of exemption is dependent upon and linked to the quantum of investment. Till last year, the Parent Company had, based on legal advise, treated incentive on account of sales tax exemption, being the element of sales tax embedded in the sale price of products sold out of the eligible unit, to be in the nature of subsidy granted by the State Government to incentivize industrialization in the State and hence as a capital receipt. For the current year, the Parent Company has, due to amendments in Income tax laws with effect from April 1, 2015 and Ind AS applicability with effect from April 1, 2016, credited a sum of ₹ 35.12 crore to sales in the statement of profit and loss. As a result of above change, loss before tax for the current year is lower by ₹ 35.12 crore.

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

25. Non current Financial liabilities- Borrowings

		₹ in crores
Particulars		As at 31st March, 2016
Secured		
i) Debentures		
10,000 9.80% Secured Redeemable Non Convertible Debentures of ₹1,000,000 each		1,000.00
(Privately placed initially with Life Insurance Corporation of India)		
620 9.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each		62.00
(Privately placed initially with SBI Life Insurance Company Limited)		
5000, 9.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each		500.00
(Privately placed initially with Life Insurance Corporation of India)		
		<u>1,562.00</u>
ii) Term Loan		
From Banks		29,095.65
From Other Parties		1,031.02
iii) Loan repayable on demand		
iv) External Commercial Borrowings		149.24
v) Other Loans from Banks (Buyer's Credit)		798.10
		<u>32,636.01</u>
Less current maturities presented in Note 32		<u>2,240.99</u>
		30,395.02

Debentures

Security

- i) Debentures of ₹ 1000 crore placed initially with Life Insurance Corporation of India on private placement basis are redeemable at par in 2 equal annual instalments at the end of 9.5 and 10.5 years from the date of respective allotments i.e. ₹ 100 crore (12.10.2009), ₹ 150 crore (22.10.2009), ₹ 150 crore (24.11.2009), ₹ 150 crore (24.12.2009), ₹ 150 crore (25.01.2010), ₹ 150 crore (19.02.2010) and ₹ 150 crore (26.03.2010). The debentures are secured by way of first charge on pari-passu charge basis over the movable and immovable fixed assets of 810 MW (6x135MW) Captive Power Plant, both present and future, of the company at Angul, Odisha in favour of the Debenture Trustees.
- ii) Debentures of ₹ 62 crore placed initially with SBI Life Insurance Company Limited on private placement basis are redeemable at par in 5 equal annual instalments commencing from the end of 8 years from the date of allotment i.e. 29.12.2009. The debentures are secured by way of first charge on pari-passu charge basis over the movable and immovable fixed assets of 810 MW (6x135MW) Captive Power Plant, both present and future, of the company at Angul, Odisha in favour of the Debenture Trustees.
- iii) Debentures of ₹ 500 crore placed initially with Life Insurance Corporation of India on private placement basis are redeemable at par in 2 equal annual instalments at the end of 9.5 and 10.5 years from the date of respective allotments i.e. ₹ 100 crore (24.08.2009), ₹ 80 crore (08.09.2009), ₹ 80 crore (08.10.2009), ₹ 80 crore (09.11.2009), ₹ 80 crore (08.12.2009) and ₹ 80 crore (08.01.2010). The debentures are secured on pari-passu charge basis by way of hypothecation of movable fixed assets of the Company (excluding assets charged on exclusive basis) in favour of the Debenture Trustees. In addition a first pari passu mortgage on a part of immovable property of the pertaining to unit located at Kharsia Road, Raigarh and a part of the immovable property pertaining to unit located at 13 KM Stone, G E Road, Mandir Hasaud, Raipur.

Term Loans from Banks

Security

- i) Loans of ₹ 1,369.30 crore repayable in 32 quarterly instalments starting from June, 2014 are secured by first pari passu charge on all movable plant & machinery, spare parts including all insurance policies, project contracts, movable contracts and immovable fixed assets, both present and future under the 1.8 MTPA DRI facility at Angul, Odisha.
- ii) Loans of ₹ 1,406.13 crore have been refinanced during the current year/subsequent to the year end and are repayable in 79 quarterly instalments starting from June, 2016 are secured by first pari passu charge on all movable plant & machinery, spare parts including all insurance policies, project contracts, movable contracts and immovable fixed assets, both present and future under the 1.8 MTPA DRI facility at Angul, Odisha.
- iii) Loans of ₹ 180.49 crore repayable in 38 quarterly instalments starting from October, 2010 are secured by way of first pari passu charge on all movable and immovable fixed assets both present and future under 2X135 MW Power Plant (Phase - 1) at Dongamauha, Raigarh, Chhattisgarh.
- iv) Loans of ₹ 187.40 crore have been refinanced during the current year /subsequent to the year end and are repayable in 79 quarterly instalments starting from June, 2016 are secured by way of first pari passu charge on all movable and immovable fixed assets both present and future under 2X135 MW Power Plant (Phase - 1) at Dongamauha, Raigarh, Chhattisgarh.
- v) Loans of ₹ 2,217.88 crore repayable in 28 quarterly instalments starting from December 2013 are secured by first pari passu charge on all movable (including project contracts) and immovable fixed assets, both present and future under 1.5 MTPA Integrated Steel Plant and 1.2 MTPA Plate Mill project at Angul, Odisha.
- vi) Loans of ₹ 635.34 crore repayable in 33 quarterly instalments starting from March, 2013 are secured by first pari passu charge on all movable plant & machinery, spare parts, furniture & fixtures including all the project contracts (including insurance policies, rights and titles) and immovable fixed assets, both present and future under 6x135 MW Power Plant Project at Angul, Odisha.

JINDAL STEEL & POWER LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016**

- vii) Loans of ₹ 299.88 crore have been refinanced during the current year and are repayable in 79 quarterly instalments starting from June, 2016 are secured by first pari passu charge on all movable plant & machinery, spare parts, furniture & fixtures including all the project contracts (including insurance policies, rights and titles) and immovable fixed assets, both present and future under 6x135 MW Power Plant Project at Angul, Odisha.
- viii) Loan of ₹ 62.25 crore repayable in 16 quarterly instalments starting from March 2013 are secured by subservient charge on fixed assets of the Parent Company.
- ix) Loan of ₹ 1,430 crore initially taken from ICICI bank in two tranches on bilateral basis are repayable by way of ballooning instalments in two tranches. An amount of ₹ 500 crore shall be repayable in a period of 5 (five) years in 16 (sixteen) quarterly instalment whereas an amount of ₹ 1000 crore shall be repayable in a period of 10 (Ten) years in 36 (thirty six) quarterly instalment starting from January, 2015. Loan of ₹ 979.67 crore initially taken from HDFC Bank on bilateral basis are repayable in a period of 8 (eight) years in 28 (twenty eight) quarterly installments starting from June, 2015.
Loan of ₹ 1500 crore from State Bank of India are repayable in a period of 8 (eight) years in 32 (Thirty Two) quarterly.
Above loans are secured by way of a first pari passu charge on all the present movable Fixed Assets of units located at Balkudra, Patratu, District Ramgarh, Jharkand; 13 KM Stone, G E Road, Mandir Hasaud, Raipur; 201 to 204, Industrial Park SSD, Punjipatra, Raigarh, Chhattisgarh; Bhikaji Cama Place, New Delhi; Village Pachwad District Satara, Maharashtra and all movable Fixed Assets (present as well as future) located at Kharsia Road, Raigarh, Chhattisgarh. In addition a first ranking mortgage and pari passu charge on immovable property pertaining to unit located at Kharsia Road, Raigarh and a part of the immovable property pertaining to unit located at 13 KM Stone, G E Road, Mandir Hasaud, Raipur.
- x) Loans of ₹ 2,074.98 crore repayable in a period of 8 (eight) years in 31 (Thirty One) quarterly installments starting from June, 2017 are secured by way of a first pari passu charge on all the present movable and immovable Fixed Assets of 1.5 MTPA Integrated Steel Plant including 1.2 MTPA Plate Mill project, 1.8 MTPA DRI facility, 810 MW Captive Power Plant at Angul including movable plant & machinery, spares, tools and accessories, furniture, fixtures and the miscellaneous fixed assets of the units at Angul.
- xi) Loans of ₹ 485.90 crore have been refinanced subsequent to the year end and are repayable in 79 quarterly instalments starting from June, 2016 are secured by first pari passu charge on all movable plant & machinery, spares, vehicles etc. and immovable fixed assets, both present and future under 2X135 MW Power Plant (Phase - 2) at Dongamauha, Raigarh, Chhattisgarh.

TERM LOANS (In foreign subsidiaries)

- xii) Loan of ₹ 40.30 crore bearing rate of interest 10.25% p.a. repayable over a period of 3 years are secured over plant and equipment of Jindal Mining SA (Pty) Ltd.
- xiii) Loan of ₹ 17.20 crore bearing rate of interest 8.25% p.a. is secured over the Land/ Office Building at Erf 3780/22 Kildoon Street Bryanston . Jindal Mining SA (Pty) Ltd & Eastern Solid fuel Pty Ltd have provided corporate guarantee for the aforesaid loan.
- xiv) Loan of ₹ 4712.95 crore is secured by Commercial mortgage on all the tangible and intangible assets of Shadeed Iron & Steel, future assets of existing operations and the expansion projects other than the inventories and the trade receivables of Existing Operations and the Expansion Project of working capital loans. The loan is repayable in 44 unequal quarterly instalment commencing from June, 2015. The loan carry interest rate @ USD LIBOR plus 3% p.a.
- xv) Loan of ₹ 928.66 crore from ICICI Bank Limited at interest for (LIBOR + 4% p.a as margin rate), is secured by pledge of 1,090,313,872 equity shares of Wollongong Coal Limited and charged over Debt service Reserve Account. Parent Company has given a shortfall undertaking to fund, if required Debt Service Reserve Account that will be subject to RBI approval.
- xvi) Loan of ₹ 994.99 crore from Australia and New Zealand Banking Group Limited, The bank of Tokya-Mitsubishi UFJ, Ltd. and Standard Chartered Bank at interest for (LIBOR + 3.02% p.a as margin rate), is secured by first ranking pledge of 49% share capital of Jindal Mining SA (Pty) Limited held by the company through its step down subsidiaries. The above loan has been further guaranteed by the Parent Company.
- xvii) Loan of ₹ 364.83 crore from Axis Bank Limited, at interest for (LIBOR + 4% p.a as margin rate) is secured by way of charge over all movable fixed assets of JSPL, Mozambique Minerals Limitada, subsidiary of the Company and charge over Debt Service Reserve Account (DSRA). The said facility is secured by way of corporate guarantee of Parent Company subject to RBI approval. JSPL has given a shortfall undertaking to fund, if required, DSRA that will be subject to RBI approval.
- xviii) Loan of ₹ 392.70 crore bearing effective rate of interest 5.25% p.a. is secured by first ranking pari-passu charge on the fixed assets of Wollongong Coal Limited and Wollongong Coal Pty Ltd and pari passu assignment of lease deed of the Mines. A minority shareholder has provided a Corporate Guarantee for the aforesaid loan. The Subsidiary Company has also maintained Debt Service Reserve Account.
- xix) Loan of ₹ 2174.83 crore is secured by first ranking pari passu charge over all present and future assets of the Jindal Steel & Power (Australia) Pty Ltd., including all of the Borrower's rights, title and interest in and to the Escrow Account and the Loan Agreement between the JSPAL and Wollongong Coal; all present and future fixed assets of Wollongong Coal limited; and all present and future fixed assets of Wongawilli Coal Pty. Ltd other than interest in the land of approximately 130.81 hectares. Further, Corporate Guarantee of Parent Company shall also be provided upon receipt of approval from RBI. Pending approval from RBI, Jindal Steel & Power (Mauritius) Ltd has provided Corporate Guarantee. The loan carries interest rate (LIBOR+3%)

TERM LOANS (In Indian subsidiaries)

- xx) Term loans from Banks of ₹ 2429.31 crore bearing interest rate of 11.10% p.a. are secured by way of first pari passu mortgage / charge on all the fixed assets (immovable and movable), both present and future, including charge on inventory, book debts and receivables, all bank accounts and assignment of all rights, titles and interest etc. in accounts of the Units pertaining to third Phase of the Power Plant of 1200MW comprising two units of 600 MW each at Tamnar (Unit 1 and Unit 2) and immovable properties of Company situated at Mouje Pali of Sudhagad Taluka, District Raigad, Maharashtra state. The Loan is further secured (charge to be created) by way of First charges on the receivables of Phase I & II project of the Power Plant of 1000MW comprising four units of 250MW each at Tamnar.
- xxi) Term Loan from Banks of ₹ 1500 crore bearing interest rate of 11.05 % p.a. are secured/ to be secured by way of first pari passu mortgage / charge on all the fixed assets (movable and immovable), of the company both present and future with respect to fourth Phase of the Power Plant of 1200MW comprising two units of 600 MW each at Tamnar (Unit 3 and Unit 4).
- xxii) Term Loan from Banks of ₹ 1000 crore bearing average interest rate of 10.93 % p.a. are secured/ to be secured by way of first pari passu mortgage / charge on all the fixed assets (movable and immovable), over the cash flows pertaining to fourth Phase of the Power Plant of 1200MW comprising two units of 600 MW each at Tamnar (Unit 3 and Unit 4).

JINDAL STEEL & POWER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

xxiii) Term Loan from Banks of ₹ 1700 crore bearing rate of interest 11% p.a. are secured/ to be secured by way of first pari passu mortgage / charge on all the fixed assets (movable and immovable) and receivables of pertaining to fourth Phase of the Power Plant of 1200MW comprising two units of 600 MW each at Tamnar (Unit 3 and Unit 4). The Loan is further secured/ to be secured by way of the First Pari passu Charge on all the Fixed assets of third Phase of the Power Plant of 1200MW comprising two units of 600 MW each at Tamnar (Unit 1 and Unit 2). The loan is further to be secured by way of pari passu charge on assets to be acquired (i.e. captive power assets) out of loan proceeds; obligation to create such charge will arise after the assets are transferred to JPL. In such case bank will release the above created charge in Para (D) hereinabove.

xxiv) Certain charges are in the process of modification and satisfaction in case of Jindal Power Limited (Subsidiary)

xxv) Term loan from bank amounting to ₹ 10.66 crore is secured against Hypothecation of respective vehicle and repayable by way of EMI.

JINDAL STEEL & POWER LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016****OTHER LOANS****Security**

Term loans from Body Corporate of ₹ 833.69 crore bearing rate of interest 10.80% p.a. are secured by way of first pari passu mortgage / charge on all the fixed assets (immovable and movable), both present and future, including charge on inventory, book debts and receivables, all bank accounts and assignment of all rights, titles and interest etc. in accounts of the Units pertaining to third Phase of the Power Plant of 1200MW comprising two units of 600 MW each at Tamnar (Unit 1 and Unit 2) and immovable properties of company situated at Mouje Pali of Sudhagad Taluka, District Raigad, Maharashtra state. The Loan is further secured (charge to be created) by way of First charges on the receivables of Phase I & II project of the Power Plant of 1000MW comprising four units of 250MW each at Tamnar.

Loans of ₹ 197.33 crore have been refinanced during the current year and are repayable in 79 quarterly instalments starting from June, 2016 are secured by first pari passu charge on all movable plant & machinery, spare parts, furniture & fixtures including all the project contracts (including insurance policies, rights and titles) and immovable fixed assets, both present and future under 6x135 MW Power Plant Project at Angul, Odisha.

External Commercial Borrowings

Loans of ₹ 149.24 crore are repayable in a period of 2 years in 9 (Nine) quarterly installments starting from March, 2016 are secured by way of a first pari passu charge on all the present movable and immovable Fixed Assets of 1.5 MTPA Integrated Steel Plant including 1.2 MTPA Plate Mill project, 1.8 MTPA DRI facility, 810 MW Captive Power Plant at Angul including movable plant & machinery, spares, tools and accessories, furniture, fixtures and the miscellaneous fixed assets of the units at Angul.

Buyer's credit

Loans ₹798.10 crore are secured by hypothecation by way of first pari passu charge over all of the borrower's current assets, including aggregate rupee value of the borrower's cash and bank balances, investments (of which return of principal is guaranteed), advance paid, raw material, finished and semi finished goods, consumable stores, spares stock in progress, bills of lading, airways bills, railways receipt (RR) good receipt (GR) motor transport receipts (MTR) or such other receipts (issued by approved carrier carrying consignment of raw material/consumable spares), irrevocable letter of credit, receivables, book debts and consumable stores (including those stored at borrowers's work at Raigarh and Raipur, Chhatisgarh) and include any money owing to it and payable on demand or within 1 (one) year from the date of computation, in whatsoever currency denominated or as otherwise defined/classified by guidelines of the RBI from time to time in force or any other applicable law and shall exclude those categorised as non current assets as per applicable law both present and future ("the Hypothecated current assets"); and second pari passu charge by way of hypothecation, inter alia, on all the movable fixed assets (except current assets) to the extent of value of ₹ 467.50 crore including but not limited to plant and machinery, machinery spares, tools and accessories of the borrower, wheresoever in the possession of the borrower, both present and future ("The hypothecation movables").

The Parent Company is constantly rolling over the buyer's credit for capex as per the guidelines of RBI. Further, the Company has raised long term loans to provide liquidity for payment of current portion of buyer's credit for capex.

Repayments and Interest rates for the above Secured Debentures, Term Loans, External Commercial Borrowings and Buyer's Credit are as follows:

Year	2016-17	2017-18	2018-19	2019-20 & Above	₹ crore Total
Loan	2240.99	3,152.02	2,967.02	23,477.88	31,837.91
Buyers' Credit					798.10
					32,636.01

The interest rate for term loans from banks and others taken by Parent Company (excluding penal interest) varies from 10.55% to 13%

The average rate of interest for buyers credit taken by Parent company is 1.16% p.a.

The interest rate for the above External Commercial Borrowings taken by Parent Company is 2.32% p.a.

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016
25. Non current Financial liabilities- Borrowings (cont.)

Unsecured

Debentures

3,000 , 9.63% Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each (Privately placed initially with HDFC Bank Limited)	300.00
5000 nos. , 10.25% Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each (Privately placed initially with Kotak mahindra Bank Limited)	500.00
3,000 , 10.48% Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each (Privately placed initially with ICICI Bank Limited)	300.00
10,000 10.25% Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each (Privately placed initially with Kotak Mahindra Bank)	1,000.00
7,500 , 9.75% Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each (Privately placed initially with HDFC Bank Limited)	750.00
	2,850.00

Term Loan

- From Banks	2,785.98

Other Loans from Banks

- Other Loans	65.46
- Liability component of compound financial instrument	-

Other Loans & Advances

- 8% fully convertible bonds	-
- External Commercial Borrowings	290.23
- Others Loans	391.14

	6,382.81
Less current maturities presented in Note 32	423.93
	5,958.88
	36,353.90

Debentures

- Debentures of ₹ 300 crore placed initially with HDFC Bank Limited on private placement basis are redeemable at par at the end of 3 years from the date of allotment i.e. 05.04.2013 (subsequently repaid).
- Debentures of ₹ 300 crore placed initially with ICICI Bank Limited on private placement basis are redeemable at par at the end of 5 years from the date of allotment i.e. 11.08.2014.
- Debentures of ₹ 1000 crore placed initially with Kotak Mahindra Bank on private placement basis are redeemable at par in 3 instalments, ₹ 330 crore at the end of 3 years , ₹ 330 crore at the end of 4 years and ₹ 340 crore at the end of 5 years from the date of allotment i.e. 18th December, 2014.
- Debentures of ₹ 750 crore placed initially with HDFC Bank Limited on private placement basis are redeemable at par at the end of 6 years from the date of allotment i.e. 11.03.2015.
- a) 1650 nos. Non Convertible debentures of ₹ 10,00,000 each (JPL Series I)(date of allotment 22nd December 2014) (Date of Redemption: on 21st December 2018) at Interest Rate of 1% above SBI Base Rate (Effective Rate is 10.30%) b) 1650 nos. Non Convertible debentures of ₹ 10,00,000 each (JPL Series II)(date of allotment 22nd December 2014) (Date of Redemption: on 20th December 2019) at Interest Rate of 1% above SBI Base Rate (Effective Rate is 10.30%) c) 1700 nos. Non Convertible debentures of ₹ 10,00,000 each (JPL Series III)(date of allotment 22nd December 2014) (Date of Redemption: on 22nd December 2020) at Interest Rate of 1% above SBI Base Rate (Effective Rate is 10.30%)

Term loan from Bank

Loan of ₹ 2785.98 crore carries rate of interest 3.69% p.a.

Other loan from Bank

The average rate of interest for buyers credit taken by Parent company for ₹ 62.95 crore is 1.16% p.a.

The average rate of interest for other loans from banks of ₹ 2.51 crore from others is 0% p.a.

External Commercial Borrowings

- ECA from Credit Agricole CIB of ₹ 4.92 crore repayable in 14 half yearly instalments starting from October 21, 2010.
- ECA from Credit Agricole CIB of ₹ 50.50 crore repayable in 16 half yearly instalments starting from May 25, 2010.
- ECA from Credit Agricole CIB of ₹ 84.82 crore repayable in 20 half yearly instalments starting from March 9, 2011.
- ECA from Credit Agricole CIB of ₹ 3.77 crore repayable in 14 half yearly instalments starting from June 21, 2010.
- ECB from ICICI Bank Limited of ₹ 145.56 crore repayable in 15 half yearly instalments starting from March 11, 2011.

The interest rate for the above External Commercial Borrowings taken by Parent company varies from 0.27% to 2.29% p.a.

The average rate of interest for other loans of ₹ 0.66 crore is 0 % p.a.

The average rate of interest for other loans of ₹ 391.14 crore from others is 0 % p.a.

Other Loans from Bank (Buyers' credit)

The Parent Company is constantly rolling over the buyer's credit for capex as per the guidelines of RBI. Further , the Company has raised long term loans to provide liquidity for payment of current portion of buyer's credit for capex.

Repayments and Interest rates for the above Unsecured Debenture External Commercial Borrowings and Buyer's Credit from banks

Year	2016-17	2017-18	2018-19	2019-20 & Above	Total
Loan	423.93	1047.09	1486.64	3362.22	6,319.89
Buyers' Credit					62.95
					6,382.84

Delay in repayment of borrowings :

JINDAL STEEL & POWER LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016**

The Parent Company has delayed repayment of certain Term Loans and interest thereon. The details of continuing delay as at March 31, 2016 is as follows:

Particulars	Amount(₹in crore)	Period of Delay (in days)
Delay of principal repayment	231.12	less than 90
Delay of interest payment	200.50	less than 90

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

26. Non-current financial liabilities-Trade Payable ₹ crore

Particulars	As at 31st March, 2016
Due to other parties	-

27. Non-current financial liabilities- Others ₹ crore

Particulars	As at 31st March, 2016
Security Deposits	
- From others	93.70
	93.70

28. Provisions- Non-current ₹ crore

Particulars	As at 31st March, 2016
Provision for employee benefits	
- Gratuity	28.43
- Other Defined Benefit Plans	11.89
Provision for mines restoration*	155.41
	195.73

* Provision for mining restoration expenses represents estimates made towards the expected expenditure for restoring the mining area and other obligatory expenses as per the mining closure plan

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016
29. Deferred tax assets/(liabilities) ₹ crore

Particulars	As at 31st March, 2016
Deferred tax assets	
- Unabsorbed depreciation & Carried forward tax losses	3,650.17
- Reversal of deferred tax assets on Property, Plant & equipment	-
- Difference between book & tax base related to Investments	9.83
- Disallowance u/s 43B of Income Tax Act, 1961	137.59
- Difference between book & tax base related to Borrowing	0.49
- Provision for doubtful debts & advances	30.65
Total (A)	3,828.73
Deferred tax liabilities	
- Difference between book & tax base related to PPE (including CWIP)	9,980.27
- Difference between book & tax base related to Intangible assets	7.95
- Difference between book & tax base related to Borrowing	15.63
- Difference between book & tax base related to others	441.10
- Deferred TAX on profit of Associates	51.16
Total (B)	10,496.11
Net liability (A-B)	(6,667.38)
Mat credit entitlement	795.01
	(5,872.37)

Reconciliation of Deferred Tax Asset/ (Liabilities):

Particulars	₹ crore
	As at
	31.03.2016
Opening Balance as on 1st April	(7,533.05)
Deferred tax asset recognised through business combination	
Deferred tax income/ (expense) during the period recognised in profit & loss	878.13
Deferred tax income/ (expense) during the period recognised in Other Comprehensive Income	(12.46)
Closing Balance	(6,667.38)

30. Current financial liabilities-Borrowings ₹ crore

Particulars	As at 31st March, 2016
Secured	
i) Term Loans	
From Banks	762.50
ii) Cash credit from banks *	4,631.37
iii) Other Loans from Banks (Buyer's Credit)	420.28
	5,814.15
Unsecured	
- Term Loans	
From Banks	1,615.34
- Other Loans from Banks (Buyer's Credit)	20.60
- From others	327.86
- Loans from related parties	-
- Commercial Papers	-
	1,963.80
	7,777.95

* Including working capital demand loans.

Cash Credit from Bank and Buyer's Credit

- The Working Capital facilities of ₹ 2798.81 crore is secured by hypothecation by way of first pari passu charge over all current assets, including aggregate rupee value of cash and bank balances, investments (of which return of principal is guaranteed), advance paid, raw material, finished and semi finished goods, consumable stores, spares stock in progress, bills of lading, airways bills, railways receipt (RR) goods receipt (GR) motor transport receipts (MTR) or such other receipts (issued by approved carrier carrying consignment of raw material/consumable spares), irrevocable letter of credit, receivables, book debts and consumable stores (including those stored at the Company's works at Raigarh and Raipur, Chhatisgarh) and include any money owing to it and payable on demand or within one year from the date of computation, in whatsoever currency denominated or as otherwise defined/classified by guidelines of the Reserve Bank of India from time to time in force or any other applicable law and shall exclude those categorised as non current assets as per applicable law both present and future and second pari passu charge by way of hypothecation, inter alia, on all the movable fixed assets (except current assets) to the extent of value of ₹ 467.50 crore including but not limited to plant and machinery, machinery spares, tools and accessories, both present and future. The cash Credit is repayable on demand. The average rate of interest for cash credit taken by Parent Company is 10.32% p.a.
- The working capital facility of ₹1532.87 crores bearing rate of interest varying from 1.60% to 2.75%+ Libor p.a. is secured by commercial mortgage on all of the inventories and trade receivables of the Existing Operations and the Expansion Project of the Shadeed Iron & Steel LLC.
- Working Capital facility from Banks of ₹ 299.69 crore are secured (charge to be created) by way of first pari passu mortgage / charge on all the fixed assets (immovable and movable), both present and future of Jindal Power Limited, including charge on inventory, book debts and receivables, all bank accounts and assignment of all rights, titles and interest etc. in accounts of the Units pertaining to third Phase of the Power Plant of 1200MW comprising two units of 600 MW each at Tamnar (Unit 1 and Unit 2) and immovable properties of company situated at Mouje Pali of Sudhagad Taluka, District Raigad, Maharashtra state. The working capital facility carries interest rate of 10.55% p.a.

Other Loans

JINDAL STEEL & POWER LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016**

Loans of ₹ 620.28 crore are secured by hypothecation by way of first pari passu charge over all current assets, including aggregate rupee value of cash and bank balances, investments (of which return of principal is guaranteed), advance paid, raw material, finished and semi finished goods, consumable stores, spares stock in progress, bills of lading, airways bills, railways receipt (RR) goods receipt (GR) motor transport receipts (MTR) or such other receipts (issued by approved carrier carrying consignment of raw material/consumable spares), irrevocable letter of credit, receivables, book debts and consumable stores (including those stored at Company's works at Raigarh and Raipur, Chhatisgarh) and include any money owing to it and payable on demand or within one year from the date of computation, in whatsoever currency denominated or as otherwise defined/classified by guidelines of the Reserve Bank of India from time to time in force or any other applicable law and shall exclude those categorised as non current assets as per applicable law both present and future and second pari passu charge by way of hypothecation, inter alia, on all the movable fixed assets (except current assets) to the extent of value of Rs. 467.50 crore including but not limited to plant and machinery, machinery spares, tools and accessories of the borrower, wheresoever in the possession of the borrower, both present and future ("The hypothecation movables").

Loans of ₹ 562.50 crore are secured by subservient charge by way of hypothecation of current assets of the Company comprising of book debts and stocks.

Note

The average rate of interest for short term loans is 9.39% p.a.

The average rate of interest for Other Loans from Bank is 1.02% p.a.

The interest rate for the unsecured term loan from others ranges from 5.26% to 8.00% p.a.

The Parent Company has made certain delays in repayment of principal amount and payment of interest. The details of continuing delays as on March 31, 2016 are as follows:

Particulars	Amount (₹ in crore)	Period of Delay
Delay of principal repayment	510.00	Less than 90 days
Delay of interest repayment	8.08	Less than 90 days

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

31. Trade payables ₹ in crore

Particulars	As at 31st March, 2016
Due to micro & small enterprises	0.11
Acceptances (Other than micro & small enterprises)	863.96
Others	1,453.67
Total Trade payables	2,317.74

Notes-

Based on the information so far by the Group, payment to enterprises covered under the micro, small and medium enterprises development act, 2006 (MSMED Act) has been made within 45 days and disclosure in accordance with section 22 of the MSMED Act is as under :-

Particulars	As at 31st March, 2016
Principal amount remaining unpaid	0.11
Principal amount remaining unpaid above 45 days	-
Interest due on above	-
Total of above	-
Interest paid in terms of section 16	-
Interest due and payable for the period of delay in payment	-
Interest due and remaining unpaid	-
Interest due and payable even in succeeding years	-

32. Current financial liabilities-others ₹ in crore

Particulars	As at 31st March, 2016
Current maturities of long term debt (Refer note 25)	2,664.92
Security Deposits	50.36
Interest accrued	519.91
Unpaid dividend*	9.26
Creditors for Capital Expenditure	1,309.65
Advance for sale of power plant	-
Bank Overdraft	11.86
Forward Contract Payable	2.95
Others	471.43
	5,040.34

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund

33. Other current liabilities

Particulars	As at 31st March, 2016
Advance from customers	381.23
Statutory dues	502.33
others	462.37
	1,345.93

34. Provisions- Current

Particulars	As at 31st March, 2016
Provision for employee benefits	
- Leave encashment	64.80
Others*	-
- Provision for Wealth Tax	-
Total	64.80

*Movement of provision during the financial year:

Particulars	Amount
As at 1st April, 2015	0.66
Provision during the year	-
Payment during the year	(0.66)
As at 31st March, 2016	-

35. Revenue from operations

Particulars	Year ended 31st March, 2016
a) Sale of products	
- Finished Goods	21,027.11
- Traded Goods	15.38
- Inter Divisional Transfer	5,346.58
	26,389.07
b) Other operating revenue	
- Transmission Charges	45.44
- Scrap sales	13.64
- Export Incentives	15.59
- Aviation Income	14.80
- Provision / Liability no longer required written back	64.90
- Liquidated Damages Written Back	70.71
- Profit on Sale/Transfer of PPE	3.25
- Sales tax subsidy/capital reserve transferred	45.44
- Others	149.38
	423.15
Less : Inter Divisional Transfer	(5,346.58)

JINDAL STEEL & POWER LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016****Total Revenue from operations****21,465.64****Notes:-**

- 1 As per the interim order of the CERC the transmission income has been accounted for in respect of 400 KV JPL Tamnar - Raipur DC line (along with 400 KV bays, 2 no. 315 MVA transformers etc.) @ ₹ 45.44 Cr per annum and realised the same from Power Grid Corporation India Limited (PGCIL). During the year, in terms of section 61 & 62 of the Electricity Act 2003 and Regulation 79(1)(a) of the Central Electricity Regulation Commission (Terms & condition of Tariff) Regulations 2009, the CERC vide its order dated 18.12.2015 has reduced & restricted transmission charges payable to the one of the subsidiaries for the period ended till 31st March 2014 to ₹ 53.53 Cr (against the revenue claimed and accounted for by the company amounting to ₹ 134.68 Cr). One of the subsidiaries has challenged the order of CERC by filing petition in Appellate tribunal which is pending for the decision. Pending decision, no effect have been given in this regard and the one of the subsidiaries continue its practice to account for the income as per past based on the interim order of CERC.

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016
36. Other Income

₹ in crore	
Particulars	Year ended 31st March, 2016
Dividend Income	2.88
Net gain on sale of current and other than trade investments	47.70
Net gain on sale of investments	103.44
Profit on slump sale*	2.67
Total Other Income	156.69

*Represents profit on sale of crusher plant

₹ in crore	
Particulars	Year ended 31st March, 2016
Raw Material Consumed	6,076.27
Inter Division Transfer	5,346.58
	11,422.85
Less: Inter Division Transfer	(5,346.58)
Total Cost of Material Consumed *	6,076.27

* Including material transferred from capital work in progress (Refer Note 06)

₹ in crore	
Particulars	Year ended 31st March, 2016
Purchases of Stock In trade	20.58
	20.58

39. Changes in Inventories of finished goods, stock -in- trade & work -in- progress and scrap

₹ in crore	
Particulars	Year ended 31st March, 2016
Opening stock	
Finished Goods	1,484.14
Work-in-progress	149.65
Scrap	30.81
	1,664.60
Closing stock	
Finished Goods	811.39
Work-in-progress	309.91
Scrap	26.84
	1,148.14
Less : Excise duty on account of increase/ (decrease) on stock of finished goods and scrap	(68.27)
Total	448.19

₹ in crore	
Particulars	Year ended 31st March, 2016
Salaries & wages *	843.80
Contribution to provident & other funds	66.18
Employee compensation expenses under Employee Stock Purchase Scheme (refer note 23)	-
Staff welfare expenses	36.59
Total	946.57

*Current year expenditure includes ₹ 6.75 crore incurred on research & development activities.

₹ in crore	
Particulars	Year ended 31st March, 2016
Interest	
- Debentures and other term-loans	3,047.21
- Exchange Difference to the extent considered as an adjustment to borrowing costs	57.17
- Others	369.84
	3,474.22
Financial Expenses	31.46
	3,505.68
Less: Interest income	(112.23)
Interest on Intercompany Deposits	(139.89)
Others	(252.12)
	3,253.56
Net finance cost	3,253.56

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016
42. Other expenses

₹ in crore

Particulars	Year ended 31st March, 2016
Consumption of stores & spares	1,510.56
Consumption of power & fuel	4,368.31
Other manufacturing expenses	973.11
Repair and maintenance	
Plant and machinery	173.99
Building	7.36
Others	129.68
Rent *	36.43
Rate & taxes	54.94
Insurance	55.86
Research and Development Expenses**	0.29
(Profit)/Loss on sale/discard of PPE (net)	-
Donation	57.74
Directors' sitting fee	0.73
Bad debts / Provision for doubtful debts & advances	42.17
Provision for impairment of investment	-
Freight handling and other selling expenses	555.02
Miscellaneous expenses	616.51
Foreign exchange fluctuation (net)	(42.44)
Total	<u>8,540.26</u>

* The Group has paid lease rentals of ₹ 36.43 crore under operating leases (also refer note no. 45)

** Expenditure on research & development activities, incurred during the year, is ₹ 1.82 crore (including capital expenditure of ₹ 1.52 crore) excluding salary and wages of ₹ 6.75 crore).

43. Tax expense

₹ in crore

Particulars	Year ended 31st March, 2016
Current tax	0.67
Deferred tax	0.67
	(878.13)
	(878.13)
Total	<u>(877.46)</u>

Effective tax Reconciliation :

Numerical reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

₹ in crore

Particulars	Year ended 31st March, 2016
Net (Profit)/ loss before taxes	3,963.71
Enacted tax rates for parent company i.e. Jindal Steel & Power Limited under MAT	34.608%
Computed tax Income/(expense)	1,371.76
Increase/(reduction) In taxes on account of:	
Additional allowance for tax purpose (net)	70.60
Expenses not allowed for tax purpose	(31.89)
Income in nature of capital receipt under Income Tax Act	56.10
Capital gain on slump sale / investments	(66.90)
Inter company adjustment/ elimination	(27.82)
Change in rate of tax	-
DTA not created on losses	(37.15)
Past year adjustment	8.80
Income exempt from tax/ Others	(194.46)
Ind AS Effect	(271.58)
Income tax expense reported	<u>877.46</u>
Effective Income tax rate	<u>22.15%</u>

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

44. (a). Contingent liabilities and claims against the Company
(to the extent not provided for)

	₹ in crore
Particulars	As at 31st March, 2016
Contingent Liabilities *	
Guarantees, Undertakings & Letter Of Credit	
Guarantees issued by the Company's Bankers on behalf of the Company	935.87
Guarantees issued by the Associates(s)' Bankers on behalf of the Associate(s) #	-
Letter of credit opened by banks	1,069.74
Corporate guarantees/undertakings issued on behalf of third parties	176.20
Demand:	
Disputed Statutory and Other demands	1,602.45
Income Tax demands where the cases are pending at various stages of appeal with the authorities	1,513.51
Disputed Statutory and Other demands of Associate(s) #	20.37
Bonds executed for machinery imports under EPCG Scheme	2,848.89

*Also Refer Note 50

Represents Group's share in associate i.e 40% in Nalwa Steel & Power Limited

- 1 In case of one of subsidiaries, as a matter of prudence, as per the past practice till date 31st March 2015, had recognized an expense on account for disputed demand of electricity duty and interest thereon of amounting to ₹280.99 Crores (₹ 47.34 Crores as fees and taxes and ₹ 30.09 Crores as interest others in 2014-15). The said subsidiary Company has challenged the validity of demand made by the Government of Chhattisgarh, in Court, which is pending for decision. Considering the present status of the case, management consideration and opinion of an expert, the company has not recognized electricity duty of ₹47.17 crores and interest thereon of ₹37.97 crores for the year ending 31st March 2016 against disputed demand of electricity duty and disclosed the same under contingent liability.
Management feel that it has good creditable case and confident about favorable decision in respect of above disputed demand.
- 2 i) Chief electrical inspector has raised the demand amounting Rs. 17.5 Crore of electricity duty on 4*600 MW of one of the subsidiaries as per the tariff applicable for start-up power whereas the Company is paying as the tariff applicable for EHT industrial power consumers provided by CSEB (Rate for start-up is more than EHT power consumer)
ii) Chief electrical inspector is demanding the electricity duty on KVAh whereas the company is paying on KWH basis.
- 3 It is not possible to predict the outcome of the pending litigations with accuracy, the management believes, based on legal opinions received, that it has meritorious defences to the claims. The management believe the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Group.

(b). Commitments

	₹ in crore
Particulars	As at 31st March, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3,713.01
Estimated future investment in joint venture and other companies in term of respective share purchase	801.17

45. Operating lease commitments

One of the foreign subsidiaries has leased two plots from sohar industrial port company, sohar under an operating non cancellable

lease agreement on which the plant and building is constructed. The Future minimum lease payment are as follows:-

Particulars	As at 31st March, 2016
Within one year	29.42
Later 1 year but not later than 5 years	117.69
Later than 5 years	186.34
	333.45

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016
46. Earnings per share

Particulars	Year ended 31st March, 2016
A Net profit/ (loss) as attributable for equity shareholders (₹ crore)	(3,087.26)
B Weighted average number of equity shares in calculating basic/diluted EPS (refer note 23)	914,903,800
Basic Earnings per Share (₹) (A/B)	(33.74)
Diluted Earnings per Share (₹) (A/B)	(33.74)

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

Particulars	₹ crore
47. CSR Expenses	
Amount spent during the year on	
i) Construction/acquisition of any assets	-
ii) On purpose other than (i) above	47.32
Total	47.32

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

48 During the current year, the group has not acquired or disposed off any major subsidiary

49. Operating Segment Reporting

Information about segments

The Group is engaged primarily into manufacturing of Iron & steel products and power. The Company's primary segments as identified by management are Iron and steel products and Power. Segments have been identified taking into account nature of product and differential risk and returns of the segment. These business segments are reviewed by the Chief Operating Officer of the Company (Chief operating decision maker).

Iron and steel products: Segment comprises of manufacturing of Steel products, sponge iron, pellets and castings.

Power: Segment comprises of business of power generation.

Others : it mainly comprises of aviation, real estate and machinery division.

The measurement principles for segment reporting are based on IND AS. Segment's performance is evaluated based on segment revenue and profit or loss from operating activities.

1. Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.
2. Finance income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting.
3. The total assets disclosed for each segment represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, intersegment assets and exclude derivative financial assets, deferred tax assets, income tax recoverable and capital work in progress related to ongoing projects.
4. Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial liabilities.
5. Unallocated expenses/ results, assets and liabilities include expenses/ results, assets and liabilities (including inter-segment assets and liabilities) and other activities not allocated to the operating segments. These also include current taxes, deferred taxes and certain financial assets and liabilities not allocated to the operating segments.

		₹ crore
S.No.	Particulars	Year ended 31st March, 2016
1.	Segment Revenue	
a)	Iron and Steel	16,611.29
b)	Power	5,720.91
c)	Others	439.39
	Sub Total (gross) A	22,771.59
	Inter Segment Revenue	
a)	Iron and Steel	284.52
b)	Power	2,118.94
c)	Others	-
	Sub Total (gross) B	2,403.46
	External Segment Revenue	
a)	Iron and Steel	16,326.77
b)	Power	3,601.97
c)	Others	439.39
	Net Segment Revenue (A-B)	20,368.13
2.	Segment Result(profit(+)Loss(-) before tax and interest from each segment)	
a)	Iron and Steel	576.90
b)	Power	744.10
c)	Others	(220.41)
	Sub Total(gross)	1,100.59
	Less:	
	(i) Finance Cost (Net) (Interest, financial expenses and lease rent)	3,253.56
	(ii) Other un-allocable expenses(net of un-allocable Income)	1,574.91
	Exceptional items	235.83
	Profit before tax	(3,963.71)
	Less:	
	Current Tax	0.67
	Deferred Tax	(878.13)
	Profit after tax	(3,086.25)
	Share in Profit / (Loss) of associates (Net of tax)	(1.01)
	Total Profit/(Loss)	(3,087.26)
4.	Depreciation & amortisation expenses	
a)	Iron and Steel	2,063.09
b)	Power	1,677.39
c)	Others	327.40
	Total	4,067.88
5.	Non- Cash expenditure other than depreciation	
a)	Iron and Steel	42.17
b)	Power	-
c)	Others	235.83
	Total	278.00

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

		₹ crore
S.No.	Particulars	As at 31.03.2016
1.	Segment Assets	
a)	Iron and Steel	45,476.51
b)	Power	21,979.28
c)	Others	3,390.65
d)	Unallocated Assets*#	21,551.95
	Total Assets	92,398.39
	# Investment in (included above):	
	Associates	232.84
	Joint Venture	-
2.	Segment Liabilities	
a)	Iron and Steel	2,864.91
b)	Power	1,217.96
c)	Others	128.30
d)	Unallocated Liabilities	55,751.13
	Total Liabilities	59,962.30
3.	Addition to Non-Current Assets	
a)	Iron and Steel	4,483.36
b)	Power	713.50
c)	Others	288.79
d)	Unallocated	-767.69
	Total	4,717.96

* Unallocated assets include Capital work In progress relating to ongoing projects.

Secondary Segment (Geographical Segment)				₹ crore
Particular	2015-16		Total	
	India	outside India		
Segment Revenue	17,124.18	3,243.95	20,368.13	
Segment non current assets	63,655.44	12,693.86	76,349.30	

50. Pursuant to the Judgment dated 25.08.2014 read with Order dated 24.09.2014 passed by the Hon'ble Supreme Court the allocation of the coal blocks, Gare Palma IV/1 (operational);

Utkal B-1, Amarkonda Murgadangal, Gare Palma IV/6, Ramchandi, Urtan North and Jitpur (non-operational) to the Company/its joint ventures stand de-allocated.

Prior to the said de-allocation by the Hon'ble Supreme Court, the Government had invoked bank guarantees provided by the Company to the extent of ₹ 153.55 crore with respect to Ramchandi, Amarkonda Murgadangal and Jitpur Coal Blocks. These matters, besides the matters with respect to Urtan North and Gare Palma IV/6 coal blocks, were contested by the Company at various levels and the invocation of the said bank guarantees had been stayed by the respective Hon'ble High Courts. Bank guarantees amounting to ₹ 155.00 crore have been provided by the Company for the above mentioned non- operational coal blocks

Pursuant to the said de-allocation by the Hon'ble Supreme Court and pending the decision/s of the Ministry of Coal on the show cause notices issued by the Ministry of Coal calling upon the Company to show cause as to why the delay in the development of the non-operational coal blocks should not be held as violation of the terms and conditions of the allocation letters of the said coal blocks, the respective Hon'ble High Courts have required the Company to keep the said Bank Guarantees alive pending the decision of the Government (Ministry of Coal) in individual case. The High Courts have restrained the Ministry of Coal to act in furtherance of its subsequent decision/s, to invoke the bank guarantee/s, for a further period of two weeks' time from the date of the communication of such decision/s in order to enable the Company to challenge such decision/s of the Ministry of Coal. In the meantime, the invocation of the bank guarantees has been stayed by the Hon'ble High Courts. The Group believes that it has good case in respect to this matter and no provision is considered necessary.

51 a. Interest in Joint Ventures:

Details of the Group's immaterial joint venture is as follows:

S.No.	Particulars	Country of Incorporation	Percentage of ownership interest as at 31st March, 2016
1	Jindal Synfuels Limited	India	*70
2	Shresht Mining and Metals Private Limited#	India	50
3	Urtan North Mining Company Limited	India	*66.67

* Considered for consolidation as per Ind AS 110

Carrying amount of investment is ₹ 7.69 crore. Profit & loss and other comprehensive income are Nil.

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

51 b. Interest in Associates:

Details of the Group's immaterial associate is as follows:

S.No.	Particulars	Country of Incorporation	Percentage of ownership interest as at 31st March, 2016
1	Nalwa Steel & Power Limited	India	40%
2	Prodisyne (Pty) Limited	South Africa	50%
3	Thuthukani Coal (Pty) Limited	South Africa	49%

₹ crore	
Associates	31st March, 2016
Carrying Amount	232.84
Profit & loss from continuing operation	(1.01)
Post tax profit or loss from discontinuing operation	-
Other Comprehensive income	(0.06)
Total Comprehensive income	(1.07)

51 c. Subsidiaries -Non controlling interest

Financial Information of Jindal Power Limited	
₹ crore	
Particulars	31st March, 2016
Total assets	22,722.36
Total liabilities	9,849.25
Equity attributable to owners of equity	11,980.76
Non controlling interest	443.55
Profit & loss after tax	(776.97)
Cash Flow	(413.60)

52. Financial and Derivative Instruments:

a) The Company uses foreign currency forward and Interest rate swap contracts to manage some of its transactions exposure. The details of derivative financial instruments are as follows:

₹ crore	
Particulars	2015-16
Assets	
Forward Contracts-Export	Nil
Liabilities	
Forward Contracts-Import	353.59 (USD 52.86 Millions)

b) The principal component of monetary foreign currency loans/debts and payable amounting to ₹ 1729.90 crore and receivable amounting to ₹ 79.28 crore are not hedged by derivative instruments.

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

53. Fair value of financial assets and liabilities

Class wise composition of carrying amount and fair value of financial assets and liabilities that are recognised in the financials statements is given below:

Particulars	₹ crore	
	Carrying Amount	Fair Value
	As at March 31, 2016	
Financial Assets at amortised cost		
Investment (Non Current)	0.12	0.12
Fixed deposits with banks (Non Current)	66.90	66.90
Cash and bank balances	620.38	620.38
Trade and other receivables	1,429.18	1,429.18
Loans (non current)	950.38	950.38
Loans (current)	211.55	211.55
Other financial assets (Non Current)	511.42	511.42
Other financial assets (Current)	979.41	979.41
Financial Asset at fair value through profit or loss :		
Investment (Non Current)	126.39	126.39
Investment (Current)	0.03	0.03
Financial Liabilities at amortised cost		
Borrowings (Non Current)	36,353.90	36,353.90
Borrowings (Current)	7,777.95	7,777.95
Trade & other payables	2,317.74	2,317.74
Other financial liabilities (Non current)	93.70	93.70
Other financial liabilities (Current)	5,037.38	5,037.38
Financial Liabilities at fair value through profit or loss :		
Other financial liabilities- Derivatives	2.95	2.95

Fair value hierarchy

The Company uses the following hierarchy for fair value measurement of the company's financial assets and liabilities :

Level 1: Quoted prices/NAV (unadjusted) in active markets for identical assets and liabilities at the measurement date.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3:

₹ crore

Particulars	31.03.2016 Carrying Value	Levels	Valuation Techniques and Key Inputs
Financial Assets at amortised cost :			
Other financial assets	511.42	level 3	Discounted cash flow method
Investment	0.12	level 3	Discounted cash flow method
Loans	1,161.93	level 3	Discounted cash flow method
Financial Asset at fair value through profit or loss :			
Investment (Non Current)	126.39	level 3	Net Asset Value
Investment (Current)	-	level 1	Quoted market price
Financial Liabilities at amortised cost :			
Borrowings (Non Current)	36,353.90	level 3	Discounted cash flow method
Borrowings (Current)	7,777.95	level 3	Discounted cash flow method
Other financial liabilities (Non-Current)	93.70	level 3	Discounted cash flow method
Financial Liabilities at Fair value through profit or loss :			
Other financial liabilities- Derivatives	2.95	level 2	Forward foreign currency exchange rates, Interest Rates to discount future cash flow

During the year ended March 31, 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

Fair valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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.

The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- 2) Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance of the Company is considered to be insignificant in valuation.
- 3) The fair values of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity, and market parameters such as interest rates, foreign exchange rates, and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.
- 4) IND AS 101 allow Company to fair value property, plant and machinery on transition to IND AS, the Company has fair valued property, plant and equipment, and the fair valuation is based on replacement cost approach.

54. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's financial assets comprise investments, loan and other receivables, trade and other receivables, cash, and deposits that arise directly from its operations.

The Company's activities are exposed to **market risk, credit risk and liquidity risk**. In order to minimise adverse effects on the financial performance of the Company, derivative financial instruments such as forward contracts are entered into to hedge foreign currency risk exposure. Derivatives are used exclusively for hedging purposes and not as trading and speculative purpose.

I. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. The sensitivity analysis in the following sections relate to the position as at 31st March 2016. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. The Company uses derivative financial instruments such as foreign exchange forward contracts of varying maturity depending upon the underlying contract and risk management strategy to manage its exposures to foreign exchange fluctuations.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, the Company performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio .

(i) the exposure of the Company's borrowings to interest rate changes at the end of reporting period are as follows:

₹ crore	
Particulars	31st March,2016
Variable rate borrowings*	36,691.42
Fixed rate borrowings*	10,105.35
Total borrowings	46,796.77

*Inclusive of current maturity

(ii) Sensitivity

With all other variables held constant the following table demonstrates impact of borrowing cost on floating rate portion of loans and borrowings:

₹ crore		
Particulars	Increase/ Decrease in Basis Points	Impact on Profit before Tax
	31-Mar-16	31-Mar-16
INR	+50	(115.57)
	- 50	115.57
EURO	+25	(0.36)
	-25	0.36
USD	+25	(33.06)
	-25	33.06
JPY	+25	(0.36)
	-25	0.36
ZAR	+25	(0.16)
	-25	0.16

The Assumed movement in basis point for interest rate sensitivity analysis is based on currently obseravable market environment.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business primarily in indian Rupees and US dollars. The Company has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining expore to foreign exchange risk the Company adopts a policy of selective hedging based on risk perception of the management. Foreign exchange contracts are carried at fair value.

The Company hedges its exposure to fluctuations by using foreign currency forwards contracts on the basis of risk perception of the management.

The carrying amounts of the Company's net foreign currency exposure (net of forward contracts) denominated monetary assets and monetary liabilities at the end of the reporting period as follows:

₹ crore	
INR pertaining to exposure in specified currencies	31.03.2016
USD	(140.00)
Euro	(15.11)
GBP	(0.13)
Others	(32.12)
Total	(187.36)

Foreign currency sensitivity

5% increase or decrease in foreign exchange rates vis- à -vis Indian Rupees, with all other variables held constant, will have the following impact on profit before tax and other comprehensive income:

Particulars	2015-16	
	5 % Increase	5 % decrease
USD	(7.00)	7.00
Euro	(0.76)	0.76
GBP	(0.01)	0.01

Others

(1.61)

1.61

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment by the management.

(c) Commodity Price Risk

Commodity Price Risk is the risk that future cash flow of the Company will fluctuate on account of changes in market price of key raw materials.

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company enters into contracts for procurement of materials, most of the transactions are short term fixed price contract and a few transactions are long term fixed price contracts.

II. Credit risk

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the Company. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation
- (iv) Significant increase in credit risk and other financial instruments of the same counterparty
- (v) Significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

The ageing analysis of the trade receivables (gross) has been considered from the date the invoice falls due:

₹ crore

Ageing	0-6 months	6-12 months	more than 12 months	Total
As at 31-03-2016				
Gross Carrying Amount	632.05	77.75	106.00	815.79
Expected Credit Loss (in ₹)			(40.26)	(40.26)
Carrying Amount (net of impairment)	632.05	77.75	65.74	775.53

III. Liquidity Risk

Liquidity risk refers to risk of financial distress or extra ordinary high financing cost arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing. The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are overseen by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

₹ crore

As at 31-03-2016	Carrying Amount	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings (Inclusive of current maturity)	46,796.77	10,442.87	9,513.82	26,840.08	46,796.77
Trade payables	2,317.74	2,317.74	-	-	2,317.74
Other financial liabilities	2,469.12	2,375.42	-	93.70	2,469.12
Total	51,583.63	15,136.03	9,513.82	26,933.78	51,583.63

Unused Borrowing Facilities (i.e sanctioned but not availed)

₹ crore

	Fixed	Floating
Particulars	31.03.2016	31.03.2016
Short term borrowings	797.95	141.31
Long term borrowings	-	-
	797.95	141.31

JINDAL STEEL & POWER LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016****55. Capital Risk Management**

The Group manages its capital structures and makes adjustment in light of changes in economic conditions and requirements of financing covenants. To this end the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The primary objective of the Company's Capital Management is to maximize the shareholder's value by maintaining an efficient capital structure and healthy ratios and safeguard Company's ability to continue as a going concern. The Company also works towards maintaining optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies, processes during the year ended 31st March, 2016.

	₹ crore
Particulars	As at 31st March 2016
Debt	46,796.77
Cash & bank balances	(620.38)
Net Debt	46,176.39
Total Capital	32,436.10
Total Capital and Net Debt	78,612.49
Gearing Ratio	59%

Notes-

(i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives and financial guarantee contracts) as described in notes 23 and 27.

(ii) Equity includes all capital and reserves of the Company that are managed as capital.

JINDAL STEEL & POWER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

56. Related Party disclosures as per Ind AS 24

A. List of Related Parties and Relationships

a) Associates

- 1 Nalwa Steel & Power Limited
- 2 Prodisyne (Pty) Limited
- 3 Thuthukani Coal (Pty) Limited
- 4 Everbest Steel & Mining Holdings Limited (formerly known as Everbest Infrastructure & Development Limited) (ceased to exist as associate w.e.f 03.12.2015)

b) Joint Ventures

- 1 Jindal Synfuels Limited
- 2 Shresht Mining and Metals Private Limited
- 3 Urtan North Mining Private Limited

c) Other Significant Influences

- 1 OPJ Trading Private Limited

d) Key Managerial Person

- 1 Shri Naveen Jindal (Chairman)
- 2 Shri Ravi Uppal (Managing Director & Group CEO)
- 3 Shri D.K. Saraogi (Wholetime Director)
- 4 Shri Rajeev Bhaduria (Wholetime Director)
- 5 Shri K Rajagopal (Group Chief Financial Officer till 21 Nov 2016)
- 6 Shri Jagdish Patra (Company Secretary till 11 Jul 2016)

e) Enterprises over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year

- 1 Jindal Stainless Ltd
- 2 Jindal Industries Limited
- 3 Bir Plantation Limited
- 4 India Flysafe Aviation Limited
- 5 Minerals Management Service (India) Pvt. Ltd.
- 6 Jindal Saw Limited
- 7 JSW Steel Limited
- 8 Rohit Tower Building Limited
- 9 JSW Energy Limited
- 10 JSW Projects Limited
- 11 JSW Steel Coated Product Ltd.
- 12 JSW Severfield Structures Ltd.
- 13 Jindal Realty Private Limited

f) Post-Employment Benefit entity

- 1 Jindal Steel & Power Ltd EPF Trust

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

56 B. Transaction with Related Parties

₹ crore

Description	Joint ventures	Associates	Key management Personnel	Enterprises controlled by key management personnel & their relatives
Purchase of goods/services(incl capital goods)*		277.58	-	234.81
Sale of goods/ scrap (incl capital goods)*		50.96	-	421.67
Rendering of services		-	-	1.60
Investment in equity shares/preference shares		-	-	-
Adv Against Share/ Debenture Application Money		-	-	-
Investment in debenture	-	-	-	-
Other advances given/(taken)	-	-	6.96	-
Loan given/(taken)		-	-	-
Other advances repaid back		-	2.94	-
Excess remuneration recovered				
Allotment of equity shares				
Rent & other expenses paid		-	-	1.78
Interest income/ (expenses/net)		-	0.32	98.44
Security deposit received/(given)		-	-	-
Remuneration		-	25.46	-
Corporate guarantee given/taken/extinguished)#**		-31.00	-	-
Inter corporate deposit (given)**		-	-	468.50
Inter corporate deposit repaid/adjusted		-	-	293.90
Advanced received for sale of fixed assets		-	-	-

₹ crore

Particulars	Joint ventures	Associates	Key management Personnel	Enterprises controlled by key management personnel & their relatives
	2015-16	2015-16	2015-16	2015-16
Outstanding balance at the year end				
Inter Corporate deposit (ICD) taken			-	850.00
Guarantee outstanding **	16.50		-	0.25
Guarantee outstanding(given by others on behalf of the company)		(31.00)	-	-
Advance/security deposit paid			-	8.50
Loans & advance(including interest)			4.02	69.41
Advance for Sale of Power Plant			-	-
Security deposit receipt			-	-
Advanced against share application	0.18		-	-
Investment in equity shares/debentures		2.00	-	-
Other Advance received			-	-
Outstanding liabilities			-	-
Salary payable			0.33	-
Interest receivable				235.80
Debtors- dr balance		3.03	-	28.92
Debtors- cr balance		0.04	-	3.88
Creditors Dr balance			-	4.51
Creditors cr balance		57.81	-	23.08

*Figures are inclusive of taxes & other expenses

** includes foreign currency gain & loss

amount of guarantee given is restricted to actual utilisation of limits including interest.

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016
Material transactions with Associates

₹ crore		
Name of the related party	Year	Nalwa steel power limited
Relationship		Associate
Purchase of goods/services*	2015-16	268.65
Sales of goods/scrap (inc capital goods)*	2015-16	46.30
Rendering of services	2015-16	-
Investment in equity shares/preference shares	2015-16	-
ADV AGAINST SHARE/ DEBENTURE APPLICATION MONEY	2015-16	-
Investment in debentures	2015-16	-
Other advances given /(taken)	2015-16	-
Loan given/(Taken)	2015-16	-
Rent & other expenses	2015-16	-
Interest income	2015-16	-
Interest expenses	2015-16	-
Security deposit received/(given)	2015-16	-
Corporate guarantee given (taken) (extinguished)**	2015-16	(31.00)
Inter corporate deposit given**	2015-16	-
Inter corporate deposit repaid/adjusted	2015-16	-
Advance received for sale of fixed assets	2015-16	-

*figures are inclusive of taxes & other expenses reimbursed

** includes foreign currency gain or loss

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016
Material transactions with Enterprises controlled by Key management Personnel

Material transactions with Enterprises controlled by Key management Personnel														₹ crore
Name Of Related Party	Year	JSW Steel Ltd. Mumbai/ Bellary	JSW Energy Limited	Jindal Saw Limited	Jindal Stainless Ltd. Hissar,	Jindal Reality Pvt. Ltd.	Minerals Management Service (India) Pvt. Ltd.	Bir Plantation Pvt. Ltd.	Rohit Towers Pvt. Ltd.	Jindal Industries Ltd.	JSW Steel Coated Product Ltd.	JSW Projects Ltd.	JSW Severfield Structures Ltd.	India Flysafe Aviation Limited
Purchase of Goods/Services(Inc Capital goods)*	2015-16	17.41	-	9.59	109.49	24.16	-	-	-	1.72	3.89	-	-	68.55
Sales Of Goods/ scrap (Inc Capital goods)*	2015-16	137.46	-	275.76	7.73	0.21	-	-	-	-	0.47	0.04	-	-
Rendering of services	2015-16	1.39	0.18	-	0.03	-	-	-	-	-	-	-	-	-
Other advances given/(taken)	2015-16	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent and Other Expense	2015-16	-	-	0.52	0.70	-	-	0.11	0.45	-	-	-	-	-
Interest income	2015-16	-	-	-	-	98.44	-	-	-	-	-	-	-	-
Inter corporate deposits repaid/ adjusted	2015-16	-	-	-	-	293.90	-	-	-	-	-	-	-	-

*figures are inclusive of taxes & other expenses reimbursed

Compensation to Key Management Personnels for each of the following categories ₹ crore

Particulars	Year ended March 31, 2016
Short term benefits	23.51
Post employment benefits	-
- Defined Contribution Plan	1.95
Share based payments	-
Total	25.47

Jindal Steel & Power Ltd EPF Trust ₹ crore

Particulars	Year ended March 31, 2016
Provident fund contribution	20.28

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

57. Impairment Review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the goodwill or other assets are monitored for internal management purposes, within an operating segment.

The impairment assessment is based on higher of value in use and value from sale calculations.

During the year, the testing did not result in any impairment in the carrying amount of goodwill and other assets.

The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid term market conditions.

Key assumptions used in value-in-use calculations:

- Operating margins (Earnings before interest and taxes)
- Discount Rate
- Growth Rates
- Capital expenditures

Operating margins: Operating margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services

from the existing and new customers, though these benefits are partially offset by decline in tariffs in a hyper competitive scenario. Margins will be positively impacted from the efficiencies

and initiatives driven by the Company; at the same time, factors like higher churn, increased cost of operations may impact the margins negatively.

Discount rate: Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs.

Growth rates: The growth rates used are in line with the long term average growth rates of the respective industry and country in which the Company operates and are consistent with the forecasts included in the industry reports.

Capital expenditures: The cash flow forecasts of capital expenditure are based on past experience coupled with additional capital expenditure required.

- 58.** The Hon'ble Supreme Court of India by its Order dated 24 September 2014 has cancelled number of coal blocks allocated to various entities which include nine block consisting of three operational and six under development allotted to the company and its group companies by Ministry of Coal, Government of India and directed to pay an additional levy of ₹ 295 per MT on gross coal extracted from the operational mines from 1993 to till date. The Group filed review petition before the Hon'ble Supreme Court of India which has been rejected. The Group is in the process of filing curative petition before the Hon'ble Supreme Court of India.

i) The Group has paid under protest such levy on coal extracted during the period from 1993 to 31 March 2015 of ₹ 3,267.43 crore (including ₹ 1,185.20 crore by a subsidiary). The management based on legal opinion has accounted for ₹ 1,911.64 crore (including ₹ 1,103.87 crore by a subsidiary) computed on net extraction (run of mines less shale, rejects and ungraded middling) of coal by the Group. The said amount was shown as exceptional item in the year 2014-15 and balance amount of ₹ 1,355.79 crore has been shown as recoverable from the Government Authority since the entire amount of additional levy has been paid under protest.

ii) The Group Companies having net book value of investment made in mining assets including land, infrastructure and clearance etc. of ₹ 608.58 crore (including ₹ 183.58 crore of a subsidiary). The difference, if any, between book value of investment and compensation to be determined, shall be accounted for when the final compensation is received pursuant to directive vide letter dated 26 December, 2014 given by the Ministry of Coal on such mines.

iii) In case of a subsidiary post cancellation of mines, the subsidiary had won the Coal mines bids on 19.02.2015 & 07.03.2015, however, the allocation of the said coal mines were rejected by the Nominated Authority appointed by Government of India, consequence whereof the subsidiary Company is not operating any coal blocks as on date. On the basis of Opinion of an expert, the subsidiary has challenged the act of rejection of the Government, of the winning bids before the Hon'ble High Court of Delhi, and the subsidiary is confident for favourable judgement in its favour. The Management is confident about – (a) availability of sufficient coal so as it can run its power generation plants, and (b) earning sufficient margins. Accordingly, the management does not anticipate need for any impairment provision in the carrying value of the assets.

- 59.** During the current year, there is a gain of Rs. 2.67 crore arising on account of slump sale of crushing plant division for Rs. 121 crore. The amount receivable against the same of Rs. 121 crore is shown under other receivable.

- 60.** The Company has filed legal suits /notices or in the process of filing legal case /sending legal notices / making efforts for recovery of debit balances of ₹ ₹ 630.99 crore plus interest wherever applicable, which are being carried as long term /short term advances, trade receivables and other recoverable. Pending outcome of legal proceedings/Company's efforts for recovery and based on legal advice in certain cases, the Company has considered aforesaid amounts as fully recoverable. Hence, no provision has been made in respect of these balances.

- 61.** Subject to customary regulatory approvals and other conditions precedent(s), the Board of Directors at its meeting held on 3rd May, 2016 has approved the agreement for divestment of 1,000 MW Power unit of Jindal Power Limited (a subsidiary of the Parent Company (JPL)), located in Chhattisgarh into a separate purpose vehicle (SPV), for the purpose of transferring the same to JSW Energy Limited through sale of the entire share capital and other securities of the aforesaid entity in terms of the share purchase agreement for an enterprise value of ₹ 6,500 Crores plus the value of Net Current Assets as on the Closing Date. The valuation may vary based upon the achievement of PPA's before the closing date 30th June, 2018 and as prescribed in the Agreement subject to minimum of ₹ 4,000 crore plus the value of Net Current Assets as on the Closing Date.

In order to streamline cash flows of the group and create SPV amenable for, the Board of Directors of the Company and JPL have in principle approved the restructuring involving parent Company and JPL and formed a committee of directors ("Restructuring Committee"), to explore and evaluate various restructuring options available including a scheme of arrangement. The restructuring will entail that 1000 MW Power Plant owned by JPL is hived off into an separate purpose vehicle, being subsidiary of the parent company, creation of other SPV amenable for monetization by way of divestments as well as achieve better synergy across the parent company and its subsidiaries, and to ensure that the businesses of these entities are operated in the most efficient and cost effective manner, including by pooling of technical, distribution and marketing skills, creating optimal utilisation of resources, better administration and cost reduction. Upon completion of evaluation of the possible arrangement options, the Restructuring Committee is to submit its recommendations to the Board of Directors and to such other committee(s) of the Board, including the Audit Committee, shareholders as may be required by applicable laws.

- 62.** Balances of certain advances, creditors and receivables are in process of confirmation/reconciliation.

- 63.** i) In accordance with the Companies Act 2013, the Group had, during the previous year revised useful life of its fixed assets to comply with the useful life as mentioned in Schedule II of the said Act. As per the transitional provisions the Group adjusted during previous year ₹ 134.34 crore (net of tax of ₹ 65.93 crore) from the opening balance of retained earnings. Had the Group continue to follow earlier useful life the depreciation expense for the previous year would have been lower by ₹ 79.62 crore.

ii) During the current year, the parent company and an overseas subsidiary have upward revised the useful life of certain class of fixed assets based on internal assessment and technical estimate. The parent company and overseas subsidiary believe that the useful life best represent the period over which parent and overseas subsidiary expect to use these assets. The above change has taken place with effect from 1st April, 2015 and accordingly the depreciation expense for the year ended 31st March, 2016 is lower by ₹ 643.14 crore. However, in view of applicability of Ind AS, the stated impact get included in note (iv) herein below.

- 64.** iii) One of the Indian subsidiaries has revised depreciation as per provision of paragraph 4 of part C of Schedule II of the Companies Act, 2013 on its all assets which is mandatory from iv) The company and one of its subsidiaries have considered fair value of Property plant and equipment (fair value as assessed by independent valuer) i.e. Land, Building and plant & Hon'ble Supreme Court of India, in its recent judgement has upheld constitutional validity of entry tax levied by the different State Governments and referred the same to divisional/regular benches for testing and determination of validity of state legislation vis a vis the Article 304 (a) of the constitution and left open levy of entry tax on goods entering the landmass of India from another country to be determined in appropriate proceedings. Full provision has been made in this regard except in case of import of goods from outside India, where part amount (₹ 49.37 Crore) of entry tax has been deposited (shown under loans and advances) based on the Order of High Court in other assessee's case and as advised by an expert (against amount calculated till 31.03.2016 of ₹ 101.04 Crore). As advised, no material provision is required to be made on this account.

- 65.** Consolidated financial statements include results of a subsidiary which is based on unaudited financial statements having revenue of Rs. 37.20 crore during the year ended 31st March, 2016 and assets of Rs. 4,335.90 crore as at 31st March, 2016

- 66.** Exceptional items in consolidated financial statements for the year comprise of provision for impairment loss on fixed assets of ₹ 226.82 crore in one of the overseas subsidiaries as on 31st March 2016 and foreign exchange variation of ₹ 9.01 crore attributable to the sharp depreciation of Australian dollar in the current year

- 67.** Cost of captive sales (reduced from total expenditure) includes interest on internal manufactured goods consumed in capital projects which is not separately ascertainable.

- 68.** Till previous year the foreign exchange difference of the inter-group long term foreign currency loans transaction of overseas business to the extent of financing requirements other than acquiring the fixed assets, being not material were expensed off. The Group has during the current year w.e.f from 1st April 2015 decided to amortised such differences, if material over the remaining period of the loan. The said changes has resulted in to lower charge of foreign exchange differences for the year ended 31st March 2016 by ₹ 188.23 crore which is included under Foreign Currency Monetary Items translation Difference Account.

- 69. IN RESEPECT OF CERTAIN PROJECTS OF SUBSIDIARY COMPANIES :**

The 1,800 MW Kamala Hydroelectric Power Project (Kamala Project) is run of the river project located on Kamala River in the state of Arunachal Pradesh. Detailed Project Report (DPR) of Kamala Project has already been with the Central Electricity Authority (CEA) and has also accepted by CEA for detailed examination, pending approval. Land survey is also in progress. Government of Arunachal Pradesh has granted extension of time up to 31st March 2015 for commencement of Kamala project; the management is confident of getting further extension of time in this regard.

JINDAL STEEL & POWER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

The 3097 MW Etalin Hydroelectric Power Project (Etalin Project) is a run of the river project located on Dri River and Tangon River in the state of Arunachal Pradesh. Substantial progress has been achieved with respect to the land acquisition, environment and forest clearance and other statutory clearances. Further The Central Electricity Authority (CEA) has also issued concurrence for implementation of the project subject to fulfillment of certain conditions. As assessed by the management, the project has achieved some milestones and is likely to be developed as per schedule.

The 680 MW Attunli Hydroelectric Power Project is a run of the river project located on Tangon River in the state of Arunachal Pradesh. Survey and Investigation works for preparation of Detailed Project Report (DPR) has been completed and draft DPR is under consideration.

In the opinion of the management, no impairment is required to be provided for in respect of assets of the above stated Hydro Power Projects.

70. Information related to Consolidated financial

The company is listed on stock exchanges in India. The Company has prepared consolidated financial statements as required under IND AS 110, Sections 129 of Companies Act, 2013 and listing requirements. The consolidated financial statements are available on the Company's website for public use.

71. These Special Purpose Consolidated financial statements for the year ended March 31, 2016 have been compiled based on the audited Indian GAAP Consolidated Financial Statements for the financial year ended 31st March 2016 audited by predecessor auditor and based on conversion of audited Indian GAAP Consolidated Financial Statements for the financial year ended 31st March 2016 from Indian GAAP to Ind AS carried out by the management and have been prepared for the purpose of inclusion in the Placement Documents prepared in connection to the proposed offerings of the equity shares pursuant to the Qualified Institutional Placement (QIP) of the Company and will be submitted/ filed with the stock exchanges where the Company's equity shares are listed and the Securities Exchange Board of India (SEBI). Accordingly previous year figures have not been disclosed. Figures less than Rs. 50000 have been shown as absolute number.

72. Transition to Ind AS

Financial Statements, for the year ended 31st March 2017 are the first, the Company has prepared in accordance with Ind AS. These Special purpose financial statements (read with note no. 71) for the year ended 31st March 2016 have been extracted from audited financial statement for the year ended 31st March 2017.

Accordingly, the Company has prepared its financial statement to comply with the Ind AS for the year ending 31st March, 2016, as described in note no. 1. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2015, the date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April, 2015 and the financial statements as at and for the year ended 31st March, 2016.

Exemptions Applied

Ind AS 101 First time adoption of Indian Accounting Standards allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS, effective for 1st April 2015 opening balance sheet. The Company has applied the exemptions which have been explained below:

1 Deemed Cost of Property, Plant & Equipment

The Company has elected to measure items of Property, Plant & Equipment (PPE) at the date of transition to IND AS at their fair value. The Company has used the fair value of PPE, which is considered as deemed cost on transition. Fair valuations are assessed as on 1st April, 2015.

2 Fair value of financial assets and liabilities

The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under IND AS, these financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to IND AS, the requirement of initial recognition at fair value is applied prospectively.

3 Long Term Foreign Currency Monetary items

The Company has opted to continue the policy adopted for accounting for exchange differences arising from translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first IND AS financial reporting period as per the previous GAAP, accordingly the Company has continued the capitalisation of foreign exchange gain/loss on long term loan outstanding on the date of transition i.e April 1st 2015 and such capitalised amount is amortised over the remaining useful life of the asset.

4 Investments in Subsidiaries, joint ventures and associates

The Company has elected to apply previous GAAP carrying amount of its investment in equity shares in subsidiaries, associates and joint ventures as deemed cost as on the date of transition to Ind AS. However, the debt instruments in subsidiaries, associates and joint ventures are recognised at amortized cost.

5 Leases

The Company has applied the transition provision in Appendix C of IND AS 17, "Determining whether an arrangement contains a Lease", and has assessed all arrangement as at the date of transition.

Estimates

The estimates at 1st April, 2015 and at 31st March, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences if any, in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss method.
- Investment in debt instruments carried at Amortized Cost.
- Investment in equity instruments carried at Fair value through profit or loss

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at the transition date and as of 31st March, 2016.

Exceptions to retrospective application of Ind AS

1 Classification and measurement of financial assets

The Company has classified the financial assets in accordance with IndAS 109 on the basis of facts and circumstances that exists at the date of transition to Ind AS.

2 Derecognition of financial assets & financial liabilities

The Company has elected to apply the derecognition requirements for financial assets & financial liabilities in accordance with Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

Impact of transition to IND AS

The following is a summary of the effects of the differences between IND AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the financial period for the periods previously reported under Indian GAAP following the date of transition to IND AS.

72 a. RECONCILIATION OF BALANCE SHEET AS AT 01.04.2015, DATE OF TRANSITION TO IND AS

		₹ crore	
Particulars	IGAAP As at 31.03.2015	Adjustments	Ind AS As at 01.04.2015
ASSETS			
(1) Non - current assets			
(a) Property, plant and equipment	42,737.61	20,849.32	63,586.93
(b) Capital work - in - progress	7,395.73	-	7,395.73
(c) Investment property	-	32.94	32.94
(d) Goodwill	548.45	-	548.45
(c) intangible assets	3,357.29	0.01	3,357.30
(d) Intangible assets under development	1,672.24	-	1,672.24
(e) Biological assets other than bearer plants	-	0.49	0.49
(f) Financial assets			
(i) Investments	352.79	0.02	352.81
(ii) Loans	3,469.95	(2,984.66)	485.29
(iii) Bank balances	-	46.97	46.97
(iv) Others	-	466.86	466.86
(g) Other non - current assets	46.97	1,601.49	1,648.46
	59,581.03	20,013.44	79,594.47
(2) Current assets			
(a) Inventories	4,848.69	-	4,848.69
(b) Financial assets			
(i) Investments	1,432.40	23.62	1,456.02
(ii) Trade receivables	1,690.70	-	1,690.70
(iii) Cash and cash equivalents	1,139.07	(35.89)	1,103.18
(iv) Bank balances other than (iii) above	-	35.89	35.89
(v) Loans	5,860.59	(5,370.94)	489.65
(vi) Others (to be specified)	-	696.77	696.77
(c) Current tax assets (net)	-	553.71	553.71
(d) Other current assets	984.13	4,194.81	5,178.94
	15,955.58	97.97	16,053.56
Total assets	75,536.61	20,111.41	95,648.02
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	91.49	-	91.49
(b) Other equity	20,950.58	15,330.67	36,281.25
(c) Non controlling interest	857.25	122.08	979.33
	21,899.32	15,452.75	37,352.07
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	35,613.94	(8.76)	35,605.18
(ii) Trade payables	-	-	-
(iii) Other financial liabilities	213.90	(110.99)	102.91
(b) Provisions	159.32	-	159.32
(c) Deferred tax liabilities (net)	2,018.47	4,719.57	6,738.04
	38,005.63	4,599.82	42,605.45
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	6,852.34	-	6,852.34
(ii) Trade payables	2,053.29	-	2,053.29
(iii) Other financial liabilities excl. provisions	-	5,173.26	5,173.26
(b) Other current liabilities	6,571.14	(5,114.42)	1,456.72
(c) Provisions	154.89	-	154.89
	15,631.66	58.84	15,690.50
	53,637.29	4,658.66	58,295.95
Total Equity & Liabilities	75,536.61	20,111.41	95,648.02

72 b. RECONCILIATION OF BALANCE SHEET AS AT 31.03.2016

		₹ crore	
Particulars	IGAAP As at 31.03.2016	Adjustments	Ind AS As at 31.03.2016
ASSETS			
(1) Non - current assets			
(a) Property, plant and equipment	41,610.83	19,601.39	61,212.22
(b) Capital work - in - progress	10,702.49	0.21	10,702.70
(c) Investment property	-	32.41	32.41
(d) Goodwill	548.45	-	548.45
(c) intangible assets	3,277.43	-	3,277.43
(d) Intangible assets under development	1,124.10	-	1,124.10
(e) Biological assets other than bearer plants	-	0.45	0.45
(f) Financial assets			
(i) Investments	357.71	1.65	359.36
(ii) Loans	3,209.34	(2,258.96)	950.38
(iii) Bank balances	-	66.90	66.90
(iv) Others	66.90	444.52	511.42
(g) Other non - current assets	-	880.77	880.77
	60,897.25	18,769.34	79,666.59
(2) Current assets			
(a) Inventories	3,235.97	18.13	3,254.10
(b) Financial assets			
(i) Investments	0.03	-	0.03
(ii) Trade receivables	1,429.18	(0.00)	1,429.18
(iii) Cash and cash equivalents	620.38	(117.92)	502.46
(iv) Bank balances other than (iii) above		117.92	117.92
(v) Loans	6,135.88	(5,924.36)	211.52
(vi) Others (to be specified)		979.41	979.41
(c) Current tax assets (net)		569.33	569.33
(d) Other current assets	1,220.47	4,447.38	5,667.85
	12,641.91	89.89	12,731.80
Total assets	73,539.16	18,859.23	92,398.39
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	91.49	(0.00)	91.49
(b) Other equity	18,055.59	14,289.02	32,344.61
(c) Non controlling interest	800.28	99.55	899.83
	18,947.36	14,388.57	33,335.93
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	36,361.71	(7.81)	36,353.90
(ii) Trade payables	-	-	-
(iii) Other financial liabilities	121.63	(27.93)	93.70
(b) Provisions	195.73	(0.00)	195.73
(c) Deferred tax liabilities (net)	1,347.66	4,524.71	5,872.37
	38,026.73	4,488.97	42,515.70
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	7,777.95	-	7,777.95
(ii) Trade payables	2,317.74	-	2,317.74
(iii) Other financial liabilities excl. provisions		5,040.34	5,040.34
(b) Other current liabilities	6,404.58	(5,058.65)	1,345.93
(c) Provisions	64.80	-	64.80
	16,565.07	(18.31)	16,546.76
	54,591.80	4,470.66	59,062.46
Total Equity & Liabilities	73,539.16	18,859.23	92,398.39

72 c. RECONCILIATION OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016

₹ crore

Particulars	IGAAP ended 31.03.2016	Year Adjustments	IND AS ended 31.03.2016
I Revenue from operations	19,202.43	2,263.21	21,465.64
Less: Captive Sales for own projects	(1,097.51)	-	(1,097.51)
II Other income	527.34	(370.65)	156.69
III Total income (I + II)	18,632.26	1,892.56	20,524.82
IV Expenses			
Cost of materials consumed	6,076.27	-	6,076.27
Purchases of stock - in - trade	20.58	-	20.58
Changes in inventories of finished goods, work-in-progress and scrap	466.32	(18.13)	448.19
Employee benefits expense	912.51	34.06	946.57
Finance costs(Net)	3,252.74	0.82	3,253.56
Depreciation and amortization expense	2,819.39	1,248.49	4,067.88
Excise Duty	-	1,996.90	1,996.90
Other expenses	8,621.06	(80.80)	8,540.26
Total expenses	22,168.87	3,181.34	25,350.21
Less: Captive Sales for own projects	(1,097.51)	-	(1,097.51)
	21,071.36	3,181.34	24,252.70
V Profit / (loss) before exceptional items and tax (III - IV)	(2,439.10)	(1,288.78)	(3,727.88)
VI Exceptional items	(235.83)	-	(235.83)
VII Profit / (loss) before tax (V - VI)	(2,674.93)	(1,288.78)	(3,963.71)
VIII Tax expense			
current tax	0.67	-	0.67
Deferred tax	(676.97)	(201.16)	(878.13)
Total tax expense/(credit)	(676.30)	(201.16)	(877.46)
IX Profit / (loss) for the period (VII - VIII)	(1,998.63)	(1,087.62)	(3,086.25)
X Share in Profit / (Loss) of associates (Net of tax)	(1.40)	0.39	(1.01)
Total Profit/(Loss) (IX + X)	(2,000.03)	(1,087.23)	(3,087.26)
Other Comprehensive income(OCI)			
(i) Items that will not be reclassified to profit or Loss			
Remeasurement of the defined benefit plans	-	35.99	35.99
(ii) Income Tax relating to Items that will not be reclassified to profit or loss	-	12.46	12.46
(iii) Items that will be reclassified to profit or Loss			
Foreign Currency translation reserve (FCTR)	-	(767.81)	(767.81)
(iv) Income Tax relating to Items that will be reclassified to profit or loss			
		-	
XI Total comprehensive income	(2,000.03)	(1,831.51)	(3,831.54)
Net Profit attributable to:			
a) Owners of the equity	-	(2,966.24)	(2,966.24)
b) Non- Controlling interest	-	(121.02)	(121.02)
Other Comprehensive Income attributable to:			
a) Owners of the equity	-	(699.16)	(699.16)
b) Non- Controlling interest	-	(45.12)	(45.12)
Total Comprehensive Income attributable to:			
a) Owners of the equity	(1,902.01)	(1,763.39)	(3,665.40)
b) Non- Controlling interest	(98.02)	(68.12)	(166.14)
Earnings per equity share			
(1) Basic	(20.79)		(33.74)
(2) Diluted	(20.79)		(33.74)

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

72 d. Other equity as at 1st April 2015

Particulars	Reserves and Surplus										Items of other comprehensive income			Total	Non controlling interest
	Sales Tax Subsidy /Capital reserve	Capital Redemption Reserve	Securities premium account	Debenture Redemption Reserve	Share Option outstanding Account-By subsidiary	Capital Reserve on Consolidation	Central/ State Subsidy Reserve	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Retained earnings	Share of Joint Venture & Associates	Foreign Currency Translation Reserve	Remeasurement of Defined Benefit Obligation/ Plan		
As at 01.4.2015	417.05	72.00	5.03	864.54	23.52	1,155.22	0.12	-	1,613.48	16,718.39		81.23		20,950.58	857.25
Re- Measurement														-	
- Valuation of Investments at fair value										23.62				23.62	
- Remeasurement of Borrowings										8.76				8.76	
- Remeasurement of Subsidy							(0.12)			0.12				-	
- Fair Valuation of PPE										20,882.75				20,882.75	
- Deferred Tax on adjustments										(5,462.38)				(5,462.38)	
- Change in Share of Minority										(122.08)				(122.08)	122.08
Restated balance as at 01.04.2015	417.05	72.00	5.03	864.54	23.52	1,155.22	-	-	1,613.48	32,049.18	-	81.23	-	36,281.25	979.33

Other equity as at 31st March 2016

Particulars	Reserves and Surplus										Items of other comprehensive income			Total	Non controlling interest
	Sales Tax Subsidy /Capital reserve	Capital Redemption Reserve	Securities premium account	Debenture Redemption Reserve	Share Option outstanding Account-By subsidiary	Capital Reserve on Consolidation	Central/ State Subsidy Reserve	Foreign Currency Monetary Item Translation Difference Account	General Reserve	Retained earnings	Share of Joint Venture & Associates	Foreign Currency Translation Reserve	Remeasurement of Defined Benefit Obligation/ Plan		
As at 31.03.2016 as per IGAAP	417.05	72	5.03	1102.08	16.64	1710.67	0.12	-188.23	1619.21	13,987.60		-686.58		18,055.59	857.25
Profit and loss for the year										(1,064.23)	0.73		21.86	(1,041.64)	
Additions during the year														-	(118.70)
Adjustments:														-	
- Valuation of Investments at fair value										23.62				23.62	
- Remeasurement of Borrowings										8.76				8.76	
- Remeasurement of Subsidy							(0.12)			0.12				-	
- Fair Valuation of PPE										20,882.75				20,882.75	
- Deferred Tax on adjustments										(5,462.38)				(5,462.38)	
- Change in Share of Minority										(122.08)				(122.08)	122.08
Transfer to Minority															39.20
As at 31.3.2016	417.05	72.00	5.03	1,102.08	16.64	1,710.67	-	(188.23)	1,619.21	28,254.16	0.73	(686.58)	21.86	32,344.62	899.83

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

72 e. Summary of reconciliation of movement in profit and loss on transition to IND AS for year ended March 31, 2016

	₹ crore
Particulars	31.03.2016
Reported net profit for the period as per Indian GAAP	(1,998.63)
Adjustments:	
a. Fair valuation of investments	(23.62)
b. Actuarial gain on defined benefit obligations accounted through Other Comprehensive Income	(22.27)
c. Fair Valuation of PPE	-
d. Change in depreciation due to fair value of property, plant and equipment	(1,248.49)
e. Other Ind AS adjustment	17.39
f. Deferred tax on above adjustments (net)	189.37
Net profit before OCI as per Ind AS	(3,086.25)

JINDAL STEEL & POWER LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March, 2016

72 f. Notes to the reconciliation of equity as at 1st April 2015 and 31st March 2016 and total comprehensive income for the year ended 31st March 2016

Property, Plant and Equipments carried at deemed cost

The Company has considered fair value as deemed cost of Property Plant and Equipments i.e Land, building and Plant & machinery and re assessed useful life (as assessed and estimated by the management & technical valuer) as on the date of transition to Ind AS i.e 1st April 2015 and impact of ₹ 20882.75 crore in accordance with said stipulations with resulted impact being accounted for in reserves. The depreciation as per IND AS has been accounted on fair value and on revised useful life.

Investments

Investments other than investment in subsidiaries, joint ventures and associates has been considered at fair value through profit & loss. Investments in subsidiaries, joint ventures and associates: (i) in equity shares has been considered at carrying value as deemed cost; (ii) other than equity shares has been considered at amortised cost. Difference between the instruments carrying value and amortised cost as at the date of transition has been recognised in retained earnings.

Defined benefit obligation

The impact of change in actuarial assumption and experience adjustments for defined benefit obligation is accounted in Other Comprehensive Income with reversal in profit & loss.

Deferred Tax

The Company has accounted for deferred tax on various adjustment between indian GAAP and Ind AS as well as on temporary differences between the carrying amount of assets and liabilities in the balance sheet and corresponding tax bases at the tax rate at which they are expected to be reversed. Corresponding net impact has been recognised in retained earning/profit & loss/Other Comprehensive Income as applicable.

Excise Duty

Under Ind AS, Excise duty on sale of goods is separately presented as expenses. Thus sale of goods under Ind AS for the year ended 31st March 2016 has increased by ₹ 1,996.90 crore with a corresponding increase in other expense.

Financial assets and Financial Liabilities

Financial assets and financial liabilities have been classified as per Ind AS 109 read with Ind AS 32.

Statement of Cash Flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

Discounts

Under Indian GAAP, discounts were recognised as expenses which has been adjusted against the revenue under Ind AS during the year ended 31st March 2016.

Standards issued but not effective yet

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

The Company has an Employee Share Purchase Scheme namely JSPL ESPS 2013; accordingly the said amendment does not have any possible impact on the financials of the Company.

JINDAL STEEL & POWER LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st March,2016**

- 73** During the current year, the parent company has paid managerial remuneration of Rs. 14.75 crore to the Chairman and Rs. 7.30 crore to Managing Director and Group CEO of the Company. The Parent Company had taken the shareholder approval by way of special resolution for payment of minimum managerial remuneration as per Schedule V of the Companies Act, 2013 subject to the approval of the Central Government. The Parent Company has filed necessary application(s) with the Central government for excess remuneration paid of Rs. 8.01 crore and approval is awaited.
- 74** One of the Indian Subsidiaries, as a matter of prudence, as per the past practice till date 31st March, 2015, had recognized an expense on account of disputed demand of electricity duty and interest thereon amounting to ₹ 280.99 crore (₹ 47.34 crore as Fees and Taxes and ₹ 30.09 crore as interest others in 2014-15). The Subsidiary has challenged the validity of demand made by the Government of Chhattisgarh, in Court, which is pending for decision. Considering the present status of the case, management consideration and opinion of an expert, the company has not recognised electricity duty of ₹ 47.17 crore and interest thereon of ₹ 37.97 crore for the year ended 31st March, 2016 against disputed demand of electricity duty and disclosed the same under contingent liability under Note 2.28 herein above. Management feel that it has good creditable case and confident about favourable decision in respect of above disputed demand.
- 75** The Parent Company has, as on 31st March, 2016, outstanding loan in foreign currency of US\$ 109.95 million (equivalent ₹ 729.35 crore) in the name of an overseas subsidiary. The said loan, being long term was earlier treated as part of quasi equity and hence exchange difference arising on the translation of the said loan was accumulated in foreign currency translation reserve. As a consequence of the Parent Company rescheduling the terms of re-payment, said loan is to be repaid by the overseas subsidiary by 31st March, 2017. Accordingly, accumulated balance appearing in the foreign currency translation reserve of ₹ 70.89 crore as at close of the year, has been credited to the consolidated statement of profit and loss during the current year.
- 76** As at 31 March 2016, while consolidating, the Group has restated the financial statement of certain subsidiaries from Botswana Pula to Indian currency which was not carried out in earlier years, resulting into reduced value of Intangible Assets under Development with corresponding debit to Foreign Currency Translation Reserve by ₹ 513.22 crore respectively including ₹ 476.90 crore pertaining to earlier years. However this restatement has no impact on the consolidated statement of profit and loss of the current year.
- 77** Notes 1 to 77 are annexed to and form an integral part of financial statements.

As per our report of even date

For Lodha & Co.
Chartered Accountants
Firm Registration No. 301051E

N.K Lodha
Partner
Membership No. 85155

Place: New Delhi
Dated: 20th March, 2018

For & on behalf of the Board of Directors

Naveen Jindal
Chairman
DIN: 00001523

Deepak Sogani
Chief Financial Officer

Rajeev R. Bhaduria
Wholtime Director
DIN: 00376562

Jagadish Patra
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of Jindal Steel & Power Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Jindal Steel & Power Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint controlled entities, comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act.

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

BASIS FOR QUALIFIED OPINION

- a) As detailed in Note 31 (i) and (iii) of the consolidated financial statements, based on the Order of Hon'ble Supreme Court of India, the Group paid an additional levy of ₹ 295 per metric ton on gross coal extracted from operational mines. Through March 31, 2015, such levy on the gross extraction amounts to ₹ 3,267.43 crore. Based on legal opinion, the Group had recorded ₹ 1,911.64 crore as an exceptional item representing the levy on net extraction (run of mines less shale, rejects and ungraded middling) of coal in last year. Had the gross levy been recorded, net loss before tax for the year ended March 31, 2016, would have been higher by ₹ 1,355.79 crore and reserve and surplus as at March 31, 2016 would have been lower by ₹ 1,355.79 crore. In respect of above matter, our audit report for the year ended March 31, 2015 was similarly qualified.
- b) As detailed in Note 31 (ii) of the consolidated financial statements, the Group has not made adjustment in the net carrying value of investment made in mining assets including land, infrastructure and clearance, etc., of ₹ 608.58 crore as at March 31, 2016, (including ₹183.58 crore by a subsidiary), pending finalization of the compensation claim filed by the Group with the Government authorities. Accordingly, we are

unable to comment on the matter including any consequential adjustments that may be required in this regard in these consolidated financial statements. In respect of above matter, our audit report for the year ended March 31, 2015 was similarly qualified.

- c) As detailed in Note 40 of the consolidated financial statements, the Company has an investment in overseas subsidiary whose total assets as at March 31, 2016 are ₹ 4,335.90 crore, total revenue is ₹ 37.02 crore during the year ended March 31, 2016, which has been consolidated in these consolidated financial statements based on management certified accounts. In respect of above matter, our audit report for the year ended March 31, 2015 was similarly qualified. During the year ended March 31, 2015, the financial statements of above subsidiary for the year ended March 31, 2015 was consolidated based on unaudited management certified accounts. During the current year financial statements of above subsidiary have been consolidated based on audited financial statements for the year ended March 31, 2015 and accordingly our audit report is modified only for the unaudited management certified accounts for the year ended March 31, 2016. In the absence of the audited financial statements of this subsidiary, we are unable to comment upon the consequential effects, if any on the accompanying consolidated financial statements had the said audited financial statements of this subsidiary been made available to us.

QUALIFIED OPINION

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter stated in paragraph (a) and possible effects of the matter stated in paragraph (b) and (c) described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2016, of their consolidated loss and their consolidated cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, to the extent applicable, we report that:
 - (a) We have sought and except for the possible effects of the matter described in paragraph (c) of the Basis for Qualified

Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors, except to the extent stated above in paragraph (c) of the Basis for Qualified Opinion paragraph above;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, except for the effects of the matter stated in paragraph (a) and possible effects of the matter stated in paragraph (b) and (c) described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
- (e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group's companies, its associates and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

INDEPENDENT AUDITOR'S REPORT

To the Members of Jindal Steel & Power Limited

- (h) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 29 to the consolidated financial statements;
 - ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and jointly controlled companies incorporated in India.

OTHER MATTERS

- (a) The accompanying consolidated financial statements include total assets of ₹ 25,952.90 crore as at March 31, 2016, and total revenues and net cash outflows of ₹ 5,625.80 crore and

₹ 641.01 crore for the year ended on that date, in respect of 62 subsidiaries, and 3 jointly controlled entities which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Company's share of net loss of ₹ 1.40 crore for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of 3 associates, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the report(s) of such other auditors.

- (b) The accompanying consolidated financial statements include total assets of ₹ 5,120.79 crore as at March 31, 2016, and total revenues and net cash outflows of ₹ 40.40 crore and ₹ 9.52 crore for the year ended on that date, in respect of 26 subsidiaries which have not been audited, which unaudited financial statements and other unaudited financial information have been furnished to us. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these

financial statements and other financial information of these entities (except for an entity as referred above in paragraph (c) of Basis for qualified opinion) are not material to the Group.

- (c) As detailed in Note 38 (iii) of the consolidated financial statements, one of the subsidiary companies has changed the method of providing depreciation on certain fixed assets from straight line method to written down value method from April 1, 2015 and such a change has been accounted as a change in estimate in accordance with requirements of Accounting Standard (AS) 10 and AS 5 notified by Ministry of Corporate Affairs (MCA) on March 30, 2016 vide Companies (Accounting Standards) Amendment Rules, 2016. The financial statements of the said subsidiary have been approved by the board of directors (BOD) of the subsidiary in its meeting held on April 27, 2016. On April 27, 2016, the MCA clarified that the above notification would be applicable for the accounting period commencing from the date of the said notification. However, based on the legal opinion obtained by the Parent company and said Company, the financial statements of the said subsidiary as approved by the subsidiary's BOD on 27th April 2016, prepared after considering the impact of such change in method of providing depreciation on certain fixed

assets prospectively as a change in estimate rather than retrospectively as per the requirements of relevant accounting standard prior to such amendment, have been considered for the purpose of preparation of the consolidated financial statements of the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified [except for an entity as referred above in paragraph (c) of the Basis for Qualified opinion] in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Anil Gupta**

Partner

Membership no.: 87921

Place of Signature: New Delhi

Date: May 04, 2016

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JINDAL STEEL & POWER LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Jindal Steel & Power Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Jindal Steel & Power Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and

testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

QUALIFIED OPINION

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls system over financial reporting in case of subsidiary companies, its

associate companies and jointly controlled companies, which are companies incorporated in India, the following material weaknesses have been identified as at March 31, 2016:

- a) The Group's internal financial controls over adjustment and provision to be made in regard to expense relating to additional coal levy were not operating effectively which could potentially result in the material misstatement in the financial statements by way of group recording lower expense.
- b) The Group's internal financial controls over adjustment and provision to be made in carrying value of investment in mining assets including land, infrastructure and clearance etc. were not operating effectively which could potentially result in material misstatement in the financial statements by way of Group carrying the assets at a higher value.
- c) The Holding Company's internal financial controls in respect of financial statement closure process, in respect of consolidation of unaudited financial statement of overseas subsidiary, were not operating effectively which could potentially result in materials misstatement in the preparation of consolidated financial statements by consolidating unaudited financial statements of such overseas entities.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the holding company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have maintained in all material respects, an adequate internal financial controls system over financial reporting based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting

issued by the Institute of Chartered Accountants of India, and except for the effects of our observation stated in (a) above and possible effects of our observation in (b) and (c) above of the material weakness described above on the achievement of the objectives of the control criteria, the Holding Company, its subsidiary companies, its associate companies and jointly controlled company's internal financial controls over financial reporting were operating effectively as of March 31, 2016.

OTHER MATTERS

Our report under Section 143 (3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, in so far as it relates to 16 subsidiary companies, 1 associate company and 3 jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary, associate and jointly controlled companies incorporated in India.

We also have audited in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under section 143 (10) of the Act, the consolidated financial statements of the Holding Company, which comprise the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 4, 2016 expressed a qualified opinion on those financial statements.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Anil Gupta**

Partner

Membership no.: 87921

Place : New Delhi

Date: May 4, 2016

CONSOLIDATED BALANCE SHEET

as at 31st March, 2016

(₹ in crore)			
Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	3	91.49	91.49
(b) Reserves and surplus	4	18,055.59	20,950.58
(2) Minority Interest		800.28	857.25
(3) Non-Current Liabilities			
(a) Long-term borrowings	5	36,361.71	35,613.94
(b) Deferred tax liabilities (Net)	33a	1,347.66	2,018.47
(c) Other long-term liabilities	6	121.63	213.90
(d) Long-term provisions	7	195.73	159.32
(4) Current Liabilities			
(a) Short-term borrowings	8	7,777.95	6,852.34
(b) Trade payables	9	2,317.74	2,053.29
(c) Other current liabilities	10	6,404.58	6,571.14
(d) Short-term provisions	11	64.80	154.89
Total		73,539.16	75,536.61
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	41,610.83	42,737.61
(ii) Intangible assets			
- Intangible assets	12	3,277.43	3,357.29
- Goodwill on Consolidation		548.45	548.45
(iii) Capital work-in-progress	12	10,702.49	7,395.73
(iv) Intangible assets under development		1,124.10	1,672.24
(b) Non-current investments	13 i	357.71	352.79
(c) Long term loans and advances	14	3,209.34	3,469.95
(d) Other non-current assets	15	66.90	46.97
(2) Current assets			
(a) Current Investments	13 ii	0.03	1,432.40
(b) Inventories	16	3,235.97	4,848.69
(c) Trade receivables	17	1,429.18	1,690.70
(d) Cash and bank balances	18	620.38	1,139.07
(e) Short-term loans and advances	19	6,135.88	5,860.59
(f) Other current assets	20	1,220.47	984.13
Total		73,539.16	75,536.61

Summary of Significant Accounting Policies

1 & 2

The notes referred to above form an integral part of consolidated financial statements

As per our report of even date

For & on behalf of the Board of Directors

For S.R.Batliboi & Co. LLP

Chartered Accountants

Firm Registration No. 301003E/E300005

Anil Gupta

Partner

Membership No. 87921

Naveen Jindal

Chairman

DIN: 00001523

K. Rajagopal

Group Chief Financial Officer

Ravi Uppal

Managing Director & Group CEO

DIN: 00025970

Jagdish Patra

Company Secretary

FCS: 5320

Place: New Delhi

Dated : 04th May 2016

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

for the year ended 31st March, 2016

		(₹ in crore)	
Particulars	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015
REVENUE			
Revenue from operations (gross)	21	20,516.94	21,379.03
Less: Excise duty		1,314.51	1,261.38
Less: Captive sales from own projects		1,097.51	758.53
(Net of excise duty of ₹ 42.44 crore Previous year, ₹ 33.73 crore)			
Revenue from operations (net)		18,104.92	19,359.12
Other income	22	527.34	267.15
Total Revenue		18,632.26	19,626.27
EXPENSES			
Cost of materials consumed	23	6,076.27	5,548.96
Purchase of stock-in-trade	24	20.58	81.87
Changes in inventories of finished goods, work-in-process and scrap	25	466.32	(157.18)
Employee benefits expense	26	912.51	1,090.34
Finance Cost (Net)	27	3,252.74	2,605.80
Depreciation and amortization expense		2,819.39	2,732.83
Other expenses	28	8,621.06	8,113.29
Total Expenses		22,168.87	20,015.91
Less: Captive sales from own projects		1,097.51	758.53
Expenses		21,071.36	19,257.38
Profit/(loss) before exceptional items and tax		(2,439.10)	368.89
Exceptional items (Note No- 52)		235.83	1,911.64
Profit/(Loss) before tax		(2,674.93)	(1,542.75)
Tax expense:			
(1) Current tax		0.67	(0.04)
(2) MAT Credit		-	(665.00)
(3) Deferred tax		(676.97)	610.13
(4) Income Tax charge/(credit) for earlier years		-	(33.25)
Total tax expenses/(credit)		(676.30)	(88.16)
Profit/(Loss) after tax		(1,998.63)	(1,454.59)
- Add/(Less): Share in profit/(loss) of Associates		(1.40)	2.63
- Add/(Less): Minority Interest		98.02	173.84
Profit/(Loss) for the year		(1,902.01)	(1,278.12)
Earnings per equity share of face value of ₹ 1 each	34		
(1) Basic (in ₹)		(20.79)	(13.97)
(2) Diluted (in ₹)		(20.79)	(13.97)

Summary of Significant Accounting Policies

1 & 2

The notes referred to above form an integral part of consolidated financial statements

As per our report of even date

For & on behalf of the Board of Directors

For S.R.Batliboi & Co. LLP

Chartered Accountants
Firm Registration No. 301003E/E300005

Anil Gupta

Partner
Membership No. 87921

Place: New Delhi
Dated : 04th May 2016

Naveen Jindal

Chairman
DIN: 00001523

K. Rajagopal

Group Chief Financial Officer

223

Ravi Uppal

Managing Director & Group CEO
DIN: 00025970

Jagdish Patra

Company Secretary
FCS: 5320

CONSOLIDATED CASH FLOW STATEMENT

for year ended 31st March, 2016

	(₹ in crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax and Extraordinary Items	(2,674.93)	(1,542.75)
Adjustment for:		
Depreciation/ amortization expense	2,819.39	2,732.83
Impairment of intangible (included under exceptional items)	226.82	-
Loss / (Profit) on Sale of Fixed Assets (net)	(3.25)	20.63
Profit on Slump Sale	(2.67)	-
Profit on Sale of Investments	(174.76)	(38.53)
Employee stock compensation expense	-	0.53
Liability / Provisions no longer required written back	(135.25)	(97.36)
Bad Debts/Provision for Doubtful debts and advances	42.17	52.61
Unrealised foreign exchange loss/(gain)	(364.46)	(408.60)
Interest Expense (net)	3,252.74	2,605.80
Dividend (income)	(2.88)	(3.76)
Operating Profit before Working Capital Changes	2,982.92	3,321.40
Movement in Working Capital		
Increase / (Decrease) in trade payables	335.09	(450.93)
Increase/ (Decrease) in other long term liabilities	(92.27)	47.10
Increase/ (Decrease) in provisions	(53.02)	33.31
Increase/ (Decrease) in other current liabilities	133.76	(154.29)
Decrease/ (Increase) in trade receivables	257.24	(231.10)
Decrease/ (Increase) in inventories	1,589.07	32.55
Decrease/ (Increase) in loan and advances	(674.74)	(1,002.54)
Decrease/ (Increase) in other current assets	(129.12)	(73.74)
Cash generated from operations	4,348.93	1,521.76
Income Tax paid (Net of refunds)	(16.95)	(339.28)
Net cash flow from operating activities (A)	4,331.98	1,182.48
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including CWIP and capital advances	(3,949.95)	(5,101.18)
Proceeds from sale of fixed assets	97.05	50.83
Dividend received	2.88	3.76
Loan/advance given to related party	(133.71)	(381.50)
Interest received	226.33	96.53
Purchase of business (subsidiaries acquisition)	-	(31.60)
Purchase of non current Investments	(10.31)	36.74
Proceeds from sale of non current investment	105.19	-
Proceeds from sale of current investments	1,503.69	(1,393.87)
Deposit with original maturity more than three months	(102.76)	2.86
Net Cash Flow/(Used) from Investing Activities (B)	(2,261.59)	(6,717.43)

CONSOLIDATED CASH FLOW STATEMENT

for year ended 31st March, 2016

	(₹ in crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		
State Sales Tax Subsidy	-	27.13
Working Capital Borrowings from Banks	1,795.89	2,712.35
Proceeds from borrowings	16,212.63	25,583.02
Repayment of borrowings	(17,085.52)	(19,009.51)
Dividend Paid (including tax thereon)	(0.80)	(144.84)
Interest paid	(3,594.11)	(3,460.22)
Net cash flow used in financing activities (C)	(2,671.91)	5,707.93
Net increase in cash and cash equivalents (A + B + C)	(601.52)	172.98
Cash and cash equivalents at the beginning of the year	1,113.24	940.26
Cash and cash equivalents at the end of the year	511.72	1,113.24

	(₹ in crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
COMPONENTS OF CASH AND CASH EQUIVALENTS AS AT		
Cash on hand	1.41	1.64
Cheques/Drafts In hand	4.71	44.39
Balances with banks :		
- current accounts	254.52	551.44
- deposits accounts with remaining maturity of less than three months	241.79	505.68
- others	0.03	0.03
- deposits accounts with remaining maturity upto twelve months	108.66	25.83
Banks with earmarked balances		
Earmarked for unpaid dividend	9.26	10.06
CASH AND BANK BALANCES	620.38	1,139.07
Less: Balances not considered as cash equivalents	(108.66)	(25.83)
Cash and cash equivalents as per note no. 18 *	511.72	1,113.24

* Includes balance with bank earmarked for unpaid dividend.

Summary of Significant Accounting Policies

1 & 2

The notes referred to above form an integral part of consolidated financial statements

As per our report of even date

For & on behalf of the Board of Directors

For S.R.Batliloi & Co. LLP

Chartered Accountants
Firm Registration No. 301003E/E300005

Anil Gupta

Partner
Membership No. 87921

Place: New Delhi

Dated : 04th May 2016

Naveen Jindal

Chairman
DIN: 00001523

K. Rajagopal

Group Chief Financial Officer

Ravi Uppal

Managing Director & Group CEO
DIN: 00025970

Jagdish Patra

Company Secretary
FCS: 5320

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

1. OVERVIEW

Jindal Steel & Power Limited is one of the India's leading steel producers with significant presence in sector like steel, mining and power generation. It is listed on the National Stock Exchange of India and Bombay Stock Exchange in India. Its business is spread across India and overseas. The corporate office is situated in New Delhi and the manufacturing plants in India are in the states of Chhattisgarh, Odisha, Jharkhand etc. The Company has global presence mainly in Australia, Botswana, China, Cameroon, Dubai, Indonesia, Liberia, Mauritania, Mauritius, Mozambique, Madagascar, Namibia, South Africa, Sultanate of Oman, Tanzania and Zambia. There are several business initiatives running simultaneously across continents.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation of Financial Statements

The consolidated financial statements related to Jindal Steel and Power Limited (hereinafter referred to as (the "Company or Parent Company") its subsidiaries, joint ventures and associates companies (collectively hereinafter referred to as "Group").

The consolidated financial statements are prepared under the historical cost convention, on going concern basis and all material respects with the Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The Group follows the mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes.

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year except for the change in depreciation policy as referred under policy of 'Depreciation and amortization' and as detailed in note nos. 38 (ii), (iii) and 4(a)(i) of the consolidated financial statements; and also change in exchange difference policy as referred under the policy of "Foreign Currency Transaction" and as detailed in the note 53 of the consolidated financial statements.

ii) Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles

requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities and commitments at the end of the reporting period and results of operations during the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

iii) Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiaries have been consolidated on a line by line basis by adding together book value of like items of assets, liabilities, income and expenses after fully eliminating inter-company transactions, balances and the unrealized profit or losses on inter-company transactions as per Accounting Standard (AS-21) 'Consolidated Financial Statements', and are presented to the extent possible, in the same manner as the Company's independent financial statements.
- b) In case of foreign subsidiaries, being non-integral operations, revenue items are consolidated at the average exchange rate prevailing during the year. All assets and liabilities are converted at the exchange rates prevailing at the end of the year and exchange differences arising thereon are recognised in the foreign currency translation reserve.
- c) The difference between the cost of investment in the subsidiaries and Joint ventures and the Group's share of net assets at the time of acquisition of shares in the subsidiaries and joint ventures is recognised in the financial statements as goodwill or capital reserve as the case may be.
- d) Minorities' interest in net profit of the consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of the net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding company.

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

- e) Investment in associate companies have been accounted for, by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in the Parent Company's share of net assets of the associate, in accordance with the Accounting Standard (AS-23) 'Accounting for Investment in Associates in Consolidated Financial Statements'.
- f) The Parent Company accounts for its share of the assets and liabilities of Joint Ventures along with attributable income and expenses in such Joint Ventures, in which it holds a participating interest in accordance with the Accounting Standard (AS-27) 'Financial Reporting of Interests in Joint Ventures'.
- g) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements. Difference in accounting Policies if any have been disclosed separately.
- h) Figures pertaining to the subsidiaries, associates and joint ventures have been re-classified wherever necessary to bring them in line with the parent company's financial statements.

The list of subsidiaries, associates and joint ventures which are included in the consolidation and the Company's holdings therein are as under:

1. The subsidiary companies considered in the consolidated financial statement are

Name of Subsidiary	Country of Incorporation	# Proportion of Ownership (%) as on	
		31.03.2016	31.03.2015
Attunli Hydro Electric Power Company Limited	India	74.00	74.00
All Tech Building Systems limited (Earlier known as JB Fab Green Horizon Infra Limited)	India	100.00	100.00
Ambitious Power Trading Company Limited	India	79.34	79.34
Belde Empreendimentos Mineiros LDA	Mozambique	100.00	100.00
Blue Castle (Pty) Limited	Mauritius	51.00	51.00
Bon-Terra Mining (Pty) Limited	South Africa	100.00	100.00
Brake Trading (Pty) Limited	Namibia	75.00	75.00
CIC (Barbados) Holding Corp	Barbados	100.00	100.00
CIC (Barbados) Energy Corp	Barbados	100.00	100.00
CIC (Barbados) Mining Corp	Barbados	100.00	100.00
CIC Energy (Bahamas) Limited	Bahamas	100.00	100.00
CIC Transafrica (Barbados) Corp	Barbados	100.00	100.00
Cameroon Mining Action (Camina) S.A	Cameroon	89.80	89.80
Eastern Solid Fuels (Pty) Limited	South Africa	100.00	100.00
Enduring Overseas Inc	BVI	100.00	100.00
Ericure (Pty) Limited (ceased to exist as subsidiary)	South Africa	70.00	70.00
Etaln Hydro Electric Power Company Limited	India	74.00	74.00
Everbest Steel and Mining Holdings Limited*	India	100.00	-
Fire Flash Investments (pty) Limited	Namibia	65.00	65.00
Gas to Liquids International S.A.	Bolivia	87.56	87.56
Harmony Overseas Limited	Mauritius	100.00	100.00
JB FabInfra Limited	India	100.00	100.00
Jin Africa Limited	Zambia	90.00	90.00
Jindal (BVI) Ltd	BVI	100.00	100.00
Jindal Africa Investments (Pty) Limited	South Africa	100.00	100.00

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

Name of Subsidiary	Country of Incorporation	# Proportion of Ownership (%) as on	
		31.03.2016	31.03.2015
Jindal Africa Liberia Limited	Liberia	100.00	100.00
Jindal Africa SA	Guinea	100.00	100.00
Jindal Botswana (Pty) Limited	Botswana	100.00	100.00
Jindal Energy (Botswana) Pty Limited	Botswana	100.00	100.00
Jindal Energy (SA) Pty Limited	South Africa	100.00	100.00
Jindal Hydro Power Limited	India	99.25	99.25
Jindal Investimentos LDA	Mozambique	100.00	100.00
Jindal Investment Holdings Limited	Mauritius	100.00	100.00
Jindal KZN Processing (Pty) Limited	South Africa	85.00	85.00
Jindal Madagascar SARL	Madagascar	100.00	100.00
Jindal Mining & Exploration Limited	Mauritius	100.00	100.00
Jindal Mining SA (Pty) Limited	South Africa	74.00	74.00
Jindal Mining Namibia (Pty) Limited	Namibia	100.00	100.00
Jindal Power Distribution Limited	India	98.80	98.80
Jindal Power Limited	India	96.43	96.43
Jindal Power Senegal SAU	Senegal	100.00	-
Jindal Power Transmission Limited	India	99.25	99.25
Jindal Power Ventures (Mauritius) Limited	India	100.00	100.00
Jindal Resources (Botswana) Pty Limited	Botswana	100.00	100.00
Jindal Steel & Power (Australia) Pty Limited	Australia	100.00	100.00
Jindal Steel & Power (BC) Limited	British Columbia	100.00	100.00
Jindal Steel & Power (Mauritius) Limited	Mauritius	100.00	100.00
Jindal Steel & Power Zimbabwe Limited	Zimbabwe	100.00	100.00
Jindal Steel Bolivia S.A.	Bolivia	51.00	51.00
Jindal Tanzania Limited	Tanzania	100.00	100.00
Jindal Zambia Limited	Zambia	98.00	98.00
Jindal Mauritania SARL	Mauritania	100.00	100.00
JSPL Mozambique Minerais LDA	Mozambique	97.50	97.50
Jindal Angul Power Limited**	India	100.00	100.00
Jindal Steel DMCC	Dubai	100.00	100.00
Jubilant Overseas Limited	Mauritius	100.00	100.00
Kamala Hydro Electric Power Company Limited	India	74.00	74.00
Kinetta Power Limited	India	75.01	75.01
Landmark Mineral Resources (pty) Limited	Namibia	60.00	60.00
Legend Iron Limited	BVI	100.00	100.00
Meepong Energy (Mauritius) (Pty) Limited	Mauritius	100.00	100.00
Meepong Energy (Pty) Limited	Botswana	100.00	100.00
Meepong Resources (Mauritius) (Pty) Limited	Mauritius	100.00	100.00
Meepong Resources (Pty) Limited	Botswana	100.00	100.00
Meepong Service (Pty) Limited	Botswana	100.00	100.00
Meepong Water (Pty) Limited	Botswana	100.00	100.00
Oceanic Coal Resources	Australia	100.00	100.00
Osho Madagascar SARL	Madagascar	99.33	99.33
Peerboom Coal (Pty) Limited	South Africa	70.00	70.00
PT BHI Mining Indonesia	Indonesia	99.00	99.00

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

Name of Subsidiary	Country of Incorporation	# Proportion of Ownership (%) as on	
		31.03.2016	31.03.2015
PT Jindal Overseas	Indonesia	99.00	99.00
PT. Maruwai Bara Abadi	Indonesia	75.00	75.00
PT. Sumber Surya Gemilang	Indonesia	99.20	99.20
Sad-Elec (Pty) Limited	South Africa	100.00	100.00
Shadeed Iron & Steel Co. LLC	Oman	99.99	99.99
Shadeed Iron & Steel Company Limited	Dubai	100.00	100.00
Skyhigh Overseas Limited	Mauritius	100.00	100.00
Southbulli Holding Pty Limited	Australia	100.00	100.00
Sungu Sungu (Pty) Limited	South Africa	74.00	74.00
Tablet Blue Trade and Invest (Pty) Limited	Namibia	100.00	100.00
Trans Africa Rail (Pty) Limited	Botswana	100.00	100.00
Trans Asia Mining Pte. Limited	Singapore	100.00	100.00
Uttam Infralogix Limited	India	100.00	100.00
Vision Overseas Limited	Mauritius	100.00	100.00
Wollongong Coal Limited	Australia	72.92	82.04
Wongawilli Coal Pty Limited	Australia	100.00	100.00
Koleko Resources (Pty) Limited	South Africa	60.00	60.00
Trishakti Real Estate Infrastructure and Developers Limited	India	94.87	94.87

2. The associate companies considered in consolidated financial statements are:

Name of Associate	Country of Incorporation	# Proportion of Ownership (%) as on	
		31.03.2016	31.03.2015
Nalwa Steel & Power Limited	India	40	40
Prodisyne (Pty) Ltd	South Africa	50	50
Thuthukani Coal (Pty) Limited	South Africa	49	49
Everbest Steel and Mining Holdings Limited*	India	-	40

*ceased to exist as associate during the year and became subsidiary

3. The joint venture companies considered in consolidated financial statements are:

Name of Joint Venture	Country of Incorporation	# Proportion of Ownership (%) as on	
		31.03.2016	31.03.2015
Jindal Synfuels Limited	India	70	70
Shresht Mining and Metals Private Limited	India	50	50
Urtan North Mining Company Limited	India	66.67	66.67

*Earlier known as Everbest Infrastructure & Development

**Earlier known as JSPL Mining and Steel Limited

Represents the holding % of the respective companies & does not indicate the effective % holding of the group

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

iv) Fixed Assets – Depreciation and Amortization

a) Tangible Assets

Tangible Assets are stated at cost less accumulated depreciation and impairment losses, if any. Costs include costs of acquisitions or constructions including incidental expenses thereto, borrowing costs, and other attributable costs of bringing the asset to its working condition for its intended use and are net of available duty/tax credits.

Gains or losses arising from discard/sale of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is discarded/sold.

The Group adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items as referred in Policy for Foreign exchange transactions.

b) Intangible Assets

Intangible assets are recognized in accordance with the criteria laid down in Accounting Standard (AS-26), whereas they are separately identifiable, measurable and the Group controls the future benefits arising out of them. Intangible assets are stated at cost less amortization and impairment losses, if any.

c) Capital work-in-progress

Expenditure related to and incurred on implementation of new/expansion-cum-modernisation projects is included under capital work-in-progress and the same is allocated to the respective tangible asset on completion of its construction/erection.

d) Intangible assets under development

Mines development expenditure incurred in respect of new iron ore/coal and likewise mines is shown under 'Intangible assets under development'. On mines being ready for intended use, this amount is transferred to appropriate head under intangible assets and amortized over a period of ten years starting from the said year or the future expected extraction period of the reserves based on actual extraction till date, whichever is shorter.

Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

- ▶ The technical feasibility of completing the intangible asset so that it will be available for use or sale
- ▶ Its intention to complete the asset
- ▶ Its ability to use or sell the asset
- ▶ How the asset will generate future economic benefits
- ▶ The availability of adequate resources to complete the development and to use or sell the asset
- ▶ The ability to measure reliably the expenditure attributable to the intangible asset during development.

e) Depreciation and Amortization

Tangible Assets - Indian entities (except Jindal Power Limited) :

Depreciation on tangible assets is provided on straight-line method (SLM) as per the useful life of the assets estimated by the management which are equal to the rates specified in Schedule II to the Companies Act, 2013 except for certain assets specified below. In the case of assets where impairment loss is recognised, the revised carrying amount is depreciated over the remaining estimated useful life of the asset. Based on management evaluation depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

Certain plant and machinery have been considered as continuous process plant on the basis of technical assessment and depreciation on the same is provided for accordingly.

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets.

The useful lives of certain plant and equipment (mainly SMS, Rolling Mills) are estimated as 15-20 years. These lives are higher than those indicated in Schedule II to the Companies Act, 2013.

Leasehold land is amortized on a straight line basis over the period of lease, i.e., 15 to 99 years.

Intangible Assets are amortized on straight-line method over the expected duration of benefits not exceeding ten years. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

Jindal Power Limited

In the case of Jindal Power Limited, a subsidiary, depreciation on assets is provided on written down method (WDV) as per useful life specified in Schedule II of the Companies Act, 2013 after considering useful life of Plant & Machinery at 25 years (useful life as per guidance available from the Central Electricity Regulatory Commission (Term and conditions of Tariff) Regulations, 2009), as technically assessed by the management.

The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

In case of foreign subsidiaries, tangible assets are depreciated on straight-line method (SLM) based upon estimated useful life of the assets.

Building	3 to 60 Years
Plant & Machinery	3 to 30 Years
Electrical fittings	3 to 30 Years
Furniture & Fixtures	3 to 13 Years
Vehicle	5 to 8 Years
Office Equipment	3 to 10 Years

Intangible Assets :

A summary of amortization policies applied to the Group intangible assets is as below:

Intangible Assets	Estimated useful life
Computer Software	1 to 10 Years
Design & Drawings	5 Years
Licenses	25 Years

In case of Wollongong Coal Ltd, a step down subsidiary, mining development expenses and mining lease are amortised over the estimated reserves in the mine and amortisation is calculated in proportion to actual production when measured against mineable resource in the mine area development.

v) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for

an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

vi) Accounting for Leases

The rental payments under operating lease as per respective lease agreements are recognized as expense on straight line basis in the statement of profit and loss.

vii) Borrowing Cost

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing cost related to a qualifying asset is worked out on the basis of actual utilization of funds out of project specific loans and/or other borrowings to the extent identifiable with the qualifying asset and is capitalized with the cost of qualifying asset. Other borrowing costs incurred during the year are charged to statement of profit and loss. In case of significant long term loans, the ancillary costs incurred in connection with the arrangement of borrowings are amortized over the period of respective Loan.

viii) Valuation of Inventories

Raw materials and stores & spares are valued at lower of cost, computed on weighted average basis or net realizable value. Cost includes the purchase price as well as incidental expenses. Scrap is valued at estimated realizable value. However in case of raw materials, components, stores and spares held for use in the production of finished goods are not written down below cost if the finished products are expected to be sold at or above cost.

Work-in-process is valued at lower of estimated cost or net realizable value and finished goods are valued at lower of weighted average cost or net realizable value. Cost for this purpose includes direct cost and appropriate administrative and other overheads. Cost of finished goods also includes excise duty.

Traded goods are valued at lower of cost and net realizable value and cost is determined based on weighted average. 232

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

ix) Foreign Currency Transactions

Foreign currency transactions and balances

(a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(c) Exchange differences

The Group accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on a monetary item that, in substance, forms part of the company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.
2. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
3. Exchange differences arising on other long-term foreign

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

4. All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of 2 and 3 above, the Group treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated 09 August 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

(d) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period. Any gain/ loss arising on forward contracts which are long-term foreign currency monetary items is recognized in accordance with paragraph (c)(2) and (c)(3) above.

x) Investments

Investments that are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the

acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

xi) Revenue Recognition

- a) Revenue from sale of goods is recognized on transfer of significant risks and rewards of ownership to the buyer.
- b) Gross Revenue from operations comprises of sale of products and other operating income which also includes export incentives and aviation income. 'Net Revenue from operations', net of excise duty, Inter-divisional transfer and captive sale is also disclosed separately.
- c) Sales are inclusive of excise duty but net of returns, rebates, VAT and sales tax.
- d) Export benefits available under the Export Import policy of the Government of India are accounted for in the year of export, to the extent the realization of the same is not considered uncertain by the Group.
- e) Income from aviation and other services is accounted for at the time of completion of service and billing thereof.

xii) Inter-Division Transfers/Captive sales

- a) Inter-division transfer of independent marketable products, produced by various divisions and used for further production/sales is accounted for at approximate prevailing market price/other appropriate price.
- b) Captive sales are in regard to products produced by various divisions and used for capital projects. These are transferred at cost as per CAS4.

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

- c) The value of inter-divisional transfer and captive sales is netted off from sales and corresponding cost under cost of materials consumed and total expenses respectively. The same is shown as a contra item in the statement of profit and loss.
- d) Any unrealized profit on unsold/unconsumed stocks is eliminated while valuing the inventories.

xiii) Other Income

a) Claims receivable

The quantum of accruals in respect of claims receivable such as from Railways, Insurance, Electricity, Customs, Excise and the like are accounted for on accrual basis to the extent there is certainty of ultimate realization.

b) Dividend Income from Investment

Dividend Income from Investment is accounted for on accrual basis when the right to receive income is established.

xiv) Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is netted off from interest cost under the head "Interest Cost (Net)" in the statement of profit and loss.

xv) Employee Benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard (AS)-15- 'Employee Benefits'

a) Provident Fund

The Group contributes to Government administered fund as well as to Provident fund Trust. The interest rate payable by the trust to beneficiaries every year is being notified by Government. The Group makes good deficiency, if any, in the interest rate declared by the trust vis-à-vis statutory rate. The defined benefit/obligation is calculated at or near the Balance Sheet date by an independent Actuary using the projected unit credit method. Actuarial gains or losses are immediately recognised in the consolidated statement of profit and loss and not deferred.

b) Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the Balance Sheet in respect of gratuity is the present

value of the defined benefit/obligation at the Balance Sheet date less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the Balance Sheet date by an independent Actuary using the projected unit credit method. Actuarial gains or losses are immediately recognised in the consolidated statement of profit and loss and are not deferred.

c) Compensated absences

Liability in respect of compensated absences due or expected to be availed within one year from the Balance Sheet date is estimated on the basis of an actuarial valuation performed by Independent Actuarial using the projected unit credit method. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. It is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. The Company presents liability in respect of compensated absences as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

- d) Overseas subsidiaries and their step down subsidiaries are recognizing employee benefits of the nature referred above as per applicable local laws of the country in which they have been incorporated/operating.

xvi) Research and Development Expenditure

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

- ▶ The technical feasibility of completing the intangible asset so that it will be available for use or sale
- ▶ Its intention to complete the asset
- ▶ Its ability to use or sell the asset
- ▶ How the asset will generate future economic benefits
- ▶ The availability of adequate resources to complete the development and to use or sell the asset

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

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

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

xvii) Taxes on Income

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India

or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period.

xviii) Provisions, contingent liabilities, commitments and contingent assets

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability and commitments, unless the probability of outflow of resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities and commitments unless the probability of outflow of resources embodying economic benefits is remote. Contingent assets are neither recognized nor disclosed in the consolidated financial statements.

xix) Earnings per Share

The earnings considered in ascertaining the Groups earnings per share (EPS) comprise of the net profit after tax attributable to equity shareholders. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year adjusted for events of bonus issue post period end, bonus elements in right issue to existing shareholders, share split, and reverse share split (consolidation of shares). The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effect of potential dilutive equity shares unless impact is anti-dilutive.

xx) Financial Derivatives

Forward contracts entered into to hedge foreign currency/ interest rate risk on unexecuted firm commitments and highly probable forecast transactions, are recognised in the financial statements at fair value at each reporting date, in pursuance of the announcement of The Institute of Chartered Accountants of India (ICAI) on Accounting for Derivatives.

As a matter of prudence, the Group does not recognise any mark to market gains in respect of any outstanding derivative contract and mark to market loss is charged to the consolidated statement of profit and loss.

xxi) Cash and cash equivalents

Cash and cash equivalents consist of cash, bank balances in current and short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase.

xxii) Share Based Employee Benefits

One of subsidiary companies provided share based compensation benefits to the employees. Such compensation are award of shares, or option over shares, that are provide to employees in exchange of rendering of services. The Company measures compensation cost relating to employee stock options using the fair value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

xxiii) Segment Reporting

a) Identification of Segments

Primary Segment

The Group operating businesses are organized and managed separately according to the nature of products manufactured and services provided, with each segment representing a strategic business unit that offers different products.

Secondary Segment

The geographical segments have been identified based on the locations of the customers and assets based: within India and outside India.

b) Inter-segment transfers

The Group recognises inter-segment, and transfers as if they were to third parties at current market prices.

c) Allocation of common costs

Common allocable costs are allocated to each segment on reasonable basis.

d) Unallocated items

It includes general administrative expenses, corporate & other office expenses, income that arise at the level and relate to enterprise as a whole being not allocable to any business segment.

e) Segment Policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
3. SHARE CAPITAL		
Authorized		
2,000,000,000 (Previous year 2,000,000,000) Equity Shares of ₹ 1 each	200.00	200.00
	200.00	200.00
Issued, Subscribed and Fully Paid-up		
914,903,800 (Previous year 914,903,800) Equity Shares of ₹ 1 each	91.49	91.49
Total Share Capital	91.49	91.49

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year	No. of Shares	(₹ in Crore)	No. of Shares	(₹ in Crore)
Equity Shares outstanding at the beginning of the year	914,903,800	91.49	914,885,984	91.49
Add: Equity Shares issued under Employees Stock Purchase Scheme	-	-	17,816	0.00
Equity Shares outstanding at the close of the year	914,903,800	91.49	914,903,800	91.49

b) Terms/rights attached to equity shares

The Parent Company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Parent Company declares dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent company after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

During five years immediately preceding 31st March, 2016, the parent Company has bought back 19,959,584 equity shares (previous year 19,959,584 equity shares).

During the five years immediately preceding 31st March, 2016, the parent Company allotted Nil (previous year 775,561,530) equity shares as fully paid bonus shares by capitalising securities premium account.

In addition the Company allotted 3,629,302 equity shares (previous year 4,541,355 equity shares) during the preceding five years under its various Employees Stock Option Schemes / Employee Stock Purchase Scheme.

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of ₹ 1 each fully paid				
Danta Enterprises Private Limited	62,238,816	6.80%	62,238,816	6.80%
Gagan Infraenergy Limited	49,709,952	5.43%	49,709,952	5.43%
Opelina Finance and Investment Limited	89,852,393	9.82%	87,252,964	9.54%
OPJ Trading Private Limited	187,637,898	20.51%	187,637,898	20.51%
Virtuous Tradecorp Private Limited	64,395,867	7.04%	64,395,867	7.04%

As per records of the parent company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

e) Forfeited shares

During the year ended 31st March, 2010, the parent Company had cancelled 2,000,000 preference shares of ₹ 100 each (₹ 5 paid up) which were forfeited earlier. Upon cancellation of such shares, the amount of ₹ 10,000,000 was transferred to General Reserve.

f) Buy back of equity shares

In accordance with Section 77 of the Companies Act, 1956 and buy back regulations of SEBI, the parent Company during the financial year 2013-14 bought back and extinguished 19,959,584 number of equity shares of ₹ 1 each and created a Capital Redemption Reserve of ₹ 2.00 crore out of surplus in the Statement of Profit and Loss. The premium on buy back of ₹ 498.80 crore has been utilised from Securities Premium Account ₹ 122.96 crore and out of surplus in Statement of Profit and Loss ₹ 375.84 crore.

g) Employees Stock purchase Scheme

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 and pursuant to JSPL ESPS 2013 Scheme, the Compensation Committee of the Board vide its resolution dated 29.08.2013 offered 21,000 equity shares of ₹ 1/- each at a premium of ₹ 295.95 each to Mr Ravi Uppal, Managing Director & Group CEO. Out of the total offered equity shares the parent Company has during the previous year issued 17,816 equity shares of ₹ 1/- each.

		(₹ in crore)	
		As at 31st March, 2016	As at 31st March, 2015
4	RESERVES AND SURPLUS		
a)	Sales Tax Subsidy/Capital Reserve		
	As per last financial statements	417.05	389.92
	Add: During the year	-	27.13
	Closing Balance	417.05	417.05
Note- (i) In the parent Company on account of substantial investment made by the Parent Company in setting up/ expansion of industrial unit(s) at Raigarh (Chhattisgarh), including investment in acquisition of capital assets, one of the Parent Company's units is eligible for sales tax exemption under the State Industrial Policy which aims towards industrialization of the State and development of backward areas. The period of exemption is dependent upon and linked to the quantum of investment. Till last year, the Parent Company had, based on legal advise, treated incentive on account of sales tax exemption, being the element of sales tax embedded in the sale price of products sold out of the eligible unit, to be in the nature of subsidy granted by the State Government to incentivise industrialization in the State and hence as a capital receipt. For the current year, the Parent Company has, due to amendments in Income tax laws with effect from April 1, 2015 and Ind AS applicability with effect from April 1, 2016, credited a sum of ₹ 35.12 crore to sales in the statement of profit and loss. As a result of above change, loss before tax for the current year is lower by ₹ 35.12 crore.			
b)	Capital Redemption Reserve		
	As per last financial statements	72.00	72.00
	Add: During the year	-	-
	Closing Balance	72.00	72.00
c)	Securities Premium Account		
	As per last financial statements	5.03	4.50
	Add: On issue of equity shares under employee stock purchase scheme		0.53
	Closing Balance	5.03	5.03
d)	Debenture Redemption Reserve		
	As per last financial statements	864.54	527.00
	Add: Transferred from Surplus in Profit and Loss	237.54	337.54
	Closing Balance	1,102.08	864.54

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

		(₹ in crore)
	As at 31st March, 2016	As at 31st March, 2015
4 RESERVES AND SURPLUS (CONTD.)		
e) Share Option outstanding Account-By subsidiary		
As per last financial statements	23.52	102.00
Less: Transfer to General reserve and minority interest on account of expiry of options	(6.88)	(78.48)
Closing Balance	16.64	23.52
f) Other Reserves		
Capital Reserve on Consolidation		
As per last financial statements	1,155.22	1,124.97
Add: During the year **	555.45	30.25
Closing Balance	1,710.67	1,155.22
Central/State Subsidy Reserve		
As per last financial statements	0.12	0.12
Added/ Deducted during the year	-	-
Closing Balance	0.12	0.12
Foreign Currency Monetary Item Translation Difference Account		
As per last financial statements	-	-
Add: During the year (refer note no. 53)	(188.23)	-
Closing Balance	(188.23)	-
Foreign Currency Translation Reserve		
As per last financial statements	81.23	281.05
Add: During the year (refer note nos. 56 & 57)	(767.81)	(199.82)
Closing Balance	(686.58)	81.23
General Reserve		
As per last financial statements	1,613.48	1,516.42
Add: Transferred from Surplus in Profit and Loss	0.70	32.68
Add: Transferred from Share Option outstanding account on account of expiry of options	5.03	64.38
Closing Balance *	1,619.21	1,613.48
g) Surplus in Statement of Profit and Loss		
As per last financial statements	16,718.39	18,501.07
Add: Profit/(Loss) for the year	(1,902.01)	(1,278.12)
Less: Appropriations		
Adjustment due to Depreciation on account of Companies Act 2013 (Refer Note. 38)	-	134.34
Transfer to Debenture Redemption Reserve	237.54	337.54
Transfer to General Reserve	0.70	32.68
Transfer to Minority	39.20	-
Utilised for issue of Bonus shares-by subsidiary **	551.34	-
Net Surplus in the Statement of Profit and Loss	13,987.60	16,718.39
Total Reserves & Surplus	18,055.59	20,950.58

*Include ₹ 70.75 crore (Previous year ₹ 66.10 crore) in respect of pertaining to one of the subsidiaries, which cannot be available for distribution.

** includes shares allotted within group ₹ 551.34 crore in respect of bonus.

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

		(₹ in Crore)			
		Non-Current Portion		Current Portion	
		As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
5. LONG-TERM BORROWINGS					
a) Secured Long term borrowings					
i) Debentures					
10,000 (Previous Year 10,000), 9.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed initially with Life Insurance Corporation of India)		1,000.00	1,000.00	-	-
620 (Previous Year 620), 9.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed initially with SBI Life Insurance Company Limited)		62.00	62.00	-	-
5000 (Previous Year 5000), 9.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed initially with Life Insurance Corporation of India)		500.00	500.00	-	-
		1,562.00	1,562.00	-	-
ii) Term Loans from Banks					
From Banks		26,922.49	25,770.19	2,173.16	2,349.09
From Others		1,037.33	1,118.87	1.50	163.06
iii) Other Loans from Banks					
External Commercial Borrowings		82.91	-	66.33	-
Others		798.10	302.49	-	-
		28,840.83	27,191.55	2,240.99	2,512.15
Secured Long term borrowings		30,402.83	28,753.55	2,240.99	2,512.15

DEBENTURES

- i) Debentures of ₹ 1,000.00 crore (Previous Year ₹ 1,000.00 crore) placed initially with Life Insurance Corporation of India on private placement basis are redeemable at par in 2 equal annual instalments at the end of 9.5 and 10.5 years from the date of respective allotments i.e. ₹ 100 crore (12.10.2009), ₹ 150 crore (22.10.2009), ₹ 150 crore (24.11.2009), ₹ 150 crore (24.12.2009), ₹ 150 crore (25.01.2010), ₹ 150 crore (19.02.2010) and ₹ 150 crore (26.03.2010). The debentures are secured on pari-passu charge basis by way of mortgage of immovable properties and hypothecation of movable fixed assets created on the 6x135 MW Power Plant Project at Angul, Odisha in favour of the Debenture Trustees.
- ii) Debentures of ₹ 62.00 crore (Previous Year ₹ 62.00 crore) placed initially with SBI Life Insurance Company Limited on

private placement basis are redeemable at par in 5 equal annual instalments commencing from the end of 8 years from the date of allotment i.e. 29.12.2009. The debentures are secured on pari passu basis by way of mortgage of immovable properties and hypothecation of movable assets created on the 6x135 MW Power Plant Project at Angul, Odisha in favour of the Debenture Trustees.

- iii) Debentures of ₹ 500 crore (Previous Year ₹ 500 crore) placed initially with Life Insurance Corporation of India on private placement basis are redeemable at par in 2 equal annual instalments at the end of 9.5 and 10.5 years from the date of respective allotments i.e. ₹ 100 crore (24.08.2009), ₹ 80 crore (08.09.2009), ₹ 80 crore (08.10.2009), ₹ 80 crore (09.11.2009), ₹ 80 crore (08.12.2009) and ₹ 80 crore (08.01.2010). The debentures are secured on pari-passu charge basis by way

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

of hypothecation of movable fixed assets of the Company (excluding assets charged on exclusive basis) in favour of the Debenture Trustees. In addition a first pari passu charge on a part of immovable property of the pertaining to unit located at Kharsia Road, Raigarh and a part of the immovable property pertaining to unit located at 13 KM Stone, G E Road, Mandir Hasaud, Raipur.

TERM LOANS

Security

- i) Loans of ₹ NIL (Previous Year ₹ 11.20 crore) repayable in 28 quarterly instalments starting from September 2008 were secured by way of a first pari passu charge on all the present movable Fixed Assets of units located at Balkudra, Patratu, District Ramgarh, Jharkand; 13 KM Stone, G E Road, Mandir Hasaud, Raipur; 201 to 204, Industrial Park SSD, Punjipatra, Raigarh, Chhattisgarh; Bhikaji Cama Place, New Delhi; Village Pachwad District Satara, Maharashtra and all movable Fixed Assets (present as well as future) located at Kharsia Road, Raigarh, Chhattisgarh. In addition a first ranking mortgage and pari passu charge on immovable property pertaining to unit located at Kharsia Road, Raigarh. The loan has been repaid during the current year.
- ii) Loans of ₹ 1,369.28 crore (Previous Year ₹ 1,533.66 crore) repayable in 32 quarterly instalments starting from June, 2014 are secured by first pari passu charge on all movable plant & machinery, spare parts including all insurance policies, project contracts, movable contracts and immovable fixed assets, both present and future under the 1.8 MTPA DRI facility at Angul, Odisha.
- iii) Loans of ₹ 1,406.13 crore (Previous Year ₹ 1,546.78 crore) have been refinanced during the current year/subsequent to the year end and are repayable in 79 quarterly instalments starting from June, 2016 are secured by first pari passu charge on all movable plant & machinery, spare parts including all insurance policies, project contracts, movable contracts and immovable fixed assets, both present and future under the 1.8 MTPA DRI facility at Angul, Odisha.
- iv) Loans of ₹ 180.49 crore (Previous Year ₹ 217.67 crore) repayable in 38 quarterly instalments starting from October, 2010 are secured by way of first pari passu charge on all movable and immovable fixed assets both present and future under 2X135 MW Power Plant (Phase - 1) at Dongamauha, Raigarh, Chhattisgarh.
- v) Loans of ₹ 187.40 crore (Previous Year ₹ 66.95 crore) have been refinanced during the current year /subsequent to the year end and are repayable in 79 quarterly instalments starting from June, 2016 are secured by way of first pari passu charge on all movable and immovable fixed assets both present and future under 2X135 MW Power Plant (Phase - 1) at Dongamauha, Raigarh, Chhattisgarh.
- vi) Loans of ₹ 2,217.88 crore (Previous Year ₹ 2,575.88 crore) repayable in 28 quarterly instalments starting from December 2013 are secured by first pari passu charge on all movable (including project contracts) and immovable fixed assets, both present and future under 1.5 MTPA Integrated Steel Plant and 1.2 MTPA Plate Mill project at Angul, Odisha.
- vii) Loans of ₹ 635.34 crore (Previous Year ₹ 726.30 crore) repayable in 33 quarterly instalments starting from March, 2013 are secured by first pari passu charge on all movable plant & machinery, spare parts, furniture & fixtures including all the project contracts (including insurance policies, rights and titles) and immovable fixed assets, both present and future under 6x135 MW Power Plant Project at Angul, Odisha.
- viii) Loans of ₹ 299.88 crore (Previous Year ₹ 327.16 crore) have been refinanced during the current year and are repayable in 79 quarterly instalments starting from June, 2016 are secured by first pari passu charge on all movable plant & machinery, spare parts, furniture & fixtures including all the project contracts (including insurance policies, rights and titles) and immovable fixed assets, both present and future under 6x135 MW Power Plant Project at Angul, Odisha.
- ix) Loan of ₹ 62.25 crore (Previous Year ₹ 109.12 crore) repayable in 16 quarterly instalments starting from March 2013 are secured by subservient charge on fixed assets of the Parent Company.
- x) "Loan of ₹ 1,430 crore (Previous Year ₹ 1,485 crore) initially taken from ICICI bank in two tranches on bilateral basis are repayable by way of ballooning instalments in two tranches. An amount of ₹ 500 crore shall be repayable in a period of 5 (five) years in 16 (sixteen) quarterly instalment whereas an amount of ₹ 1,000 crore shall be repayable in a period of 10 (Ten) years in 36 (thirty six) quarterly instalment starting from January, 2015. Loan of ₹ 979.67 crore (Previous Year ₹ 1,000 crore) initially taken from HDFC Bank on on bilateral basis are repayable in a period of 8 (eight) years in 28 (twenty eight) quarterly instalments starting from June, 2015.

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

Loan of ₹ 1,500 crore (Previous Year ₹ 1,500 crore) from State Bank of India are repayable in a period of 8 (eight) years in 32 (Thirty Two) quarterly. Above loans are secured by way of a first pari passu charge on all the present movable Fixed Assets of units located at Balkudra, Patratu, District Ramgarh, Jharkand; 13 KM Stone, G E Road, Mandir Hasaud, Raipur; 201 to 204, Industrial Park SSD, Punjipatra, Raigarh, Chhattisgarh; Bhikaji Cama Place, New Delhi; Village Pachwad District Satara, Maharashtra and all movable Fixed Assets (present as well as future) located at Kharsia Road, Raigarh, Chhattisgarh. In addition a first ranking mortgage and pari passu charge on immovable property pertaining to unit located at Kharsia Road, Raigarh and a part of the immovable property pertaining to unit located at 13 KM Stone, G E Road, Mandir Hasaud, Raipur."

- xi) Loans of ₹ 2,074.98 crore (Previous Year ₹ 3,075 crore) repayable in a period of 8 (eight) years in 31 (Thirty One) quarterly installments starting from June, 2017 are secured by way of a first pari passu charge on all the present movable and immovable Fixed Assets of 1.5 MTPA Integrated Steel Plant including 1.2 MTPA Plate Mill project, 1.8 MTPA DRI facility, 810 MW Captive Power Plant at Angul including movable plant & machinery, spares, tools and accessories, furniture, fixtures and the miscellaneous fixed assets of the units at Angul.
- xii) Loans of ₹ 485.90 crore (Previous Year ₹ Nil) have been refinanced subsequent to the year end and are repayable in 79 quarterly instalments starting from June, 2016 are secured by first pari passu charge on all movable plant & machinery, spares, vehicles etc. and immovable fixed assets, both present and future under 2X135 MW Power Plant (Phase- 2) at Dongamauha, Raigarh, Chhattisgarh.

TERM LOANS (in foreign subsidiaries)

- xiii) Loan of ₹ 40.30 crore (Previous year ₹ 35.67 crore) bearing rate of interest 10.25% p.a. repayable over a period of 3 years are secured over plant and equipment of Jindal Mining SA (Pty) Ltd.
- xiv) Loan of ₹ Nil (Previous year ₹ 32.62 crore) bearing rate of interest 9.25% p.a. repayable over a period of 3 years was secured over plant and equipment of Jindal Mining SA (Pty) Ltd. The loan has been repaid during the current year.
- xv) Loan of ₹ 17.20 crore (Previous year ₹ 21.33 crore) bearing rate of interest 8.25% p.a. is secured over the Land/ Office Building at Erf 3780/22 Kildoon Street Bryanston . Jindal Mining SA (Pty) Ltd & Eastern Solid fuel Pty Ltd have provided corporate guarantee for the aforesaid loan.

- xvi) Loan of ₹ 4,712.95 crore (Previous Year ₹ 4,537.83 crore) is secured by Commercial mortgage on all the tangible and intangible assets of Shadeed Iron & Steel, future assets of existing operations and the expansion projects other than the inventories and the trade receivables of Existing Operations and the Expansion Project of working capital loans. The loan is repayable in 44 unequal quarterly instalment commencing from June, 2015. The loan carry interest rate @ USD LIBOR plus 3% p.a.

- xvii) Loan of ₹ 928.66 crore (Previous Year ₹ 876.27 crore) from ICICI Bank Limited at interest for (LIBOR + 4% p.a as margin rate), is secured by pledge of 1,090,313,872 equity shares of Wollongong Coal Limited and charged over Debt service Reserve Account. Parent Company has given a shortfall undertaking to fund, if required Debt Service Reserve Account that will be subject to RBI approval.

- xviii) Loan of ₹ 994.99 crore (Previous Year ₹ 938.86 crore) from Australia and New Zealand Banking Group Limited, The bank of Tokya-Mitsubishi UFJ, Ltd. and Standard Chartered Bank at interest for (LIBOR + 3.02% p.a as margin rate), is secured by first ranking pledge of 49% share capital of Jindal Mining SA (Pty) Limited held by the company through its step down subsidiaries. The above loan has been further guaranteed by the Parent Company.

- xix) Loan of ₹ 364.83 crore (Previous Year ₹ 344.25 crore) from Axis Bank Limited, at interest for (LIBOR + 4% p.a as margin rate) is secured by way of charge over all movable fixed assets of JSPL, Mozambique Minerais Limitada, a subsidiary of the Company and charge over Debt Service Reserve Account (DSRA). The said facility is secured by way of corporate guarantee of Parent Company subject to RBI approval. JSPL has given a shortfall undertaking to fund, if required, DSRA that will be subject to RBI approval.

- xx) Loan of ₹ 392.70 crore (Previous Year ₹ 2,601.06 crore) bearing effective rate of interest 5.25% p.a. is secured by first ranking pari-pasu charge on the fixed assets of Wollongong Coal Limited and Wollongong Coal Pty Ltd and pari passu assignment of lease deed of the Mines. A minority shareholder has provided a Corporate Guarantee for the aforesaid loan. The Subsidiary Company has also maintained Debt Service Reserve Account.

- xxi) Loan of ₹ 2,174.83 crore (Previous Year ₹ Nil) is secured by first ranking pari passu charge over all present and future assets of the Jindal Steel & Power (Australia) Pty Ltd., including

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

all of the Borrower's rights, title and interest in and to the Escrow Account and the Loan Agreement between the JSPAL and Wollongong Coal; all present and future fixed assets of Wollongong Coal limited; and all present and future fixed assets of Wongawilli Coal pty. Ltd other than interest in the land of approximately 130.81 hectares. Further, Corporate Guarantee of Parent Company shall also be provided upon receipt of approval from RBI. Pending approval from RBI, Jindal Steel & Power (Mauritius) Ltd has provided Corporate Guarantee. The loan carries interest rate (LIBOR+3%).

TERM LOANS (in Indian subsidiaries)

xxii) Term loans from Banks of ₹ 2,429.31 crore (Previous year ₹ 3,056.64 crore) bearing interest rate of 11.10% p.a. are secured by way of first pari passu mortgage / charge on all the fixed assets (immovable and movable), both present and future, including charge on inventory, book debts and receivables, all bank accounts and assignment of all rights, titles and interest etc. in accounts of the Units pertaining to third Phase of the Power Plant of 1,200MW comprising two units of 600 MW each at Tamnar (Unit 1 and Unit 2) and immovable properties of Company situated at Mouje Pali of Sudhagad Taluka, District Raigad, Maharashtra state. The Loan is further secured (charge to be created) by way of First charges on the receivables of Phase I & II project of the Power Plant of 1,000MW comprising four units of 250MW each at Tamnar.

xxiii) Term Loan from Banks of ₹ 1,500 crore (Previous year ₹ 1,500 crore) bearing interest rate of 11.05 % p.a. are secured/ to be secured by way of first pari passu mortgage / charge on all the fixed assets (movable and immovable), of the company both present and future with respect to fourth Phase of the Power Plant of 1,200MW comprising two units of 600 MW each at Tamnar (Unit 3 and Unit 4).

xxiv) Term Loan from Banks of ₹ 1,000 crore (Previous year Nil) bearing average interest rate of 10.93 % p.a. are secured/ to be secured by way of first pari passu mortgage / charge on all the fixed assets (movable and immovable), over the cash flows pertaining to fourth Phase of the Power Plant of 1,200MW comprising two units of 600 MW each at Tamnar (Unit 3 and Unit 4).

xxv) Term Loan from Banks of ₹ 1,700 crore (Previous year Nil) bearing rate of interest 11% p.a. are secured/ to be secured by way of first pari passu mortgage / charge on all the fixed assets (movable and immovable) and receivables of pertaining to fourth Phase of the Power Plant of 1,200MW comprising

two units of 600 MW each at Tamnar (Unit 3 and Unit 4). The Loan is further secured/ to be secured by way of the First Pari passu Charge on all the Fixed assets of third Phase of the Power Plant of 1,200MW comprising two units of 600 MW each at Tamnar (Unit 1 and Unit 2). The loan is further to be secured by way of pari passu charge on assets to be acquired (i.e. captive power assets) out of loan proceeds; obligation to create such charge will arise after the assets are transferred to JPL. In such case bank will release the above created charge in Para (D) herein above.

xxvi) Certain charges are in the process of modification and satisfaction in case of Jindal Power Limited (Subsidiary).

xxvii) Term loan from bank amounting to ₹ 10.66 crore is secured against Hypothecation of respective vehicle and repayable by way of EMI.

OTHER LOANS

Security

i) Loans of ₹ 197.33 crore (Previous Year ₹ 215.28 crore) have been refinanced during the current year and are repayable in 79 quarterly instalments starting from June, 2016 are secured by first pari passu charge on all movable plant & machinery, spare parts, furniture & fixtures including all the project contracts (including insurance policies, rights and titles) and immovable fixed assets, both present and future under 6x135 MW Power Plant Project at Angul, Odisha.

ii) Loans of ₹ Nil (Previous Year ₹ 485.89 crore) have been refinanced during the current year and are repayable in 79 quarterly instalments starting from June, 2016 are secured by first pari passu charge on all movable plant & machinery, spares, vehicles etc. and immovable fixed assets, both present and future under 2X135 MW Power Plant (Phase- 2) at Dongamauha, Raigarh, Chhattisgarh. During the current year, this loan has been shown under loan from banks, due to demerger of IDFC Limited.

iii) Loans of Nil (Previous Year ₹ 150 crore) have been refinanced during the current year and are repayable in 79 quarterly instalments starting from June, 2016 are secured by way of first pari passu charge on all movable and immovable fixed assets both present and future under 2X135 MW Power Plant (Phase - 1) at Dongamauha, Raigarh, Chhattisgarh. During the current year, this loan has been shown under loan from banks, due to demerger of IDFC Limited.

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

- iv) Term loans from Body Corporate of ₹ 841.50 crore (Previous year ₹ 430.76 crore) bearing rate of interest 10.80% p.a. are secured by way of first pari passu mortgage / charge on all the fixed assets (immovable and movable), both present and future, including charge on inventory, book debts and receivables, all bank accounts and assignment of all rights, titles and interest etc. in accounts of the Units pertaining to third Phase of the Power Plant of 1,200 MW comprising two units of 600 MW each at Tamnar (Unit 1 and Unit 2) and immovable properties of company situated at Mouje Pali of Sudhagad Taluka, District Raigad, Maharashtra state. The Loan is further secured (charge to be created) by way of First charges on the receivables of Phase I & II project of the Power Plant of 1,000 MW comprising four units of 250 MW each at Tamnar.

OTHER LOAN FROM BANKS

Security

Loans of ₹ 149.24 crore (Previous year ₹ Nil) are repayable in a period of 2 years in 9 (Nine) quarterly installments starting from March, 2016 are secured by way of a first pari passu charge on all the present movable and immovable Fixed Assets of 1.5 MTPA Integrated Steel Plant including 1.2 MTPA Plate Mill project, 1.8 MTPA DRI facility, 810 MW Captive Power Plant at Angul including movable plant & machinery, spares, tools and accessories, furniture, fixtures and the miscellaneous fixed assets of the units at Angul.

BUYERS' CREDIT

Security

Loans ₹ 798.10 crore (Previous Year ₹ 302.49 crore) are secured

by hypothecation by way of first pari passu charge over all of the borrower's current assets, including aggregate rupee value of the borrower's cash and bank balances, investments (of which return of principal is guaranteed), advance paid, raw material, finished and semi finished goods, consumable stores, spares stock in progress, bills of lading, airways bills, railways receipt (RR) good receipt (GR) motor transport receipts (MTR) or such other receipts (issued by approved carrier carrying consignment of raw material/consumable spares), irrevocable letter of credit, receivables, book debts and consumable stores (including those stored at borrowers's work at Raigarh and Raipur, Chhatisgarh) and include any money owing to it and payable on demand or within 1 (one) year from the date of computation, in whatsoever currency denominated or as otherwise defined/classified by guidelines of the RBI from time to time in force or any other applicable law and shall exclude those categorised as non current assets as per applicable law both present and future ("the Hypothecated current assets"); and second pari passu charge by way of hypothecation, inter alia, on all the movable fixed assets (except current assets) to the extent of value of ₹ 467.50 crore including but not limited to plant and machinery, machinery spares, tools and accessories of the borrower, wheresoever in the possession of the borrower, both present and future ('The hypothecation movables").

The Company is constantly rolling over the buyer's credit for capex as per the guidelines of RBI. Further, the Company has raised long term loans to provide liquidity for payment of current portion of buyer's credit for capex.

Repayments and Interest rates for the above Secured Debentures, Term Loans, External Commercial Borrowings and Buyer's Credit are as follows:

Year	2016-17	2017-18	2018-19	2019-20 & Above	Total
Loan	2,240.99	3,152.02	2,967.02	23,485.69	31,845.72
Buyers' Credit					798.10
					32,643.82

The interest rate for term loans from banks and others taken by Parent Company (excluding penal interest) varies from 10.55% to 13% p.a. The average rate of interest for buyers credit taken by Parent company is 1.16% p.a. The interest rate for the above External Commercial Borrowings taken by Parent Company is 2.32% p.a.

The Parent Company has delayed repayment of certain Term Loans and interest thereon. The details of continuing delay as at March 31, 2016 is as follows:

Particulars	Amount (₹ in crore)	Period of Delay (in days)
Delay of principal repayment	231.12	less than 90 days
Delay of interest payment	200.50	less than 90 days

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

(₹ in crore)				
	Non-Current Portion		Current Portion	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
b) Unsecured Long term borrowings				
i) Debentures				
Debentures	-	300.00	300.00	-
3,000 (Previous year 3,000), 9.63% Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed initially with HDFC Bank Limited)				
3,000 (Previous year 3,000), 10.48% Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed initially with ICICI Bank Limited)	300.00	300.00	-	-
10,000 (Previous year 10,000), 11.00% Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed initially with Kotak Mahindra Bank Limited)	1,000.00	1,000.00	-	-
7,500 (Previous year 7,500), 10.50% Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each (Privately placed initially with HDFC Bank Limited)	750.00	750.00	-	-
5,000 (Previous year 5,000), 11.00% Unsecured Redeemable non convertible Debenture of ₹ 1,000,000 each (Privately Placed with Kotak Mahindra Bank limited)	500.00	500.00	-	-
ii) Term Loan				
From Bank	2,785.98	2,942.40	-	-
iii) Other Loan from banks				
Other Loans	65.46	500.17	-	-
iv) Other Loans & Advances				
External Commercial Borrowings	166.30	257.90	123.93	736.68
8% Fully Convertible Bond	-	50.87	-	-
Other loans	391.14	259.05	-	-
Unsecured Long-term borrowings	5,958.88	6,860.39	423.93	736.68
Amount disclosed under other-current Liabilities (Note no.-10 (a))	-	-	(2,664.92)	(3,248.83)
Total Long-Term Borrowings	36,361.71	35,613.94	-	-

DEBENTURES

- Debentures of ₹ 300 crore (Previous Year ₹ 300 crore) placed initially with HDFC Bank Limited on private placement basis are redeemable at at par at the end of 3 years from the date of allotment i.e. 05.04.2013 (subsequently repaid).
- Debentures of ₹ 300 crore (Previous Year ₹ 300 crore) placed initially with ICICI Bank Limited on private placement basis are redeemable at par at the end of 5 years from the date of allotment i.e. 11.08.2014.
- Debentures of ₹ 1,000 crore (Previous Year ₹ 1,000 crore) placed initially with Kotak Mahindra Bank on private placement

basis are redeemable at par in 3 instalments, ₹ 330 crore at the end of 3 years, ₹ 330 crore at the end of 4 years and ₹ 340 crore at the end of 5 years from the date of allotment i.e. 18th December, 2014.

- Debentures of ₹ 750 crore (Previous Year ₹ 750 crore) placed initially with HDFC Bank Limited on private placement basis are redeemable at par at the end of 6 years from the date of allotment i.e. 11.03.2015.
- a) 1,650 nos. Non Convertible debentures of ₹ 10,00,000 each (JPL Series I)(date of allotment 22nd December 2014) (Date of Redemption: on 21st December 2018) at Interest Rate of 1% above

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

SBI Base Rate (Effective Rate as on 31st March 2015 is 10.30%).
b) 1650 nos. Non Convertible debentures of ₹ 10,00,000 each (JPL Series II)(date of allotment 22nd December 2014) (Date of Redemption: on 20th December 2019) at Interest Rate of 1% above SBI Base Rate (Effective Rate as on 31st March 2015 is 10.30%).
c) 1700 nos. Non Convertible debentures of ₹ 10,00,000 each (JPL Series III)(date of allotment 22nd December 2014) (Date of Redemption: on 22nd December 2020) at Interest Rate of 1% above SBI Base Rate (Effective Rate as on 31st March 2015 is 10.30%).

- iv) ECA from Credit Agricole CIB of ₹ 3.77 crore (Previous Year ₹ 6.78 crore) repayable in 14 half yearly instalments starting from June 21, 2010.
- v) ECB from Mizuho Bank Limited of ₹ Nil (Previous Year ₹ 156.48 crore) repaid on May 19, 2015.
- vi) ECB from DBS Bank Limited of ₹ Nil (Previous Year ₹ 312.95 crore) repaid on June 17, 2015.

TERM LOAN FROM BANK

Loan of ₹ 2,785.98 crore (previous year ₹ 2,941.77) crore carries rate of interest 3.69% p.a.

OTHER LOAN FROM BANK

The average rate of interest for buyers credit taken by Parent company for ₹ 62.95 crore is 1.16% p.a.

The average rate of interest for other loans from banks of ₹ 2.51 crore from others is 0% p.a.

OTHER LOANS & ADVANCES

External Commercial Borrowings

- i) ECA from Credit Agricole CIB of ₹ 4.92 crore (Previous Year ₹ 7.37 crore) repayable in 14 half yearly instalments starting from October 21, 2010.
- ii) ECA from Credit Agricole CIB of ₹ 50.50 crore (Previous Year ₹ 68.09 crore) repayable in 16 half yearly instalments starting from May 25, 2010.
- iii) ECA from Credit Agricole CIB of ₹ 84.83 crore (Previous Year ₹ 93.20 crore) repayable in 20 half yearly instalments starting from March 9, 2011.

- vii) ECB from Mizuho Bank Limited of ₹ Nil (Previous Year ₹ 156.48 crore) repayable in 9 instalments starting from March 30, 2016. Loans have become secured during the year and have been classified as secured.
- viii) ECB from ICICI Bank Limited of ₹ 145.56 crore (Previous Year ₹ 192.65 crore) repayable in 15 half yearly instalments starting from March 11, 2011.

The interest rate for the above External Commercial Borrowings taken by Parent company varies from 0.27% to 2.29% p.a.

The average rate of interest for other loans of ₹ 0.66 crore is 0 % p.a.

The average rate of interest for other loans of ₹ 391.14 crore from others is 0 % p.a.

OTHER LOANS FROM BANK (BUYERS' CREDIT)

The Parent Company is constantly rolling over the buyer's credit for capex as per the guidelines of RBI. Further, the Company has raised long term loans to provide liquidity for payment of current portion of buyer's credit for capex.

Repayments and Interest rates for the above Unsecured Debenture External Commercial Borrowings and Buyer's Credit from banks are as follows:

Year	2016-17	2017-18	2018-19	2019-20 & Above	Total
Loan	423.93	1,047.09	1,486.64	3,362.22	6,319.88
Buyers' Credit					62.95
					6,382.83

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

		(₹ in Crore)
	As at 31st March, 2016	As at 31st March, 2015
6. OTHER LONG-TERM LIABILITIES		
a) Others		
Security Deposits and Advances	121.63	213.90
Total Other Long-Term Liabilities	121.63	213.90

		(₹ in Crore)
	As at 31st March, 2016	As at 31st March, 2015
7. LONG-TERM PROVISIONS		
a) Provision for Employee benefits		
Gratuity	28.43	30.60
Other defined benefit plans	11.89	11.41
	40.32	42.01
b) Other Provisions		
Mines closure plan*		
Balance at the begning of the year	117.31	101.72
Addition during the year	38.10	29.32
Utilisation/reversed during the year	-	(13.73)
	155.41	117.31
Total Long-term Provisions	195.73	159.32

* Provision for mining restoration expense represents estimates made towards the expected expenditure for restoring the minning area and other obligatory expenses as per the mine closure plan.

		(₹ in Crore)
	As at 31st March, 2016	As at 31st March, 2015
8. SHORT-TERM BORROWINGS		
a) Secured short-term borrowings		
Loan Repayable on Demand		
Cash Credit from Banks	4,631.37	2,835.48
Other Loans and Advances		
Short Term Loans	762.50	-
Other Loans From Banks (Buyer's Credit)	420.28	798.72
Secured Short-term borrowings	5,814.15	3,634.20

Cash Credit from Banks

- i) The Working Capital facilities of ₹ 2,798.81 crore (Previous year ₹ 1,478.87 crore) is secured by hypothecation by way of first pari passu charge over all current assets, including aggregate rupee value of cash and bank balances, investments (of which return of principal is guaranteed), advance paid, raw material, finished and semi finished goods, consumable stores, spares stock in progress, bills of lading, airways bills, railways receipt (RR) goods receipt (GR) motor transport receipts (MTR) or such other receipts (issued by approved carrier carrying consignment of raw material/consumable spares), irrevocable letter of credit, receivables, book debts and consumable stores

(including those stored at the Company's works at Raigarh and Raipur, Chhatisgarh) and include any money owing to it and payable on demand or within one year from the date of computation, in whatsoever currency denominated or as otherwise defined/classified by guidelines of the Reserve Bank of India from time to time in force or any other applicable law and shall exclude those categorised as non current assets as per applicable law both present and future and second pari passu charge by way of hypothecation, inter alia, on all the movable fixed assets (except current assets) to the extent of value of ₹ 467.50 crore including but not limited to plant and machinery, machinery spares, tools and accessories, both

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

present and future. The cash Credit is repayable on demand. The average rate of interest for cash credit taken by Parent Company is 10.32% p.a.

Raigad, Maharashtra state. The working capital facility carries interest rate of 10.55% p.a.

Other Loans

- ii) The Working Capital facilities of ₹ Nil (Previous year ₹ 106.87 crore) was secured by First pari-passu charge on all current assets of Wollongong Coal Ltd and Wongawilli, along with other working capital lenders; and-First ranking pari-passu assignment of insurance policies related to fixed and current assets of the company and Wongawilli, charged to the bank. The loan has been repaid during the current year.
- iii) The working capital facility of ₹ Nil (Previous year ₹ 26.85 crore) was secured by charge over current assets of the Jindal Mining SA (Pty) Limited. The loan has been repaid during the current year.
- iv) The working capital facility of ₹1,532.87 crores (Previous year ₹ 1,222.89 crore) bearing rate of interest varying from 1.60% to 2.75%+ Libor p.a. is secured by commercial mortgage on all of the inventories and trade receivables of the Existing Operations and the Expansion Project of the Shaded Iron & Steel LLC.
- v) Working Capital facility from Banks of ₹ 299.69 crore (previous year ₹ Nil) are secured (charge to be created) by way of first pari passu mortgage / charge on all the fixed assets (immovable and movable), both present and future of Jindal Power Limited, including charge on inventory, book debts and receivables, all bank accounts and assignment of all rights, titles and interest etc. in accounts of the Units pertaining to third Phase of the Power Plant of 1,200MW comprising two units of 600 MW each at Tamnar (Unit 1 and Unit 2) and immovable properties of company situated at Mouje Pali of Sudhagad Taluka, District Raigad, Maharashtra state.
- i) Loans of ₹ 620.28 crore (Previous year ₹ 236.22 crore) are secured by hypothecation by way of first pari passu charge over all current assets, including aggregate rupee value of cash and bank balances, investments (of which return of principal is guaranteed), advance paid, raw material, finished and semi finished goods, consumable stores, spares stock in progress, bills of lading, airways bills, railways receipt (RR) goods receipt (GR) motor transport receipts (MTR) or such other receipts (issued by approved carrier carrying consignment of raw material/consumable spares), irrevocable letter of credit, receivables, book debts and consumable stores (including those stored at Company's works at Raigarh and Raipur, Chhattisgarh) and include any money owing to it and payable on demand or within one year from the date of computation, in whatsoever currency denominated or as otherwise defined/ classified by guidelines of the Reserve Bank of India from time to time in force or any other applicable law and shall exclude those categorised as non current assets as per applicable law both present and future and second pari passu charge by way of hypothecation, inter alia, on all the movable fixed assets (except current assets) to the extent of value of ₹ 467.50 crore including but not limited to plant and machinery, machinery spares, tools and accessories of the borrower, wheresoever in the possession of the borrower, both present and future ('The hypothecation movables').
- ii) Loans of ₹ 562.50 crore (Previous year ₹ 562.50 crore) are secured by subservient charge by way of hypothecation of current assets of the Company comprising of book debts and stocks.

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
b) Unsecured Short-term borrowings		
i) From Banks		
Short Term loans	1,615.34	2,190.02
Other Loans	20.60	28.12
	1,635.94	2,218.14
ii) From Others	327.86	-
iii) Commercial Papers	-	1,000.00
Unsecured Short term borrowings	1,963.80	3,218.14
Total Short Term Borrowings	7,777.95	6,852.34

The average rate of interest for short term loans is 9.39% p.a.

The average rate of interest for Other Loans from Bank is 1.02% p.a.

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

The interest rate for the unsecured term loan from others ranges from 5.26% to 8.00% p.a.

The average rate of interest for Commercial paper is 9.95% p.a.

The Parent Company has made certain delays in repayment of principal amount and payment of interest. The details of continuing delays as on March 31, 2016 are as follows:

Particulars	Amount (₹ in crore)	Period of Delay
Delay of principal repayment	510.00	Less than 90 days
Delay of interest repayment	8.08	Less than 90 days

	As at 31st March, 2016	As at 31st March, 2015
9. TRADE PAYABLES		
Trade Payables	1,453.78	1,655.45
Acceptances	863.96	397.84
Total Trade Payables	2,317.74	2,053.29

	As at 31st March, 2016	As at 31st March, 2015
10 OTHER CURRENT LIABILITIES		
a) Current maturities of long term debts (Note no-5)	2,664.92	3,248.83
b) Interest accrued but not due on borrowings	311.33	204.79
c) Interest accrued and due on borrowings	208.58	-
d) Investor Education & Protection Fund*		
Unpaid dividend	9.26	10.06
e) Other Payables		
Statutory dues	700.75	1,096.50
Advance from customer and others	381.22	130.88
Security deposits and advances	22.43	32.33
Creditors for capital expenditure	1,309.65	1,321.64
Book overdraft with banks	11.86	3.33
Forward contracts payable	2.95	21.69
Outstanding liabilities for expenses	98.69	99.40
Others	682.94	401.69
Total Other Current Liabilities	6,404.58	6,571.14

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

	As at 31st March, 2016	As at 31st March, 2015
11. SHORT TERM PROVISIONS		
a) Provision for Employee benefits		
Leave Encashment	64.80	154.23
	64.80	154.23
b) Other Provisions		
Provision For Taxation-Wealth Tax	-	0.66
	-	0.66
Total Short Term Provisions	64.80	154.89

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

NOTE-12 FIXED ASSETS TANGIBLE ASSETS

Particulars	Gross Carrying Value					Depreciation			Net Carrying Value	
	Balance as at 1st April, 2015	Additions	Disposals/ Adjustments	Other Translation Reserve	Addition on account of acquisition	Balance as at 1st April, 2015	Impairment for the year	Depreciation for the year	Balance as at 31st March 2016	Balance as at 31st March 2015
	2015			**		2015			2016	2015
Land Freehold	542.43	72.10	0.83	-	(25.45)	-	-	-	588.25	542.43
Land Leasehold	708.64	26.64	1.04	-	-	39.27	-	10.56	684.51	669.37
Live Stock	0.49	-	0.04	-	-	-	-	-	0.45	0.49
Buildings	7,244.73	150.74	77.58	17.30	9.14	1,045.66	-	357.15	5,961.04	6,199.07
Plant and Equipment	43,674.30	1,601.35	80.72	20.72	(262.17)	10,490.48	-	2,222.17	32,430.69	33,183.82
Electrical Fittings	2,022.95	41.49	17.88	1.91	57.00	323.57	-	96.25	1,689.68	1,699.38
Furniture and Fixtures	121.47	6.35	0.14	0.06	(1.14)	48.51	-	18.74	59.10	72.96
Vehicles	296.47	31.66	60.26	15.59	(12.14)	138.95	-	32.96	139.27	157.52
Air Craft	256.02	-	221.91	-	-	92.72	-	70.01	19.57	163.30
Office equipment	114.24	7.67	0.74	(0.00)	(4.05)	64.97	-	17.86	38.27	49.27
Total	54,981.74	1,938.00	461.14	55.58	(238.81)	12,244.13	-	2,825.70	41,610.83	42,737.61
Previous Year	41,135.59	13,884.44	386.03	116.17	223.55	9,501.54	-	2,970.46	42,737.61	31,634.05

INTANGIBLE ASSETS

Particulars	Gross Carrying Value					Amortisation/Impairment			Net Carrying Value	
	Balance as at 1st April, 2015	Additions	Disposals/ Adjustments	Other Translation Reserve	Addition on account of acquisition	Balance as at 1st April, 2015	Impairment for the year	Amortisation for the year	Balance as at 31st March 2016	Balance as at 31st March 2015
	2015			**		2015		Year*	2016	2015
Computer software- Bought out	44.87	2.63	0.03	-	1.10	27.88	-	4.89	15.83	16.99
Mining Development rights	6,137.62	157.76	-	(15.90)	22.44	2,852.42	226.82	36.89	3,185.79	3,285.20
Copyrights, and patents and other intellectual property rights, services and operating rights	58.44	10.51	-	15.90	-	3.65	-	5.78	75.66	54.79
Designs and drawings	0.84	-	-	-	-	0.52	-	0.17	0.15	0.32
Total	6,241.77	170.90	0.03	-	23.54	2,884.47	226.82	47.73	3,277.43	3,357.30
Previous Year	5,529.01	550.03	51.65	-	214.23	2,767.13	-	13.03	3,357.30	2,761.88
TOTAL BLOCK	61,223.51	2,108.90	461.17	55.58	(215.27)	15,128.60	226.82	2,873.43	44,888.26	46,094.91
Previous Year	46,664.60	14,434.47	437.68	116.17	437.78	12,268.67	-	2,983.49	46,094.91	34,395.93
CAPITAL WORK IN PROGRESS (including pre-operative expenses pending allocation/capitalisation and capital goods lying in stores)									10702.49	7395.73

* Refer Note S2

** Foreign exchange variations

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

NOTE-12 FIXED ASSETS

Previous Year TANGIBLE ASSETS

Particulars	Gross Carrying Value						Depreciation				Net Carrying Value		
	Balance as at 1st April, 2014	Additions	Disposals/ Adjustments	Other Adjustments*	Translation reserve	Additions on account of acquisition	Balance as at 1st April, 2014	Depreciation for the period 2014	Disposals/ Adjustments	Translation reserve other	Balance as at 31st March 2015	Balance as at 31st March 2014	
Land Freehold	514.63	20.74	0.81	-	7.87	-	542.43	-	-	-	-	542.43	514.63
Land Leasehold	669.19	172.92	-	(136.29)	2.82	-	708.64	31.94	8.35	1.00	(0.02)	669.37	637.25
Live Stock	0.49	-	-	-	(0.00)	-	0.49	-	-	-	-	0.49	0.49
Buildings	5,098.23	2,091.40	1.97	32.05	23.07	1.95	7,244.73	661.32	383.08	0.84	0.60	6,199.07	4,436.91
Plant and Equipment	33,018.09	10,574.38	307.69	216.65	166.81	6.07	43,674.30	8,314.33	2,377.74	255.06	49.96	33,183.82	24,703.76
Electrical Fittings	1,064.60	934.89	0.04	1.70	21.80	-	2,022.95	185.68	123.98	0.02	13.93	1,699.38	878.92
Furniture and Fixtures	100.84	21.09	0.27	0.08	(0.27)	-	121.47	36.68	26.39	0.21	(14.35)	72.96	64.16
Vehicles	314.47	52.54	73.30	1.96	0.80	-	296.47	161.43	35.69	56.30	(1.87)	157.52	153.04
Air Craft	256.02	-	-	-	-	-	256.02	79.56	13.16	-	(0.00)	163.30	176.46
Office equipment	99.03	16.48	1.95	0.02	0.65	-	114.24	30.60	2.06	1.16	33.47	49.27	68.43
Total	41,135.59	13,884.44	386.03	116.17	223.55	8.02	54,981.74	9,501.54	2,970.46	314.58	81.71	42,737.61	31,634.05
Previous Year	26,614.03	13,109.85	22.57	(4.10)	-	1,438.38	41,135.59	7,359.48	1,808.93	5.11	-	31,634.05	19,254.55

251

INTANGIBLE ASSETS

Particulars	Gross Carrying Value					Amortisation			Net Carrying Value				
	Balance as at 1st April, 2014	Additions	Disposals/ Adjustments	Other Adjustments*	Translation reserve	Additions on account of acquisition	Balance as at 1st April, 2014	Disposals/ other Adjustments	Translation reserve	Balance as at 31st March 2015	Balance as at 31st March 2014		
Computer software	38.54	6.21	0.07	-	0.19	-	44.87	21.86	5.99	0.07	0.10	16.99	16.68
Mining Development rights	5,379.61	543.91	-	-	214.10	-	6,137.62	2,689.70	3.58	-	159.14	3,285.20	2,689.91
Copyrights, and patents and other intellectual property rights, services and operating rights	110.02	(0.09)	51.58	-	(0.06)	0.15	58.44	55.22	3.29	51.57	(3.44)	54.79	54.80
Designs and drawings	0.84	-	-	-	-	-	0.84	0.35	0.17	-	0.00	0.32	0.49
Total	5,529.01	550.03	51.65	-	214.23	0.15	6,241.77	2,767.13	13.03	51.64	155.80	3,357.30	2,761.88
Previous Year	89.16	60.24	-	-	-	5,379.61	5,529.01	69.06	66.88	-	2,631.19	2,761.88	20.10
Total Block	46,664.60	14,434.47	437.68	116.17	437.78	8.16	61,223.51	12,268.67	2,983.49	366.22	237.51	46,094.91	34,395.93
Previous Year	26,703.19	13,170.09	22.57	(4.10)	-	6,817.99	46,664.60	7,428.54	1,875.81	5.11	-	34,395.93	19,274.65
Capital Work In Progress (Including pre-operative expenses pending allocation/capitalisation and capital goods lying in stores)													
												10702.49	16391.6

* Foreign exchange variations

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

- 12 a) Statement showing the details of pre operating expenditure forming part of capital work in progress as at 31st March 2016 :

Particulars	(₹ in Crore)	
	Year ended 31st March 2016	Year ended 31st March 2015
Amount brought forward from last year	1,301.58	1,642.04
Add: Expenditure incurred during the year		
Salaries And Wages	164.69	129.46
Contribution to Provident & Other funds	9.91	5.65
Staff Welfare Expenses	1.33	2.91
Consumption of power and fuel	64.65	61.75
Consumption of stores and spares	25.82	18.85
Other Manufacturing Expenses	53.55	6.00
Insurance	0.37	2.55
Rates and Taxes	0.69	0.04
Rent	4.28	0.02
Repair and Maintenance	0.05	2.44
Financial expenses	0.00	43.73
Depreciation	48.60	28.21
Foreign exchange fluctuation (Net)	15.44	22.72
Interest Cost (net)	-	99.06
Miscellaneous expenses	115.17	125.37
Other Income	-	(21.95)
	1,806.13	2,168.86
Less: Capitalized as part of		
Plant and Machinery	57.52	754.76
Building	3.60	89.32
Other fixed assets	6.15	23.20
Amount carried forward under CWIP	1,738.86	1,301.58

- b) Capital Work in Progress includes ₹ 1738.88 crore (Previous year ₹ 1301.58 crore) being Pre- operative expenditure and ₹ 563.94 crore (Previous year ₹ 344.00 crore) being Capital stores.
- c) Additions to Fixed Assets includes ₹ 1.50 crore (Previous year ₹ 14.22 crore) and additions to Capital work- in- progress includes ₹ 0.02 crore (Previous year ₹ 10.22 crore) being expenditure incurred on Research & Development Activities. Additions to Fixed Assets includes ₹ 1.52 crore (Previous year ₹ 14.22 crore) being capitalized from Capital work in progress.
- d) Additions /(adjustments) to plant and machinery/ capital work-in-progress includes addition of ₹ 141.77 crore (Previous year ₹ 118.11 crore) on account of foreign exchange fluctuation and other adjustments of ₹ Nil crore (Previous year ₹ (2.64) crore).
- e) Borrowing cost incurred during the year and capitalized in addition to (a) above ₹ 97.24 Crore (Previous year ₹ 581.15 crore). Borrowing cost incurred during the year and transferred to capital work-in-progress in addition to (a) above is ₹ 307.26 Crore (Previous year ₹ 12.75 crore).

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

- f. Expenditure during Trial Run period has been capitalised /decapitalised with Fixed Assets as under:

(₹ in Crore)		
Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Income		
Sale of Products finished goods	61.03	14.58
Sale of Products Inter- division transfer	-	197.49
Increase/(decrease) in stock	3.10	(22.86)
Total Income (A)	64.13	189.21
Less : Expenditure		
Raw materials consumed	51.76	281.07
Salaries and wages	2.03	15.63
Contribution to Provident and other funds	0.05	0.70
Staff Welfare Expenses	0.00	-
Depreciation and amortisation expenses	5.44	3.16
Consumption of stores and spares	7.19	38.30
Consumption of Power and fuel	30.46	123.84
Other Manufacturing expenses	4.72	12.78
Repairs & Maintenance	0.64	0.77
Insurance	0.09	0.43
Freight Handling and other Selling Expenses	0.00	0.22
Miscellaneous Expenses	3.66	1.45
Total Expenditure (B)	106.05	478.35
Total(A-B)	(41.92)	(289.14)
Add: Amount brought forward	(67.40)	(26.55)
Less: Amount Carried forward	26.43	67.40
Decapitalised/ (Capitalised) with the cost of fixed assets	(82.89)	(248.29)

(₹ in Crore)		
	As at 31st March, 2016	As at 31st March, 2015
13 (i) NON-CURRENT INVESTMENTS		
i) Trade Investments at cost		
a) Others Quoted Equity Shares		
i) Hwange Colliery Company Limited 440,680 (Previous year 440,680) fully paid Ordinary Shares	0.65	0.47
ii) African Energy Resources Limited 100,000 (Previous year 100,000) fully paid Ordinary Shares	0.10	0.08
iii) Decimal Software Ltd (Formerly known as Aviva Corporation Limited) 33,333 (Previous year 33,333) fully paid Ordinary Shares	0.10	0.08
iv) Hodges Resources Limited 100,000 (Previous year 100,000) fully paid Ordinary Shares	0.10	0.08
v) Walkabout Resources Limited 100,000 (Previous year 100,000) fully paid Ordinary Shares	0.01	0.01
vi) Apollo Minerals Limited 31,419,496 (Previous year 31,419,496) fully paid Ordinary Shares	6.21	6.59
vii) Shree Minerals Limited 15,000,000 (Previous year "15,000,000") fully paid Ordinary Shares	1.29	3.98
Total non-current Trade Investment	8.46	11.29

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

		(₹ in Crore)	
		As at 31st March, 2016	As at 31st March, 2015
ii) Other Investments other than trade at cost			
a) Unquoted Fully Paid-Up Equity Shares of Associate Companies			
i) Fully paid up Equity Shares of Nalwa Steel & Power Limited 2,000,000 (Previous year 2,000,000) Equity Shares of ₹ 10 each	2.00	2.00	-
Add/(Less): Share in Profit/(Loss)- Prior years	229.18	226.54	
Add/(Less): Share in Profit/(Loss)- Current year	(1.40)	2.63	
ii) Prodisyne (Pty) Limited 50 (Previous Year 50) fully paid Ordinary Shares	1.42	1.21	-
Add/(Less): Share in Profit/(Loss)- Prior years			
Add/(Less): Share in Profit/(Loss)- Current year			-
iii) Thuthukani Coal (Pty) Limited 1,029 (Previous Year 1029) fully paid Ordinary Shares	0.00	-	
Add/(Less): Share in Profit/(Loss)- Prior years			
Add/(Less): Share in Profit/(Loss)- Current year			-
iv) Everbest steel and Mining Holdings Limited (Formerly known as Everbest Infrastructure & Development)			0.10
NIL, (Previous year 100,000) Equity Shares of ₹ 10 each	-	-	-
Add/(Less): Share in Profit/(Loss)- Prior years	-	-	-
Add/(Less): Share in Profit/(Loss)- Current year	-	-	-
	231.20	232.48	
b) Unquoted Investment in Government and Trust Securities			
National Saving Certificates 12,00,000 (Previous year ₹ 12,00,000)	0.12	0.12	
[Pledged with Government departments ₹ 0.12 crore (Previous year ₹ 0.12 crore)]	0.12	0.12	
c) Investment in Bonds : Unquoted			
8.15% ICICI- 2016 Bond	-	0.50	
Nil, (Previous year 5) Units of ₹ 1,000,000 each	-	0.50	
d) Unquoted Fully Paid Up Equity Shares			
Fully paid up Equity Shares of Angul Sukinda Railway Limited 25,000 (Previous year 25,000) Equity Shares of ₹ 10 each	0.03	0.03	
Angul Sukinda Railway Limited	59.98	49.82	
59,975,000 (Previous year- 59,975,000 of ₹ 8.30 paid up) Equity Shares of ₹ 10 each fully paid up			
Brahmaputra Capital and Finance Limited	19.20	19.20	
19,200,000 (Previous year 19,200,000) Equity Shares of ₹ 10 each			
Indian Energy Exchange Limited	-	1.25	
Nil, (Previous year 1,250,000) Equity Shares of ₹ 10 each			
Jindal Holding Limited	14.48	14.48	
2,414,000 (Previous year 2,414,000) Equity Shares of ₹ 10 each			
Jindal Petroleum Limited	0.05	0.05	
49,400 (Previous year 49,400) Equity Shares of ₹ 10 each			
Jindal Rex Exploration Private Limited	0.01	0.01	
9,800 (Previous year 9,800) Equity Shares of ₹ 10 each			
Stainless Investments Limited	6.05	6.05	
1,242,000 (Previous year 1,242,000) Equity Shares of ₹ 10 each	254		

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
X-Zone SDN BHD	0.04	0.04
36,250 (Previous year 36,250) Equity Shares of Malaysian Ringgit 1 each		
Jindal Infosolutions Limited	0.10	0.10
95,000 (Previous Year 95,000) Equity Shares of ₹ 10 each		
Port Kembla Coal Terminal	0.57	0.66
120,000 (Previous Year “120,000”) fully paid Ordinary Shares		
Danta Enterprises Private Limited	0.00	0.00
1,447 (Previous year 1447) Equity Shares of ₹ 10 each		
Haridaspur Paradip Railway Company Limited	5.00	5.00
5,000,000 (Previous year 5,000,000) Equity Shares of ₹ 10 each		
OPJ Trading Private Limited	0.00	0.00
1,447 (Previous year 1,447) Equity Shares of ₹ 10 each		
Sahyog Tradecorp Private limited	0.00	0.00
1,447 (Previous year 1,447) Equity Shares of ₹ 10 each		
Virtuous Tradecorp Private Limited	0.00	0.00
1,447 (Previous year 1,447) Equity Shares of ₹ 10 each		
Opelina Finance & Investment Limited	0.01	0.01
10 (Previous year 10) Equity Shares of ₹ 10 each		
Panacore Investment Limited	11.11	10.48
3,000 (Previous Year 3000) fully paid Ordinary Shares of \$ 1 each		
Golden Age Investment (Pty) Limited	1.29	1.21
70 (Previous year 70) Equity Shares of \$1 each		
	117.92	108.39
e) Other Investments (Licences & Telecom Society)	0.01	0.01
Total non-current Other Investment	349.25	341.50
Total Non-current Investment	357.71	352.79
Aggregate book value of quoted investments/market value of quoted investments is (₹ 1.46 crore (Previous year ₹ 0.01 crore))	8.46	11.29
Aggregate book value of unquoted investments	349.25	341.51
Aggregate provision for diminution in value of investments	-	-
13 (ii) CURRENT INVESTMENTS		
Investment In Units Of Mutual Fund		
Nil,(Previous Year-₹ 200 crore {12,77,012.234 units} of SBI Mutual Fund PLF- DIR Plan Growth-FV ₹ 1,000 each)	-	200.00
Nil,(Previous Year-₹ 200 crore {98,33,649.075 units} of ICICI Prudential Liquid Direct Plan- Growth-FV ₹ 100 each)	-	200.00
Nil,(Previous Year-₹ 200 crore {90,69,620.219 units} of Birla Sun- Cash Plus- Growth Direct-FV ₹ 100 each)	-	200.00
Nil,(Previous Year-₹ 200 crore {7,37,49,303.991 units} of HDFC Liquid Direct Growth Plan- Growth Option- FV ₹ 10 each)	-	200.00
Nil,(Previous Year-₹ 200 crore {5,97,107.343 units} of Reliance Liquid Fund- Treasury Plan- Direct Plan Growth Plan- Growth option LFIG-FV ₹ 1,000 each)	-	200.00
Nil,(Previous Year-14,144 Units of Reliance Liquid Fund- Treasury Plan-Divided Plan- FV ₹1,000 each)	-	2.16
Nil,(Previous Year-2,58,033 units of Axis liquid Fund- Growth-FV ₹ 1,000 each)	-	40.00
Nil,(Previous Year-23,06,404 units of Birla Sun life Cash Plus- Growth-FV ₹ 100 each)	-	50.00

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
Nil, (Previous Year-1,63,04,466 units of HDFC liquid Fund-Growth-FV ₹ 10 each)	-	45.00
Nil, (Previous Year-24,58,831 units of ICICI Prudential Liquid Fund-Growth-FV ₹ 100 each)	-	50.00
Nil, (Previous Year- 1,66,782 units of IDBI Liquid Fund-Growth-FV ₹ 1,000 each)	-	25.00
Nil, (Previous Year-4,54,995 units of SBI Premier Liquid Fund-Growth-FV ₹ 1,000 each)	-	100.00
Nil, (Previous Year-1,20,114 units of Tata liquid Fund- Growth-FV ₹ 1,000 each)	-	30.00
Nil, (Previous Year-6,03,848 units of Taurus liquid Fund- Super Institutional- Growth-FV ₹ 1,000 each)	-	90.00
₹ 0.20 crore (1,254 units) of Reliance Liquid Fund- Cash Plan-Growth (Previous year NIL)-FV ₹ 1,000 each	-	0.20
₹ 0.03 Momentum Money Market Fund-Unit Trust	0.03	0.04
	0.03	1,432.40
NAV of Units of Mutual Funds	0.03	1,455.87

13 (iii) In regard to long term investments, management is of the view that the diminution in the value of quoted investments is temporary in nature and hence no provision is required to be made there against.

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
14. LONG TERM LOANS AND ADVANCES		
Secured, Considered good		
Inter Corporate Deposit to related party	850.00	381.50
Unsecured, considered good		
a) Capital Advances	802.73	1,574.39
b) Security Deposits	192.69	148.29
c) MAT Credit Entitlement (Refer note 33 (b))	795.01	795.01
d) Others		
Share application money	2.78	2.62
Others	566.13	568.14
Total Long Term Loans & Advances	3,209.34	3,469.95

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
15. OTHER NON-CURRENT ASSETS		
Fixed deposits with remaining maturity of more than 12 months* (Note No-18)	66.90	46.97
Total Other Non Current Assets	66.90	46.97

*Pledged with Government departments and Others ₹ 16.68 crore (Previous year ₹ 1.96 crore).

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
16. INVENTORIES		
(Valued at lower of cost and net realisable value)		
a) Raw Materials		
Inventories	1,241.63	1,639.20
Goods In transit	45.98	287.15
	1,287.61	1,926.35
b) Work-in-process		
Work in process	309.91	149.65
	309.91	149.65
c) Finished Goods*		
Inventories	793.26	1,484.14
	793.26	1,484.14
d) Stores and Spares		
Inventories	812.92	1,252.53
Goods In Transit	5.43	5.21
	818.35	1,257.74
e) Others		
Scrap	26.84	30.81
	26.84	30.81
Total Inventories	3,235.97	4,848.69
* Including stock of traded goods	4.86	-

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
17. TRADE RECEIVABLES		
a) Secured, Considered good		
Outstanding for a period exceeding six months from the date they are due for payment	14.53	-
Others	17.94	30.97
Total Secured Trade Receivables	32.47	30.97
b) Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	121.75	171.93
Considered doubtful	40.26	45.06
Less: Provision for bad and doubtful debts	(40.26)	(45.06)
Others		
Considered good	1,274.96	1,487.80
Total Unsecured Trade Receivables	1,396.71	1,659.73
Total Trade Receivables	1,429.18	1,690.70

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

(₹ in crore)				
	Non-Current Portion		Current Portion	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
18. CASH AND BANK BALANCES				
a) Cash and Cash Equivalents				
Cash on hand	-	-	1.41	1.64
Cheques/Drafts In hand	-	-	4.71	44.39
Bank Balances in current accounts	-	-	254.52	551.44
Bank Deposits with original maturity of less than three months	-	-	241.79	505.68
Bank balance earmarked for unpaid dividend	-	-	9.26	10.06
Others	-	-	0.03	0.03
Total Cash and Cash Equivalents			511.72	1,113.24
b) Other Bank Balances				
i) Banks Deposits				
Deposits with remaining maturity upto twelve months	-	-	108.66	25.83
Deposits with remaining maturity more than twelve months	66.90	46.97	-	-
Amount disclosed under other non-current assets (Note no-15)	(66.90)	(46.97)	-	-
Total Cash and bank Balances	-	-	620.38	1,139.07

(₹ in crore)		
	As at 31st March, 2016	As at 31st March, 2015
19. SHORT TERM LOANS AND ADVANCES		
a) Loans and Advances to related parties		
Secured, considered good	-	293.91
Unsecured, considered good	-	40.88
	-	334.79
b) Loans and Advances to others		
Unsecured, considered good	4,092.78	3,610.21
Doubtful	48.31	10.42
Less: Provision for doubtful advances	(48.31)	(10.42)
	4,092.78	3,610.21
c) Security Deposits		
Unsecured, considered good	154.82	54.18
	154.82	54.18
d) Other Loans and Advances - Unsecured, considered good		
Unsecured, considered good	1,318.95	1,307.70
Balances with statutory/government authorities	569.33	553.71
Advance income tax including TDS	1,888.28	1,861.41
Total Short Term Loans & Advances	6,135.88	5,860.59

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

	(₹ in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
20. OTHER CURRENT ASSETS		
Unsecured, considered good		
Pre-Paid expenses	154.18	144.68
Interest receivable on short term loans and advances*	572.72	547.06
Unbilled revenue	86.53	-
Unamortized premium on forward contract**	1.25	17.52
Other receivables	405.79	274.87
Total Other Current Assets	1,220.47	984.13
* Including recoverable from related parties.	235.80	326.96
** The unamortised foreign exchange premium on outstanding foreign exchange contracts is being carried forward to be charged on the Consolidated statement of profit & loss of subsequent year.		

	(₹ in crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
21. REVENUE FROM OPERATIONS		
a) Sale of products		
Finished goods	20,209.08	21,109.35
Traded goods	15.38	88.48
Inter-division transfer	5,346.58	5,502.34
(Net of excise duty of ₹ 639.95 crore, Previous year ₹ 595.22 crore)		
	25,571.04	26,700.17
b) Other operating revenues		
Transmission Charges	45.44	45.44
Scrap sale	13.64	4.73
Export incentives	15.59	73.43
Aviation income	14.80	18.41
Service income	169.59	26.60
Others	33.42	12.59
	292.48	181.20
Less: Inter-division transfer (Net of excise duty)	(5,346.58)	(5,502.34)
Total Revenue from operations	20,516.94	21,379.03

	(₹ in crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
22. OTHER INCOME		
a) Dividend income on Current investments	2.88	3.76
b) Net gain on sale of current and other than trade investments	71.32	38.53
c) Net gain on sale of non current investments	103.44	-
d) Foreign exchange fluctuation (net)	42.44	-
e) Liquidated damages written back	64.90	1.59
f) Liabilities/payables no longer required, written back	70.35	97.36
g) Transfer/sale of right to purchase aircraft	45.44	-
h) Others (Refer note. 39)	115.96	120.78
i) Other non operating income		
Profit on slump Sale (Refer note. 50)	2.67	-
Profit on sale/transfer of fixed assets	7.94	5.13
Total Other Income	527.34	267.15

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

		(₹ in crore)
	Year ended 31st March, 2016	Year ended 31st March, 2015
23. COST OF MATERIALS CONSUMED		
a) Raw materials consumed	6,076.27	5,548.96
b) Inter division transfer	5,346.58	5,502.34
	11,422.85	11,051.30
Less: Inter division transfer	(5,346.58)	(5,502.34)
Total Cost of Materials Consumed	6,076.27	5,548.96
		(₹ in crore)
	Year ended 31st March, 2016	Year ended 31st March, 2015
24. PURCHASE OF STOCK-IN-TRADE	20.58	81.87
		(₹ in crore)
	Year ended 31st March, 2016	Year ended 31st March, 2015
25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND SCRAP		
Opening Stock- Finished Goods	1,484.14	1,290.55
- Work in Process	149.65	138.16
- Scrap	30.81	50.79
	1,664.60	1,479.50
Closing Stock- Finished Goods	793.26	1,484.14
- Work in Process	309.91	149.65
- Scrap	26.84	30.81
	1,130.01	1,664.60
Net (Increase)/Decrease In Stocks	534.59	(185.10)
Excise duty on account of increase/(decrease) on stock of finished goods and scrap	(68.27)	27.92
Total (Increase)/Decrease in Stocks	466.32	(157.18)
		(₹ in crore)
	Year ended 31st March, 2016	Year ended 31st March, 2015
26. EMPLOYEE BENEFITS EXPENSE		
a) Salaries and Wages*	843.80	996.88
b) Contribution to Provident and other funds	32.12	52.16
c) Employees compensation expenses under Employee Stock purchase Scheme {Refer note- 3 (g)}	-	0.50
d) Staff welfare expenses	36.59	40.80
Total Employee Benefits Expense	912.51	1,090.34

* Current year expenditure includes ₹ 6.75 crore incurred on research & development activities.

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

		(₹ in crore)
	Year ended 31st March, 2016	Year ended 31st March, 2015
27. FINANCE COSTS (NET)		
a) Interest Expense		
Debentures and other term-loans	3,047.21	2,544.10
Exchange difference to the extent considered as an adjustment to others	57.17	6.39
Others	368.89	302.35
	3,473.27	2,852.84
b) Financial Expenses	31.46	22.10
	3,504.73	2,874.94
c) Less: Interest Income		
Interest on Inter-corporate deposits	(31.59)	(122.57)
Others	(220.40)	(146.57)
	(251.99)	(269.14)
Net Interest Cost	3,252.74	2,605.80

		(₹ in crore)
	Year ended 31st March, 2016	Year ended 31st March, 2015
28. OTHER EXPENSES		
a) Consumption of stores and spares	1,510.56	1,754.38
b) Consumption of power and fuel	4,368.31	2,492.72
c) Other manufacturing expenses	973.11	1,140.18
d) Repair and Maintenance		
Plant and machinery	173.99	185.14
Building	7.36	45.53
Others	129.68	171.84
e) Royalty	4.24	1.24
f) Rent*	36.43	40.18
g) Rates and Taxes	54.94	106.39
h) Insurance	55.86	53.61
i) Research and Development expenses**	0.29	16.23
j) Loss on sale/discard of fixed assets	4.69	25.76
k) Donation	57.74	126.10
l) Directors sitting fees	0.73	0.21
m) Freight Handling and other selling expenses	555.02	883.59
n) Bad debts/provision for doubtful debts	42.17	52.61
o) Foreign exchange fluctuation (net)	-	319.74
p) Miscellaneous expenses	645.94	697.84
Total Other Expenses	8,621.06	8,113.29

* The Group has paid lease rentals of ₹ 36.43 crore (previous year ₹ 40.18 crore) under operating leases. Also refer note 30.

** Expenditure on research & development activities, incurred during the year, is ₹ 1.82 crore (including capital expenditure of ₹ 1.52 crore) excluding of salary and wages ₹ 6.75 crore (previous year ₹ 26.45 crore, including capital expenditure of ₹ 10.22 crore).

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

		(₹ in crore)	
S No	Description	As at 31st March 2016	As at 31st March 2015
29. CONTINGENT LIABILITIES AND COMMITMENTS			
I	Contingent Liabilities *		
	Guarantees, Undertakings & Letter of Credit		
a.1)	Guarantees issued by the Company's Bankers on behalf of the Company	935.87	1096.28
a.2)	Guarantees issued by the Associate(s)' Bankers on behalf of the Associate(s) #	0.00	0.07
b)	Letter of credit opened by banks	1069.74	1152.38
c)	Corporate guarantees/undertakings issued on behalf of third parties.	176.20	291.57
	Statutory Demands		
d.1)	Disputed Statutory and Other demands	1602.45	1637.39
d.2)	Disputed Statutory and Other demands of Associate(s) #	20.37	18.77
e)	Income Tax demands where the cases are pending at various stages of appeal with the authorities	1513.51	917.91
f)	Bonds executed for machinery imports under EPCG Scheme	2848.89	3098.44
	Others		
g)	Uncalled liability towards partly paid up shares	-	10.20
* Also refer note 32			
II	Commitments		
a.1)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3,713.01	5,084.76
a.2)	Estimated amount of contracts of Associate(s) remaining to be executed on capital account and not provided for (net of advances) #	-	14.21
	Estimated future investments in joint venture and other companies in terms of respective share purchase	801.17	906.75

In regard to contingent liabilities, the Group believes that it has good case in respect to demands/litigations and hence no provision is considered necessary against the same.

Represents Group's share in associates i.e. 40% in Nalwa Steel & Power Limited

30 OPERATING LEASE COMMITMENTS

One of the foreign subsidiaries has leased two plots from sohar industrial port Company, sohar, under an operating non cancellable lease agreement on which the plant and building is constructed. The Future minimum lease payment are as follows:

		(₹ in crore)	
		Current Year	Previous Year
Within one year		29.42	26.93
Later then 1 year but not later than 5 years		117.69	107.70
Later than 5 years		186.34	134.63
		333.45	269.26

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

31 The Hon'ble Supreme Court of India by its Order dated 24 September 2014 has cancelled number of coal blocks allocated to various entities which include nine block consisting of three operational and six under development allotted to the company and its group companies by Ministry of Coal, Government of India and directed to pay an additional levy of ₹ 295 per MT on gross coal extracted from the operational mines from 1993 to till date. The Group filed review petition before the Hon'ble Supreme Court of India which has been rejected. The Group is in the process of filing curative petition before the Hon'ble Supreme Court of India.

i) The Group has paid under protest such levy on coal extracted during the period from 1993 to 31 March 2015 of ₹ 3,267.43 crore (including ₹ 1,185.20 crore by a subsidiary). The management based on legal opinion has accounted for ₹ 1,911.64 crore (including ₹ 1,103.87 crore by a subsidiary) computed on net extraction (run of mines less shale, rejects and ungraded middling) of coal by the Group. The said amount was shown as exceptional item in the year 2014-15 and balance amount of ₹ 1,355.79 crore has been shown as recoverable from the Government Authority since the entire amount of additional levy has been paid under protest.

ii) The Group Companies having net book value of investment made in mining assets including land, infrastructure and clearance etc. of ₹ 608.58 crore (including ₹ 183.58 crore of a subsidiary). The difference, if any, between book value of investment and compensation to be determined, shall be accounted for when the final compensation is received pursuant to directive vide letter dated 26 December, 2014 given by the Ministry of Coal on such mines.

iii) In case of a subsidiary post cancellation of mines, the subsidiary had won the Coal mines bids on 19.02.2015 & 07.03.2015, however, the allocation of the said coal mines were rejected by the Nominated Authority appointed by Government of India, consequence whereof the subsidiary Company is not operating any coal blocks as on date. On the basis of Opinion of an expert, the subsidiary has challenged the act of rejection of the Government, of the winning bids before the Hon'ble High Court of Delhi, and the subsidiary is confident for favourable judgement in its favour. The Management is confident about – (a) availability of

sufficient coal so as it can run its power generation plants, and (b) earning sufficient margins. Accordingly, the management does not anticipate need for any impairment provision in the carrying value of the assets.

32 Pursuant to the Judgment dated 25.08.2014 read with Order dated 24.09.2014 passed by the Hon'ble Supreme Court the allocation of the coal blocks, Gare Palma IV/1 (operational); Utkal B-1, Amarkonda Murgadangal, Gare Palma IV/6, Ramchandi, Urtan North and Jitpur (non-operational) to the Company/its joint ventures stand de-allocated.

Prior to the said de-allocation by the Hon'ble Supreme Court, the Government had invoked bank guarantees provided by the Company to the extent of ₹ 153.55 crore with respect to Ramchandi, Amarkonda Murgadangal and Jitpur Coal Blocks. These matters, besides the matters with respect to Urtan North and Gare Palma IV/6 coal blocks, were contested by the Company at various levels and the invocation of the said bank guarantees had been stayed by the respective Hon'ble High Courts. Bank guarantees amounting to ₹ 155.00 crore have been provided by the Company for the above mentioned non-operational coal blocks.

Pursuant to the said de-allocation by the Hon'ble Supreme Court and pending the decision/s of the Ministry of Coal on the show cause notices issued by the Ministry of Coal calling upon the Company to show cause as to why the delay in the development of the non-operational coal blocks should not be held as violation of the terms and conditions of the allocation letters of the said coal blocks, the respective Hon'ble High Courts have required the Company to keep the said Bank Guarantees alive pending the decision of the Government (Ministry of Coal) in individual case. The High Courts have restrained the Ministry of Coal to act in furtherance of its subsequent decision/s, to invoke the bank guarantee/s, for a further period of two weeks' time from the date of the communication of such decision/s in order to enable the Company to challenge such decision/s of the Ministry of Coal. In the meantime, the invocation of the bank guarantees has been stayed by the Hon'ble High Courts.

The Group believes that it has good case in respect to this matter and no provision is considered necessary.

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

		(₹ in crore)	
Particulars		As at	As at
		31st March, 2016	31st March, 2015
33. a) Deferred tax (assets)/ liabilities as at year end is as under:			
A. Deferred Tax Assets			
a) Disallowance u/s 43-B of the Income Tax Act, 1961		(149.76)	(155.38)
b) Provision for Doubtful Debts and advances		(30.65)	(19.20)
c) Unabsorbed depreciation		(2,502.04)	(1,859.06)
d) Business loss		(91.25)	(108.84)
Total Deferred Tax Assets		(2,773.70)	(2,142.48)
B. Deferred Tax Liabilities			
a) Difference between book and tax depreciation		4,121.36	3,738.30
b) Paid u/s 43 B of Income tax Act, 1961, but not charged off		-	422.65
Total Deferred Tax Liabilities		4,121.36	4,160.95
C. Total Deferred Tax Liabilities (Net)		1,347.66	2,018.47

- (b) The Parent Company has till date recognized ₹ 795.01 crore (Previous year ₹ 795.01 crore) as Minimum Alternate Tax (MAT) credit entitlement which represents that portion the MAT Liability, the credit of which would be available based on the provision of Section 115JAA of the Income Tax Act, 1961. The management based on the future profitability projections is confident that there would be sufficient taxable profit in future which will enable the Parent Company to utilize the above MAT credit entitlement.

Particulars			31-March-2016	31-March-2015
34. 'EARNING PER SHARE' IN ACCORDANCE WITH ACCOUNTING STANDARD (AS -20):				
Profit/(Loss) after tax, minority interest and share of profit of associates (₹ in crore)			(1,902.01)	(1,278.12)
Number of Equity Shares (in nos.)				
Annualised number of equity shares			914,903,800	914,898,382
Opening Equity Shares	914,903,800	914,903,800		
Add: Shares Issued	Number of shares	Annualised number of shares		
	-	-		
Closing Equity Shares	914,903,800	914,903,800		
Total number of shares including potential equity shares (annualised)				
Basic earnings per Share (₹) (face value of ₹ 1 each)			(20.79)	(13.97)
Diluted earnings per Share (₹) (face value of ₹ 1 each)			(20.79)	(13.97)

35 DISCLOSURE AS REQUIRED BY ACCOUNTING STANDARD (AS-17) 'SEGMENT REPORTING'

The primary reportable segments are the business segments namely Iron & Steel and Power. Other business segment mainly comprises of aviation services, management services and machinery division. The secondary reportable segments are geographical segments which are based on the sales to customers located in India and outside India.

Segment accounting policies are in line with the accounting policies of the group. In addition, the following specific accounting policies have been followed for segment reporting:

- Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
- Expenses that are directly identifiable with/allocable to segments are considered for determining the segment results.
- Expenses/Incomes which relates to the group as a whole and not allocable to segments are included under Other Un-allocable Expenditure (net of Un-allocable Income).
- Segment assets and liabilities include those directly identifiable with respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to group as a whole and not allocable to any segment.

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

Primary Segments (Business Segments)

		(₹ in crore)	
Particulars	31-March-2016	31-March-2015	
1 Segment Revenue			
a) Iron & Steel	14,711.38	15,680.56	
b) Power	5,720.91	5,740.61	
c) Others	383.35	426.14	
Sub –Total (Gross)	20,815.64	21,847.31	
Less : Inter-segment Revenue	2,403.46	2,263.33	
Net Segment Revenue	18,412.18	19,583.98	
2. Segment Results (Profit+) / Loss(-) before Tax and interest from each segment			
a) Iron & Steel	1,023.73	2,377.22	
b) Power	1,565.18	2,839.64	
c) Others	(207.43)	(1,023.24)	
Sub –Total	2,381.48	4,193.62	
Less : Interest, financial expenses	3,280.13	2,607.34	
Other un-allocable expenditure (net of un-allocable income)	1,540.45	1,217.39	
Exceptional Items	235.83	1,911.64	
Profit before Tax	(2,674.93)	(1,542.75)	
Provision for Taxation			
- Income Tax	0.67	(0.04)	
- MAT Credit Entitlement	0.00	(665.00)	
- Provision for Income Tax of earlier years	0.00	(33.25)	
- Deferred Tax	(676.97)	610.13	
Loss for the year after tax	(1,998.63)	(1,454.59)	
3. Other Information			
I. Segment Assets			
a) Iron & Steel	33,879.84	35,407.75	
b) Power	14,866.76	16,699.94	
c) Others	2,942.78	6,250.09	
d) Un-allocated Assets*	21,849.78	17,178.83	
Total Assets	73,539.16	75,536.61	
II. Segment Liabilities			
a) Iron & Steel	2,864.42	2,162.82	
b) Power	1,217.54	1,143.04	
c) Others	127.72	330.47	
d) Un-allocated Liabilities	51,182.40	50,858.21	
Total Liabilities	55,392.08	54,494.54	
III. Capital Expenditure #			
(Including Capital work in progress)			
a) Iron & Steel	4,483.36	3,564.52	
b) Power	713.50	1,041.20	
c) Others	288.79	1,106.88	
Total	5,485.65	5,712.60	

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

Particulars	(₹ in crore)	
	31-March-2016	31-March-2015
IV. Depreciation & amortization expenses		
a) Iron & Steel	1,441.60	1,756.73
b) Power	1,095.15	706.28
c) Others	282.64	269.82
Total	2,819.39	2,732.83
V. Non-Cash expenditure other than depreciation		
a) Iron & Steel	42.17	52.61
b) Power	-	-
c) Others	-	-
Total	42.17	52.61

* Unallocated assets include capital work in progress relating to ongoing projects.

Secondary segments (Geographical Segments)

Particulars	Current Year			Previous Year		
	India	Outside	Total	India	Outside	Total
Segment revenue	15,168.23	3,243.95	18,412.18	15,377.91	4,206.07	19,583.98
Segment assets	65,228.00	8,311.16	73,539.16	65,167.13	10,369.49	75,536.61
Capital expenditure incurred #	4,374.92	1,110.73	5,485.65	3,871.20	1,841.40	5,712.60

Capital Expenditure excludes intangible assets under development

36 FINANCIAL AND DERIVATIVE INSTRUMENTS:

Derivatives contracts entered into by the Parent Company and outstanding as on 31st March, 2016, for hedging currency and interest rate related risks:

Nominal amounts of derivative contracts entered into by the Parent Company and outstanding are ₹ 353.59 crore (Previous year ₹ 1,914.67 crore). Category wise break-up is given below:

Particulars	(₹ in crore)	
	Current Year	Previous Year
Forward Contracts – Import	353.59 (USD 52.86 Millions)	913.22 (USD 145.90Millions)
Forward Contracts – Export(Past Performance basis)	Nil	1,001.45 (USD 160.00Millions)

37 INTEREST IN JOINT VENTURES:

The Company's interest as a venturer, in jointly controlled entities (Incorporated Joint Ventures) is as under:

	Country of Incorporation	Percentage of ownership interest as at 31st March, 2016	Percentage of ownership interest as at 31st March, 2015
Jindal Synfuels Limited	India	*70	70
Shresht Mining and Metals Private Limited	India	50	50
Urtan North Mining Company Limited	India	*66.67	66.67

* Considered for consolidation as per Accounting Standard 21

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

		(₹ in Crore)	
		As at 31st March, 2016	As at 31st March, 2015
I. Liabilities			
1 Non Current Liabilities			
Other Long-term liabilities		69.59	63.51
2 Current Liabilities			
Other current liabilities		1.49	1.70
II. Assets			
3 Non-Current Assets			
a) Fixed Assets		1.70	1.97
Capital Work in progress			
Intangible assets under development		80.98	66.61
b) Long term loans & advances		2.57	2.58
c) Other non-current assets		0.46	7.53
4 Current Assets			
Cash and Cash equivalents		5.18	6.31
Short term loans & advances		0.27	0.10
Other current assets		-	0.01
III. Income/expenditure		-	-

- 38 i) In accordance with the Companies Act 2013, the Group had, during the previous year revised useful life of its fixed assets to comply with the useful life as mentioned in Schedule II of the said Act. As per the transitional provisions the Group adjusted during previous year ₹ 134.34 crore (net of tax of ₹ 65.93 crore) from the opening balance of retained earnings. Had the Group continue to follow earlier useful life the depreciation expense for the previous year would have been lower by ₹ 79.62 crore.
- ii) During the current year, the parent company and an overseas subsidiary have upward revised the useful life of certain class of fixed assets based on internal assessment and technical estimate. The parent company and overseas subsidiary believe that the useful life best represent the period over which parent and overseas subsidiary expect to use these assets. The above change has taken place with effect from 1st April, 2015 and accordingly the depreciation expense for the year ended 31st March, 2016 is lower by ₹ 643.14 crore.
- iii) One of the Indian subsidiaries has revised depreciation as per provision of paragraph 4 of part C of Schedule II of the Companies Act, 2013 on its all assets which is

mandatory from 1st April, 2015 and accounting standard 10 under the companies (Accounting Standards) Amendment Rules 2016. Also that company has decided to provide depreciation in respect of plant and machinery and buildings of the Thermal Power Plant (which commissioned after the date of notification i.e 30th May, 2011) on written down value method which hitherto was being provided at the rates as well as methodology (applying straight line method) notified by the Central Regulatory Commission (Terms and condition of Tariff) Regulations, 2009 (CERC) in view of aligning the same with all other assets under the same class. Consequently, depreciation for the current year is higher by ₹ 400.52 crores. The financial statements of the said subsidiary have been approved by the Board of Directors (BOD) of the subsidiary in its meeting held on April 27, 2016. On April 27, 2016 MCA clarified that the above notifications would be applicable for the accounting period commencing from the date of the said notification. However, based on the legal opinion obtained by the parent company, the financial statements of the said subsidiary as approved by the subsidiary's BOD on April 27, 2016, prepared after considering the impact of such change in the method of providing depreciation prospectively as a change in estimate rather than retrospectively as per requirements of relevant

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

accounting standard prior to such amendment, have been considered for the purpose of preparation of the consolidated financial statements of the Group.

- 39.** During the year, one of the subsidiaries received ₹ Nil (Previous year ₹ 60.20 crore) with respect to coal sector job package from Government. The same has been included under other income.
- 40.** Consolidated financial statements include results of a subsidiary which is based on unaudited financial statements having revenue of ₹ 37.20 crore during the year ended 31 March, 2016 and assets of ₹ 4,335.90 crore as at 31st March, 2016.
- 41.** Expenditure related to Corporate Social Responsibility as per section 135 of the Companies Act, 2013 read with schedule VII thereof. Amount Spent during the year on:

		(₹ in Crores)	
Particulars	2015-16	2014-15	
1 Construction/acquisition of any assets	-	28.63	
2 on purpose other than (i) above	47.32	58.83	
Total	47.32	87.46	

42 'EMPLOYEE BENEFITS', IN ACCORDANCE WITH ACCOUNTING STANDARD (AS-15) :

Indian Companies

- A.** The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (last drawn salary) for each completed year of service.
- B.** The Guidance on Implementing AS 15, Employee Benefits (Revised 2005) issued by Accounting Standards Board (ASB) of the ICAI states that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation and based on the below assumptions made a provision of ₹ 11.89 crore as at 31st March, 2016 (Previous Year ₹11.41 crore).

The Group contributed/ provided ₹ 20.89 crore and ₹ 22.56 crore towards provident fund during the year ended 31st March, 2016 & 31st March, 2015 respectively.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans.

As per Accounting Standard AS 15 "Employee Benefits", the disclosures of Employee Benefits as defined in the Accounting Standard are given below:-

		(₹ in Crore)	
		Current Year	
		Gratuity	Provident Fund
		Previous Year	
		Gratuity	Provident Fund
I. Components of Employer Expense			
1. Current Service Cost	9.36	24.79	8.39
2. Interest Cost	5.02	31.61	4.69
3. Expected Return on Plan Assets	(3.89)	(30.71)	(3.91)
4. Curtailment Cost/ (credit)	-	-	-
5. Settlement Cost / (credit)	-	-	-
6. Past Service Cost	3.42	-	-
7. Actuarial Losses / (Gains)	(24.04)	1.60	5.84
8. Total expense recognised in the statement of Profit & loss	(10.13)	27.29	15.01
II Actual Returns for the year ended 31st March, 2015	2.82	34.90	2.25
			21.58

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

		(₹ in Crore)			
		Current Year		Previous Year	
		Gratuity	Provident Fund	Gratuity	Provident Fund
III	Net Assets / (liability) Recognised in Balance Sheet				
1	Present Value of Defined benefit Obligation	(54.09)	(415.69)	(67.05)	(344.40)
2	Fair Value on Plan Assets	44.43	403.79	45.66	332.99
3	Status { Surplus/ (deficit) } (1- 2) *	(9.64)	(11.89)	(21.40)	(11.41)
4	Unrecognised Past service Cost	-	-	-	-
	Net Assets / (liability) recognised in Balance Sheet :-(3 + 4) *	(9.64)	(11.89)	(21.40)	(11.41)
IV	Change in Defined Benefit Obligation (DBO)				
	Present Value of DBO at the beginning of the year :-	(67.05)	(344.40)	(52.46)	(285.47)
1	Current Service Cost- Employer	(9.36)	(24.79)	(8.39)	(25.59)
2	Current Service Cost- Employee	-	(35.01)	-	(31.88)
3	Interest Cost	(5.02)	(31.61)	(4.69)	(22.06)
4	Curtailment Cost/ (crdit)	-	-	-	-
5	Settlement Cost / (credit)	-	-	-	-
6	Plan Amendments	(3.42)	-	-	-
7	Acquisitions	-	(18.18)	-	(8.11)
8	Acturial (Losses) / Gains	24.03	(1.60)	(5.24)	2.41
9	Benefits Paid	6.73	39.90	3.73	26.30
	Present Value of DBO at the end of the year :-	(54.09)	(415.69)	(67.05)	(344.40)
V	Change in Fair Value of Assets				
	Plan Assets at the beginning of the year :-	45.66	332.99	44.19	274.55
1	Acquisition Adjustment	-	-	-	-
2	Expected Return on Plan Assets	3.89	-	3.91	-
3	Actual Return on Planed Assets	-	34.90	-	21.58
	Acturial Gains /(Losses)	0.01	-	(0.60)	-
	Actual company contribution	1.61	75.81	0.75	63.16
	Benefit Paid	(6.73)	(39.90)	(2.60)	(26.30)
	Plan Assets at the end of the year :-	44.43	403.79	45.65	332.99

* It includes ₹12.04 crore liability pertaining to overseas subsidiaries, ₹ 16.39 crore liability pertains to parent company and other Indian subsidiaries and balance ₹ 6.28 crore assets relating to an Indian Subsidiary shown under Current Assets.

VI The major categories of plan assets for Gratuity and Provident Fund as a percentage of the fair value of total plan assets are as follows :

Particulars	2015-16	2014-15
Other (including assets under Scheme of Insurance)	100%	100%

		Current Year		Previous Year	
		Gratuity	Provident Fund	Gratuity	Provident Fund
VII	Actuarial Assumptions				
1	Discount Rate (%)	8.00%	8.00%	8.00%	7.90%
2	Expected Return on Plan Assets (%)	9.00%	0.00%	9.00%-9.15%	-
3	Salary escalation rate (%)	3.00%	0.00%	10%	-

The estimate of future increases, considered in actuarial valuation, takes in to inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on the date, applicable to the period over which obligation is to be settled.

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

Particulars	Period Ending				
	2015-16	2014-15	2013-14	2012-13	2011-12
VIII Gratuity Experience History					
1 Defined Benefit Obligation at the end of the period	(54.09)	(67.05)	(52.46)	(47.75)	(39.23)
2 Plan Assets	44.43	45.65	44.19	37.23	31.63
3 Surplus/(Deficit)	(9.64)	(21.40)	(8.27)	(10.52)	(7.60)
4 Experience Gain/(Loss) adjustments on plan liabilities	(15.59)	(0.03)	(1.14)	(5.53)	(0.83)
5 Experience Gain/(Loss) adjustments on plan assets	0.01	(0.60)	0.09	0.07	(0.17)
6 Actuarial Gain/(Loss) due to change on assumptions	39.62	(5.21)	5.35	0.08	0.82

Particulars	Year Ending				
	2015-16	2014-15	2013-14	2012-13	2011-12
IX Provident Fund Experience History					
1 Defined Benefit Obligation at the end of the period	(415.69)	(344.40)	(285.47)	(224.24)	(183.00)
2 Plan Assets	403.80	332.99	274.55	214.88	172.62
3 Surplus/(Deficit)	(11.89)	(11.41)	(10.93)	(9.36)	(10.38)
4 Experience Gain/(Loss) adjustments on plan liabilities	2.24	1.56	0.78	1.22	(7.68)
5 Experience Gain/(Loss) adjustments on plan assets	-	-	-	-	-
6 Actuarial Gain/(Loss) due to change on assumptions	0.35	1.40	0.84	3.51	-

Significant Overseas Companies

One of foreign subsidiaries provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of minimum service period. The expected costs of these benefits are accrued over the period of employment. With respect to its Omani employees, the company makes contributions to the Public Authority for Social Insurance Scheme under Royal Decree No. 72/91, calculated as a percentage of employees' salary. The company's obligations are limited to these contributions, which are expensed on accrual basis.

43 Cost of power and fuel in case of a subsidiary includes expenditure of other heads which are as follows:

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Other Manufacturing expenses	-	114.09
Consumption of stores and spares	-	25.41
Repairs and maintenance	-	15.80
Salaries and wages	-	32.33
Contribution to Provident fund	-	1.36
Depreciation	-	19.02
Rates and taxes	-	23.42
Miscellaneous expenses	-	49.13
Total	-	280.56

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

44 IN RESPECT OF CERTAIN PROJECTS OF SUBSIDIARY COMPANIES:

The 1,800 MW Kamala Hydroelectric Power Project (Kamala Project) is run of the river project located on Kamala River in the state of Arunachal Pradesh. Detailed Project Report (DPR) of Kamala Project has already been with the Central Electricity Authority (CEA) and has also accepted by CEA for detailed examination, pending approval. Land survey is also in progress. Government of Arunachal Pradesh has granted extension of time up to 31st March 2015 for commencement of Kamala project; the management is confident of getting further extension of time in this regard.

The 3097 MW Etalin Hydroelectric Power Project (Etalin Project) is a run of the river project located on Dri River and Tangon River in the state of Arunachal Pradesh. Substantial progress has been achieved with respect to the land acquisition, environment and forest clearance and other statutory clearances. Further The Central Electricity Authority (CEA) has also issued concurrence for implementation of the project subject to fulfillment of certain conditions. As assessed by the management, the project has achieved some milestones and is likely to be developed as per schedule.

The 680 MW Attunli Hydroelectric Power Project is a run of the river project located on Tangon River in the state of Arunachal Pradesh. Survey and Investigation works for preparation of Detailed Project Report (DPR) has been completed and draft DPR is under consideration.

In the opinion of the management, no impairment is required to be provided for in respect of assets of the above stated Hydro Power Projects.

45 During the current year, the Parent Company has paid managerial remuneration of ₹ 14.75 crore to the Chairman and ₹ 7.30 crore to Managing Director and Group CEO of the Company. The Parent Company had taken the shareholders' approval by way of special resolution for payment of minimum managerial remuneration as per Schedule V to the Companies Act, 2013 subject to the approval of Central Government. The Parent Company has filed necessary application(s) with the Central government for excess remuneration paid of ₹ 8.01 crore and approval is awaited.

46 The Group has filed legal suits /notices or in the process of filing legal case /sending legal notices / making efforts for recovery of debit balances of ₹ 630.99 crore plus interest wherever applicable, which are being carried as long term / short term advances, trade receivables and other recoverable. Pending outcome of legal proceedings/Group's efforts for recovery and based on legal advice in certain cases, the Group has considered aforesaid amounts as fully recoverable. Hence, no provision has been made in respect of these balances.

47 Additional information as required by paragraph 2 of the General Instruction for preparation of Consolidated Financial Statements to the Schedule III to the Companies.

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

Additional information as required by paragraph 2 of the General Instruction for preparation of Consolidated Financial Statements to the Schedule III to the Companies Act, 2013

S.No.	Name Of Entity	March 31, 2016		March 31, 2016		March 31, 2015		March 31, 2015	
		Net Assets		Share in profit or (loss)		Net Assets		Net Assets	
		As % of Consolidated Net Assets	Amount (₹ In Crore)	As % of Consolidated Net Assets	Amount (₹ In Crore)	As % of Consolidated Net Assets	Amount (₹ In Crore)	As % of Consolidated Net Assets	Amount (₹ In Crore)
Parent Subsidiaries									
Indian									
1	Jindal Steel & Power Limited	63.05%	11,441.47	53.57%	(1,018.88)	59.46%	12,511.21	24.31%	(310.68)
2	Jindal Power limited	53.34%	9,680.40	5.39%	(102.49)	46.49%	9,782.88	13.30%	(170.04)
3	Everbest Steel & mining Holding Limited	0.00%	0.01	0.00%	(0.01)	0.00%	(0.00)	0.02%	(0.25)
4	Jindal Angul Power limited	0.00%	0.02	0.00%	(0.01)	0.00%	0.03	0.00%	(0.01)
5	JB Fabinfra Limited	0.00%	0.84	0.00%	0.07	0.00%	0.76	0.00%	(2.10)
6	Trishakti Real Estate Infrastructure and Developers Private Limited	0.23%	41.39	(0.05%)	0.88	0.18%	40.51	0.01%	(0.17)
7	Attunil Hydro Electric Power Company Limited	0.01%	1.00	0.00%	-	0.00%	1.00	0.00%	-
8	Etalin Hydro Electric Power Company Limited	0.01%	1.00	0.00%	-	0.00%	1.00	0.00%	-
9	Jindal Hydro Power Limited	0.00%	0.08	0.00%	-	0.00%	0.08	0.00%	-
10	Jindal Power Distribution limited	0.00%	0.05	0.00%	-	0.00%	0.05	0.00%	-
11	Ambitious Power Trading Company Limited	0.05%	9.63	(0.02%)	0.46	0.04%	9.16	(0.04%)	0.46
12	Jindal Power Transmision Limited	0.00%	0.08	0.00%	-	0.00%	0.08	0.00%	-
13	Jindal Power Venture (Mauritius) Limited	0.00%	(0.09)	0.00%	(0.02)	0.00%	0.00	(0.01%)	0.07
14	Kamala Hydro Electric Power Co. Limited	0.01%	1.00	0.00%	-	0.00%	1.00	0.00%	-
15	Kineta Power Limited	0.80%	145.01	0.00%	-	0.69%	145.01	0.00%	-
16	Uttam Infralogix Limited	0.01%	2.50	0.00%	-	0.00%	1.00	0.00%	-
Foreign									
1	Jindal Steel & Power (Mauritius) Limited	0.43%	78.61	3.67%	(69.74)	0.85%	178.40	13.43%	(171.59)
2	Skyhigh Overseas Limited	0.82%	148.17	0.00%	(0.00)	0.66%	139.81	0.00%	(0.01)
3	Gas to liquids International S.A	0.75%	136.11	0.00%	-	0.61%	128.43	0.00%	-
4	Jindal Power Senegal SAU	0.00%	0.04	0.00%	(0.01)	0.00%	0.04	0.00%	0.06

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

S.No.	Name Of Entity	March 31, 2016 Net Assets		March 31, 2016 Share in profit or (loss)		March 31, 2015 Net Assets		March 31, 2015 Share in profit or (loss)	
		As % of Consolidated Net Assets	Amount (₹ In Crore)	As % of Consolidated Net Assets	Amount (₹ In Crore)	As % of Consolidated Net Assets	Amount (₹ In Crore)	As % of Consolidated Net Assets	Amount (₹ In Crore)
5	Blue Castle Ventures Limited	(0.01%)	(2.35)	0.04%	(0.77)	(0.01%)	(1.48)	0.11%	(1.46)
6	Brake trading (pty)Limited	0.00%	0.00	0.00%	-	0.00%	0.00	0.00%	-
7	Enduring Overseas Inc	(0.21%)	(37.47)	0.36%	(6.75)	(0.14%)	(28.94)	0.44%	(5.61)
8	Fire Flash Investments (pty) Limited	0.00%	0.00	0.00%	-	0.00%	0.00	0.00%	-
9	Harmony Overseas Limited	0.21%	38.18	(1.93%)	36.79	0.00%	0.55	(0.05%)	0.60
10	Jin Africa Limited	(0.04%)	(7.20)	0.03%	(0.61)	(0.03%)	(6.21)	0.03%	(0.33)
11	Jindal (BVI) Limited	5.87%	1,065.49	(4.27%)	81.22	1.85%	1,020.55	0.00%	0.02
12	Jindal Africa Investment (pty) Limited	(0.30%)	(55.11)	1.30%	(24.72)	(0.16%)	(32.84)	1.57%	(20.10)
13	Jindal Africa Liberia Limited	(0.03%)	(5.82)	0.29%	(5.60)	(0.03%)	(5.49)	0.09%	(1.21)
14	Jindal Botswana (pty) Limited	(0.02%)	(4.10)	0.02%	(0.34)	(0.02%)	(3.91)	0.04%	(0.53)
15	Jindal Investimentos LDA	0.00%	0.02	0.01%	(0.16)	0.00%	0.00	0.03%	(0.32)
16	Jindal Investment Holding Limited	0.00%	(0.08)	0.00%	(0.00)	0.00%	(0.08)	0.00%	(0.01)
17	Jindal KZN Processing (pty) limited	0.00%	(0.00)	0.00%	(0.00)	0.00%	(0.00)	0.00%	(0.00)
18	Jindal Madagascar SARL	(0.01%)	(1.68)	0.00%	(0.00)	(0.94%)	(1.22)	0.00%	(0.01)
19	Jindal Mining & Exploration Limited	0.13%	23.91	0.61%	(11.58)	0.14%	29.75	0.72%	(9.26)
20	Jindal Mining Namibia (pty) Limited	(0.13%)	(22.97)	0.11%	(2.02)	(0.12%)	(24.40)	0.44%	(5.64)
21	Jindal Steel & Minerals Zimbabwe Limited	(0.05%)	(8.93)	0.00%	(0.01)	(0.04%)	(8.41)	0.00%	(0.00)
22	Jindal Steel & Power (Australia) pty Limited	0.07%	13.55	0.14%	(2.63)	0.08%	17.08	0.79%	(10.08)
23	Jindal Tanzania Limited	(0.05%)	(8.88)	0.00%	(0.04)	(0.05%)	(11.15)	0.00%	(0.06)
24	Jindal Zambia Limited	(0.09%)	(16.68)	0.01%	(0.10)	(0.07%)	(15.26)	0.06%	(0.81)
25	Jspl Mozambique Minerais LDA	(2.39%)	(433.61)	10.96%	(208.53)	(1.64%)	(345.53)	15.00%	(191.72)
26	Jubilant Overseas Limited	0.00%	(0.60)	0.02%	(0.41)	0.00%	(0.17)	0.01%	(0.10)
27	Landmark Mineral Resources (Pty)Limited	0.00%	0.00	0.00%	-	0.00%	0.00	0.00%	-
28	Osho madagascar SARL	(0.01%)	(1.02)	0.00%	(0.00)	(0.99%)	(1.05)	0.00%	(0.01)
29	PT Jindal Overseas	(0.19%)	(34.74)	0.19%	(3.57)	(0.14%)	(29.76)	0.86%	(11.04)
30	Shadeed Iron & Steel L.L.C	10.02%	1,818.21	(0.37%)	7.02	5.15%	1,083.11	(24.87%)	317.87
31	Sungu sungu pty Limited	0.00%	0.01	0.00%	(0.00)	0.00%	0.00	(0.01%)	0.09

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

S.No.	Name Of Entity	March 31, 2016 Net Assets		March 31, 2016 Share in profit or (loss)		March 31, 2015 Net Assets		March 31, 2015 Share in profit or (loss)	
		As % of Consolidated Net Assets	Amount (₹ In Crore)	As % of Consolidated Net Assets	Amount (₹ In Crore)	As % of Consolidated Net Assets	Amount (₹ In Crore)	As % of Consolidated Net Assets	Amount (₹ In Crore)
32	Tablet Blue Trade & Invest (pty) Limited (Cease to exist)	0.00%	-	0.00%	-	0.00%	(0.02)	0.00%	(0.02)
33	Vision Overseas Limited	0.00%	(0.71)	0.00%	(0.09)	0.00%	(0.58)	0.03%	(0.44)
34	Wollongong Coal Limited	2.73%	495.02	25%	(483.96)	6.67%	890.65	59.61%	(653.25)
35	Jindal Steel DMCC	(0.07%)	(12.00)	0.30%	(5.76)	(0.03%)	(5.81)	0.46%	(5.93)
36	Belde Empreendimentos Mineiros LDA	0.00%	0.00	0.00%	-	0.00%	0.01	0.00%	-
37	Eastern Solid Fuels (pty) Limited	(0.05%)	(9.37)	(0.01%)	0.15	(0.04%)	(8.67)	(0.05%)	0.69
38	Ericure (pty) Limited (Cease to exist as subsidiary)	0.00%	-	0.00%	-	0.00%	(0.00)	(0.01%)	0.11
39	PT BHI Mining Indonesia	(0.23%)	(42.20)	0.06%	(1.17)	(0.10%)	(38.25)	0.86%	(10.99)
40	PT Sumber Surya Gemilang	(0.09%)	(17.11)	0.05%	(1.04)	(0.07%)	(15.37)	0.11%	(1.41)
41	PT Maruwai Bara Abadi	(0.02%)	(3.30)	0.03%	(0.60)	(0.01%)	(2.57)	0.16%	(2.01)
42	Jindal Mining SA (pty) Limited	0.01%	1.13	1.16%	(22.11)	0.12%	26.10	2.92%	(37.36)
43	Bon Terra Mining (pty) Limited	0.00%	(0.00)	0.00%	-	0.00%	0.00	0.00%	-
44	CIC (Barbados) Holding Corp.	0.00%	(0.14)	0.00%	-	0.00%	(0.13)	0.00%	-
45	CIC Energy (Bhamas) Limited	(0.06%)	(11.55)	0.00%	-	(0.05%)	(10.89)	0.00%	-
46	Jindal Energy (Botswana) pty Limited	(0.04%)	(6.79)	0.02%	(0.30)	(0.03%)	(8.20)	0.00%	(0.01)
47	Jindal energy (SA) pty Limited	0.00%	0.01	(0.31%)	5.92	(0.13%)	(5.35)	(0.17%)	2.21
48	CIC Transfrica (Barbados) pty Limited	0.00%	(0.01)	0.00%	0.00	0.00%	(0.06)	0.00%	-
49	Jindal Resources (Botswana) pty Limited	(1.67%)	(302.70)	1.99%	(37.79)	(0.41%)	(96.17)	0.34%	(4.33)
50	Trans Africa Rail (pty) Limited	0.00%	(0.06)	0.00%	(0.01)	0.00%	(0.06)	0.00%	0.00
51	Sad- Elec (pty) Limited	0.00%	(0.01)	0.00%	(0.00)	0.00%	(0.00)	0.00%	-
52	CIC (Barbados) Mining Corp.	(0.76%)	(138.72)	0.00%	-	(0.49%)	(103.96)	0.00%	-
53	CIC (Barbados) Energy Corp.	0.00%	(0.14)	0.00%	-	0.00%	(0.13)	0.00%	-
54	Meepong Resources (Mauritius) (pty) Limited	0.00%	-	0.00%	-	0.00%	(0.32)	0.00%	(0.01)
55	Meepong Resources (pty) Limited	(1.13%)	(205.67)	1.25%	(23.72)	(0.22%)	(57.22)	0.21%	(2.74)
56	Meepong Energy (Mauritius) (pty) Limited	0.00%	-	0.00%	-	0.00%	(0.35)	0.00%	(0.04)
57	Meepong Energy (pty) Limited	1.38%	(250.99)	1.49%	(28.42)	(0.19%)	(44.22)	0.25%	(3.26)
58	Meepong Service (pty) Limited	(0.01%)	(1.09)	0.01%	(0.10)	0.00%	(0.23)	0.00%	(0.01)
59	Meepong water (pty) Limited	(0.08%)	(13.64)	0.09%	(1.62)	(0.01%)	(2.60)	0.01%	(0.18)

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

S.No.	Name Of Entity	March 31,2016 Net Assets		March 31,2016 Share in profit or (loss)		March 31,2015 Net Assets		March 31,2015 Share in profit or (loss)	
		As % of Consolidated Net Assets	Amount (₹ In Crore)	As % of Consolidated Net Assets	Amount (₹ In Crore)	As % of Consolidated Net Assets	Amount (₹ In Crore)	As % of Consolidated Net Assets	Amount (₹ In Crore)
60	Peerboom Coal (pty) Limited	0.00%	(0.00)	0.00%	(0.00)	0.00%	(0.00)	0.00%	(0.00)
61	Shadeed Iron & Steel Company Limited	0.00%	0.79	-0.03%	0.61	0.00%	(0.27)	(0.03%)	0.43
62	Koleko Resources (pty) Limited	0.00%	(0.00)	0.00%	(0.00)	0.00%	0.00	0.00%	0.06
63	Legend Iron Limited	0.62%	113.36	(0.11%)	2.00	0.56%	118.23	0.00%	(0.01)
64	Cameroon Mining Action (CAMINA)SA	(0.10%)	(18.09)	0.43%	(8.15)	0.00%	(8.68)	0.22%	(2.79)
65	All tech Building System	0.00%	(0.76)	0.04%	(0.81)				
66	Jindal Africa SA	0.00%	-	0.00%	-				
67	Jindal Steel & power (BC) Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
68	Jindal Mauritania SARL	0.00%	-	0.00%	-	0.00%	-	0.00%	-
69	Trans Asia Mining Pte.Limited	0.00%	(0.17)	0.00%	(0.05)	0.00%	-	0.00%	-
70	Wongawilli Coal Pty Limited	(1.05%)	(190.00)	3.03%	(57.62)	(1.27%)	(133.33)	0.15%	(108.51)
71	Oceanic Coal Resources	1.35%	245.07	0.00%	(0.01)	1.16%	245.08	0.00%	(0.03)
72	Southbulli Holding Pty Limited	0.14%	24.52	0.00%	(0.07)	0.12%	24.57	0.01%	(0.11)
73	Jindal Steel Bolivia SA	0.00%		0.00%		0.00%	-	0.00%	-
74	Trans Atlantic Trading Limited#	0.00%		0.00%		0.00%	-	2.27%	(29.05)
	Minority Interest in all Subsidiaries	(4.41%)	(800.28)	(5.15%)	98.02	(4.08%)	(857.65)	(13.60%)	173.84
Associates									
1	Nalwa Steel & Power Limited	1.27%	229.62	0.07%	(1.40)	2.74%	231.02	(0.18%)	2.32
2	Prodisyne (pty) Limited	0.00%	-	0.00%	-	0.00%	(0.00)	0.00%	-
3	Thuthukani Coal (pty) Limited	0.00%	(0.00)	0.00%	(0.00)	0.00%	0.00	0.00%	-
Jointly Controlled Entities									
1	Jindal Synfuels Limited	0.01%	1.00	0.00%	-	0.00%	1.00	0.00%	-
2	Shresht Mining & Metals Private limited	0.04%	7.70	0.00%	-	0.07%	7.70	0.00%	-
3	Urtan North Mining Company Limited	0.10%	17.25	0.00%	-	0.08%	17.25	0.00%	-
	Consolidation Adjustments/ Elimination	(27.38%)	(4,968.36)	0.07%	(1.35)	(16.26%)	(3,694.06)	0.10%	(1.31)
Total		100.00%	18,147.08	100.00%	(1,902.01)	100.00%	21,042.07	100.00%	(1,278.12)

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

- 48** During the current year the Group has not acquired or disposed off any major subsidiary.

During the previous year Group acquired stake in Cameroon Mining Action S.A. The aforesaid acquisition has effect of increase in assets and liabilities by ₹ 107.67 crore and ₹ 0.28 crore respectively and change in result by ₹ Nil in consolidated financial statements during the year ended 31st March 2015.

- 49** Subject to customary regulatory approvals and other conditions precedent(s), the Board of Directors at its meeting held on 3rd May, 2016 has approved the agreement for divestment of 1,000 MW Power unit of Jindal Power Limited (a subsidiary of the Parent Company (JPL)), located in Chhattisgarh into a separate purpose vehicle (SPV), for the purpose of transferring the same to JSW Energy Limited through sale of the entire share capital and other securities of the aforesaid entity in terms of the share purchase agreement for an enterprise value of ₹ 6,500 crore plus the value of Net Current Assets as on the Closing Date. The valuation may vary based upon the achievement of PPA's before the closing date 30th June, 2018 and as prescribed in the Agreement subject to minimum of ₹ 4,000 crore plus the value of Net Current Assets as on the Closing Date. The valuation may vary based upon the achievement of PPA's before the closing date 30th June, 2018 and as prescribed in the Agreement subject to minimum of ₹ 4,000 crore plus the value of Net Current Assets as on the Closing Date.

In order to streamline cash flows of the group and create SPV amenable for, the Board of Directors of the Parent Company and JPL have in principle approved the restructuring involving parent company and JPL and formed a committee of directors ("Restructuring Committee"), to explore and evaluate various restructuring options available including a scheme of arrangement. The restructuring will entail that 1,000 MW Power Plant owned by JPL is hived off into an separate purpose vehicle, being subsidiary of the parent company, creation of other SPV amenable for monetization by way of divestments

as well as achieve better synergy across the parent company and its subsidiaries, and to ensure that the businesses of these entities are operated in the most efficient and cost effective manner, including by pooling of technical, distribution and marketing skills, creating optimal utilisation of resources, better administration and cost reduction. Upon completion of evaluation of the possible arrangement options, the Restructuring Committee is to submit its recommendations to the Board of Directors and to such other committee(s) of the Board, including the Audit Committee, shareholders as may be required by applicable laws.

- 50** During the current year, there is a gain of ₹ 2.67 crore arising on account of slump sale of crushing plant division for ₹ 121 crore. The amount receivable against the same of ₹ 121 crore is shown under other receivable.
- 51** Cost of captive sales (reduced from total expenditure) includes interest on internal manufactured goods consumed in capital projects which is not separately ascertainable.
- 52** Exceptional items in consolidated financial statements for the year comprise of provision for impairment loss on fixed assets of ₹ 226.82 crore in one of the overseas subsidiaries as on 31st March, 2015 and foreign exchange variation of ₹ 9.01 crore attributable to the sharp depreciation of Australian dollar in the current year.
- 53** Till previous year the foreign exchange difference of the inter-group long term foreign currency loans transactions of overseas business to the extent of financing requirements other than acquiring the fixed assets, being not material were expensed off. The Group has during the current year, with effect from 1st April, 2015 decided to amortize such differences, if material, over the remaining period of the loan. The said changes has resulted in to lower charge of foreign exchange differences for year ended 31st March 2016 by ₹ 188.23 crore, which is included under Foreign Currency Monetary item Translation Difference Account.

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

54 DISCLOSURE AS REQUIRED BY ACCOUNTING STANDARD (AS-18) 'RELATED PARTY DISCLOSURES'

The names of related parties where control exist and/or with whom transactions have been taken place during the year and description of relationship as identifies and certified by the management are:

A. List of Related Parties and Relationships

a) Associates

1. Nalwa Steel & Power Limited
2. Prodisyne (Pty) Limited
3. Thuthukani Coal (Pty) Limited
4. Everbest Steel and Mining Holdings Limited (formerly known as Everbest Infrastructure & Development Ltd.) (ceased to exist as associate w.e.f 03.12.2015)

Note : Following entities ceased to exist in previous year Angul Sukinda Railway Limited (ceased to exist as associates w.e.f 31.03.2015)

Panacore Shipping Pte Limited, Singapore (ceased to exist as subsidiary w.e.f. 20.11.2014)

JB Fablnfra Private Limited (became subsidiary w.e.f. 10.10.2014)

Koleko Resources (Pty) Limited (became subsidiary w.e.f. 12.10.2014)

b) Joint Ventures

1. Jindal Synfuels Limited
2. Shresht Mining and Metals Private Limited
3. Urtan North Mining Private Limited

c) Key Managerial person

1. Shri Naveen Jindal (Chairman)
2. Shri Ravi Uppal (MD & CEO)
3. Shri D.K. Saraogi (wholetime director)
4. Shri Rajeev Bhadauria (w.e.f. 27.05.2015)

d) Enterprises over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year

1. Minerals Management Services (India) Private Limited
2. Jindal Stainless Ltd
3. Jindal Industries Limited
4. Bir Plantation Limited
5. India Flysafe Aviation Limited
6. Jindal Realty Private Limited
7. Jindal Saw Limited
8. JSW Steel Limited
9. Rohit Tower Building Limited
10. JSW Energy Limited
11. JSW Coated Product Limited
12. JSW Projects Limited

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

B. Transactions with Related Parties

Description	Joint ventures		Associates		Key Management Personnel		Enterprises controlled by Key Management personnel and their relatives	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase Of Goods/Services*	-	-	268.65	390.16	-	-	234.81	164.77
Sales Of Goods (Ind Capital Goods)*	-	-	46.30	75.76	-	-	421.67	1,190.71
Rendering Of Services	-	-	-	-	-	-	1.60	-
Investment In Equity Shares/Preference Share	-	5.69	-	-	-	-	-	-
Investment in Debentures	-	0.65	-	-	-	-	-	-
Other Advances Given/(Taken)	-	-	-	-	6.96	-	-	-
Other Advances Repaid back	-	-	-	-	2.94	-	-	-
Rent And Other Expenses Paid	-	-	-	-	-	-	1.78	1.21
Interest Income/(Expense){Net}	-	-	-	-	0.32	-	98.44	35.05
Remuneration	-	-	-	-	25.46	28.96	-	-
Corporate Guarantees Given/(taken)/(extinguish)	-	(38.75)	(31.00)	-	-	-	-	-
Inter Corporate Deposits Given	-	-	-	-	-	-	468.50	-
Inter Corporate Deposits Repaid/Adjusted	-	-	-	-	-	-	293.90	-
Outstanding Balance at the year end								
Inter Corporate Deposits given	-	-	-	-	-	-	850.00	675.40
Guarantees Outstanding	16.50	16.50	(31.00)	-	-	-	0.25	0.25
Advance/Security Deposit paid	-	-	-	-	-	-	8.50	8.50
Loans & Advances (Including Interest)	-	-	-	-	4.02	-	69.41	221.24
Advance Against Share Application	0.18	0.18	-	-	-	-	-	-
Investment In Equity Shares/Debentures	-	-	2.00	-	-	-	-	-
Salary Payable	-	-	-	-	0.33	-	-	-
Interest Receivable	-	-	-	-	-	-	235.80	176.01
Debtors- Dr. Balance	-	-	3.03	-	-	-	28.92	73.48
Cr. Balance	-	-	0.04	0.03	-	-	3.88	0.71
Creditors- Dr. Balance	-	-	-	-	-	-	4.51	24.31
Cr. Balance	-	-	57.81	41.65	-	-	23.08	26.86

*Figures are inclusive of taxes and other expenses reimbursed

Note: For consolidated related party transactions disclosure, we have considered 50% of amount in case of Joint Venture. In case of Associate, we have considered 100% of transactions and the closing balance amount.

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

Material Transactions with Associates & Joint Ventures

Name of Related Party		Year	Nalwa Steel & Power Limited	Shrest Mining and Metals Private Limited
Relationship			Associate	Joint Venture
Purchase Of Goods/Services*		2015-16 2014-15	268.65 390.16	- -
Sales Of Goods (Incl Capital Goods)*		2015-16 2014-15	46.30 75.76	- -
Investment of Equity Shares/Preference Shares		2015-16 2014-15	- -	- 5.69
Investment in debentures		2015-16 2014-15	- -	- 0.65
Corporate Guarantees Given/(taken)/(extinguish)		2015-16 2014-15	(31.00) -	- (38.75)

*Figures are inclusive of taxes and other expenses reimbursed

Material transactions with Enterprises controlled by Key Management Personnel

279

Name of Related Party	Year	JSW Steel Ltd, Mumbai / Bellary	JSW Energy Limited	Jindal Saw Limited	Jindal Stainless Ltd. Hissar, Jajpur	India Flysafe Aviation Limited	Jindal Reality Pvt. Ltd.	Minerals Management Service (India) Pvt. Ltd.	Bir Plantation Pvt. Ltd.	Rohit Towers Private Limited	Jindal Industries Ltd	JSW Steel Coated Product Ltd	JSW Projects Limited,
Purchase Of Goods/ Services*	2015-16 2014-15	17.41 5.85	- -	9.59 24.57	109.49 59.59	68.55 55.23	24.16 -	- -	- -	- -	1.72 6.31	3.89 13.22	- -
Sales Of Goods (Incl Capital Goods)*	2015-16 2014-15	137.46 209.04	- 0.46	275.76 968.24	7.73 10.79	- 0.98	0.21 0.77	- -	- -	- -	- -	0.47 0.19	0.04 0.24
Rendering of services	2015-16 2014-15	1.39 -	0.18 -	- -	0.03 -	- -	- -	- -	- -	- -	- -	- -	- -
Other advances given/ (taken)	2015-16 2014-15	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Rent and Other Expense	2015-16 2014-15	- -	- -	0.52 -	0.70 -	- -	- -	- -	0.11 0.06	0.45 1.15	- -	- -	- -
Interest income	2015-16 2014-15	- -	- -	- -	- -	- -	98.44 35.05	- -	- -	- -	- -	- -	- -
Inter corporate deposits	2015-16 2014-15	- -	- -	- -	- -	- -	468.50 -	- -	- -	- -	- -	- -	- -
Inter Corporate deposits repaid/adjusted	2015-16 2014-15	- -	- -	- -	- -	- -	293.90 -	- -	- -	- -	- -	- -	- -

*Figures are inclusive of taxes and other expenses reimbursed

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

Material Transactions with Key Management Personnel *

		(₹ in crore)				
Particulars	Year	Shri Naveen Jindal	Shri Ravi Uppal	Shri K Rajagopal	Shri Rajeev Bhadauria	Shri DK Saorogi
Remuneration	2015-16	14.75	7.30	-	1.95	1.47
	2014-15	14.78	9.01	3.75	-	1.42
Loans and advances given	2015-16	6.50	-	-	-	0.46
	2014-15	-	-	-	-	-
Loans and advances repaid back	2015-16	2.71	-	-	-	0.23
	2014-15	-	-	-	-	-
Interest received	2015-16	0.32	-	-	-	-
	2014-15	-	-	-	-	-
		(₹ in crore)				
Particulars	Year	Shri Naveen Jindal	Shri Ravi Uppal	Shri K Rajagopal	Shri Rajeev Bhadauria	Shri DK Saorogi
Salary Payable	2015-16	0.07	0.17	-	0.09	0.01
	2014-15	-	-	-	-	-
Loans and advances outstanding	2015-16	3.79	-	-	-	0.23
	2014-15	-	-	-	-	-

*In addition to above transactions, also refer note no. 3 (g)

55. One of the Indian Subsidiaries, as a matter of prudence, as per the past practice till date 31st March, 2015, had recognized an expense on account for disputed demand of electricity duty and interest thereon amounting to ₹ 280.99 crore (₹ 47.34 crore as Fees and Taxes and ₹ 30.09 crore as interest others in 2014-15). The Subsidiary has challenged the validity of demand made by the Government of Chhattisgarh, in Court, which is pending for decision. Considering the present status of the case, management consideration and opinion of an expert, the company has not recognised electricity duty of ₹ 47.17 crore and interest thereon of ₹ 37.97 crore for the year ended 31st March, 2016 against disputed demand of electricity duty and disclosed the same under contingent liability under Note 2.28 herein above.

Management feel that it has good creditable case and confident about favourable decision in respect of above disputed demand.

56. The Parent Company has, as on 31st March, 2016, outstanding loan in foreign currency of US\$ 109.95 million (equivalent ₹ 729.35 crore) in the name of an overseas subsidiary. The said loan, being long term was earlier treated as part of quasi equity and hence exchange difference arising on the translation of the said loan was accumulated in foreign currency translation reserve. As a consequence of the Parent Company rescheduling the terms of re-payment, said loan is to be repaid by the overseas subsidiary by 31st March, 2017. Accordingly, accumulated balance appearing in the foreign currency translation reserve of ₹ 70.89 crore as at close of the year, has been credited to the consolidated statement of profit and loss during the current year.

NOTES

to the consolidated financial statements as at and for the year ended 31st March, 2016

- 57.** As at 31 March 2016, while consolidating, the Group has restated the financial statement of certain subsidiaries from Botswana Pula to Indian currency which was not carried out in earlier years, resulting into reduced value of Intangible Assets under Development with corresponding debit to Foreign Currency Translation Reserve by ₹ 513.22 crore respectively including ₹ 476.90 crore pertaining to earlier years. However this restatement has no impact on the consolidated statement of profit and loss of the current year.
- 58.** Previous year's figures have been regrouped wherever necessary to conform with this year's classification.

As per our report of even date

For S.R.Batliboi & Co. LLP

Chartered Accountants

Firm Registration No. 301003E/E300005

Anil Gupta

Partner

Membership No. 87921

Place: New Delhi

Dated : 04th May 2016

For & on behalf of the Board of Directors

Naveen Jindal

Chairman

DIN: 00001523

K. Rajagopal

Group Chief Financial Officer

Ravi Uppal

Managing Director & Group CEO

DIN: 00025970

Jagdish Patra

Company Secretary

FCS: 5320

Independent Auditors' Report

To The Board of Directors of Jindal Steel & Power Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Jindal Steel & Power Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint controlled entities, which comprise the consolidated Balance Sheet as at 31 March 2015, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

- a) As detailed in Note 31 (i) and (ii) of the consolidated financial statements, based on the Order of Hon'ble Supreme Court of India, the Group is to pay an additional levy of ₹ 295 per metric ton on gross coal extracted from operational mines. Through March 31, 2015, such levy on the gross extraction amounts to ₹ 3262.98 crore of which ₹ 3089.25 crore has been paid under protest and ₹ 118.01 crore has been accrued. Of the total amount paid or accrued, based on legal opinion the Group has recorded ₹ 1,911.64 crores as an exceptional item representing the levy on net extraction (run of mines less shale, rejects and ungraded middling) of coal. Had the gross levy been recorded, exceptional items and net loss before tax for the year ended March 31, 2015 would have been higher by ₹ 1,351.34 crore.
- b) As detailed in Note 31 (iii) of the consolidated financial statements and referred above note, the Group has not made adjustment in the net carrying value of investment made in mining assets including land, infrastructure and clearance, etc., of ₹ 603.30 crore as at March 31,

2015, (including Rs.183.58 crores by a subsidiary) pending finalization of the compensation claim filed by the Group with the Government authorities. We are unable to comment on the matter including any consequential adjustments that may be required in this regard in these financial statements.

- c) As stated in Note 41 (b) to the consolidated financial statements, the Company has an investment in overseas subsidiary whose total assets as at March 31, 2015 are ₹ 4740.11 crore, total revenue is ₹ 18.69 crores year ended March 31, 2015, which has been consolidated in these financial statements based on unaudited management certified accounts. In the absence of the audited financial statements of this subsidiary, we are unable to comment upon the consequential effects, if any, on the accompanying consolidated financial statements had the said audited financial statements of this subsidiary been made available to us.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us except for the effects of our observation stated in (a) above and possible effects of our observations in (b) and (c) above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group, its associates and jointly controlled entities as at 31 March 2015, and their consolidated loss and their cash flows for the year ended on that date.

Other Matters

- a) We did not audit the financial statements of 69 subsidiaries, 2 associates and 3 joint ventures whose financial statements include total assets of Rs 25993.80 crores as at March 31, 2015, and total revenues and net cash inflows of ₹ 6113.10 crores and ₹ 664.80 crores respectively for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates is based solely on the report of such other auditor.
- b) We did not audit the financial statements of 18 Subsidiaries, (including subsidiary referred above in para c in basis for qualified opinion) and 2 associates whose financial statements include total assets of ₹ 5407.27 crores as at March 31, 2015, and total revenues and net cash outflows of ₹ 18.69 crores and ₹ 67.97 crores respectively. The financial statements are unaudited and furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and associates and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, financial statements and other financial information of these entities [except for an entity as referred above in paragraph (c) of the Basis for Qualified opinion] are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified [except for an entity as referred above in paragraph (c) of the Basis for Qualified opinion] in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company, its subsidiaries, associate companies and jointly controlled entities incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and except for the possible effect of the matter described in paragraph (c) of the Basis for Qualified opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors, except to the extent stated above in paragraph (c) of the Basis for Qualified opinion;

- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, except for the effects of matter (a) and possible effect of matters (b) and (c) described in the Basis for Qualified Opinion, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) The matters described in the Basis for Qualified opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group's companies, its associates and jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements;
 - ii. The Group, its associates and jointly controlled entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and jointly controlled companies incorporated in India.

For S.R.Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

Anil Gupta
Partner
Membership No. 87921

Place : New Delhi
Dated: 27th May, 2015

Annexure referred to in paragraph under the heading “Report on other Legal and Regulatory requirements” of our report of even date

The Group, comprising Jindal Steel and Power Limited (‘Holding Company’) and its subsidiaries, joint controlled entities and associates incorporated in India and to whom the provisions of the Order apply (together referred to as “the Covered entities” in this report)

- (i) (a) The Holding company and covered entities of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Holding company and covered entities of the Group have a plan of verifying the fixed assets in a phased manner and the fixed assets have been physically verified by the management during the year as per such plan. In our opinion and as reported by other auditors who audited the financial statements/financial information of the other covered entities of the Group, the frequency of verification is reasonable having regard to the size of the Group and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (ii) (a) The inventory has been physically verified during the year, by the management of the Holding Company and the Covered entities of the Group except inventory of stores and spares for one of the Covered entities where there is perpetual inventory system and a substantial portion of inventory have been verified during the year. In our opinion and as reported by the other auditors who audited the financial statements / financial information of the other covered entities of the Group, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed for significant inventory balance as at year end.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Holding Company and the Covered entities of the Group and the nature of their business.

(c) The Holding Company and Covered entities of the Group are maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account of the respective covered entities of the Group.
- (iii) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements / financial information of certain entities of the Group, the Holding Company and the Covered entities of the Group have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Covered entities of the Group and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements / financial information of certain covered entities of the Group (except for 10 Covered entities of the Group) there is an adequate internal control system commensurate with the size of the Holding Company and the covered entities of the Group and the nature of its businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business of the covered entities of the Group. In regard to 10 Covered entities of the Group as reported by other auditors, in their opinion and according to the information and explanations given to them in regard to the explanations that certain items purchased/sold are of special nature for which, as explained, suitable alternative sources do not exist for obtaining comparative quotations, taking into consideration quality, usage and other such company and subsidiaries incorporated in India and the nature of its business with regards to purchase of inventory, fixed assets and for the sale of energy/goods and services. During the course of our audit and as reported by the other auditors who audited the financial statements / financial information of certain covered entities of the Group, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entities of the Group in respect of these areas.
- (v) The Holding Company and the Covered entities of the Group have not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Holding Company and certain covered entities of the Group to the extent applicable and relevant, pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture/generation of Mineral Products, Iron & Non alloy Steel, Power and other products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. The detailed examinations of the same have not been made by us or such other auditors.
- (vii) (a) (i) Undisputed statutory dues including provident fund, investor education and protection fund, employees’ state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities by the Holding Company and the Covered entities of the Group.

- (ii) According to the information and explanations given to us and as reported by other auditors who audited the financial statements/ financial information of certain Covered entities in the Group, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, duty of customs, duty of excise, value added taxes, cess and any other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable except for the following:

Name of the statute	Nature of dues	Amount (₹ in Crore)
Chattisgarh Value Added Tax Act, 2005	VAT	0.58
Central Sales Tax Act, 1956	CST	0.08

- (b) According to the records of the Company and as reported by other auditors who audited the financial statements/financial information of certain Covered entities in the Group, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Crore)	Amount of deposit (₹ in crores)	Period to which amount relates	Forum where dispute is pending
In respect of Covered Entities					
Income tax Act, 1961	Income Tax	751.52	296.57	FY 2005-06 to FY 2009-10	Income Tax Appellate Tribunal
Income tax Act, 1961	Income Tax	4.20	4.20	FY 2004-05	Commissioner of income Tax (Appeals), Rohtak
Income tax Act, 1961	Income Tax	42.26	-	FY 2003-04 and FY 2004-05	Punjab and Haryana High Court, Chandigarh
Central Excise Act, 1944	Excise duty	132.19	-	FY 2001-02 to FY 2013-14	CESTAT, Delhi
Central Excise Act, 1944	Excise duty	0.10	-	FY 95-96	Madhya Pradesh High Court, Jabalpur
Central Excise Act, 1944	Excise duty	0.64	-	FY 2003-04	High Court Bilaspur
Building & Other Construction Workers Welfare Cess Act, 1996	Building Cess	3.72	0.05	FY 2007-08 to 2013-14	Odisha High Court
Clean Energy Cess Rules, 2010	Clean Energy Cess	29.72	-	FY 2010-11 to FY 2011-12	CESTAT, Delhi
Finance Act, 1994	Service tax	0.11	-	FY 2003-04 to 2009-10	CESTAT, Delhi
Finance Act, 1994	Service tax	0.01	-	FY 2006-07	Asst. Commissioner Bilaspur
Finance Act, 1994	Service tax	0.35	-	FY 2001-02, FY 2002-03 & 2013-14	Additional Commissioner, Raipur
Chhattisgarh Upkar Adhinyam 1981	Energy Development Cess	333.06	38.17	FY 2004-05 to 2014-15	Supreme Court

Name of the statute	Nature of dues	Amount (₹ in Crore)	Amount of deposit (₹ in crores)	Period to which amount relates	Forum where dispute is pending
Odisha Entry Tax Act & Rules	Entry Tax	96.66	23.52	FY 2007-2008 to 2010-2011	Sales Tax Tribunal Cuttack, Odisha
Odisha Entry Tax Act & Rules	Entry Tax	11.37	2.84	Nov2010 to July2011	Odisha High Court, Cuttack
Odisha Entry Tax Act & Rules	Entry Tax	0.07	0.04	FY 2007-2008	Add. Commissioner of Sales Tax, Cuttack
Odisha Entry Tax Act & Rules	Entry Tax	0.01	0.00	FY 2006-2007	Deputy Commissioner, Commercial Tax (Appeals), Cuttack
Central Sales Tax Act, 1956	Central Sales Tax	0.24	0.15	FY 2005-2006	Deputy Commissioner, Sales tax, Rourkela
Central Sales Tax Act, 1956	Central Sales Tax	0.48	0.03	FY 2006-2007	Deputy Commissioner, Commercial Tax, Cuttack
Central Sales Tax Act, 1956	Central Sales Tax	0.45	0.45	FY 2004-2005	Odisha High Court, Cuttack
Odisha Value added Tax	State Sales Tax	0.20	0.04	FY 2006-2007	Deputy Commissioner, Commercial Tax (Appeals), Cuttack
Odisha Value added Tax	State Sales Tax	0.30	0.30	FY 2007-2008	Add. Commissioner of Sales Tax, Cuttack
In respect of Covered Entities					
The Income Tax Act	Income Tax	13.17		FY 2007-08 to FY 2011-12	Commissioner CIT Appeal
Central Excise Act, 1944	Excise	0.11	0.01	FY 2005-06 to FY 2008-09	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), New Delhi
Central Excise Act, 1944	Excise	0.01	Nil	FY 2005-06	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), New Delhi
Central Excise Act, 1944	Excise	1.60	0.48	FY 2004-09	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), New Delhi
Central Excise Act, 1944	Excise	0.37	0.06	FY 2010-11	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), New Delhi

Name of the statute	Nature of dues	Amount (₹ in Crore)	Amount of deposit (₹ in crores)	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise	0.02	Nil	FY 2009-10 to FY 2011-12	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), New Delhi
Finance Act, 1994	Service Tax	0.02	0.00	FY 2005-06	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), New Delhi
Income Tax Act, 1961	Income Tax	0.07	Nil	AY 2008-09	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Income Tax	1.83	Nil	AY 2008-09	Commissioner Of income Tax (Appeals).
Income Tax Act, 1961	Income Tax	2.24	1.00	AY 2000-10	Income Tax- Appellate Tribunal, New Delhi
Income Tax Act, 1961	Income Tax	0.60	Nil	AY 2010-11	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Income Tax	0.06	Nil	AY 2011-12	Commissioner Of income Tax (Appeals).
Income Tax Act, 1961	Income Tax	1.98	Nil	AY 2012-13	Commissioner Of Income Tax (Appeals)- To be_Filed
Chhattisgarh Upkar Adhinyam 1981	Energy Development Cess	5.91	Nil	FY 2006-07 to FY 2014-15	Hon'ble Supreme Court, New Delhi

(c) According to the information and explanations given to us and as reported by other auditors who audited the financial statements/ financial information of certain Covered entities in the Group, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

- (viii) The Holding Company and the Covered entities of the Group which have been registered for a period not less than five years have no accumulated losses at the end of the financial year.

The Holding Company has incurred cash losses in the current year after considering the effect of matter stated in paragraph (a) of 'Basis for qualified Opinion' of our auditor's report and has not incurred cash losses in the immediately preceding financial year. The 2 Covered entities of the Group have incurred cash loss in the current year and has not incurred cash loss in the immediately preceding financial year; 1 Covered entity of the Group has not incurred cash loss in current year but has incurred cash losses in the immediately preceding financial year. In regard to other Covered entities of the Group, they have not incurred any cash losses in the current and immediately preceding financial year.

- (ix) Based on our audit procedures and as per the information and explanations given by the management and as reported by the other auditor who audited the financial statements / financial information of certain covered entities, of the Group, we are of the opinion that the Covered entities of the Group have not defaulted in their repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us and based on the reports of the other auditors who audited the financial statements / financial information of other covered entities of the group, the Holding Company has given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Holding Company.
- (xi) Based on the information and explanations given to us by the management and the report other auditors who audited the financial statements / financial information of certain covered entities of the Group, term loans were applied for the purpose for which the loans were obtained by the Holding Company and the covered entities of the Group other than temporary deployment, pending application, where the lenders have stipulated such end use.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of the other auditors who audited the financial statements / financial information of other covered entities of the group, which we have relied upon, we report that no fraud on or by the Holding Company and the Covered entities of the Group have been noticed or reported during the year.

For S.R.Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

Anil Gupta
Partner
Membership No. 87921

Place : New Delhi
Dated: 27th May, 2015

Consolidated Balance Sheet

as at 31st March, 2015

(₹ in Crore)

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	3	91.49	91.49
(b) Reserves and surplus	4	20,950.58	22,519.05
(2) Minority Interest		857.25	1,080.22
(3) Non-Current Liabilities			
(a) Long-term borrowings	5	35,399.57	25,900.25
(b) Deferred tax liabilities (Net)	33a	2,018.47	1,472.67
(c) Other long-term liabilities	6	428.27	166.80
(d) Long-term provisions	7	159.32	126.69
(4) Current Liabilities			
(a) Short-term borrowings	8	6,852.34	8,329.58
(b) Trade payables	9	2,053.29	2,601.58
(c) Other current liabilities	10	6,571.14	6,212.68
(d) Short-term provisions	11	154.89	412.43
Total		75,536.61	68,913.44
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	12	42,737.61	31,634.05
(ii) Intangible assets			
-Intangible asset	12	3,357.29	2,761.88
-Goodwill on Consolidation		548.45	593.02
(iii) Capital work-in-progress	12	7,400.53	16,391.60
(iv) Intangible assets under development		1,672.24	1,419.57
(b) Non-current investments	13 i	352.79	341.83
(c) Long term loans and advances	14	3,088.45	2,819.84
(d) Other non-current assets	15	46.97	0.64
(2) Current Assets			
(a) Current Investments	13 ii	1,432.40	0.04
(b) Inventories	16	4,848.69	4,881.24
(c) Trade receivables	17	1,690.70	1,772.41
(d) Cash and bank balances	18	1,139.07	1,015.28
(e) Short-term loans and advances	19	6,237.29	4,607.97
(f) Other current assets	20	984.13	674.07
Total		75,536.61	68,913.44

Summary of Significant Accounting Policies

1 & 2

The notes referred to above form an integral part of financial statements

As per our report of even date

For S.R.Batlboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E

Anil Gupta
Partner
Membership No. 87921

For & on behalf of the Board of Directors

Naveen Jindal
Chairman
DIN: 00001523

Harish Dua
Acting CFO
DIN: 00135666

Ravi Uppal
Managing Director & Group CEO
DIN: 00025970

Jagdish Patra
Vice President &
Group Company Secretary
FCS: 5320

Place : New Delhi

Dated: 27th May, 2015

Statement of Consolidated Profit & Loss

for the year ended 31st March, 2015

(₹ in Crore)

Particulars	Note No.	Year ended 31st March, 2015	Year ended 31st March, 2014
REVENUE			
Revenue from operations (gross)	21	21,420.58	21,195.95
Less: Excise duty		1,261.38	1,191.91
Less: Captive sales from own projects		758.53	717.73
Revenue from operations (net)		19,400.67	19,286.31
Other income	22	225.60	65.63
Total Revenue		19,626.27	19,351.94
EXPENSES			
Cost of materials consumed	23	5,710.71	5,744.78
Purchase of stock-in-trade	24	81.87	58.52
Changes in inventories of finished goods, work-in-process and scrap	25	(157.18)	474.87
Employee benefits expense	26	1,090.34	787.60
Interest Cost (Net)	27	2,583.70	1,181.25
Depreciation and amortization expense		2,732.83	1,829.20
Other expenses	28	7,973.64	7,481.44
Total Expenses		20,015.91	17,557.65
Less: Captive sales from own projects		758.53	717.73
Expenses		19,257.38	16,839.93
Profit before exceptional items and tax		368.89	2,512.01
Exceptional items (Note No- 31)		1,911.64	-
Profit/(Loss) before tax		(1,542.75)	2512.01
Tax expense:			
(1) Current tax		(0.04)	612.10
(2) MAT Credit		(665.00)	(130.01)
(3) Deferred tax		610.13	136.12
(4) Income Tax charge/(credit) for earlier years		(33.25)	-
Total tax expenses/(credit)		(88.16)	618.21
Profit/(Loss) after tax		(1,454.59)	1,893.80
-Add/(Less): Share in profit/(loss) of Associates		2.63	2.55
-Add/(Less): Minority Interest		173.84	14.01
Profit/(Loss) for the year		(1,278.12)	1910.36
Earnings per equity share of face value of ₹1 each	34		
(1) Basic (in ₹)		(13.97)	20.53
(2) Diluted (in ₹)		(13.97)	20.53

Summary of Significant Accounting Policies

1 & 2

The notes referred to above form an integral part of financial statements

As per our report of even date

For & on behalf of the Board of Directors

For S.R.Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E

Naveen Jindal
Chairman
DIN: 00001523

Ravi Uppal
Managing Director & Group CEO
DIN: 00025970

Anil Gupta
Partner
Membership No. 87921

Harish Dua
Acting CFO
DIN: 00135666

Jagdish Patra
Vice President &
Group Company Secretary
FCS: 5320

Place : New Delhi
Dated: 27th May, 2015

Consolidated Cash Flow Statement

for year ended 31st March, 2015

(₹ in Crore)

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES :		
PROFIT/(LOSS) BEFORE TAX	(1,542.75)	2,512.01
Adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization expense	2,732.83	1,829.20
Loss on sale of fixed assets, net	20.63	31.87
Employee stock compensation expense	0.53	0.24
Liabilities/payables no longer required, written back	(97.36)	(18.04)
Bad debts/provision for doubtful debts and advances	52.61	0.09
Unrealized foreign exchange (gain)	(409.14)	(4.62)
Amortization of ancillary cost	1.06	-
Net (gain)/ loss on sale of current investments	(38.53)	(5.10)
Net Interest expense	2,583.70	1,181.25
Dividend (income)	(3.76)	(0.38)
Operating profit before working capital changes	3,299.82	5,526.52
Movements in working capital :		
Increase / (decrease) in trade payables	(450.93)	1,221.62
Increase in other long term liabilities	261.47	71.20
Increase in provisions	33.31	185.27
Decrease in other current liabilities	(154.29)	(285.74)
Decrease / (increase) in trade receivables	(231.10)	181.63
Decrease / (increase) in inventories	32.55	(357.07)
Increase in loans and advances	(1,388.84)	(829.98)
Increase in other current assets	(73.74)	(299.62)
Cash generated from operations	1,328.25	5,413.83
Direct taxes paid (net of refunds)	(339.28)	(833.72)
Net cash flow from operating activities (A)	988.97	4,580.11
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including CWIP and capital advances	(5,096.38)	(13,418.41)
Proceeds from sale of fixed assets	50.83	17.70
Purchase of business (subsidiaries acquisition)	(31.60)	-
Purchase/(Sales) of non current investments/share application money	36.74	570.03
Increase / (Decrease) in current investments	(1,393.87)	5.10
Bank deposits (with original maturity more than three months)	(7.20)	(48.12)
Interest received	96.53	180.11
Dividend received	3.76	(0.16)
Net cash flow used in investing activities (B)	(6,341.19)	(12,693.75)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from sales tax subsidy	27.13	21.22
Buy Back of Equity Shares	-	(500.80)
Share option outstanding	-	102.00
Proceed from issue of share capital	0.53	0.24
Working Capital Borrowings from Banks, net	2,712.35	(289.42)
Proceeds from borrowings	25,367.59	24,506.89
Repayment of borrowings	(19,009.51)	(12,633.64)

Consolidated Cash Flow Statement

for year ended 31st March, 2015

(₹ in Crore)

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
Interest paid	(3,438.12)	(2,178.36)
Dividend paid on equity shares (including taxes)	(144.84)	(148.77)
Net cash flow from financing activities (C)	5,515.13	8,879.36
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	162.92	765.72
Cash and cash equivalents at the beginning of the year	940.26	174.54
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,103.18	940.26

(₹ in Crore)

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
COMPONENTS OF CASH AND CASH EQUIVALENTS AS AT		
Cash on hand	1.64	1.92
Cheques/Drafts In hand	44.39	25.12
Balances with banks :		
- on current accounts	551.44	260.68
- on deposits accounts with original maturity of less than three months	505.68	652.46
- on others	0.03	0.08
- On deposits accounts with original maturity upto twelve months	25.83	9.49
Banks with earmarked balances		
Earmarked for unpaid dividend	10.06	11.63
Earmarked for Debenture Redemption	-	15
Earmarked for Debt Service	-	9.2
Earmarked for Margin Money	-	27.32
Earmarked for others	-	2.38
CASH AND BANK BALANCES	1,139.07	1,015.28
Less: Balances not considered as cash equivalents	(35.89)	(75.02)
Cash and cash equivalents as per note no. 18	1,103.18	940.26

Summary of Significant Accounting Policies

1 & 2

The notes referred to above form an integral part of financial statements

In terms of our report of even date

For S.R.Batliboi & Co. LLP

Chartered Accountants

Firm Registration No. 301003E

Anil Gupta

Partner

Membership No. 87921

For & on behalf of the Board of Directors

Naveen Jindal

Chairman

DIN: 00001523

Harish Dua

Acting CFO

DIN: 00135666

Ravi Uppal

Managing Director & Group CEO

DIN: 00025970

Jagdish Patra

Vice President &

Group Company Secretary

FCS: 5320

Place : New Delhi

Dated: 27th May, 2015

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

1. OVERVIEW

Jindal Steel & Power Limited is one of the India's leading steel producers with significant presence in sector like steel, mining and power generation. It is listed on the National Stock Exchange of India and Bombay Stock Exchange in India. Its business is spread across India and overseas. The corporate office is situated in New Delhi and the manufacturing plants in India are in the states of Chhattisgarh, Odisha, Jharkhand etc. The Company has global presence mainly in Australia, Botswana, China, Cameroon, Dubai, Indonesia, Mauritius, Mozambique, Madagascar, Namibia, South Africa, Sultanate of Oman, Tanzania and Zambia. There are several business initiatives running simultaneously across continents.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation of Financial Statements

The consolidated financial statements related to Jindal Steel and Power Limited (hereinafter referred to as (the "Company") its subsidiaries, joint ventures and associates companies (collectively hereinafter referred to as "Group").

The consolidated financial statements are prepared under the historical cost convention, on going concern basis and all material respects with the Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The Group follows the mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in depreciation policy which is as per schedule II of the Companies Act, 2013, as referred in Para 39.

ii) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities and commitments at the end of the reporting period and results of operations during the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized

iii) Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiaries have been consolidated on a line by line basis by adding together book value of like items of assets, liabilities, income and expenses after fully eliminating inter-company transactions, balances and the unrealized profit or losses on inter-company transactions as per Accounting Standard (AS-21) 'Consolidated Financial Statements', and are presented to the extent possible, in the same manner as the Company's independent financial statements.

b) In case of foreign subsidiaries, being non-integral operations, revenue items are consolidated at the average exchange rate prevailing during the year. All assets and liabilities are converted at the exchange rates prevailing at the end of the year and exchange differences arising thereon are recognised in the foreign currency translation reserve.

c) The difference between the cost of investment in the subsidiaries and Joint ventures and the Group's share of net assets at the time of acquisition of shares in the subsidiaries and joint ventures is recognised in the financial statements as goodwill or capital reserve as the case may be.

d) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the parent Company.

e) Minority's interest in the net assets of the consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and the equity of the Company's shareholders.

f) Minority's interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to minorities on which investment in a subsidiary is made and the minorities' share of movements in the equity since the date the parent subsidiary relationship comes into existence.

g) Investment in associate companies have been accounted for, by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in the Parent Company's share of net assets of the

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

associate, in accordance with the Accounting Standard (AS-23) 'Accounting for Investment in Associates in Consolidated Financial Statements'.

h) The Parent Company accounts for its share of the assets and liabilities of Joint Ventures along with attributable income and expenses in such Joint Ventures, in which it holds a participating interest in accordance with the Accounting Standard (AS-27) 'Financial Reporting of Interests in Joint Ventures'.

i) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances

and are presented in the same manner as the Company's separate financial statements. Difference in accounting Policies if any have been disclosed separately.

j) Figures pertaining to the subsidiaries, associates and joint ventures have been re-classified wherever necessary to bring them in line with the parent company's financial statements.

The list of subsidiaries, associates and joint ventures which are included in the consolidation and the Company's holdings therein are as under:

1. The subsidiary companies considered in the consolidated financial statements are:

Name of Subsidiary	Country of Incorporation	#Proportion of Ownership (%) as on	
		31.03.2015	31.03.2014
Attunli Hydro Electric Power Company Limited	India	74.00	74.00
Ambitious Power Trading Company Limited	India	79.34	79.34
Belde Empreendimentos Mineiros LDA	Mozambique	100.00	100.00
Blue Castle (Pty) Limited	Mauritius	51.00	51.00
Bon-Terra Mining (Pty) Limited	South Africa	100.00	100.00
Brake Trading (Pty) Limited	Namibia	75.00	75.00
CIC (Barados) Holding Corp	Barbados	100.00	100.00
CIC (Barbados) Energy Corp	Barbados	100.00	100.00
CIC (Barbados) Mining Corp	Barbados	100.00	100.00
CIC Energy (Bahamas) Limited	Bahamas	100.00	100.00
CIC Transafrica (Barbados) Corp	Barbados	100.00	100.00
Core Ambition Ltd	Marshall Island	-	100.00
Core Forte Ltd	Marshall Island	-	100.00
Core Integrity Ltd	Marshall Island	-	100.00
Core Vision Ltd	Marshall Island	-	100.00
Cameroon Mining Action (Camina) S.A	Cameroon	89.80	-
Eastern Solid Fuels (Pty) Limited	South Africa	100.00	100.00
Enduring Overseas Inc	BVI	100.00	100.00
Ericure (Pty) Limited	South Africa	70.00	70.00
Etalin Hydro Electric Power Company Limited	India	74.00	74.00
Everbest Steel and Mining Holdings Limited*	India	-	100.00
Fire Flash Investments (pty) Limited	Namibia	65.00	65.00
Gas to Liquids International S.A.	Bolivia	87.56	87.56

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

Name of Subsidiary	Country of Incorporation	#Proportion of Ownership (%) as on	
		31.03.2015	31.03.2014
Harmony Overseas Limited	Mauritius	100.00	100.00
JB Fablnfra Private Limited	India	100.00	-
Jin Africa Limited	Zambia	90.00	90.00
Jindal (BVI) Ltd	BVI	100.00	100.00
Jindal Africa Investments (Pty) Limited	South Africa	100.00	100.00
Jindal Africa Liberia Limited	Liberia	100.00	100.00
Jindal Africa SA	Guinea	100.00	100.00
Jindal Botswana (Pty) Limited	Botswana	100.00	100.00
Jindal Brasil Mineracao S.A.	Brasil	100.00	100.00
Jindal Energy (Botswana) Pty Limited	Botswana	100.00	100.00
Jindal Energy (SA) Pty Limited	South Africa	100.00	100.00
Jindal Hydro Power Limited	India	99.25	98.80
Jindal Investimentos LDA	Mozambique	100.00	100.00
Jindal Investment Holdings Limited	Mauritius	100.00	100.00
Jindal KZN Processing (Pty) Limited	South Africa	85.00	85.00
Jindal Madagascar SARL	Madagascar	100.00	100.00
Jindal Mining & Exploration Limited	Mauritius	100.00	100.00
Jindal Mining SA (Pty) Limited	South Africa	74.00	74.00
Jindal Mining Namibia (Pty) Limited	Namibia	100.00	100.00
Jindal Power Distribution Limited	India	98.80	98.80
Jindal Power Limited	India	96.43	96.43
Jindal Power Transmission Limited	India	99.25	98.80
Jindal Power Ventures (Mauritius) Limited	India	100.00	100.00
Jindal Resources (Botswana) Pty Limited	Botswana	100.00	100.00
Jindal Steel & Power (Australia) Pty Limited	Australia	100.00	100.00
Jindal Steel & Power (BC) Limited	British Columbia	100.00	100.00
Jindal Steel & Power (Mauritius) Limited	Mauritius	100.00	100.00
Jindal Steel & Power Zimbabwe Limited	Zimbabwe	100.00	100.00
Jindal Steel Bolivia S.A.	Bolivia	51.00	51.00
Jindal Tanzania Limited	Tanzania	100.00	100.00
Jindal Zambia Limited	Zambia	98.00	98.00
Jindal Mauritania SARL	Mauritania	100.00	-
JSPL Mozambique Minerais LDA	Mozambique	97.50	97.50
Jindal Angul Power Limited**	India	100.00	100.00
Jubilant Overseas Limited	Mauritius	100.00	100.00
Kamala Hydro Electric Power Company Limited	India	74.00	74.00
Kinetta Power Limited	India	75.01	75.00
Landmark Mineral Resources (pty) Limited	Namibia	60.00	60.00
Legend Iron Limited	BVI	100.00	-
Meepong Energy (Mauritius) (Pty) Limited	Mauritius	100.00	100.00
Meepong Energy (Pty) Limited	Botswana	100.00	100.00
Meepong Resources (Mauritius) (Pty) Limited	Mauritius	100.00	100.00
Meepong Resources (Pty) Limited	Botswana	100.00	100.00
Meepong Service (Pty) Limited	Botswana	100.00	100.00
Meepong Water (Pty) Limited	Botswana	100.00	100.00
Oceanic Coal Resources	Australia	100.00	100.00
Osho Madagascar SARL	Madagascar	99.33	99.33
Panacore Investment Ltd, Mauritius	Mauritius	-	80.00
Peerboom Coal (Pty) Limited	South Africa	70.00	70.00
PT BHI Mining indonesia	Indonesia	99.00	99.00

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

Name of Subsidiary	Country of Incorporation	#Proportion of Ownership (%) as on	
		31.03.2015	31.03.2014
PT Jindal Overseas	Indonesia	99.00	99.00
PT. Maruwai Bara Abadi	Indonesia	75.00	75.00
PT. Sumber Surya Gemilang	Indonesia	99.20	99.20
Sad-Elec (Pty) Limited	South Africa	100.00	100.00
Shadeed Iron & Steel Co. LLC	Oman	99.99	99.99
Shadeed Iron & Steel Company Limited	Dubai	100.00	100.00
Skyhigh Overseas Limited	Mauritius	100.00	100.00
Southbulli Holding Pty Limited	Australia	100.00	100.00
Sungu Sungu (Pty) Limited	South Africa	74.00	68.00
Tablet Blue Trade and Invest (Pty) Limited	Namibia	100.00	100.00
Trans Africa Rail (Pty) Limited	Botswana	100.00	100.00
Trans Asia Mining Pte. Limited	Singapore	100.00	100.00
Trans Atlantic Trading Limited	Guernsey	-	100.00
Uttam Infralogix Limited	India	100.00	74.00
Vision Overseas Limited	Mauritius	100.00	100.00
Wollongong Coal Limited	Australia	82.04	68.39
Wongawilli Coal Pty Limited	Australia	100.00	100.00
Koleko Resources (Pty) Limited	South Africa	60.00	-
Trishakti Real Estate Infrastructure and Developers Private Limited	India	94.87	-
JB Fab Green Horizon Infra Limited	India	100.00	
Jindal Steel DMCC	Dubai	100.00	

2. The associate companies considered in consolidated financial statements are:

Name of Associate	Country of Incorporation	Proportion of Ownership (%) as on		
		31.03.2015	31.03.2014	31.03.2013
Angul Sukinda Railway Limited	India	-	32.1	32.1
JB FabInfra Private Limited	India	-	49	49
Koleko Resources	South Africa	-	43	43
Nalwa Steel & Power Limited	India	40	40	40
Panacore shipping Pte Ltd , Singapore	Singapore	-	40	40
Prodisyne (Pty) Ltd	South Africa	50	25	25
Thuthukani Coal (Pty) Limited	South Africa	49	49	-
Everbest Steel and Mining Holdings Limited*	India	40	-	-

3. The joint venture companies considered in consolidated financial statements are:

Name of Joint Venture	Country of Incorporation	Proportion of Ownership (%) as on		
		31.03.2015	31.03.2014	31.03.2013
Jindal Synfuels Limited	India	70	70	70
Shresht Mining and Metals Private Limited	India	50	50	50
Urtan North Mining Company Limited	India	66.67	66.67	66.67

*Earlier known as Everbest Infrastructure & Development

**Earlier known as JSPL Mining and Steel Limited

Represents the holding % of the respective companies & does not indicate the effective % holding of the group

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

iv) Fixed Assets – Depreciation and Amortization

a) Tangible Assets

Tangible Assets are stated at cost less accumulated depreciation and impairment losses, if any. Costs include costs of acquisitions or constructions including incidental expenses thereto, borrowing costs, and other attributable costs of bringing the asset to its working condition for its intended use and are net of available duty/tax credits.

Gains or losses arising from discard/sale of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is discarded/sold.

The Group adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items as referred in Policy for Foreign exchange transactions.

b) Intangible Assets

Intangible assets are recognized in accordance with the criteria laid down in Accounting Standard (AS-26), whereas they are separately identifiable, measurable and the Group controls the future benefits arising out of them. Intangible assets are stated at cost less amortization and impairment losses, if any.

c) Capital work-in-progress

Expenditure related to and incurred on implementation of new/expansion-cum-modernisation projects is included under capital work-in-progress and the same is allocated to the respective tangible asset on completion of its construction/erection.

d) Intangible assets under development

Mines development expenditure incurred in respect of new iron ore/coal and likewise mines is shown under 'Intangible assets under development'. On mines being ready for intended use, this amount is transferred to appropriate head under intangible assets and amortized over a period of ten years starting from the said year or the future expected extraction period of the reserves based on actual extraction till date, whichever is shorter

e) Depreciation and Amortization

Depreciation on tangible assets is provided on straight-line method (SLM) as per the useful life of the assets estimated by the management which are equal to the rates specified in Schedule II to the Companies Act, 2013. Leasehold land is amortised over the period of lease. In the case of assets where impairment loss is recognised, the revised carrying amount is depreciated over the remaining estimated useful life of the asset. Based on management evaluation depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

Certain plant and machinery have been considered as continuous process plant on the basis of technical assessment and

depreciation on the same is provided for accordingly.

Estimated useful life as specified in Schedule II to the Companies Act 2013 is adjusted in respect of plant and machinery working on shift basis.

Intangible Assets are amortized on straight-line method over the expected duration of benefits not exceeding ten years. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

In case of Jindal Power Limited, a subsidiary, depreciation in respect of Plant and Machinery and building of the Thermal power plant is provided at the rates as well as mythology (applying straight line method notified by Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations 2009 (CERC) which commissioned after its date of notification i.e 31st May,2011 and deprecation in respect of other Thermal Power Plants & other assets is provided on written down value method as per useful life specified in schedule II of the companies Act,2013 after considering useful life of Plant and Machinery at 25 years.

In case of Wollongong Coal Ltd, a step down subsidiary, mining development expenses and mining lease are amortised over the estimated reserves in the mine and amortisation is calculated in proportion to actual production when measured against mineable resource in the mine area development.

Considering the applicability of Schedule II, the management of parent company, subsidiaries, Joint ventures and associates have re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

In case of foreign subsidiaries, tangible assets are depreciated on straight-line method (SLM) based upon estimated useful life of the assets.

Building	3-60 years
Plant and Equipments	3-30 years
Electrical Fittings	3-30 years
Furniture and Fixture	3-13 years
Vehicle	5-8 years
Office Equipment	3-10 years
Aircraft	20 years
Software	3-6 years

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

v) Impairment of Assets

The carrying amount of assets is reviewed for impairment at each balance sheet date wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount being the higher of the assets net selling price and its value in use. Value in use is based on the present value of the estimated future cash flows relating to the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units).

Previously recognized impairment losses are reversed where the recoverable amount increases because of favorable changes in the estimates used to determine the recoverable amount since the last impairment was recognized. A reversal of an asset's impairment loss is limited to its carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognized in prior years.

vi) Accounting for Leases

The rental payments under operating lease as per respective lease agreements are recognized as expense on straight line basis in the statement of profit and loss.

vii) Borrowing Cost

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing cost related to a qualifying asset is worked out on the basis of actual utilization of funds out of project specific loans and/or other borrowings to the extent identifiable with the qualifying asset and is capitalized with the cost of qualifying asset. Other borrowing costs incurred during the year are charged to statement of profit and loss. In case of significant long term loans, the ancillary costs incurred in connection with the arrangement of borrowings are amortized over the period of respective Loan.

viii) Segment Reporting

a) Identification of Segments

Primary Segment

The Group operating businesses are organized and managed separately according to the nature of products manufactured and services provided, with each segment representing a strategic business unit that offers different products.

Secondary Segment

The geographical segments have been identified based on the locations of the customers and assets based within India and outside India.

b) Inter-segment transfers

The Group recognises inter-segment, and transfers as if they were to third parties at current market prices.

c) Allocation of common costs

Common allocable costs are allocated to each segment on reasonable basis.

d) Unallocated items

It includes general administrative expenses, corporate & other office expenses, income that arise at the level and relate to enterprise as a whole being not allocable to any business segment.

e) Segment Policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

ix) Valuation of Inventories

Raw materials and stores & spares are valued at lower of cost, computed on weighted average basis or net realizable value. Cost includes the purchase price as well as incidental expenses. Scrap is valued at estimated realizable value. However in case of raw materials, components, stores and spares held for use in the production of finished goods are not written down below cost if the finished products are expected to be sold at or above cost.

Work-in-process is valued at lower of estimated cost or net realizable value and finished goods are valued at lower of weighted average cost or net realizable value. Cost for this purpose includes direct cost and appropriate administrative and other overheads. Cost of finished goods also includes excise duty.

Traded goods are valued at lower of cost and net realizable value and cost is determined based on weighted average. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

x) Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing at the date of the transaction.

Monetary foreign currency assets and liabilities are translated at the year-end exchange rates and resultant gains / losses of above foreign currency translations are recognized in the statement of profit and loss for the year except to the extent that they relate to:

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

- (a) The Group has elected to account for exchange differences arising on reporting of long-term foreign currency monetary items pertaining to Accounting Standard 11(AS-11) as notified by Government of India. Accordingly, the effect of exchange differences on foreign currency loans of the Group is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets.
- (b) Exchange differences relating to monetary items that are in substance forming part of the Company's net investment in non-integral foreign operations are accumulated in Foreign Currency translation reserve.

The premium or discount arising at the inception of forward exchange contract, except the contract which are long term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change.

Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

xi) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Long-term investments are carried at cost. Current investments are carried at the lower of cost or market / fair value. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Provision is made when, in the opinion of the management, diminution in the value of investment is other than temporary in nature. The reduction in carrying amount is reversed when there is a rise in value of investments or if the reason for the reduction no longer exists.

xii) Revenue Recognition

- a) Revenue from sale of goods is recognized on transfer of significant risks and rewards of ownership to the buyer.
- b) Gross Revenue from operations comprises of sale of products and other operating income which also includes export incentives and aviation income. 'Net Revenue from operations', net of excise duty, Inter-divisional transfer and captive sale is also disclosed separately.

- c) Sales are inclusive of excise duty but net of returns, rebates, VAT and sales tax. Products returned are accounted for in the year of return.
- d) Export benefits available under the Export Import policy of the Government of India are accounted for in the year of export, to the extent measurable.
- e) Income from aviation and other services is accounted for at the time of completion of service and billing thereof.

xiii) Inter-Division Transfers/Captive sales

- a) Inter-division transfer of independent marketable products, produced by various divisions and used for further production/sales is accounted for at approximate prevailing market price/other appropriate price.
- b) Captive sales are in regard to products produced by various divisions and used for capital projects. These are transferred at cost as per CAS4.
- c) The value of inter-divisional transfer and captive sales is netted off from sales and corresponding cost under cost of materials consumed and total expenses respectively. The same is shown as a contra item in the statement of profit and loss.
- d) Any unrealized profit on unsold/unconsumed stocks is eliminated while valuing the inventories.

xiv) Other Income

- a) Claims receivable
The quantum of accruals in respect of claims receivable such as from Railways, Insurance, Electricity, Customs, Excise and the like are accounted for on accrual basis to the extent there is certainty of ultimate realization.
- b) Income from Investment
Income from Investment is accounted for on accrual basis when the right to receive income is established.

xv) Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Interest Cost (Net)" in the statement of profit and loss.

xvi) Employee Benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard (AS)-15- 'Employee Benefits'

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

a) Provident Fund

The Company contributes to Government administered fund as well as to Provident fund Trust. The interest rate payable by the trust to beneficiaries every year is being notified by Government. The Company makes good deficiency, if any, in the interest rate declared by the trust vis-à-vis statutory rate.

b) Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the Balance Sheet in respect of gratuity is the present value of the defined benefit/obligation at the Balance Sheet date less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the Balance Sheet date by an independent Actuary using the projected unit credit method. Actuarial gains or losses are immediately recognised in the statement of profit and loss and are not deferred

c) Compensated absences

Liability in respect of compensated absences due or expected to be availed within one year from the Balance Sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees.

d) Overseas subsidiaries and their step down subsidiaries are recognizing employee benefits of the nature referred above as per applicable local laws of the country in which they have been incorporated/operating.

xvii) Research and Development Expenditure

Research and Development expenditure not fulfilling the recognition criteria as set out in Accounting Standard (AS-26) 'Intangible Assets' is charged to the statement of profit and loss while capital expenditure is added to the cost of fixed assets in the year in which it is incurred.

xviii) Taxes on Income

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for

the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

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 tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period.

xix) Provisions, contingent liabilities, commitments and contingent assets

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability and commitments, unless the probability of outflow of resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities and commitments unless the probability of outflow of resources embodying economic benefits is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

xx) Earnings per Share

The earnings considered in ascertaining the Groups earnings per share (EPS) comprise of the net profit after tax attributable to equity shareholders. The number of shares used in computing basic EPS is the weighted average

number of shares outstanding during the year adjusted for events of bonus issue post period end, bonus elements in right issue to existing shareholders, share split, and reverse share split (consolidation of shares). The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effect of potential dilutive equity shares unless impact is anti-dilutive.

xxi) Financial Derivatives

Forward contracts entered into to hedge foreign currency/ interest rate risk on unexecuted firm commitments and highly probable forecast transactions, are recognised in the financial statements at fair value at each reporting date, in pursuance of the announcement of The Institute of Chartered Accountants of India (ICAI) on Accounting for Derivatives.

As a matter of prudence, the Group does not recognise any mark to market gains in respect of any outstanding derivative contract.

xxii) Cash and cash equivalents

Cash and cash equivalents consist of cash, bank balances in current and short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase.

xxiii) Share Based Employee Benefits

One of subsidiary companies provided share based compensation benefits to the employees. Such compensation are award of shares, or option over shares, that are provide to employees in exchange of rendering of services. The Company measures compensation cost relating to employee stock options using the fair value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

Particulars	As at 31st March, 2015	As at 31st March, 2014
3 SHARE CAPITAL		
Authorized		
2,000,000,000 (Previous year 2,000,000,000) Equity Shares of ₹1 each	200.00	200.00
	200.00	200.00
Issued, Subscribed and Fully Paid-up		
914,903,800 (Previous year 914,885,984) Equity Shares of ₹1 each	91.49	91.49
Total Share Capital	91.49	91.49

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2015		As at 31st March 2014	
	No. of Shares	(₹ in Crore)	No. of Shares	(₹ in Crore)
Equity Shares outstanding at the beginning of the year	914,885,984	91.49	934,833,818	93.48
Add: Equity Shares issued under Employees Stock Purchase Scheme	17,816	-	11,750	0.00
Less: Equity Shares extinguished as per buy back scheme (see note f below)	-	-	19,959,584	2.00
Equity Shares outstanding at the close of the year	914,903,800	91.49	914,885,984	91.49

b) Terms/rights attached to equity shares

The Parent Company has only one class of equity shares having par value of ₹1 per share. Each holder of equity share is entitled to one vote per share. The Parent Company declares dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2015, the amount of per share dividend proposed, subject to approval of shareholders in annual general meeting, for distribution to equity shareholders is ₹NIL (Previous Year ₹1.50)

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

During five years immediately preceding 31st March, 2015, the Company has bought back equity shares as under:

During the Year ended	No. of Shares
31 st March 2014 (see note f below)	1,99,59,584
31 st March 2013	-
31 st March 2012	-
31 st March 2011	-
31 st March 2010	-
Total	1,99,59,584

During the year ended 31 st March, 2010, the Parent Company allotted 775,651,530 equity shares as fully paid bonus shares by capitalising securities premium Account.

In addition the Parent Company allotted the following equity shares during the preceding five years under its various Employees Stock Option Schemes / Employee Stock Purchase Scheme

During the Period ended	Scheme	No. of Shares
31 st March 2014	Employee Stock Purchase Scheme	11,750
31 st March 2013		-
31 st March 2012	Employee Stock Option Scheme	5,64,787
31 st March 2011	Employee Stock Option Scheme	30,34,949
31 st March 2010	Employee Stock Option Scheme	9,29,869
Total		45,41,355

d) Details of shareholders holding more than 5% shares in the Parent Company

Name of the shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of ₹1 each fully paid				
Danta Enterprises Private Limited	6,22,38,816	6.80%	6,22,38,816	6.80%
Gagan Infraenergy Limited	4,97,09,952	5.43%	4,97,09,952	5.43%
Opelina Finance and Investment Limited	8,72,52,964	9.54%	7,98,38,960	8.73%
OPJ Trading Private Limited	18,76,37,898	20.51%	18,76,37,898	20.51%
Virtuous Tradecorp Private Limited	6,43,95,867	7.04%	6,22,38,816	6.80%

As per records of the Parent Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

e) Forfeited shares

Pursuant to the resolution passed at the extra ordinary general meeting dated 4th September, 2009, the Parent Company reclassified the authorized share capital of the Parent Company by cancellation of 10,000,000 Preference Shares of ₹ 100 each and simultaneous creation of 1,000,000,000 fresh Equity Shares of ₹ 1 each and increased the authorized share capital to ₹ 2,000,000,000.

Consequently, the Parent Company had cancelled 20,00,000 preference shares of ₹ 100 each (₹ 5 paid up) which were forfeited earlier. Upon cancellation of such shares, the amount of ₹10,000,000 was transferred to General Reserve.

f) Buy back of equity shares

In accordance with Section 77 of the Companies Act, 1956 and buy back regulations of SEBI, the Parent Company during the financial year 2013-14 bought back and extinguished 19,959,584 number of equity shares of ₹ 1 each and created a Capital Redemption Reserve of ₹ 2.00 crores out of surplus in the Statement of Profit and Loss. The premium on buy back of ₹ 498.80 crores has been utilised from Securities Premium Account by ₹ 122.96 crores and

out of surplus in Statement of Profit and Loss by ₹375.84 crores.

g) Employees Stock purchase Scheme

a) In accordance with SEBI(Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 and pursuant to JSPL ESPS 2013 Scheme, the Compensation Committee of the Board vide its resolution dated 29.08.2013 offered 21,000 equity shares of ₹1/- each at a premium of ₹295.95 each to Mr Ravi Uppal, Managing Director & Group CEO. Out of the total offered equity shares the Parent Company has during the year issued 17,816 equity shares of ₹1/- each.

b) As per resolution passed by the Compensation Committee held on 22.07.2013, during the previous year 11750 Equity Shares of ₹ 1/- each at a premium of ₹ 201.55 were allotted to Mr Ravi Uppal, Managing Director & Group CEO, as per the provisions of Employee Stock Purchase Scheme 2013(hereinafter referred to as JSPL ESPS 2013 Scheme), duly approved through postal ballot as on 21.06.2013.

(₹ in Crore)

Particulars	As at 31st March, 2015	As at 31st March, 2014
4. RESERVES AND SURPLUS		
a) Sales Tax Subsidy/Capital Reserve		
As per last financial statements	389.92	368.7
Add: During the year	27.13	21.22
Closing Balance	417.05	389.92
One of the Parent Company's expansion units at Raigarh (Chhattisgarh) is eligible for sales tax exemption owing to its investment in capital assets under the State industrial policy which aims towards the objective of industrialization of the State and development of backward areas. The period of exemption is linked to the quantum of investment. The Parent Company has been legally advised that the element of sales tax included in the sales price of products sold out of this Unit is in the nature of sales tax subsidy granted by the State Government. Accordingly, the same amounting to ₹ 27.18 crore (Previous year ₹ 21.22 crore) has been credited during the year to Sales Tax Subsidy Reserve Account. The cumulative amount credited to Sales Tax Subsidy Reserve account and included in the aforesaid reserve account up to 31st March, 2015 is ₹ 315.14 crore (Previous year ₹ 287.96 crore).		
b) Capital Redemption Reserve		
As per last financial statements	72.00	70.00
Add: During the year	-	2.00
Closing Balance	72.00	72.00

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

Particulars	As at 31st March, 2015	As at 31st March, 2014
4. RESERVES AND SURPLUS (CONTD.)		
c) Securities Premium Account		
As per last financial statements	4.50	127.22
Add: On issue of equity shares under employee stock purchase scheme	0.53	0.24
Less: Utilised for premium on buy-back of equity shares (see note 3(f) above)	-	122.96
Closing Balance	5.03	4.50
d) Debenture Redemption Reserve		
As per last financial statements	527.00	493.50
Add: Transferred from Surplus in Profit and Loss	337.54	146.00
(Less): Transferred to surplus in Statement of Profit and Loss	-	(112.50)
Closing Balance	864.54	527.00
e) Share Option outstanding Account-By subsidiary		
As per last financial statements	102.00	-
Less: Transfer to General reserve and minority interest on account of expiry	(78.48)	
Add: During the year on account of consolidation	-	102.00
Closing Balance	23.52	102.00
f) Other Reserves		
Capital Reserve on Consolidation		
As per last financial statements	1,124.97	714.97
Add: During the year	30.25	410.00
Closing Balance	1,155.22	1,124.97
Central/State Subsidy Reserve		
As per last financial statements	0.12	0.12
Added/ Deducted during the year	-	-
Closing Balance	0.12	0.12
Foreign Currency Translation Reserve		
As per last financial statements	281.05	289.61
Add: During the year	(199.82)	(8.56)
Closing Balance	81.23	281.05
General Reserve		
As per last financial statements	1,516.42	1,359.59
Add: Transferred from Surplus in Profit and Loss*	32.68	156.83
Add: Transferred from Share Option outstanding account on account of expiry	64.38	-
Closing Balance	1,613.48	1,516.42

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

Particulars	As at 31st March, 2015	As at 31st March, 2014
4. RESERVES AND SURPLUS (CONTD.)		
g) Surplus in Statement of Profit and Loss		
As per last financial statements	18,501.07	17,735.07
Add: Profit/(Loss) for the year	(1,278.12)	1,910.36
Less: Appropriations		
Adjustment due to Depreciation on account of Companies Act 2013 (Refer Note.39)	134.34	-
Transfer to Debenture Redemption Reserve	337.54	146.00
Transfer from Debenture Redemption Reserve	-	(112.50)
Transfer to General Reserve	32.68	156.83
Transfer to Capital Redemption Reserve	-	2.00
Utilised for issue of Bonus shares-by subsidiary	-	410.00
Utilised for premium on buy-back of equity shares (see note 3(f) above)	-	375.84
Proposed dividend on equity shares (amount per share	-	137.23
₹ NIL, previous year ₹ 1.50)	-	1.22
Corporate tax on proposed dividend	-	4.82
Interim Dividend on Equity Shares- By subsidiary	-	22.92
Corporate tax on proposed dividend-By subsidiary	-	-
Net Surplus in the Statement of Profit and Loss	16,718.39	18,501.07
Total Reserves & Surplus	20,950.58	22,519.05

The Parent Company has made a provision of ₹ Nil crore net of reversal of ₹ Nil (Previous year ₹ 1.22 crore net of reversal of ₹ Nil crore) for Corporate dividend tax on the amount of dividend proposed for the year ended 31st March, 2015 after considering the set-off of interim dividend declared by a subsidiary company for the same financial year, as per the provisions of Section 115-O of the Income Tax Act, 1961.

*Include ₹ 32.68 crore (Previous year ₹ 26.89 crore) in respect of pertaining to one of the subsidiaries , which cant be available for distribution

(₹ in Crore)

	Non-Current Portion		Current Portion	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
5. LONG-TERM BORROWINGS				
a) Secured Long term borrowings				
i) Debentures				
10,000, 9.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	1,000.00	1,000.00	-	-
(Privately placed initially with Life Insurance Corporation of India)	307			

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

	Non-Current Portion		Current Portion	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
5. LONG-TERM BORROWINGS (CONTD.)				
620, 9.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	62.00	62.00	-	-
(Privately placed initially with SBI Life Insurance Company Limited)				
250, 8.50% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	-	-	-	25.00
(Privately placed initially with ICICI Lombard General Insurance Company Limited)				
750, 8.50% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	-	-	-	75.00
(Privately placed initially with ICICI Prudential Life Insurance Company Limited)				
5,000, 9.80% Secured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	500.00	500.00	-	-
(Privately placed initially with Life Insurance Corporation of India)				
	1,562.00	1,562.00	-	100.00
ii) Term Loans from Banks and other				
From Banks	25,770.19	18,662.62	2,349.09	1,746.56
From Others	1,118.87	851.57	163.06	163.06
iii) Other Loans from Banks	302.49	53.80	-	-
	27,191.55	19,567.99	2,512.15	1,909.62
Secured Long term borrowings	28,753.55	21,129.99	2,512.15	2,009.62

DEBENTURES

- i) Debentures of ₹ 1,000 crore (March 31, 2014 ₹ 1,000 crore) placed initially with Life Insurance Corporation of India on private placement basis are redeemable at par in 2 equal annual instalments at the end of 9.5 and 10.5 years from the date of respective allotments i.e. ₹ 100 crore (12.10.2009), ₹ 150 crore (22.10.2009), ₹ 150 crore (24.11.2009), ₹ 150 crore (24.12.2009), ₹ 150 crore (25.01.2010), ₹ 150 crore (19.02.2010) and ₹ 150 crore (26.03.2010). The debentures are secured on pari-passu charge basis by way

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

of mortgage of immovable properties and hypothecation of movable fixed assets created/to be created on the 6x135 MW Power Plant Project at Angul, Odisha in favour of the Debenture Trustees.

- ii) Debentures of ₹ 62 crore (March 31, 2014 ₹ 62 crore) placed initially with SBI Life Insurance Company Limited on private placement basis are redeemable at par in 5 equal annual instalments commencing from the end of 8 years from the date of allotment i.e. 29.12.2009. The debentures are secured on pari passu basis by way of mortgage of immovable properties and hypothecation of movable assets created/to be created on the 6x135 MW Power Plant Project at Angul, Odisha in favour of the Debenture Trustees.
- iii) Debentures ₹ NIL (March 31, 2014 ₹ 25 crore) placed initially with ICICI Lombard General Insurance Company Limited on private placement basis was redeemable at par at the end of 5 years from the date of allotment i.e. 03.12.2009. The debentures were secured on pari-passu charge basis by way of hypothecation of movable fixed assets of the Parent Company (excluding assets charged on exclusive basis) in favour of the Debenture Trustees. In addition a first pari passu charge on a part of immovable property pertaining to unit located at Kharsia Road, Raigarh and a part of the immovable property pertaining to unit located at 13 KM Stone, G E Road, Mandir Hasaud, Raipur.
- iv) Debentures of ₹ NIL (March 31, 2014 ₹ 75 crore) placed initially with ICICI Prudential Life Insurance Company Limited on private placement basis was redeemable at par at the end of 5 years from the date of allotment i.e. 03.12.2009. The debentures were secured on pari-passu charge basis by way of hypothecation of movable fixed assets of the Parent Company (excluding assets charged on exclusive basis) in favour of the Debenture Trustees. In addition a first pari passu charge on a part of immovable property pertaining to unit located at Kharsia Road, Raigarh and a part of the immovable property pertaining to unit located at 13 KM Stone, G E Road, Mandir Hasaud, Raipur.
- v) Debentures of ₹ 500 crore (March 31, 2014 ₹ 500 crore) placed initially with Life Insurance Corporation of India on private placement basis are redeemable at par in 2 equal annual instalments at the end of 9.5 and 10.5 years from the date of respective allotments i.e. ₹ 100 crore (24.08.2009), ₹ 80 crore (08.09.2009), ₹ 80 crore (08.10.2009), ₹ 80 crore (09.11.2009), ₹ 80 crore (08.12.2009) and ₹ 80 crore (08.01.2010). The debentures are secured on pari-passu charge basis by way of hypothecation of movable fixed assets of the Parent Company (excluding assets charged on exclusive basis) in favour of the Debenture Trustees. In addition 309st

pari passu charge on a part of immovable property of the pertaining to unit located at Kharsia Road, Raigarh and a part of the immovable property pertaining to unit located at 13 KM Stone, G E Road, Mandir Hasaud, Raipur.

TERM LOANS

Security

- i) Loans of ₹ NIL (March 31, 2014 ₹ 30.13 crore) repayable in 28 quarterly instalments starting from September 30, 2007 were secured by first pari passu charge on all movable and immovable fixed assets, both present and future under Steel expansion project at Raigarh, Chhattisgarh.
- ii) Loans of ₹ NIL (March 31, 2014 ₹ 17.14 crore) repayable in 28 quarterly instalments starting from October 1, 2007 were secured pari passu charge on all movable and immovable fixed assets, both present and future created under 3x25 MW Power Plant at Raigarh, Chhattisgarh.
- iii) Loans of ₹ 11.20 crore (March 31, 2014 ₹ 57.62 crore) repayable in 28 quarterly instalments starting from September 2008 are secured by way of a first pari passu charge on all the present movable Fixed Assets of units located at Balkudra, Patraru, District Ramgarh, Jharkand; 13 KM Stone, G E Road, Mandir Hasaud, Raipur; 201 to 204, Industrial Park SSD, Punjipatra, Raigarh, Chhattisgarh; Bhikaji Cama Place, New Delhi; Village Pachwad District Satara, Maharashtra and all movable Fixed Assets (present as well as future) located at Kharsia Road, Raigarh, Chhattisgarh. In addition a first ranking mortgage and pari passu charge on immovable property pertaining to unit located at Kharsia Road, Raigarh.
- iv) Loans of ₹ 3,080.44 crore (March 31, 2014 ₹ 3483.38 crore) repayable in 32 quarterly instalments starting from June, 2014 are secured by first pari passu charge on all movable plant & machinery, spare parts including all insurance policies, project contracts, movable contracts and immovable fixed assets, both present and future under the 1.8 MTPA DRI facility at Angul, Odisha.
- v) Loans of ₹ 434.63 crore (March 31, 2014 ₹ 523.79 crore) repayable in 38 quarterly instalments starting from October, 2010 are secured by way of first pari passu charge on all movable and immovable fixed assets both present and future under 2X135 MW Power Plant (Phase - 1) at Dongamauha, Raigarh, Chhattisgarh.
- vi) Loans of ₹ 485.89 crore (March 31, 2014 ₹ 583.07 crore) repayable in 8 equal annual instalments starting from September 30, 2013 are secured by first pari passu charge on all movable plant & machinery, spares, vehicles etc. and

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

immovable fixed assets, both present and future under 2X135 MW Power Plant (Phase- 2) at Dongamauha, Raigarh, Chhattisgarh.

vii) Loans of ₹ 2,575.87 crore (March 31, 2014 ₹ 3,022.33 crore) repayable in 28 quarterly instalments starting from December 2013 are secured by first pari passu charge on all movable (including project contracts) and immovable fixed assets, both present and future under 1.5 MTPA Integrated Steel Plant and 1.2 MTPA Plate Mill project at Angul, Odisha.

viii) Loans of ₹ 1,268.74 crore (March 31, 2014 ₹ 1,480.49 crore) repayable in 33 quarterly instalments starting from March, 2013 are secured by first pari passu charge on all movable plant & machinery, spare parts, furniture & fixtures including all the project contracts (including insurance policies, rights and titles) and immovable fixed assets, both present and future under 6x135 MW Power Plant Project at Angul, Odisha.

ix) Loan of ₹ 109.12 crore (March 31, 2014 ₹ 171.63 crore) repayable in 16 quarterly instalments starting from March 2013 are secured by subservient charge on fixed assets of the Parent Company.

x) Loan of ₹ 1,485 crore (March 31, 2014 ₹ 1,500 crore) initially taken from ICICI bank on bilateral basis are repayable by way of ballooning instalments in two tranches. An amount of ₹ 500 crore shall be repayable in a period of 5 (five) years in 16 (sixteen) quarterly instalment whereas an amount of ₹ 1000 crore shall be repayable in a period of 10 (Ten) years in 36 (thirty six) quarterly instalment starting from January, 2015. Loan of ₹ 1,000 crore (March 31, 2014 ₹ 300 crore) initially taken from HDFC Bank on on bilateral basis are repayable in a period of 8 (eight) years in 28 (twenty eight) quarterly installments starting from June, 2015. Loan of ₹ 1,500 crore (March 31, 2014 ₹ NIL) from State Bank of India are repayable in a period of 8 (eight) years in 32 (Thirty Two) quarterly instalments starting from June, 2016. Above loans are secured by way of a first pari passu charge on all the present movable Fixed Assets of units located at Balkudra, Patratu, District Ramgarh, Jharkand; 13 KM Stone, G E Road, Mandir Hasaud, Raipur; 201 to 204, Industrial Park SSD, Punjipatra, Raigarh, Chhattisgarh; Bhikaji Cama Place, New Delhi; Village Pachwad District Satara, Maharashtra and all movable Fixed Assets (present as well as future) located at Kharsia Road, Raigarh, Chhattisgarh. In addition a first ranking mortgage and pari passu charge on immovable property pertaining to unit located at Kharsia Road, Raigarh and a part of the immovable property pertaining to unit located at 13 KM Stone, G E Road, Mandir Hasaud, Raipur.

xi) Loans of ₹ 3075 crore (March 31, 2014 ₹ NIL) repayable in a period of 8 (eight) years in 31 (Thirty One) quarterly installments starting from June, 2017 are secured by way of a first pari passu charge on all the present movable and immovable Fixed Assets of 1.5 MTPA Integrated Steel Plant including 1.2 MTPA Plate Mill project, 1.8 MTPA DRI facility, 810 MW Captive Power Plant at Angul including movable plant & machinery, spares, tools and accessories, furniture, fixtures and the miscellaneous fixed assets of the units at Angul.

TERM LOANS (in foreign subsidiaries)

xii) Loan of ₹ 35.67 Crore (March 31, 2014 ₹ Nil) bearing rate of interest 9.25% p.a. repayable over a period of 3 years are secured over plant and equipment of Jindal Mining SA (Pty) Ltd.

Loan of ₹ 32.62 Crore (March 31, 2014 ₹ Nil) bearing rate of interest 9.25% p.a. repayable over a period of 3 years are secured over plant and equipment purchase of Jindal Mining SA (Pty) Ltd.

TERM LOANS (in foreign subsidiaries)

xiii) Loan of ₹ 21.33 crores (March 31, 2014 ₹ 16.65 Crore) is secured over the Land/ Office Building at 22 Kildoon Street and Ihlathi Estate. Jindal Mining SA (Pty) Ltd & Eastern Solid fuel Pty Ltd have provided corporate guarantee for the aforesaid loan.

TERM LOANS (in foreign subsidiaries)

xiv) Loan of ₹ Nil (Previous Year ₹ 757.26 crore) was secured by commercial mortgage on movable fixed assets pertaining to 2 MTPA Steel Melting Shop project of Shadeed Iron & Steel LLC.

xv) Loan of ₹ Nil (Previous Year ₹ 2,854.74 crores) was secured by first ranking legal charge in respect of all the fixed assets of Shadeed Iron & Steel LLC 1.5 MTPA Hot briquetted Iron Project at Sohar, Oman, and assignment of Intercompany loans of USD 475 Million granted by Jindal Steel & Power (Mauritius) Limited to Shadeed Iron & Steel LLC in favour of the lenders with further lien on the designated account used for repayment of loan by Shadeed Iron & Steel LLC to Jindal Steel & Power (Mauritius) Limited. The above loan has been further guaranteed by the Parent "Company".

xvi) Loan of ₹ 4537.83 (Previous Year ₹ Nil) is secured by Commercial mortgage on all the tangible and intangible assets of Shadeed Iron & Steel, future assets of existing

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

operations and the expansion projects other than the inventories and the trade receivables of Existing Operations and the Expansion Project of working capital loans. The loan is repayable 44 unequal quarterly instalment commencing from June, 2015. The loan carry interest rate @ USD LIBOR plus 3% p.a.

TERM LOANS (in foreign subsidiaries)

- xvii) Loan of ₹ 876.27 crores (Previous Year ₹ 841.39 crores) in Jindal Steel & Power (Mauritius) Limited is secured by pledge of 1,090,313,872 equity shares of Wollongong Coal Limited and Charged over Debt Service Reserve Account. The Parent Company has given a shortfall undertaking to fund, if required, Debt Service Reserve Account that will be subject to RBI approval.
- xiii) Loan of ₹ 938.86 crores (Previous Year ₹ 901.50 crores) is secured by first ranking pledge of 49% share capital of Jindal Mining SA (Pty) Limited held by the said Company through its step down subsidiaries. The above loan has been further guaranteed by the Parent "Company".
- xix) Loan of ₹ 344.25 crores (Previous Year ₹ Nil) in Jindal Steel & Power (Mauritius) Limited is secured by secured/to be secured by way of charge over all movable fixed assets of JSPL Mozambique Minerais Limitada, subsidiary of the company. Further, the corporate guarantee of the parent company, shall also be provided upon receipt of approval from Reserve Bank of India (RBI). Pending receipt of approval from RBI, The Parent Company has provided a Debt Service Reserve Account (DSRA) shortfall undertaking, the funding in DSRA shall also be subject to receipt of the approval from RBI at the time of remittance.

TERM LOANS (in foreign subsidiaries)

- xx) Loan of ₹ 2,601.06 crores (Previous Year ₹ 2,187.68 crores) is secured by first ranking pari-pasu charge on the fixed assets of Wollongong Coal Limited and Wollongong Coal Pty Ltd and pari passu assignment of lease deed of the Mines. A minority shareholder has provided a Corporate Guarantee for the aforesaid loan. The Company has also maintained Debt Service Reserve Account.

TERM LOANS (in Indian subsidiaries)

- xxi) Term loans from Banks and Body Corporate of ₹ 3,487.39 Cr. (P.Y. ₹ 2,695.00 Cr.) are secured by way of first pari passu mortgage / charge on all the fixed assets (tangible and intangible), receivables accounts and all rights, titles

and interest in accounts of the company both present and future with respect to Third Phase of the Power Plant of 1200MW comprising two units of 600 MW each at Tamnar (Unit 1 and Unit 2).

- xxii) Term Loan from Banks of ₹ 1,500 Cr. (Previous Year ₹ Nil) are secured/ to be secured by way of first pari passu mortgage / charge on all the fixed assets (movable and immovable), of the company both present and future with respect to Fourth Phase of the Power Plant of 1200MW comprising two units of 600 MW each at Tamnar (Unit 3 and Unit 4).

Repayment schedule

- A) Balance amount of Term loans from Banks and Body Corporate for Third Phase of Power Plant of 1200 MW is repayable in 38 equal Quarterly installments amounting to ₹ 91.77 Crore each.
- B) Term Loan from Banks amounting to ₹ 1,500 Crore is repayable as- ₹ 12.50 Cr in F/Y 2016-17, ₹ 112.50 Cr. each in F/Y 2017-18 and F/Y 2018-19, ₹ 175 Cr. in F/Y 2019-20, ₹ 237.50 Cr. in F/Y 2020-21, ₹ 225 Cr. in F/Y 2021-22, ₹ 187.50 Cr each in F/Y 2022-23 and F/Y 2023-24 and ₹ 250 Cr. in F/Y 2024-25- by way of quarterly installments.

OTHER LOANS

Security

- i) Loans of ₹ 302.49 crore (March 31, 2014 ₹ 53.80 crore) are secured by hypothecation by way of first pari passu charge over all of the borrower's current assets, including aggregate rupee value of the borrower's cash and bank balances, investments (of which return of principal is guaranteed), advance paid, raw material, finished and semi finished goods, consumable stores, spares stock in progress, bills of lading, airways bills, railways receipt (RR) good receipt (GR) motor transport receipts (MTR) or such other receipts (issued by approved carrier carrying consignment of raw material/consumables spares), irrevocable letter of credit, receivables, book debts and consumable stores (including those stored at borrowers's work at Raigarh and Raipur, Chhattisgarh) and include any money owing to it and payable on demand or within 1 (one) year from the date of computation, in whatsoever currency demoninated or as otherwise defined/classified by guidelines of the RBI from time to time in force or any other applicable law and shall exclude those categorised as non current assets as per applicable law both present and future ("the Hypothecated current asstes"); and second pari passu charge by way of

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

hypothication, inter alia, on all the movable fixed asstes (except current asstes) to the extent of value of ₹ 467.50 crore including but not limited to plant and machinery, machinery spares, tools and accessories of the borrower, wheresoever in the possession of the borrower, both present and future ('The hypothication movables').

The Parent company is constantly rolling over the buyer's credit for capex as per extant guidelines of RBI. Futher, the company has raised long term loans to provide liquidity for payment of current portion of buyer's credit for capex. Average rate of interest is 0.84%p.a.

Repayments and Interest rates for the above Debentures and Term Loans from banks are as follows:

Year	2015-16	2016-17	2017-18	2018-19 & Above
Amount (₹ in crore)	2,512.15	3,385.78	4,035.14	21,030.14

The interest rate for the above term loans varies from 8.41% to 13.00% p.a

(₹ in Crore)

	Non-Current Portion		Current Portion	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
b) Unsecured Long term borrowings				
i) Debentures				
Debentures	300.00	300.00	-	-
3,000, 9.63% Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each				
(Privately placed initially with HDFC Bank Limited)				
3,000, 10.48% Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each	300.00	-	-	-
(Privately placed initially with ICICI Bank Limited)				
10,000, 11.00% Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each	1,000.00	-	-	-
(Privately placed initially with Kotak Mahindra Bank Limited)				
7,500, 10.50% Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each	750.00	-	-	-
(Privately placed initially with HDFC Bank Limited)				
5,000, 11.00% Unsecured Redeemable non convertibel Debenture of ₹1,00,000 each	500.00	-	-	-
(Privately Placed with Kotak Mahindra Bank limited)				

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

	Non-Current Portion		Current Portion	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
ii) Term Loan				
From Banks	2,942.40	2,524.19	-	-
iii) Other Loan from banks				
From Banks	544.85	875.89	-	-
iv) Other Loans & Advances				
External Commercial Borrowings	257.90	1,033.09	736.68	128.74
8% Fully Convertible Bond	50.87	37.09		
Unsecured Long-term borrowings	6,646.02	4,770.26	736.68	128.74
"Amount disclosed under other-current Liabilities (Note no.-10 (a))"	-	-	(3,248.83)	(2,138.36)
Total Long-Term Borrowings	35,399.57	25,900.25	-	-

Repayments and Interest rates for the above unsecured debentures, Term Loan from Banks and External Commercial Borrowings are as follows:

Year	2015-16	2016-17	2017-18	2018-19 & Above
Amount (₹ in Crore)	736.68	410.20	1,816.15	3,874.82

The interest rate for the unsecured term loan of foreign subsidiaries ranges from 3.33% to 3.78% p.a.

Debentures

- Debentures of ₹ 300 crore (March 31, 2014 ₹ 300 crore) placed initially with HDFC Bank Limited on private placement basis are redeemable at par at the end of 3 years from the date of allotment i.e. 05.04.2013.
- Debentures of ₹ 300 crore (March 31, 2014 ₹ NIL) placed initially with ICICI Bank Limited on private placement basis are redeemable at par at the end of 5 years from the date of allotment i.e. 11.08.2014.
- Debentures of ₹ 1,000 crore (March 31, 2014 ₹ NIL) placed initially with Kotak Mahindra Bank Limited on private placement basis are redeemable at par in 3 instalments, ₹ 330 crore at the end of 3 years, ₹ 330 crore at the end of 4 years and ₹ 340 crore at the end of 5 years from the date of allotment i.e. 18th December, 2014.
- Debentures of ₹ 750 crore (March 31, 2014 ₹ NIL) placed initially with HDFC Bank Limited on private placement basis are redeemable at par at the end of 6 years from the date of allotment i.e. 11.03.2015.

- 1650 nos. Non Convertible debentures of ₹ 10,00,000 each (JPL Series I)(date of allotment 22nd December 2014) (Date of Redemption: on 21st December 2018) at Interest Rate of 1% above SBI Base Rate (Effective Rate as on 31st March 2015 is 11%)
- 1,650 nos. Non Convertible debentures of ₹ 10,00,000 each (JPL Series II)(date of allotment 22nd December 2014) (Date of Redemption: on 20th December 2019) at Interest Rate of 1% above SBI Base Rate (Effective Rate as on 31st March 2015 is 11%)
- 1,700 nos. Non Convertible debentures of ₹ 10,00,000 each (JPL Series III)(date of allotment 22nd December 2014) (Date of Redemption: on 22nd December 2020) at Interest Rate of 1% above SBI Base Rate (Effective Rate as on 31st March 2015 is 11%)

Other Loans & Advances

External Commercial Borrowings

- ECA from Credit Agricole CIB of ₹ 7.37 crore (March 31, 2014 ₹ 12.63 crore) repayable in 14 half yearly instalments starting from October 21, 2010.

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

ii) ECA from Credit Agricole CIB of ₹ 68.09 crore (March 31, 2014 ₹ 111.05 crore) repayable in 16 half yearly instalments starting from May 25, 2010.

iii) ECA from Credit Agricole CIB of ₹ 93.20 crore (March 31, 2014 ₹ 134.73 crore) repayable in 20 half yearly instalments starting from March 9, 2011.

iv) ECA from Credit Agricole CIB of ₹ 6.78 crore (March 31, 2014 ₹ 12.43 crore) repayable in 14 half yearly instalments starting from June 21, 2010.

v) ECB from Mizuho Bank Limited of ₹ 156.48 crore (March 31, 2014 ₹ 150.25 crore) repayable on May 19, 2015.

vi) ECB from DBS Bank Limited of ₹ 312.95 crore (March 31, 2014 ₹ 300.50 crore) repayable on June 17, 2015.

vii) ECB from Mizuho Bank Limited of ₹ 156.66 crore (March 31, 2014 ₹ 150.25 crore) repayable on January 22, 2016.

viii) ECB from ICICI Bank Limited of ₹ 192.65 crore (March 31, 2014 ₹ 289.99 crore) repayable in 15 half yearly instalments starting from March 11, 2011.

The interest rate for the above External Commercial Borrowings varies from 0.43% to 2.37% p.a

8% Fully Convertible Bond

Bond of ₹ 50.87 crore (March 31, 2014 ₹ 37.09 crore) pertains to Wollongong Coal Limited maturing on 1 July

2028, unless previously redeemed, converted or purchased and cancelled.

Unsecured Term Loans from Banks

Other Loans

i) The Group is constantly rolling over the buyer's credit ₹ 544.85 crore (Previous year ₹ 875.89 crore) for capex as per extant guidelines of RBI. Further, the company has raised long term loans to provide liquidity for payment of current portion of buyer's credit for capex. Average rate of interest is 0.86%p.a.

ii) Loan of ₹ 28.96 crores (March 31, 2014 ₹ Nil) is unsecured, bears no rate of interest and has no fixed term of payment

iii) Loan of ₹ 25,03.63 crores (March 31, 2014 ₹ 2524.19) is unsecured, bears rate of interest 3.33% plus LIBOR and repayable in 3 equal instalment starting from 2017-2018.

iv) Loan of ₹ 3,12.95 crores (March 31, 2014 ₹ Nil) is unsecured, bears rate of interest 3.40% plus LIBOR and repayable in 2019-2020.

v) Loan of ₹ 125.18 crores (March 31, 2014 ₹ Nil) is unsecured, bears rate of interest 3.78% plus LIBOR and repayable in 3 equal instalment starting from 2017-2018.

(₹ in Crore)

	As at 31st March, 2015	As at 31st March, 2014
6. OTHER LONG-TERM LIABILITIES		
a) Others		
Security Deposits and Advances	428.27	166.80
Total Other Long-Term Liabilities	428.27	166.80

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

	As at 31st March, 2015	As at 31st March, 2014
7. LONG-TERM PROVISIONS		
a) Provision for Employee benefits		
Gratuity	30.60	14.04
Other defined benefit plans	11.41	10.93
	42.01	24.97
b) Other Provisions		
Mines closure plan*		
Balance at the begning of the year	101.72	90.70
Addition during the year	29.32	16.04
Utilisation/reversed during the year	(13.73)	(5.02)
	117.31	101.72
Total Long-term Provisions	159.32	126.69

* Provision for mining restoration expense represents estimates made towards the expected expenditure for restoring the minning area and other obligatory expenses as per the mine closure plan.

(₹ in Crore)

	As at 31st March, 2015	As at 31st March, 2014
8. SHORT-TERM BORROWINGS		
a) Secured short-term borrowings		
Loan Repayable on Demand		
Cash Credit from Banks	2,835.48	123.13
Other Loans and Advances		
From Banks	798.72	1,512.70
Secured Short-term borrowings	3,634.20	1,635.83

- i) The Working capital facilities of ₹ 1,478.87 crore (March 31, 2014 ₹ 43.09) Secured by hypothecation by way of first pari passu charge over all of the borrower's current assets, including aggregate rupee value of the borrower's cash and bank balances, investments (of which return of principal is guaranteed), advance paid, raw material, finished and semi finished goods, consumable stores, spares stock in progress, bills of lading, airways bills, railways receipt (RR) good receipt (GR) motor transport receipts (MTR) or such other receipts (issued by approved carrier carrying consignment of raw material/consumabl spares), irrevocable letter of credit, receivables, book debts and consumable stores (including those stored at borrowers's work at Raigarh and Raipur, Chhatisgarh) and include any money owing to it and payable on demand or within 1 (one) year from the date of computation, in whatsoever currency demoninated for

as otherwise defined/classified by guidelines of the RBI from time to time in force or any other appliable law and shall exclude those categorised as non current assets as per applicable law both present and future ("the Hypothicated current asstes"); and second pari passu charge by way of hypothication, inter alia, on all the movable fixed asstes (except current asstes) to the extent of value of ₹ 467.50 crores including but not limited to plant and machinery, machinery spares, tools and accessories of the borrower, wheresoever in the possession of the borrower, both present and future ("The hypothication movables"). The cash Credit is repayable on demand. The average rate of interest for cash credit is 10.59%p.a.

- ii) The Working Capital facilities of ₹ 106.87 crore (March 31, 2014 ₹ 58.87 crores) is secured by First pari-passu

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

charge on all current assets of Wollongong Coal Ltd and Wongawilli, along with other working capital lenders; and First ranking pari-passu assignment of insurance policies related to fixed and current assets of the company and Wongawilli, charged to the bank.

- iii) The working capital facility of ₹ 26.85 crores (March 31, 2014 ₹ 21.17 crores) is secured by charge over current assets of the Jindal Mining SA (Pty) Limited.
- iv) The working capital facility of ₹ 1,222.89 crores (March 31, 2014 ₹ Nil) commercial mortgage on all of the inventories and trade receivables of the Existing Operations and the Expansion Project of the Shaded Iron & Steel LLC.

Other Loans

- i) Loans of ₹ 236.22 crores (Previous year ₹ 252.42 crores) are secured by hypothecation by way of first pari passu charge over all of the borrower's current assets, including aggregate rupee value of the borrower's cash and bank balances, investments (of which return of principal is guaranteed), advance paid, raw material, finished and semi finished goods, consumable stores, spares stock in progress, bills of lading, airways bills, railways receipt (RR) good receipt (GR) motor transport receipts (MTR) or such other receipts (issued by approved carrier carrying consignment of raw material/consumable spares), irrevocable letter of credit, receivables, book debts and consumable stores (including those stored at borrowers's work at Raigarh and Raipur, Chhatisgarh) and include any money owing to it and payable on demand or within 1 (one) year from the date of computation, in whatsoever currency demoninated or as otherwise defined/classified by guidelines of the RBI from time to time in force or any other applicable law and shall exclude those categorised as non current assets as per

applicable law both present and future ("the Hypothecated current assets"); and second pari passu charge by way of hypothecation, inter alia, on all the movable fixed assets (except current assets) to the extent of value of ₹ 467.50 crores including but not limited to plant and machinery, machinery spares, tools and accessories of the borrower, wheresoever in the possession of the borrower, both present and future ("The hypothecation movables") of the Parent Company. The Cash Credit is repayable on demand. Average rate of interest is 8.83%p.a.

- ii) Loans of ₹ 562.50 Cr (Previous year ₹ 550 crore) are secured by subservient charge by way of hypothecation of current assets of the Parent Company comprising book debts and stocks. The average rate of interest is 10.17%p.a.
- iii) Loans of ₹ Nil (Previous year ₹ 500 crores) was secured by Subservient charge by way of hypothecation of current assets namely stock of raw materials, semi finished and finished goods, stores and spares not related to plant and machinery (consumable stores and spares), bills receivables and book debts and all movable current assets upto any amount of ₹ 500 crore of the Parent Company.
- iv) Loans of ₹ Nil (Previous year ₹ 50 crores) were secured by residual charge on all current assets of the Parent Company including stock in trade consisting of raw material, finished goods etc.
- v) Loan of ₹ Nil (Previous year ₹ 160.28) was secured by first ranking pari-passu charge on the fixed assets of Wollongong Coal Limited and Wollongong Coal Pty Ltd and pari passu assignment of lease deed of the Mines. A minority shareholder has provided a Corporate Guarantee for the aforesaid loan. The subsidiary has to maintain Debt Service Reserve Account.

(₹ in Crore)

	As at 31st March, 2015	As at 31st March, 2014
b) Unsecured Short-term borrowings		
i) From Banks		
Short Term loans	2,190.02	4,449.49
Other Loans	28.12	744.26
	2,218.14	5,193.75
ii) Commercial Papers	1,000.00	1,500.00
Unsecured Short term borrowings	3,218.14	6,693.75
Total Short Term Borrowings	6,852.34	8,329.58

Short term loans- average rate of interest is 9.65% p.a.

Short term loans of foreign subsidiary- average rate of interest is 3.23% p.a.

Other loans- average rate of interest is 0.80% p.a.

Commercial paper- average rate of interest is 10.19% p.a.

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

	As at 31st March, 2015	As at 31st March, 2014
9. TRADE PAYABLES		
Trade Payables	1,655.45	1,807.82
Acceptances	397.84	793.76
Total Trade Payables	2,053.29	2,601.58

(₹ in Crore)

	As at 31st March, 2015	As at 31st March, 2014
10. OTHER CURRENT LIABILITIES		
a) Current maturities of long term debts (Note no-5)	3,248.83	2,138.36
b) Interest accrued but not due on borrowings	204.79	171.01
c) Investor Education & Protection Fund*		
Unpaid dividend	10.06	16.45
d) Other Payables		
Statutory dues**	898.08	442.08
Advance from customer and others	130.88	397.85
Security deposits and advances	32.33	21.12
Creditors for capital expenditure	1,321.64	1,968.44
Book overdraft with banks	3.33	163.93
Forward contracts payable	21.69	-
Outstanding liabilities for expenses	99.40	109.04
Others	600.11	784.40
Total Other Current Liabilities	6,571.14	6,212.68

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund

**In accordance with Accounting Standard (AS-29) 'Provisions, Contingent Liabilities and Contingent Assets' and based on management assessment, the Company had made a provision for contingencies on account of duties and taxes payable under various laws. At the beginning of the financial year, there was an outstanding provision of ₹ 5.08 Crore (Previous year ₹ 156.02 Crore) with adjustment of ₹ 5.08 during the financial year (Previous year ₹ 150.94 Crore), there is an outstanding provision of ₹ NIL (Previous year ₹ 5.08 Crore).

(₹ in Crore)

	As at 31st March, 2015	As at 31st March, 2014
11. SHORT TERM PROVISIONS		
a) Provision for Employee benefits		
Leave Encashment	154.23	153.55
	154.23	153.55
b) Other Provisions		
Provision For Taxation-Income Tax	-	119.31
Provision For Taxation-Wealth Tax	0.66	1.11
Proposed Dividend	-	137.23
Corporate Tax On Dividend	-	1.22
	0.66	258.88
Total Short Term Provisions	154.89	412.43

to the consolidated financial statements as at and for the year ended 31st March, 2015

[illegible]

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

12. a) Statement showing the details of Pre-operative Expenditure forming part of Capital work-in-progress as at 31st March, 2015

(₹ in Crore)

	As At 31st March, 2015	As At 31st March, 2014
Amount brought forward from last year	1,642.04	1,732.15
Add:Expenditure incurred during the year		
Salaries and Wages	129.46	242.14
Contribution to Provident & Other funds	5.65	8.99
Staff Welfare Expenses	2.91	7.22
Consumption of power and fuel	61.75	154.09
Consumption of stores and spares	18.85	23.57
Other Manufacturing Expenses	6.00	0.96
Insurance	2.55	0.79
Rates and Taxes	0.04	1.38
Rent	0.02	0.50
Repair and Maintenance	2.44	12.33
Financial expenses	43.73	47.76
Depreciation	28.21	15.41
Foreign exchange fluctuation (Net)	22.72	81.61
Interest Cost (net)	99.06	153.06
Miscellaneous expenses	125.37	197.01
Other Income	(21.95)	(17.70)
	2,168.86	2661.27
Less:Capitalised as part of		
Plant and Machinery	754.76	949.04
Building	89.32	52.03
Other fixed assets	23.20	18.17
Amount carried forward under CWIP	1,301.58	1,642.04

- b) Capital Work in Progress includes ₹ 1,301.58 Crore (Previous year ₹ 1,642.04 crore) being Pre- operative expenditure and ₹ 344.00 crore (Previous year ₹ 818.80 crore) being Capital stores.
- c) Additions to Fixed Assets include ₹ 14.22 crore (Previous year ₹ 4.81 Crore) and additions to Capital work- in- progress include ₹ 10.22 Crore(Previous year ₹ 4.00 crore) being expenditure incurred on Research & Development Activities. The Capital Work in Progress accumulated balance as on 31st March,2015 is ₹ Nil (Previous year ₹ 4.00 crore). Additions to Fixed Assets include ₹ 14.22 Crore (Previous year ₹ 4.05 crore) being capitalized from Capital work in progress.
- d) Additions /(adjustments) to plant and machinery/ capital work-in-progress include addition of ₹ 101.13 Crore (Previous year ₹ (4.12) crore) on account of foreign exchange fluctuation and other adjustments of ₹ (2.64) crore (Previous Year Nil).
- e) Borrowing cost incurred during the year and capitalized in addition to (a) above is ₹ 507.29 Crore (Previous year ₹ 310.98 crore). Borrowing cost incurred during the year and transferred to capital work-in-progress is ₹ 12.75 Crore (Previous year ₹ 428.54 crore)

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

f) Expenditure during Trial Run period has been capitalized/decapitalised with Fixed Assets as under:

(₹ in Crore)

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
Income		
Sale of products Finished goods	14.58	339.10
Inter-division transfer of products	197.49	0.61
Net (Increase) / decrease in stock	(22.86)	(76.94)
Total Income (A)	189.21	262.77
Less :- Expenditure		
Raw Material Consumed	281.07	301.93
Salaries and Wages	15.63	6.64
Contribution to Provident and other funds	0.7	0.52
Staff welfare expenses		0.19
Depreciation and amortization expense	3.16	2.07
Interest cost (Net)		14.45
Consumption of stores and spares	38.3	28.73
Consumption of power and fuel	123.84	8.48
Other manufacturing expenses	12.78	37.92
Repair and Maintenance	0.77	0.69
Insurance	0.43	0.4
Financial Expenses		0.51
Foreign exchange fluctuation (net)		0.94
Freight, Handling and Other Selling Expenses	0.22	(0.13)
Miscellaneous expenses	1.45	2.70
Total Expenditure (B)	478.35	406.04
Total (A - B)	(289.14)	(143.27)
Add: Amount Brought forward	(26.55)	-
Add: Amount Carried forward	67.40	26.55
Decapitalised/ (Capitalised) with the cost of fixed assets	(248.29)	(116.72)

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

		As at 31st March, 2015	As at 31st March, 2014
13. (i) NON-CURRENT INVESTMENTS			
i) Trade Investments at cost			
A) OTHERS QUOTED EQUITY SHARES			
i) Hwange Colliery Company Limited 440,680 (Previous year 440,680) fully paid Ordinary Shares	0.47	0.47	
ii) Legend Mining Limited NIL (Previous year 1,12,92,727) fully paid Ordinary Shares	-	0.59	
iii) African Energy Resources Limited 100,000 (Previous year 100,000) fully paid Ordinary Shares	0.08	0.08	
iv) Decimal Software Ltd (Formerly known as Aviva Corporation Limited) 33,333 (Previous year 100,000) fully paid Ordinary Shares	0.08	0.08	
v) Hodges Resources Limited 100,000 (Previous year 100,000) fully paid Ordinary Shares	0.08	0.08	
vi) Walkabout Resources Limited 100,000 (Previous year 100,000) fully paid Ordinary Shares	0.01	0.01	
vii) Apollo Minerals Limited 31,419,496 (Previous year 35,000,000) fully paid Ordinary Shares	6.59	7.85	
viii) Shree Minerals Limited 15,000,000 (Previous year "15,000,000") fully paid Ordinary Shares	3.98	12.47	
Total non-current Trade Investment	11.29	21.63	
ii) Other Investments other than trade at cost			
A) UNQUOTED FULLY PAID-UP EQUITY SHARES OF ASSOCIATE COMPANIES			
i) Fully paid up Equity Shares of Angul Sukinda Railway Limited*	-	0.03	
NIL (Previous year 25,000) Equity Shares of ₹ 10 each	-	-	
Add/(Less): Share in Profit/(Loss)- Prior years	-	-	
Add/(Less): Share in Profit/(Loss)- Current year	-	-	
ii) Fully paid up Equity Shares of JB Fabinfra Private Limited**	-	0.98	
NIL (Previous year 980,000) Equity Shares of ₹ 10 each	-	-	
Add/(Less): Share in Profit/(Loss)- Prior years	-	0.46	

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

		As at 31st March, 2015	As at 31st March, 2014
13. (i) NON-CURRENT INVESTMENTS (CONTD.)			
	Add/(Less): Share in Profit/(Loss)- Current year		1.08
iii)	Fully paid up Equity Shares of Nalwa Steel & Power Limited	2.00	2.00
	2,000,000 (Previous year 2,000,000) Equity Shares of ₹ 10 each	-	-
	Add/(Less): Share in Profit/(Loss)- Prior years	226.54	211.65
	Add/(Less): Share in Profit/(Loss)- Current year	2.63	14.89
iv)	Panacore Shipping PTE Limited , Singapore	-	-
	NIL (Previous Year 40) fully paid Ordinary Shares	-	-
	Add/(Less): Share in Profit/(Loss)- Prior years	-	0.17
	Add/(Less): Share in Profit/(Loss)- Current year	-	(0.17)
v)	Koleko Resources	-	0.64
	NIL (Previous Year 340) fully paid Ordinary Shares	-	-
	Add/(Less): Share in Profit/(Loss)- Prior years	-	-
	Add/(Less): Share in Profit/(Loss)- Current year	-	(0.03)
vi)	Prodisyne (Pty) Limited	1.21	1.21
	50 (Previous Year 50) fully paid Ordinary Shares	-	-
	Add/(Less): Share in Profit/(Loss)- Prior years	-	-
	Add/(Less): Share in Profit/(Loss)- Current year	-	-
vii)	Thuthukani Coal (Pty) Limited	-	-
	1,029 (Previous Year 1029) fully paid Ordinary Shares	-	-
	Add/(Less): Share in Profit/(Loss)- Prior years	-	-
	Add/(Less): Share in Profit/(Loss)- Current year	-	-
viii)	Everbest steel and Mining Holdings Limited (Formerly known as Everbest Infrastructure & Development)***	0.10	-
	100,000 (Previous year NIL) Equity Shares of ₹ 10 each	-	-
	Add/(Less): Share in Profit/(Loss)- Prior years	-	-
	Add/(Less): Share in Profit/(Loss)- Current year	-	-
		232.48	232.91
(B) UNQUOTED PARTLY PAID-UP EQUITY SHARES OF ASSOCIATE COMPANY			
	Angul Sukinda Railway Limited*		44.85
	NIL (Previous year 104,975,000) Equity Shares of ₹ 10 each, (Previous year ₹ 4.27 paid up)	-	-
	Add/(Less): Share in Profit/(Loss)- Prior years	-	-

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

	As at 31st March, 2015	As at 31st March, 2014
13. (i) NON-CURRENT INVESTMENTS (CONTD.)		
Add/(Less): Share in Profit/(Loss) - Current year		-
	-	44.85
(C) UNQUOTED INVESTMENT IN GOVERNMENT AND TRUST SECURITIES		
National Saving Certificates	0.12	0.08
12,00,000 (Previous year ₹ 810,000)		
[Pledged with Government departments ₹ 0.12 crores (Previous year ₹ 0.08 crores)]	0.12	0.08
(D) INVESTMENT IN BONDS : UNQUOTED		
8.15% ICICI- 2016 Bond	0.50	0.50
5 (Previous year 5) Units of ₹ 1,000,000 each		
	0.50	0.50
(E) UNQUOTED FULLY PAID UP EQUITY SHARES		
Fully paid up Equity Shares of Angul Sukinda Railway Limited*	0.03	-
25,000 (Previous year Nil) Equity Shares of ₹ 10 each		
Brahmaputra Capital and Finance Limited	19.20	19.20
19,200,000 (Previous year 19,200,000) Equity Shares of ₹ 10 each		
Indian Energy Exchange Limited	1.25	1.25
1,250,000 (Previous year 1,250,000) Equity Shares of ₹ 10 each		
Jindal Holding Limited	14.48	14.48
2,414,000 (Previous year 2,414,000) Equity Shares of ₹ 10 each		
Jindal Petroleum Limited	0.05	0.05
49,400 (Previous year 49,400) Equity Shares of ₹ 10 each		
Jindal Rex Exploration Private Limited	0.01	0.01
9,800 (Previous year 9,800) Equity Shares of ₹ 10 each		
Stainless Investments Limited	6.05	6.05
1,242,000 (Previous year 1,242,000) Equity Shares of ₹ 10 each		
Synergy Infrastructure Private Limited	-	0.01
NIL (Previous Year 960) Equity Shares of ₹ 100 each		
X-Zone SDN BHD	0.04	0.04

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

	As at 31st March, 2015	As at 31st March, 2014
13. (i) NON-CURRENT INVESTMENTS (CONTD.)		
36,250 (Previous year 36,250) Equity Shares of Malaysian Ringgit 1 each		
Jindal Infosolutions Limited	0.10	0.10
95,000 (Previous Year 95,000) Equity Shares of ₹ 10 each		
Port Kembla Coal Terminal	0.66	0.66
120,000 (Previous Year 120,000) fully paid Ordinary Shares		
Danta Enterprises Private Limited	-	-
1,447 (Previous year 1447) Equity Shares of ₹ 10 each		
Haridaspur Paradip Railway Company Limited	5.00	-
5,000,000 (Previous year NIL) Equity Shares of ₹ 10 each		
OPJ Trading Private Limited	-	-
1,447 (Previous year 1,447) Equity Shares of ₹ 10 each		
Sahyog Tradecorp Private limited	-	-
1,447 (Previous year 1,447) Equity Shares of ₹ 10 each		
Virtuous Tradecorp Private Limited	-	-
1,447 (Previous year 1,447) Equity Shares of ₹ 10 each		
Opelina Finance & Investment Limited		
10 (Previous year 10) Equity Shares of ₹ 10 each	0.01	0.01
Panacore Investment Limited	10.48	-
7,000 (Previous Year NIL) fully paid Ordinary Shares of \$ 1 each		
Golden Age Investment (Pty) Limited	1.21	-
140 (Previous year 70) Equity Shares of \$1 each		
	58.57	41.86
(F) UNQUOTED PARTLY PAID UP EQUITY SHARES		
Angul Sukinda Railway Limited*	49.82	
59,975,000 (Previous year NIL) Equity Shares of ₹ 10 each, ₹ 8.30 paid up (Previous year ₹ NIL)		
(G) OTHER INVESTMENTS (LICENCES & TELECOM SOCIETY)	0.01	0.01
Total non-current Other Investment	341.51	320.21
Total Non-current Investment	352.79	341.83

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

	As at 31st March, 2015	As at 31st March, 2014
13. (i) NON-CURRENT INVESTMENTS (CONTD.)		
Aggregate book value/market value of quoted investments (₹ 0.01 Crore (Previous year ₹ 15.71 crore))	11.29	21.63
Aggregate book value of unquoted investments	341.50	320.20
Aggregate provision for diminution in value of investments	-	-

* previous year- Company was associate.

** previous year- Company was associate now subsidiary.

*** previous year- Company was subsidiary now associate.

(₹ in Crore)

	As at 31st March, 2015	As at 31st March, 2014
13. ii) CURRENT INVESTMENTS		
Investment In Units Of Mutual Fund		
₹ 200 crores (1277012.234 units) of SBI Mutual Fund PLF- DIR Plan Growth {Previous year NIL}-FV ₹ 1000 each	200.00	-
₹ 200 crores (9833649.075 units) of ICICI Prudential Liquid Direct Plan- Growth {Previous year NIL}-FV ₹ 100 each	200.00	-
₹ 200 crores (9069620.219 units) of Birla Sun- Cash Plus- Growth Direct {Previous year NIL}-FV ₹ 100 each	200.00	-
₹ 200 crores (73749303.991 units) of HDFC Liquid Direct Growth Plan- Growth Option {Previous year NIL}- FV ₹ 10 each	200.00	-
₹ 200 crores (597107.343 units) of Reliance Liquid Fund- Treasury Plan- Direct Plan Growth Plan- Growth option LFIG {Previous year NIL}-FV ` 1000 each	200.00	-
₹ 2.15 crores 14,144 Units of Reliance Liquid Fund- Treasury Plan-Divided Plan (Previous Year NIL)- FV ₹1000 each	2.16	-
₹ 40 crores (258033 units) of Axis liquid Fund- Growth (Previous year NIL)-FV ₹ 1000 each	40.00	-
₹ 50 crores (2306404 units) of Birla Sun life Cash Plus-Growth (Previous year NIL)-FV ₹ 100 each	50.00	-
₹ 45 crores (16304466 units) of HDFC liquid Fund- Growth (Previous year NIL)-FV ₹ 10 each	45.00	-

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

	As at 31st March, 2015	As at 31st March, 2014
13. (ii) CURRENT INVESTMENTS (CONTD.)		
₹ 50 crores (24,58,831 units) of ICICI Prudential Liquid Fund-Growth (Previous year NIL)-FV ₹ 100 each	50.00	-
₹ 25 crores (1,66,782 units) of IDBI Liquid Fund-Growth (Previous year NIL)-FV ₹ 1,000 each	25.00	-
₹ 100 crores (4,54,995 units) of SBI Premier Liquid Fund-Growth (Previous year NIL)-FV ₹ 1,000 each	100.00	-
₹ 30 crores(1,20,114 units) of Tata liquid Fund-Growth (Previous year NIL)-FV ₹ 1,000 each	30.00	-
₹ 90 crores (6,03,848 units) of Taurus liquid Fund-Super Institutional- Growth (Previous year NIL)-FV ₹ 1,000 each	90.00	-
₹ 0.20 crores (1,254 units) of Reliance Liquid Fund- Cash Plan-Growth (Previous year NIL)-FV ₹ 1,000 each	0.20	-
₹ 0.04 Momentum Money Market Fund-Unit Trust	0.04	0.04
₹ 0.00 crores (2,447 units) of LIC mutual fund-Liquid fund-Growth Plan	0.00	0.00
	1,432.40	0.04
NAV of Units of Mutual Funds	1,455.87	

(₹ in Crore)

	As at 31st March, 2015	As at 31st March, 2014
14. LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
a) Capital Advances	1,574.39	1,938.03
b) Security Deposits	148.29	134.65
c) MAT Credit Entitlement (Refer note 33 (b))	795.01	130.01
d) Others		
Share application money	2.62	47.69
Others	568.14	569.46
Total Unsecured Long Term Loans & Advances	3,088.45	2,819.84
Total Long Term Loans & Advances	3,088.45	2,819.84

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

	As at 31st March, 2015	As at 31st March, 2014
15. OTHER NON-CURRENT ASSETS		
Fixed deposits with original maturity of more than 12 months* (Note No-18)	46.97	0.64
Total Other Non Current Assets	46.97	0.64

*Pledged with Government departments and Others ₹ 1.96 crore (Previous year ₹ 0.56 crore)

(₹ in Crore)

	As at 31st March, 2015	As at 31st March, 2014
16. INVENTORIES		
(Valued at lower of cost and net realisable value)		
a) Raw Materials		
Inventories	1,639.20	2,137.81
Goods In transit	287.15	102.30
	1,926.35	2,240.11
b) Work-in-process		
Work in process	149.65	138.16
	149.65	138.16
c) Finished Goods		
Inventories	1,484.14	1,290.55
	1,484.14	1,290.55
d) Stores and Spares		
Inventories	1,252.53	1,152.81
Goods In Transit	5.21	8.82
	1,257.74	1,161.63
e) Others		
Scrap	30.81	50.79
	30.81	50.79
Total Inventories	4,848.69	4,881.24

(₹ in Crore)

	As at 31st March, 2015	As at 31st March, 2014
17. TRADE RECEIVABLES		
a) Secured		
Exceeding six months	-	-
Others		
Considered good	30.97	21.59
Total Secured Trade Receivable	30.97	21.59
Unsecured		
Exceeding six months		
Considered good	171.93	207.44

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

	As at 31st March, 2015	As at 31st March, 2014
17. TRADE RECEIVABLES (CONTD.)		
Considered doubtful	45.06	1.31
Less: Provision for bad and doubtful debts	(45.06)	(1.31)
Others		
Considered good	1,487.80	1,543.38
Total Unsecured Trade Receivable	1,659.73	1,750.82
Total Trade Receivable	1,690.70	1,772.41

(₹ in Crore)

	Non-Current Portion		Current Portion	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
18. CASH & BANK BALANCES				
a) Cash and Cash Equivalents				
Cash on hand	-	-	1.64	1.92
Cheques/Drafts In hand	-	-	44.39	25.12
Bank Balances in current accounts	-	-	551.44	260.68
Bank Deposits with original maturity of less than three months	-	-	505.68	652.46
Others	-	-	0.03	0.08
Total Cash and Cash Equivalents		-	1,103.18	940.26
b) Other Bank Balances				
i) Banks with Earmarked balances				
Earmarked for unpaid dividend	-	-	10.06	11.63
Earmarked for Debenture Redemption	-	-	-	15.00
Earmarked for Debt Service	-	-	-	9.20
Earmarked for Margin Money	-	-	-	27.32
Earmarked for others	-	-	-	2.38
ii) Banks Deposits				
Deposits with original maturity upto twelve months	-	-	25.83	9.49
“Deposits with original maturity more than twelve months”	46.97	0.64	-	-
“Amount disclosed under other non-current assets (Note no-15)”	(46.97)	(0.64)	-	-
Total Cash and bank Balances	-	-	1,139.07	1,015.28

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

	Current Portion As at	
	31st March, 2015	31st March, 2014
19. SHORT TERM LOANS AND ADVANCES		
a) Loans and Advances to related parties		
Secured, considered good	293.91	293.91
Unsecured, considered good	422.38	243.27
	716.29	537.18
b) Loans and Advances to others		
Unsecured, considered good	3,605.41	2,553.39
Doubtful	10.42	5.76
Less: Provision for doubtful advances	(10.42)	(5.76)
	3,605.41	2,553.39
c) Security Deposits		
Unsecured, considered good	54.18	25.48
	54.18	25.48
d) Other Loans and Advances		
Unsecured, considered good	1,307.70	1,191.01
Balances with statutory/ government authorities	553.71	300.91
Advance income tax including TDS	1,861.41	1,491.92
Total Short Term Loans & Advances	6,237.29	4,607.97

(₹ in Crore)

	As at 31st March, 2015	As at 31st March, 2014
20. OTHER CURRENT ASSETS		
Unsecured, considered good		
Pre-Paid expenses	144.68	75.54
Interest receivable on short term loans and advances*	547.06	374.45
Unamortized premium on forward contract**	17.52	-
Other receivables	274.87	224.08
Total Other Current Assets	984.13	674.07

* Including recoverable from related parties

** The unamortised foreign exchange premium on outstanding foreign exchange contracts is being carried forward to be charged on the statement of profit & loss of subsequent year

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

	Year ended 31st March, 2015	Year ended 31st March, 2014
21. REVENUE FROM OPERATIONS		
a) Sale of products		
Finished goods	21,109.35	20,981.00
Traded goods	88.48	78.86
Inter-division transfer	5,502.34	5,527.01
	26,700.17	26,586.87
b) Other operating revenues		
Transmission Charges	45.44	45.44
Scrap sale	4.73	12.65
Export incentives	73.43	53.49
Aviation income	18.41	6.77
Others*	80.74	17.74
	222.75	136.09
Less: Inter-division transfer	(5,502.34)	(5,527.01)
Total Revenue from operations	21,420.58	21,195.95

* Include ₹ 41.55 crores being liabilities, no longer required written back by a subsidiary

(₹ in Crore)

	Year ended 31st March, 2015	Year ended 31st March, 2014
22. OTHER INCOME		
a) Dividend income on Current investments	3.76	0.38
b) Net gain on sale of current and other than trade investments	38.53	5.10
c) Other non operating income		
Profit on sale/transfer of fixed assets	5.13	0.14
Liabilities/payables no longer required, written back	55.81	18.04
Others (Refer note. 40)	122.37	41.97
Total Other Income	225.60	65.63
Total Revenue	21,646.18	21,261.58

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

	Year ended 31st March, 2015	Year ended 31st March, 2014
23. COST OF MATERIALS CONSUMED		
a) Raw materials consumed	5,710.71	5,744.78
b) Inter division transfer	5,502.34	5,527.01
	11,213.05	11,271.79
Less: Inter division transfer	(5,502.34)	(5,527.01)
Total Cost of Materials Consumed	5,710.71	5,744.78

(₹ in Crore)

	Year ended 31st March, 2015	Year ended 31st March, 2014
24. PURCHASE OF STOCK-IN-TRADE	81.87	58.52

(₹ in Crore)

	Year ended 31st March, 2015	Year ended 31st March, 2014
25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND SCRAP		
Opening Stock - Finished Goods	1,290.55	1,761.35
- Work in Process	138.16	200.51
- Scrap	50.79	32.82
	1,479.50	1,994.68
Closing Stock - Finished Goods	1,484.14	1,290.55
- Work in Process	149.65	138.16
- Scrap	30.81	50.79
	1,664.60	1,479.50
NET (INCREASE)/DECREASE IN STOCKS	(185.10)	515.18
Excise duty on account of increase/(decrease)		
on stock of finished goods and scrap	27.91	(40.31)
Total (Increase)/Decrease in Stocks	(157.18)	474.87

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

	Year ended 31st March, 2015	Year ended 31st March, 2014
26. EMPLOYEE BENEFITS EXPENSE		
a) Salaries and Wages	996.88	715.45
b) Contribution to Provident and other funds	52.16	37.76
c) Employees compensation expenses under Employee Stock purchase Scheme {Refer note- 3 (g)}	0.50	0.25
d) Staff welfare expenses	40.80	34.14
Total Employee Benefits Expense	1,090.34	787.60

(₹ in Crore)

	Year ended 31st March, 2015	Year ended 31st March, 2014
27. INTEREST COST (NET)		
a) Interest Expense		
Debentures and other term-loans	2,550.49	1,276.62
Others	302.35	219.79
	2,852.84	1,496.41
b) Less: Interest Income		
Interest on Inter-corporate deposits	(122.57)	(138.94)
Others	(146.57)	(176.22)
	(269.14)	(315.16)
Net Interest Cost	2,583.70	1,181.25

(₹ in Crore)

	Year ended 31st March, 2015	Year ended 31st March, 2014
28. OTHER EXPENSES		
a) Consumption of stores and spares	1,754.38	1,937.09
b) Consumption of power and fuel	2,330.97	1,662.00
c) Other manufacturing expenses	1,140.18	1,076.13
d) Repair and Maintenance		
Plant and machinery	185.14	178.84
Building	45.53	31.32
Others	171.84	182.69
e) Royalty	1.24	16.67
f) Rent*	40.18	46.85

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

	Year ended 31st March, 2015	Year ended 31st March, 2014
g) Rates and Taxes	106.39	120.87
h) Insurance	53.61	34.43
i) Payment to Auditors	4.95	3.07
j) Research and Development expenses**	16.23	9.47
k) Loss on sale/discard of fixed assets	25.76	32.01
l) Donation	126.10	70.82
m) Directors sitting fees	0.21	0.18
n) Freight Handling and other selling expenses	883.59	1,202.83
o) Bad debts/provision for doubtful debts	52.61	0.09
p) Financial expenses	22.10	310.28
q) Foreign exchange fluctuation (net)	319.74	(30.95)
r) Miscellaneous expenses	692.89	596.73
Total Other Expenses	7,973.64	7,481.44

*The Group has paid lease rentals of ₹ 40.18 crore (previous year ₹ 46.85 crore) under cancellable operating leases. There are no non-cancellable operating leases

**Expenditure on research & development activities, incurred during the year, is ₹ 26.45 crore (including capital expenditure of ₹ 10.22 crore) (previous year ₹ 14.23 crore, including capital expenditure of ₹ 4.76 crore)

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

Description	As at Current Year	As at Previous Year
29. CONTINGENT LIABILITIES AND COMMITMENTS		
I. Contingent Liabilities not provided for in respect of:		
Guarantees, Undertakings & Letter of Credit		
a) Guarantees issued by the Company's Bankers on behalf of the Company	1,096.28	894.12
b) Letter of credit opened by banks	1,152.38	944.92
c) Corporate guarantees/undertakings issued on behalf of third parties.	291.57	298.82
Statutory Demands		
d) Disputed Excise Duty and Other demands	1,518.18	1,432.00
e) Income Tax demands where the cases are pending at various stages of appeal with the authorities	917.91	555.84
f) Bonds executed for machinery imports under EPCG Scheme	3,098.44	2,470.22
Others		
g) Future liability on account of lease rent for unexpired period for cancellable and non cancellable lease	273.27	283.71
h) Claims against the company, not acknowledge as debt	119.21	101.85
i) Uncalled liability towards partly paid up shares	10.20	60.15
II Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	5,084.76	4,647.38
Estimated future investments in joint venture and other companies in terms of respective share purchased agreement entered by subsidiary	906.75	-

30. OPERATING LEASE COMMITMENTS

One of the foreign subsidiaries has leased two plots from sohar industrial port Company, sohar, under an operating non cancellable lease agreement on which the plant and building is constructed. The Future minimum lease payment are as follows:

(₹ in Crore)

	Current Year	Previous Year
Within one year	26.93	24.82
Later then 1 year but not later than 5 years	107.70	99.29
Later than 5 years	134.63	148.94
	269.26	273.05

31. The Hon'ble Supreme Court of India by its Order dated 24th September 2014 has cancelled number of coal blocks allocated to various entities which include nine coal blocks consisting of three operational and six under development allotted to the Company and its group companies by Ministry of Coal, Government of India and directed to pay an additional levy of ₹ 295 per MT on gross coal extracted from the operational mines from 1993 to till date. The final hearing of the Hon'ble Supreme Court of India for review petition filed by the Company and its group companies towards order relating to challenging cancellation of coal blocks is still pending.

i. The Group has paid under protest such levy on coal extracted during the period from 1993 to 24 Sep 2014 of ₹ 3,089.25 crores (including ₹ 1,099.42 Crores by a subsidiary) . The management based on legal opinion has accounted for ₹ 1,793.63 Crores (including ₹ 1,024.72 Crores by a subsidiary) computed on net extraction (run of mines less shale, rejects and ungraded middling) of coal by the Company and subsidiary company during the current year. The said amount has been shown as exceptional item in the financial statement and balance amount of ₹ 1,295.63 crores has been shown as recoverable from the Government Authority since the entire amount of additional levy has been paid under protest.

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

ii. Consequent to above, the Group has also provided ₹ 118.01 Crores (including ₹ 79.15 Crores by a subsidiary) as levy against coal extracted (run of mines less shale, rejects and ungraded middling) from 25th September 2014 till 31st March 2015. The said amount has also been shown as exceptional item in the financial statements.

iii. The Group companies having net book value of investment made in mining assets including land, infrastructure and clearance etc. of ₹ 603.30 crores (including ₹ 183.58 crore of a subsidiary). The difference, if any, between book value of investment and compensation to be determined, shall be accounted for when the final compensation is received pursuant to directive vide letter dated December 26, 2014 given by the Ministry of Coal on such mines.

32. Pursuant to the Judgment dated 25.08.2014 read with Order dated 24.09.2014 passed by the Hon'ble Supreme Court the allocation of the coal blocks, Gare Palma IV/1 (operational); Utkal B-1, Amarkonda Murgadangal, Gare Palma IV/6, Ramchandi, Urtan North and Jitpur (non-operational) to the Company/its joint ventures stand de-allocated.

Prior to the said de-allocation by the Hon'ble Supreme Court, the Government had invoked bank guarantees provided by the Company to the extent of ₹ 153.55 crore with respect to Ramchandi, Amarkonda Murgadangal and Jitpur Coal Blocks. These matters, besides the matters with respect to Urtan North and Gare Palma IV/6 coal blocks, were contested by the Parent Company at various levels and the invocation of the said bank guarantees had been stayed by the respective Hon'ble High Courts. Bank guarantees amounting to ₹ 267.00 crore have been provided by the Parent Company for the above mentioned non-operational coal blocks.

Pursuant to the said de-allocation by the Hon'ble Supreme Court and pending the decision/s of the Ministry of Coal on the show cause notices issued by the Ministry of Coal calling upon the Parent Company to show cause as to why the delay in the development of the non-operational coal blocks should not be held as violation of the terms and conditions of the allocation letters of the said coal blocks, the respective Hon'ble High Courts have required the Company to keep the said Bank Guarantees alive pending the decision of the Government (Ministry of Coal) in individual case. The High Courts have restrained the Ministry of Coal to act in furtherance of its subsequent decision/s, to invoke the bank guarantee/s, for a further period of two weeks' time from the date of the communication of such decision/s in order to enable the Parent Company to challenge such decision/s of the Ministry of Coal. In the meantime, the invocation of the bank guarantees has been stayed by the Hon'ble High Courts.

			(₹ in Crore)
		Consolidated as on 31st March, 2015	Consolidated as on 31st March, 2014
33. a)	Deferred tax (assets)/liabilities as at year end is as under:		
A.	Deferred Tax Assets		
a)	Disallowance u/s 43-B of the Income Tax Act, 1961	(155.38)	(107.63)
b)	Provision for Doubtful Debtors	(19.20)	(2.30)
c)	Provision for diminution in value of Investments	-	(114.03)
d)	Unabsorbed depreciation	(1,859.06)	(131.03)
e)	Business loss	(108.84)	-
	Total Deferred Tax Assets	(2,142.48)	(354.99)
B.	Deferred Tax Liabilities		
a)	Difference between Book and Tax Depreciation	3,738.30	1,826.52
b)	Paid u/s 43B of Income Tax Act, 1961, but not charged off	422.65	1.14
	Total Deferred Tax Liabilities	4,160.95	1,827.66
C.	Total Deferred Tax (Net)	2,018.47	1,472.67
b)	The Parent Company has till date recognized ₹ 795.01 crore (Previous year ₹ 130.01 crore) as Minimum Alternate Tax (MAT) credit entitlement which represents that portion the MAT Liability, the credit of which would be available based on the provision of Section 115JAA of the Income Tax Act, 1961. The management based on the future profitability projections is confident that there would be sufficient taxable profit in future which will enable the Company to utilize the above MAT credit entitlement.		

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore, except per share data)

Particulars	Current Year	Previous Year
34. 'EARNINGS PER SHARE', IN ACCORDANCE WITH ACCOUNTING STANDARD (AS-20):		
Profit/(Loss) after tax, minority interest and share of profit of associates (₹ in crore)	(1,278.12)	1,910.36
Profit/(Loss) after tax, minority interest and share of profit of associates (₹ in crore)	(1,278.12)	1,910.36
Number of Equity Shares (in nos.)		
Annualised number of equity shares	91,48,98,382	93,03,53,237
Opening	91,48,85,984	91,48,85,984
	Number of shares	Annualised number of shares
	17,816	12,398
Closing Equity Shares	91,49,03,800	91,48,98,382
Total number of shares including potential equity shares (annualised)		
Basic earnings per Share (₹)	(13.97)	20.53
Diluted earnings per Share (₹)	(13.97)	20.53

35. DISCLOSURE AS REQUIRED BY ACCOUNTING STANDARD (AS-17) 'SEGMENT REPORTING'

The primary reportable segments are the business segments namely Iron & Steel and Power. The secondary reportable segments are geographical segments which are based on the sales to customers located in India and outside India.

Segment accounting policies are in line with the accounting policies of the group. In addition, the following specific accounting policies have been followed for segment reporting:

- Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
- Expenses that are directly identifiable with/allocable to segments are considered for determining the segment results.
- Expenses/Incomes which relates to the group as a whole and not allocable to segments are included under Other Un-allocable Expenditure (net of Un-allocable Income).
- Segment assets and liabilities include those directly identifiable with respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to group as a whole and not allocable to any segment.

I. Primary Segments (Business Segments)

(₹ in Crore)

Particulars	Current Year	Previous Year
1. Segment Revenue		
a) Iron & Steel	15,631.25	15,996.30
b) Power	5,701.34	4,203.25
c) Others	331.41	743.15
Sub Total (Gross)	21,664.00	20,942.70
Less : Inter-segment Revenue	2,263.33	1,656.39
Net Segment Revenue	19,400.67	19,286.31
2. Segment Results (Profit+)/Loss(-) before Tax and interest from each segment)		
a) Iron & Steel	2,377.22	3,320.98
b) Power	2,839.64	1,987.71

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

Particulars	Current Year	Previous Year
c) Others	(1,023.24)	(485.84)
Sub Total	4,193.62	4,822.85
Less : Interest, financial expenses	2,607.34	1,500.82
Other un-allocable expenditure (net of un-allocable income)	1,217.39	810.02
Exceptional Items	1,911.64	-
Profit before Tax	(1,542.75)	2,512.01
Provision for Taxation		
- Income Tax	(0.04)	612.10
- MAT Credit entitlement	(665.00)	(130.01)
- Provision for Income Tax of earlier years	(33.25)	-
- Deffered Tax	610.13	136.12
Profit for the year after tax	(1,454.59)	1,893.80
3. Other Information		
I Segment Assets		
a) Iron & Steel	35,407.75	23,795.49
b) Power	16,699.94	16,381.17
c) Others	6,250.09	7,913.65
d) Un-allocated Assets*	17,178.83	20,823.13
Total Assets	75,536.61	68,913.44
II Segment Liabilities		
a) Iron & Steel	2,162.82	2,758.82
b) Power	1,143.04	1,258.14
c) Others	330.47	1,703.93
d) Un-allocated Liabilities	50,858.21	40,582.01
Total Liabilities	54,494.54	46,302.90
III Capital Expenditure (Including Capital work in Progress)		
a) Iron & Steel	3,564.52	6,986.53
b) Power	1,041.20	3,243.53
c) Others	1,106.87	1,520.91
Total	5,712.60	11,750.97
IV Depreciation & amortisation expenses		
a) Iron & Steel	1,756.73	1,023.42
b) Power	706.28	575.40
c) Others	269.82	230.38
Total	2,732.83	1,829.20
V Non-Cash expenditure other than depreciation		
a) Iron & Steel	52.61	0.09
b) Power	-	-
c) Others	-	-
Total	52.61	0.09

* Unallocated assets include capital work in progress relating to ongoing projects

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

Secondary Segments (Geographical Segments)

(₹ in Crore)

Particulars	Current Year			Previous Year		
	India	Outside	Total	India	Outside	Total
Segment revenue	15,272.78	4,127.89	19,400.67	13,850.89	5,435.42	19,286.31
Segment assets	65,167.13	10,369.49	75,536.61	60,901.01	8,012.43	68,913.44
Capital expenditure incurred	3,871.20	1,841.40	5,712.60	8,836.73	2,914.24	11,750.97

36. DISCLOSURES AS REQUIRED BY ACCOUNTING STANDARD (AS-18) 'RELATED PARTY DISCLOSURES'

The names of related parties where control exist and/or with whom transactions have taken place during the year and description of relationship as identified and certified by the management are:

A. List of Related Parties and Relationships

a) Associates

1. Angul Sukinda Railway Limited (ceased to exist as associates w.e.f. 31.03.15)
2. JB FabInfra Private Limited (became subsidiary w.e.f. 10.10.2014)
3. Koleko Resources (Pty) Limited (became subsidiary w.e.f. 12.10.14)
4. Nalwa Steel & Power Limited
5. Panacore Shipping Pte Limited , Singapore (ceased to exist as subsidiary w.e.f. 20.11.2014)
6. Prodisyne (Pty) Limited
7. Thuthukani Coal (Pty) Limited
8. Everbest Steel and Mining Holdings Limited (formerly known as Everbest Infrastructure & Development) (w.e.f. 06.02.2015)

b) Joint Ventures

1. Jindal Synfuels Limited
2. Shresht Mining and Metals Private Limited
3. Urtan North Mining Company Limited

c) Key Management Personnel

1. Shri Naveen Jindal (Chairman)
2. Shri Ravi Uppal (MD & Group CEO)
3. Shri K.Rajagopal (Group CFO & Director)
4. Shri D.K. Saraogi (wholetime director)

d) Enterprises over which Key Management Personnel and their relatives exercise significant influence and with whom transactions have taken place during the year

1. Opelina Finance and Investment Limited
2. Gagan Infraenergy Limited
3. Jindal Systems Private Limited
4. Minerals Management Services (India) Private Limited
5. YNO finvest Private Limited
6. Jindal Rex Exploration Private Limited
7. OPJ Trading Private Limited
8. TEMPLAR INVESTMENTS LIMITED
9. Dantra Enterprises Private Limited
10. Glebe Trading Private Limited
11. Groovy Trading Private Limited
12. Sahyog Tradcorp Private Limited
13. Virtuous Tradcorp Private Limited
14. Sonabheel Tea Ltd
15. Jindal Stainless Ltd
16. Jindal Industries Limited
17. Worldone Trading Private Limited formerly (Jindal Coal pvt Ltd)
18. Abhinandan Investment Limited
19. Bir Plataion Limited
20. Bonanaza Trading Company P Limited
21. Colorado Trading Co Limited
22. India Flysafe Aviation Limited
23. India Venture Advisors Private Limited
24. Jindal Realty Private Limited
25. Jindal Saw Limited
26. JSW Steel Limited
27. Nalwa Engineering Company Limited
28. Nalwa Investment Limited
29. Rohit Tower Building Limited

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

B. List of Related Parties and Relationships

(₹ in Crore)

Description	Associates and Joint ventures		Key Management Personnel		Enterprises controlled by Key Management personnel and their relatives	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase Of Goods/Services*	390.16	464.10	-	-	164.77	114.30
Sales Of Goods (Incl Capital Goods)*	75.76	74.32	-	-	1,190.71	934.00
Rendering Of Services	-	-	-	-	-	-
Investment In Equity Shares/ Preference Share	10.69	19.68	-	-	-	-
Advance Against Share/ Debenture Application Money	13.45	18.90	-	-	-	3.96
Other Advances Given/(Taken)	-	39.50	-	0.64	-	9.74
Rent And Other Exenses Paid	-	0.35	-	-	1.21	0.34
Interest Income/(Expense){Net}	-	-	-	-	35.05	31.27
Dividend Income/(Expense)	-	-	-	-	-	(23.60)
Remuneration	-	-	28.96	45.81	-	-
Lease Rent Income	-	0.02	-	-	-	-
Corporate Guarantees Given/ (extinguished)	(38.75)	-	-	-	-	-
Outstanding Balance at the year end	-	-	-	-	-	-
Inter Corporate Deposits Taken	-	-	-	-	-	-
Guarantees Outstanding	40.34	79.08	-	-	-	-
Advance/Security Deposit paid	-	-	-	-	8.50	37.91
Loans & Advances (Including Interest)	-	-	-	-	485.73	411.59
Security deposit receipt	-	-	-	-	-	-
Advance Against Share Application	0.18	74.91	-	-	-	37.16
Investment In Equity Shares	104.49	62.04	-	-	-	-
Debtors – Dr. Balance	0.00	0.01	-	-	73.48	141.93
Cr. Balance	0.03	0.00	-	-	0.71	1.56
Creditors – Dr. Balance	-	13.41	-	-	24.31	90.74
Cr. Balance	41.65	(18.00)	-	-	26.86	2.70

*Figures are inclusive of taxes and other expenses reimbursed

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

C. Disclosure in respect of Material Related party transactions during the year

Material transactions with Associates and Joint Venture

(₹ in Crore)

Name of Related Party		Nalwa Steel & Power Limited	Everbest Steel and Mining Holdings Limited**	Angul Sukinda Railway Limited	Jindal Synfuels Ltd.	Shresht Mining and Metals Private Limited.	Urtan North Mining Company Limited	JB Fabinfra Private Ltd.***
Relationship	Year	Associate	Subsidiary/ Associates	Associate	Joint Venture	Joint Venture	Joint Venture	Associate
Purchase Of Goods/Services*	2014-15	390.16	-	-	-	-	-	-
	2013-14	445.84	-	-	-	-	-	18.26
Sales Of Goods (Including Capital Goods)*	2014-15	75.76	-	-	-	-	-	-
	2013-14	73.53	-	-	-	-	-	0.79
Investment of Equity Shares/ Preference Shares	2014-15	-	-	5.00	-	5.69	-	-
	2013-14	-	-	13.12	-	1.01	5.56	-
Advance against share/debenture application money	2014-15	-	-	-	12.63	0.65	0.17	-
	2013-14	-	-	-	17.12	3.26	(1.48)	-
Other Advances Given/(Taken)	2014-15	-	-	-	-	-	-	-
	2013-14	39.50	-	-	-	-	-	-
Rent and Other Expense	2014-15	-	-	-	-	-	-	-
	2013-14	0.00	-	-	0.34	-	-	-
Lease Rent Income	2014-15	-	-	-	-	-	-	-
	2013-14	0.02	-	-	-	-	-	-
Corporate guarantee/ Guarantee obtained/(given)	2014-15	-	-	-	-	(38.75)	-	-
	2013-14	-	-	-	-	-	-	-

*Figures are inclusive of taxes and other expenses reimbursed

**Pertains to Foreign Currency gain or loss

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

Material transactions with Enterprises controlled by Key Management Personnel and/or their relative

(₹ in Crore)

Name of Related Party		JSW Steel Ltd. Mumbai / Bellary	JSW Energy Limited	Jindal Saw Limited	Jindal Stainless Ltd. Hissar, Jajpur	India Flysafe Aviation Limited	Jindal Reality Pvt. Ltd.
Relationship	Year						
Purchase Of Goods/ Services*	2014-15	5.85	-	24.57	59.59	55.23	-
	2013-14	20.15	-	32.05	9.30	52.81	-
Sales Of Goods (Incl Capital Goods)*	2014-15	209.04	0.46	968.24	10.79	0.98	0.77
	2013-14	234.82	0.18	675.60	18.75	1.31	1.94
Other advances given/ (taken)	2014-15	-	-	-	-	-	-
	2013-14	9.10	-	-	-	-	0.64
Interest income	2014-15	-	-	-	-	-	35.05
	2013-14	0.31	-	-	0.01	-	30.95

*Figures are inclusive of taxes and other expenses reimbursed

Material transactions with Enterprises controlled by Key Management Personnel and/or their relative

(₹ in Crore)

Name of Related Party		Minerals Management Service (India) Pvt. Ltd.	Bir Plantation Pvt. Ltd.	Rohit Towers Private Limited	Jindal Industries Ltd	JSW Steel Coated Product Ltd	JSW Projects Limited
Relationship	Year						
Purchase Of Goods/ Services*	2014-15	-	-	-	6.31	13.22	-
	2013-14	-	-	-	-	-	-
Sales Of Goods (Incl Capital Goods)*	2014-15	-	-	-	-	0.19	0.24
	2013-14	1.40	-	-	-	-	-
Other advances given/ (taken)	2014-15	-	-	-	-	-	-
	2013-14	-	-	-	-	-	-
Rent and Other Expense	2014-15	-	0.06	1.15	-	-	-
	2013-14	-	-	-	-	-	-

*Figures are inclusive of taxes and other expenses reimbursed

Material Transactions with Key Management Personnel

(₹ in Crore)

Particulars	Year	Shri Naveen Jindal	Shri Ravi Uppal	Shri K Rajagopal	Shri Sushil Marool	Shri Anand Goel	Shri DK Saraogi
Remuneration	2014-15	14.78	9.01	3.75	-	-	1.42
	2013-14	36.95	3.36	1.20	1.97	0.95	1.31
Loans and advances given	2014-15	-	-	-	-	-	-
	2013-14	-	0.64	-	-	-	-

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

37. FINANCIAL AND DERIVATIVE INSTRUMENTS:

a) Derivatives contracts entered into by the Group and outstanding as on 31st March, 2015, for hedging currency and interest rate related risks:

Nominal amounts of derivative contracts entered into by the Group and outstanding are ₹ 1914.67 crore (Previous year ₹ 519.86 crore). Category wise break-up is given below:

I. Primary Segments (Business Segments)		(₹ in Crore)
	Current Year	Previous Year
Interest rate Swaps	Nil	Nil
Options	Nil	Nil
Forward Contracts – Import	913.22 (USD 145.90 Million)	193.19 (USD 30.08 Million)
Forward Contracts Export- (Past Performance basis)	1001.45 (USD 160.00 Million)	326.67 (USD equivalent 50.14 Million)

b) In accordance with the accounting policy on financial derivative instruments, during the year, the Group has recognized mark to market losses of ₹ NIL (Previous year ₹ NIL).

38. INTEREST IN JOINT VENTURES:

The Company's interest as a venturer, in jointly controlled entities (Incorporated Joint Ventures) is as under:

Particulars	Country of Incorporation	Percentage of ownership interest as at 31st March, 2015	Percentage of ownership interest as at 31st March, 2014
Jindal Synfuels Limited	India	70.00	70.00
Shresht Mining and Metals Private Limited	India	50.00	50.00
Urtan North Mining Company Limited	India	66.67	66.67

The Parent Company's interests in the above Joint Ventures is reported as Non-Current Investments (Note-13) and stated at cost. However, the Parent Company's share of assets, liabilities, income and expenses, etc.) related to its interest in the Joint Ventures are:

		As at 31st March, 2015	As at 31st March, 2014
I. Liabilities			
1	Non-Current Liabilities	63.51	0.30
	Other Long-term liabilities		
2.	Current Liabilities	1.70	2.39
	Other current liabilities		
II. Assets			
3.	Non-Current Assets		
a)	Fixed Assets	1.97	2.24
	Intangible assets under development	66.61	64.70
b)	Long term loans & advances	2.58	2.51
c)	Other non-current assets	7.53	0.46
4.	Current Assets		
	Cash and Cash equivalents	6.31	0.25
	Short term loans & advances	0.10	0.30
	Other current assets	0.01	3.39

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

39. In accordance with the Companies Act 2013, the Group has revised the useful life of their fixed assets to comply with the useful life as mentioned in Schedule II of the said Act. As per the transitional provisions the Group has adjusted ₹ 134.34 crore (net of tax of ₹ 65.93 crore) from the opening balance of retained earnings. Had the Group continue to follow earlier useful life the depreciation expense for the year would have been lower by ₹ 79.62 crore.

40. During the year one of the subsidiaries received ₹ 60.20 crore (previous year NIL) with respect to coal sector job package from Government. The same has been included under other income.

41.

a) During the current year, there are some adjustments to the value of Goodwill pertaining to one of the subsidiaries which was acquired in the previous year. These adjustments are on account of differences between the unaudited management accounts considered for consolidation in the previous year and audited financial statement of previous year, resulting in decrease in goodwill by ₹ 242.48 crore; revised statement of previous year's account mainly due to prior period adjustments towards write off of irrecoverable debts aggregating ₹ 380.63 crore (increase in goodwill by ₹ 260.20 crore). Consequently, during the current year there is an increase in the amount of Goodwill by ₹ 17.72 crore. The overseas subsidiary is in the process of filing such revised financial statements for the year ended 31 March 2014 to the relevant authorities.

b) Consolidated financial statements include results of that subsidiary which is based on unaudited financial statements having revenue of ₹ 18.69 crore during the year ended 31 March 2015 and assets of ₹ 4,740.11 crore as at 31 March 2015.

42. Expenditure related to Corporate Social Responsibility as per section 135 of the Companies Act, 2013 read with schedule VII thereof.

a) Gross amount required to be spent by the Group during the year is ₹ 81.11 crore.

b) Amount spent during the year on;

(₹ in Crore)		
i	Construction/acquisition of any assets	28.63
ii.	On purposes other than (i) above	58.83*
		87.46
* included under various heads of account		

43. 'EMPLOYEE BENEFITS', IN ACCORDANCE WITH ACCOUNTING STANDARD (AS-15) :

Indian Companies

A. The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (last drawn salary) for each completed year of service.

B. The Guidance on Implementing AS 15, Employee Benefits (Revised 2005) issued by Accounting Standards Board (ASB) of the ICAI states that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation and based on the below assumptions made a provision of ₹ 11.41 Crore as at 31st March, 2015 (Previous Year ₹ 10.93 Crore)

The Group contributed/ provided ₹ 22.56 Crore and ₹ 21.04 Crore towards provident fund during the year ended 31st March, 2015 & 31st March, 2014 respectively.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

As per Accounting Standard 15 'Employee Benefits', the disclosure of Employee Benefits as defined in the Accounting Standards are given below:

(₹ in Crore)

	Current Year		Previous Year	
	Gratuity	Provident Fund	Gratuity	Provident Fund
I. Components of Employer Expense				
1. Current Service Cost	8.39	28.00	8.62	27.27
2. Interest Cost	4.69	22.06	3.70	19.29
3. Expected Return on Plan Assets	-3.91	(21.04)	-3.52	(18.54)
4. Curtailment Cost/ {credit}	-	-	-	-
5. Settlement Cost / (credit)	-	-	-	-
6. Past Service Cost	-	-	0.10	-
7. Actuarial Losses / (Gains)	5.84	(2.96)	-4.30	(1.61)
8. Total expense recognised in the statement of Profit & loss	15.01	26.06	4.61	26.41
II. Actual Returns on Plan Assets 31st March, 2015	2.25	21.58	2.62	25.86
III. Net Assets / (liability) Recognised in Balance Sheet				
1 Present Value of Defined benefit Obligation	-67.05	(344.40)	-52.46	(285.47)
2 Fair Value on Plan Assets	45.65	332.99	44.19	274.55
3 Status {Surplus/ (deficit)} (1- 2)	-21.40	(11.41)	-8.27	(10.92)
4 Unrecognised Past service Cost	-	-	-	-
Net Assets / (liability) recognised in Balance Sheet :-(3 + 4)	-21.40	(11.41)	-8.27	(10.92)
IV. Change in Defined Benefit Obligation (DBO)				
Present Value of DBO at the beginning of the year :-	-52.46	(285.47)	-47.76	(224.24)
1 Current Service Cost- Employer	-8.39	(25.59)	-8.62	(24.84)
2 Current Service Cost- Employee	-	(31.88)	-	(28.54)
3 Interest Cost	-4.69	(22.06)	-3.70	(19.29)
4 Curtailment Cost/ (credit)	-	-	-	-
5 Settlement Cost / (credit)	-	-	-	-
6 Plan Amendments	-	-	-	-
7 Acquisitions	-	(8.11)	-	(15.10)
8 Actuarial (Losses) / Gains	-5.24	2.41	4.20	(5.70)
9 Benefits Paid	3.73	26.30	3.42	32.24
Present Value of DBO at the end of the year:-	-67.05	(344.40)	-52.46	(285.47)
V. Change in Fair Value of Assets				
Plan Assets at the beginning of the year :-	44.19	274.55	37.23	214.88
1 Acquisition Adjustment	-	-	-	-
2 Expected Return on Plan Assets	3.91	-	3.52	-

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

	Current Year		Previous Year	
	Gratuity	Provident Fund	Gratuity	Provident Fund
3 Actual Return on Planed Assets	-	21.58	-	25.86
4 Acturial Gains /(Losses)	-0.60	-	0.09	-
5 Actual company contribution	0.75	63.16	6.77	66.05
6 Benefit Paid	-2.60	(26.30)	-3.42	(32.24)
Plan Assets at the end of the year :-	45.65	332.99	44.19	274.55
VI. The major categories of plan assets for gratuity as percentage of the fair value of total plan assets are as follows:				
Particulars	2014-2015	2013-2014		
Other (Including assets under Scheme of Insurance)	100%	100%		

VII Actuarial Assumptions	Current Year		Previous Year	
	Gratuity	Provident Fund	Gratuity	Provident Fund
1 Discount Rate (%)	7.80%-7.90%	7.90%	9.20%-9.30%	9.30%
2 Expected Return on Plan Assets (%)	9.00%- 9.15%	-	9.00%- 9.15%	-
3 Salary escalation rate (%)	10.00%	-	12.00%	-

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Gratuity Experience History		(₹ in Crore)			
Particulars		For the period ended 31st March 2015	For the period ended 31st March 2014	For the period ended 31st March 2013	For the period ended 31st March 2012
1	Defined Benefit Obligation at the end of the period	(67.05)	(52.46)	(47.75)	(39.23)
2	Plan Assets	45.65	44.19	37.23	31.63
3	Surplus/(Deficit)	(21.40)	(8.27)	(10.52)	(7.60)
4	Experience Gain/(Loss) adjustments on plan liabilities	(0.03)	(1.14)	(5.53)	(0.83)
5	Experience Gain/(Loss) adjustments on plan assets	(0.60)	0.09	0.07	(0.17)
6	Actuarial Gain/(Loss) due to change on assumptions	(5.21)	5.35	0.08	0.82

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

Provident Fund Experience History

Particulars	Period ended 2015-2014	Period ended 2013-2014
1 Defined Benefit Obligation at the end of the period	(344.40)	(285.47)
2 Plan Assets	332.99	274.55
3 Surplus/(Deficit)	(11.41)	(10.93)
4 Experience Gain/(Loss) adjustments on plan liabilities	1.56	0.78
5 Experience Gain/(Loss) adjustments on plan assets	-	-
6 Actuarial Gain/(Loss) due to change on assumptions	1.40	0.84

Significant Overseas Companies

One of foreign subsidiaries provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of minimum service period. The expected costs of these benefits are accrued over the period of employment. With respect to its Omani employees, the company makes contributions to the Public Authority for Social Insurance Scheme under Royal Decree No. 72/91, calculated as a percentage of employees' salary. The company's obligations are limited to these contributions, which are expensed when due.

44. Cost of Power and Fuel in case of a subsidiary includes expenditure of other heads which are as follows:

(₹ in Crore)

Particulars	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Other manufacturing expenses	114.09	134.43
Consumption of stores and spares	25.41	30.00
Repairs and maintenance	15.80	13.74
Salaries and Wages	32.33	31.06
Contribution to provident fund	1.36	1.27
Depreciation	19.02	30.93
Rates and taxes	23.42	27.49
Donation	-	2.25
Miscellaneous expenses	49.13	61.96
Total	280.56	333.14

45. The 1800 MW Kamala Hydroelectric Power Project (Kamala Project) is run of the river project located on Kamala River in the state of Arunachal Pradesh. Detailed Project Report (DPR) of Kamala Project has already been submitted with the Central Electricity Authority (CEA) and has also been accepted by CEA for detailed examination, pending for approval. Land survey is also in progress. Government of Arunachal Pradesh has granted extension of time up-to 31st March 2015 for commencement of kamala project; the management is confident of getting further extension of time in this regard.

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

The 3097 MW Etalin Hydroelectric Power Project (Etalin Project) is a run of the river project located on Dri River and Tangon River in the state of Arunachal Pradesh. Substantial progress has been achieved with respect to the land acquisition, environment and forest clearance and other statutory clearances. Further The Central Electricity Authority (CEA) has also issued concurrence for implementation of the project subject to fulfillment of certain conditions. As assessed by the management, The project has achieved some milestones and is likely to be developed as per schedule.

The 680 MW Attunli Hydroelectric Power Project is a run of the river project located on Tangon River in the state of Arunachal Pradesh. Survey and Investigation works for preparation of Detailed Project Report (DPR) has been completed and draft DPR is under consideration.

46. During the current year, the Parent Company has paid excess managerial remuneration of ₹ 7.01 crore to the Chairman and ₹ 0.62 crore to Managing Director and CEO of the Company. The Company had taken the shareholders' approval by way of special resolution for payment of minimum managerial remuneration as per Schedule V to the Companies Act, 2013 subject to the approval of Central Government. The Company has filed/in the process of filing of necessary application(s) for payment / ratify and confirm the waiver of recovery of excess managerial remuneration paid to them, with the Central Government, the approval of the Central Government is pending, wherever application is filed.
47. During the year Group has acquired stake in Cameroon Mining Action S.A .The aforesaid acquisition has effect of increase in assets and liabilities by ₹ 107.67 crore and ₹ 0.28 crore respectively and change in result by ₹ Nil in consolidated financial statements during the year ended 31st March 2015.

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

Additional information as required by paragraph 2 of the General Instruction for preparation of Consolidated Financial Statements to the Schedule III to the Companies Act, 2013

(₹ in Crore)

Name of the Entity	Net Assests		Share in Profit or (Loss)	
	As% of Consolidated Net Assests	Amount(Rs in Crores)	As% of Consolidated Net Assests	Amount(Rs in Crores)
48. PARENT SUBSIDIARIES				
Jindal Steel & Power Limited	59.46%	12,511.21	24.31%	(310.71)
Indian				
1 Jindal Power Limited	46.49%	9,782.88	13.30%	(170.04)
2 Everbest Steel and Mining Holdings Limited	0.00%	(0.00)	0.02%	(0.25)
3 Jindal Angul Power Limited	0.00%	0.03	0.00%	(0.01)
4 JB FabInfra Private Limited	0.00%	0.76	0.19%	(2.42)
5 Trishakti Real Estate Infrastructure and Developers Private Limited	0.18%	38.35	0.01%	(0.17)
6 Attunli Hydro Electric Power Company Limited	0.00%	1.00	0.00%	-
7 Etalin Hydro Electric Power Company Limited	0.00%	1.00	0.00%	-
8 Jindal Hydro Power Limited	0.00%	0.08	0.00%	-
9 Jindal Power Distribution Limited	0.00%	0.05	0.00%	-
10 Ambitious Power Trading Company Limited	0.04%	9.16	-0.04%	0.46
11 Jindal Power Transmission Limited	0.00%	0.08	0.00%	-
12 Jindal Power Ventures (Mauritius) Limited	0.00%	0.00	-0.01%	0.07
13 Kamala Hydro Electric Power Co. Limited	0.00%	1.00	0.00%	-
14 Kineta Power Limited	0.69%	145.01	0.00%	-
15 Uttam Infralogix Limited	0.00%	1.00	0.00%	-
Foreign				
1 Jindal Steel & Power (Mauritius) Limited	0.85%	178.40	13.43%	(171.59)
2 Skyhigh Overseas Limited	0.66%	139.81	0.00%	(0.01)
3 Gas to Liquids International S.A	0.61%	128.43	0.00%	-
4 Jindal Power Senegal SAU	0.00%	0.04	0.00%	0.06
5 Blue Castle Ventures Limited	-0.01%	(1.48)	0.11%	(1.46)
6 Brake Trading (Pty) Limited	0.00%	0.00	0.00%	-
7 Enduring Overseas Inc	-0.14%	(28.94)	0.44%	(5.61)
8 Fire Flash Investments (Pty) Limited	0.00%	0.00	0.00%	-
9 Harmony Overseas Limited	0.00%	0.55	-0.05%	0.60
10 Jin Africa Limited	-0.03%	(6.21)	0.03%	(0.33)

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

Name of the Entity	Net Assests		Share in Profit or (Loss)	
	As% of Consolidated Net Assests	Amount(Rs in Crores)	As% of Consolidated Net Assests	Amount(Rs in Crores)
48. PARENT SUBSIDIARIES (CONTD.)				
11 Jindal (BVI) Limited	1.85%	390.24	0.00%	0.02
12 Jindal Africa Investments (Pty) Limited	-0.16%	(32.84)	1.57%	(20.10)
13 Jindal Africa Liberia Limited	-0.03%	(5.49)	0.09%	(1.21)
14 Jindal Botswana (Pty) Limited	-0.02%	(3.91)	0.04%	(0.53)
15 Jindal Investimentos LDA	0.00%	0.00	0.03%	(0.32)
16 Jindal Investment Holding Limited.	0.00%	(0.08)	0.00%	(0.01)
17 Jindal KZN Processing (Pty) Limited	0.00%	(0.00)	0.00%	(0.00)
18 Jindal Madagascar SARL	-0.94%	(197.37)	0.00%	(0.02)
19 Jindal Mining & Exploration Limited	0.14%	29.75	0.72%	(9.26)
20 Jindal Mining Namibia (Pty) Limited	-0.12%	(24.40)	0.44%	(5.64)
21 Jindal Steel & Minerals Zimbabwe Limited	-0.04%	(8.41)	0.00%	(0.00)
22 Jindal Steel and Power(Australia) Pty Limited	0.08%	17.08	0.79%	(10.08)
23 Jindal Tanzania Limited	-0.05%	(11.15)	0.00%	(0.06)
24 Jindal Zambia Limited	-0.07%	(15.26)	0.06%	(0.81)
25 JSPL Mozambique Minerai LDA	-1.64%	(345.53)	15.00%	(191.72)
26 Jublient Overseas Limited	0.00%	(0.17)	0.01%	(0.10)
27 Landmark Mineral Resources (Pty) Limited	0.00%	0.00	0.00%	-
28 Osho Madagascar SARL	-0.99%	(209.26)	0.00%	(0.01)
29 PT Jindal Overseas	-0.14%	(29.76)	0.86%	(11.04)
30 Shadeed Iron & Steel L.L.C	5.15%	1,083.11	-24.87%	317.87
31 Sungu Sungu Pty Limited	0.00%	0.00	-0.01%	0.09
32 Tablet Blue Trade and Invest (Pty) Limited	0.00%	(0.02)	0.00%	(0.02)
33 Vision Overseas Limited	0.00%	(0.58)	0.03%	(0.44)
34 Wollongong Coal Limited	6.67%	1,404.26	59.61%	(761.90)
35 Jindal Steel DMCC	-0.03%	(5.81)	0.46%	(5.93)
36 Belde Empreendimentos Mineiros LDA	0.00%	0.01	0.00%	-
37 Eastern Solid Fuels (Pty) Limited	-0.04%	(8.67)	-0.05%	0.69
38 Ericure (Pty) Limited	0.00%	(0.00)	-0.01%	0.11

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

Name of the Entity	Net Assests		Share in Profit or (Loss)	
	As% of Consolidated Net Assests	Amount(Rs in Crores)	As% of Consolidated Net Assests	Amount(Rs in Crores)
48. PARENT SUBSIDIARIES (CONTD.)				
39 PT BHI Mining Indonesia	-0.10%	(20.69)	0.86%	(10.99)
40 PT Sumber Surya Gemilang	-0.07%	(15.37)	0.11%	(1.41)
41 PT Maruwai Bara Abadi	-0.01%	(2.57)	0.16%	(2.01)
42 Jindal Mining SA (Pty) Limited	0.12%	26.10	2.92%	(37.36)
43 Bon-Terra Mining (Pty) Limited	0.00%	0.00	0.00%	-
44 CIC (Barbados) Holding Corp	0.00%	(0.13)	0.00%	-
45 CIC Energy (Bahamas) Limited	-0.05%	(10.89)	0.00%	-
46 Jindal Energy (Botswana) Pty Limited	-0.03%	(7.33)	0.00%	(0.01)
47 Jindal Energy (SA) Pty Limited	-0.13%	(27.85)	-0.17%	2.21
48 CIC Transafrica (Barbados) Corp	0.00%	(0.06)	0.00%	-
49 Jindal Resources (Botswana) Pty Limited	-0.41%	(85.92)	0.34%	(4.33)
50 Trans Africa Rail (Pty) Limited	0.00%	(0.06)	0.00%	0.00
51 Sad-Elec (Pty) Limited	0.00%	(0.00)	0.00%	-
52 CIC (Barbados) Mining Corp	-0.49%	(103.96)	0.00%	-
53 CIC (Barbados) Energy Corp	0.00%	(0.13)	0.00%	-
54 Meepong Resources (Mauritius) (Pty) Limited	0.00%	(0.32)	0.00%	(0.01)
55 Meepong Resources (Pty) Limited	-0.22%	(45.97)	0.21%	(2.74)
56 Meepong Energy (Mauritius) (Pty) Limited	0.00%	(0.35)	0.00%	(0.04)
57 Meepong Energy (Pty) Limited	-0.19%	(39.51)	0.25%	(3.26)
58 Meepong Service (Pty) Limited	0.00%	(0.21)	0.00%	(0.01)
59 Meepong Water (Pty) Limited	-0.01%	(2.33)	0.01%	(0.18)
60 Peerboom Coal (Pty) Limited	0.00%	(0.00)	0.00%	(0.00)
61 Shadeed Iron & Steel Company Limited	0.00%	(0.27)	-0.03%	0.43
62 Koleko Resources (Pty) Limited	0.00%	0.00	0.00%	0.06
63 Legend Iron Limited	0.56%	118.23	0.00%	(0.01)
64 Cameroon Mining Action (CAMINA) SA	0.00%	0.81	0.22%	(2.79)
65 Trans Atlantic Trading Limited	0.00%	-	2.27%	(29.05)
66 JB Fab Green Horizon Infra Limited (Yet to commence opration)	0.00%	-	0.00%	-

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

Name of the Entity	Net Assests		Share in Profit or (Loss)	
	As% of Consolidated Net Assests	Amount(Rs in Crores)	As% of Consolidated Net Assests	Amount(Rs in Crores)
48. PARENT SUBSIDIARIES (CONTD.)				
67 JINDAL Brasil Mineração S/A (ceased to exist as subsidiary w.e.f. 25.03.2015)	0.00%	-	0.00%	-
68 Panacore Investment Limited, Mauritius (ceased to exist as subsidiary w.e.f 08.04.2014)	0.00%	-	0.00%	-
69 Rolling Hills Resources LLC (under liquidation)	0.00%	-	0.00%	-
70 Core Ambition Limited, a subsidiary of Panacore Investment Limited (ceased to exist as subsidiary w.e.f 08.04.2014)	0.00%	-	0.00%	-
71 Core Forte Limited, a subsidiary of Panacore Investment Limited (ceased to exist as subsidiary w.e.f. 08.04.2014)	0.00%	-	0.00%	-
72 Core Integrity Limited, a subsidiary of Panacore Investment Limited (ceased to exist as subsidiary w.e.f. 08.04.2014)	0.00%	-	0.00%	-
73 Core Vision Limited, a subsidiary of Panacore Investment Limited (ceased to exist as subsidiary w.e.f. 08.04.2014)	0.00%	-	0.00%	-
74 Jindal Africa SA(Yet to commence opration)	0.00%	-	0.00%	-
75 Jindal Steel & Power (BC) Limited (Yet to commence opration)	0.00%	-	0.00%	-
76 Jindal Mauritania SARL (Yet to commence opration)	0.00%	-	0.00%	-
77 Trans Asia Mining Pte. Limited (Yet to commence opration)	0.00%	-	0.00%	-
Minority Interest in all subsidiaries	-4.08%	(857.65)	-13.60%	173.84
Associates				
1 JB Fablnfra Private Limited	0.00%	0.76	0.00%	-
2 Koleko Resources (Pty) Limited	0.00%	-	-0.03%	0.32
3 Nalwa Steel & Power Limited	2.74%	577.54	-0.18%	2.32
4 Prodisyne (Pty) Limited	0.00%	(0.00)	0.00%	-

Notes

to the consolidated financial statements as at and for the year ended 31st March, 2015

(₹ in Crore)

Name of the Entity	Net Assests		Share in Profit or (Loss)	
	As% of Consolidated Net Assests	Amount(Rs in Crores)	As% of Consolidated Net Assests	Amount(Rs in Crores)
48. PARENT SUBSIDIARIES (CONTD.)				
5 Thuthukani Coal (Pty) Limited	0.00%	0.00	0.00%	-
6 Everbest Steel and Mining Holdings Limited	0.00%	(0.00)	0.00%	-
7 Panacore Shipping Pte Limited , Singapore (ceased to exist as subsidiary w.e.f. 20.11.2014)	0.00%	-	0.00%	-
8 Angul Sukinda Railway Limited (ceased to exist as associates w.e.f. 31.03.2015)	0.00%	-	0.00%	-
Jointly controlled Entities				
1 Jindal Synfuels Limited	0.00%	1.00	0.00%	-
2 Shresht Mining and Metals Private Limited	0.07%	15.39	0.00%	-
3 Urtan North Mining Company Limited	0.08%	17.25	0.00%	-
Consolidation Adjustments/ Elimination	-16.26%	(3,421.40)	0.10%	(1.29)
Total	100.00%	21,042.07	100.00%	(1,278.12)

49. Previous year's figures have been regrouped wherever necessary to conform with this year's classification.

As per our report of even date

For S.R.Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E

Anil Gupta
Partner
Membership No. 87921

For & on behalf of the Board of Directors

Naveen Jindal
Chairman
DIN: 00001523

Harish Dua
Acting CFO
DIN: 00135666

Ravi Uppal
Managing Director & Group CEO
DIN: 00025970

Jagdish Patra
Vice President &
Group Company Secretary
FCS: 5320

Place : New Delhi
Dated: 27th May, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey our management's perspective on our financial condition and results of operations on our Audited Consolidated Financial Statements and our Special Purpose Interim Condensed Consolidated Financial Statements. Our Audited Consolidated Financial Statements and our Special Purpose Interim Condensed Consolidated Financial Statements are included in the section entitled "Financial Statements" on page 67 of this Preliminary Placement Document. The following discussion of our financial condition and results of operations should be read in conjunction with our Audited Consolidated Financial Statements, our Special Purpose Interim Condensed Consolidated Financial Statements, the schedules and notes thereto and the other information included elsewhere in this Preliminary Placement Document. Ind AS and Indian GAAP differ in certain respects, as well as from other accounting principles and audit and review standards accepted in the countries with which prospective investors may be familiar. For a discussion of certain significant differences between Ind AS, Indian GAAP and others, see "Summary of Key Differences Between Indian GAAP and Ind AS" on page 376.

This section contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in such forward-looking statements as a result of various factors, including those described under the sections "Forward-Looking Statements" and "Risk Factors" of this Preliminary Placement Document.

Overview

Jindal Steel & Power Limited, part of the O.P. Jindal Group, is one of India's leading steel companies with a significant global presence. We have a total installed crude steel manufacturing capacity of 10.6 MTPA. We produce a wide range of products at our steel and pellet plants strategically located in India and in Oman, through our subsidiary Shadeed Iron & Steel LLC ("**Jindal Shadeed**"). We also have a strong presence in India's power generation sector with installed capacity of 3,400 MW at a single location through our subsidiary, Jindal Power Limited ("**JPL**"). In addition, our global resources business operates thermal coal and coking coal mines in Australia, Mozambique and South Africa. We are the sixth largest integrated steel company in India in terms of crude steel capacity in the Fiscal Year 2017, according to CRISIL Steel Products Report, dated January 2018. During the Fiscal Year 2017, we produced 4.80 MT of steel and recorded steel sales of 4.65 MT, on a consolidated basis. During the nine-months ended December 31, 2017, we recorded steel production of 3.98 MT and steel sales of 3.78 MT, on a consolidated basis.

India Steel Business. We are one of the leaders in the Indian steel industry through our integrated steel plants at Raigarh (Chhattisgarh), Angul (Odisha), rolling mills at Patratu (Jharkhand) and our pellet plant at Barbil (Odisha). We have an integrated installed steel capacity of 8.6 MTPA in India and captive power capacity of 1,634 MW. Each of our plants are strategically located in resource rich areas, with abundant availability of coal and iron ore, which we believe provides us with a distinct cost advantage. Our plants are driven by advanced technology, global integration and the adoption of green technologies, which we believe helps us to achieve significant cost and operational efficiencies. We have installed a 250 ton Basic Oxygen Furnace ("**BOF**") at the Angul plant, marking the completion of a 5.0 MTPA integrated steel project that will enable us to utilize the full capacity of the plant's 3.2 MTPA blast furnace, thereby allowing us to achieve higher cost effectiveness and efficiencies. As part of our backward integration strategy, in addition to the overseas coal mines discussed below, we also own a captive 3.11 MTPA iron ore mine at Tensa, located near the Angul steel plant. Our technologically advanced facilities allow us to produce a wide range of steel products, including steel plates, structures, rails, beams, TMT bars, wire rods, bars, semis and pellets, that cater to a variety of industries, including housing, infrastructure (airports, stadiums, rail, road, bridges), ship building, power plants, industrial and high rise buildings and heavy machinery. We use advanced technology at our plate mill in India. Our "Jindal Panther" brand of TMT bars is widely recognized for its quality and is sold through a pan-India dealer network. In addition, we believe that our steel plant at Raigarh has the potential to emerge as an important supplier of rails for high speed trains to the forthcoming corridors in India and the world, as our head hardening rail facility is the first of its kind in India. We are focused on achieving operational efficiencies by effectively utilizing resources, with a formulated action plan to minimize costs by leveraging technical knowledge in our manufacturing processes and focusing on value-added products. During the Fiscal Year 2017, we recorded Indian steel production of 3.48 MT and steel sales of 3.35 MT, on a standalone basis. During the nine-months ended December 31, 2017, our Indian steel operations produced 2.76 MT of steel with sales of 2.59 MT, on a standalone basis.

Oman Steel Business. Through our subsidiary, Jindal Shadeed, we own and operate an integrated steel plant in Oman with an installed capacity of 2.00 MTPA. The Jindal Shadeed steel plant features modern technology, energy efficient processes and automation that follows international best practices for steel making. The plant has a long term natural gas supply contract with the Sultanate of Oman. The Jindal Shadeed steel plant has two quays of 300 meters each with two ship loaders to handle a high volume of import and export activity. The plant can accommodate large capesize vessels of up to 120,000 DWT with a draft of up range 16 to 19 meters. The plant's location on the Gulf of Oman allows for access to Jindal Shadeed's primary customers in the Middle East. Jindal Shadeed is a supplier of rebars and rounds for manufacturing seamless pipes used in the petroleum industry. The plant's compact configuration allows for hot charging capabilities, resulting in lower energy consumption. In Fiscal Year 2017, the Jindal Shadeed plant produced 1.33 MT of steel with steel sales of 1.30 MT. Further, Jindal Shadeed

achieved 50,000 MT per month in sales of rebars in the Fiscal Year 2017. During the nine-months ended December 31, 2017, Jindal Shadeed produced 1.22 MT of steel with sales of 1.19 MT, on a standalone basis.

Power Business. Our subsidiary, JPL, an independent power producer (“IPP”), is well positioned to take advantage of the Government’s stated vision of “Power for All”. JPL currently operates two single location coal-fired power plants with a total installed power capacity of 3,400 MW. JPL’s power plants are located in the coal rich state of Chhattisgarh. The plants’ close proximity to their fuel source allows JPL to achieve cost efficiencies. JPL sources its coal requirements from a mix of coal linkages and e-auction sources, and JPL believes the plants have the ability to achieve a higher plant load factor. Equipment for our power plants is supplied by Bharat Heavy Electricals Limited.

Global Resources Business

In an effort to improve our backward integration and hedge fluctuations in raw material prices, we conduct mining operations in South Africa (anthracite coal – operating and iron ore – under exploration), Mozambique (coking coal - operating), Australia (coking coal - operating), Botswana (thermal coal – under exploration) and Namibia (iron ore – under exploration). Coking coal production for our mines in Mozambique for the nine-months ended December 31, 2017 and the Fiscal Year 2017 was 220,103 MT and 94,255 MT, respectively. Coking coal production for our mine in Australia for the nine-months ended December 31, 2017 and the Fiscal Year 2017 was 113,513 MT and 255,000 MT, respectively. Anthracite coal production for our mine in South Africa for the nine-months ended December 31, 2017 and the Fiscal Year 2017 was 143,231 MT and 337,973 MT, respectively.

Significant Factors Affecting the Results of Operations

The primary factors affecting our consolidated results of operations are:

- sales volume and prices for steel products;
- operating costs and efficiency;
- raw material cost and availability;
- product and market mix;
- sale of power; and
- government policy.

See “*Results of Operations*” for a discussion of the extent to which these factors have affected our results of operations in the periods stated.

Sales Volume and Prices for Steel Products

Our results of operations are significantly impacted by sales volume and prices of our steel products, which can vary widely. We recorded steel sales of 3.36 MT in FY 2015, 4.37 MT in 2016 and 4.65 MT in FY 2017. Meanwhile, the average spot price per ton for domestic flat steel products was ₹ 35,767.0/ton (559.0/ton) in FY 2015, ₹ 29,870.0/ton (USD 467.0/ton) in FY 2016 and ₹ 34,815.0/ton (USD 544.0/ton) in FY 2017, according to CRISIL Steel Products Report, dated January 2018. The market for steel is substantially driven by changes in supply and demand in the Indian and global steel markets, which are significantly affected by the state of the Indian and global economy and competition and consolidation within the steel industry. Our sales also depends on the price of steel in the domestic and international markets. The domestic and global prices for steel, in turn, depend upon a combination of factors, including steel demand and supply, the availability and cost of raw materials, worldwide production and capacity, fluctuations in the volume of steel imports, transportation costs, protective trade measures and various social and political factors.

We rely on key consumers of steel products in both the public and private sector and in various segments such as housing, infrastructure (airports, stadiums, rail, road, bridges), power plants, industrial and high rise buildings and heavy machinery, among others. These industries are in turn affected by the state of the markets in India and other countries in which they operate.

In the speech on the union budget for 2018, the Government of India has indicated an impetus for various sectors in transportation (such as rail, roads and shipping), smart homes, promoting affordable housing as well as the real estate sector across the board, and the goods and services tax (“GST”) scheme. According to CRISIL Steel Products Report, dated January 2018, the GST will have a neutral impact on steel products.

Product and Market Mix

Our product mix also affects our revenue and profitability. These products serve various segments such as housing, infrastructure (including airports, stadiums, rail, roads and bridges), power plants, industrial and high rise buildings and heavy machinery, among others. In general, selling a greater proportion of high value-added products should increase revenue and profitability. With respect to the steel industry, our facilities offer a wide range of products to cater to the entire value chain,

including steel plates, structures, rails, beams, TMT bars, wire rods, bars, semis and pellets, that cater to a variety of industries. We believe in innovation and enhancing operational efficiencies in order to create a strong pipeline of products to meet domestic and international demand and to protect against risks of potential downturns in the global steel market. These risks include, in the short term, high corporate debt and the real estate market in China, as well as uncertainties related to the U.S. trade policy and dollar appreciation. In the long term, the possibility of a retreat in global free trade policies, digitalization, de-industrialization and an ageing population are potential world-wide trends which can hamper growth of the global steel industry, and could adversely affect us. For more information on our product portfolio across business divisions, please refer to “Business—Products”.

Capacity Utilization

We have been working towards optimum capacity utilization and increasing operational efficiencies for the steel business. While reducing operating costs, we have focused on enhancing and promoting value-added products for higher yields. Further, we continuously strive to attain cost efficiency, enhanced productivity and product excellence through technological innovation and optimum deployment of resources, as well as improved integration and achieving economies of scale through our recent capacity expansions. Strengthening internal processes, work flow and optimizing manpower utilization through multi-skills training are the key focus areas for us.

Capacity utilization at our power plants is largely measured through plant load factor (“PLF”). PLF is the ratio of actual units of power generated by a plant to the maximum power that could theoretically be generated by the power plant during any contract period. A lower PLF means less power available for sale. We work to maintain a high PLF by following best practices when operating and maintaining our plants. The PLF level that we are able to maintain is impacted by a number of factors, including availability of coal for power generation; demand for power in the short term market and availability of PPAs; and proper engineering and maintenance to avoid prolonged shutdown periods.

Raw Material Cost and Availability

We procure iron-ore from captive mines and through long-term alliances with miners. We regularly revisit our logistics roadmap to ensure cost-efficient movement of coal and iron-ore to locations where required. Our coal requirements for sponge iron and steel plant production are met through domestic sources as well as through imports from mines globally, primarily those in Australia, Mozambique and South Africa. The iron-ore mine at Tensa and pelletization complex at Barbil contribute towards securing iron ore requirements across our plants. All of our Indian steel plants are strategically located in the resource-rich states of Chhattisgarh, Odisha and Jharkhand, providing us with a cost advantage in sourcing coal and iron ore for steel production. Outside India, we have access to a large and geographically diverse resource base through mining operations across Asia, Africa and Australia. In order to maintain adequate power generation levels, we utilize a judicious coal-sourcing mix from overseas mines, coal linkages and e-auctions to be fully aligned with PPA commitments and merchant market demand. Our Coal Management Group helps to ensure access to the most appropriate and cost-effective external sources of coal for both the steel and power businesses, as a raw material and fuel source, respectively. This includes the long-term coal linkage of 1.18 MTPA for our state-of-the-art captive power generation plants at Dongamahua and Raigarh in Chhattisgarh. The five-year long-term coal linkage was acquired by auction and will enhance the fuel security for the power plants.

Our results may be impacted by certain events which hinder or threaten our access to key raw materials. For example, despite our subsidiary JPL having submitted the highest bid during an auction for coal block allocation from the Gare Palma IV/2 and IV/3 mines in February 2015, the local nominated authority declared JPL’s bid as unsuccessful. JPL filed a special leave petition before the Supreme Court challenging the order of the High Court of Delhi, wherein the court refused to declare JPL as a successful bidder. *Vide* order dated April 7, 2017, the Supreme Court passed a direction that status quo be maintained. Since de-allocation, JPL has met its coal requirements through coal linkages, e-auctions and spot market purchases.

For FY 2016 and FY 2017, total cost of materials consumed by our operations was ₹ 60,762.7 million and ₹ 65,354.6 million, respectively. These totals comprised raw materials consumed including material transferred from capital work-in-progress, net of inter division transfers.

Miscellaneous expenses, employee and labor-related expenses and other expenses (including consumption of stores and spares, consumption of power and fuel, and other manufacturing expenses) and freight and handling and other selling expenses constitute a large portion of our total expenditure. Although these costs are not subject to the same level of volatility as raw material costs, which fluctuate significantly depending on market conditions, the relatively fixed nature of such costs may have a material adverse impact on profitability during times of low production, as such costs cannot be reduced in accordance with our lower production volume.

Sale of Power

We sell power through PPAs of varying durations to state-owned utilities, our own Company (for our steel production plants) and power distribution and trading companies, directly or through power exchanges, to maximize returns. For the power projects under implementation and planning, we plan to sell power through a combination of short-term, medium-term and long-term PPAs. The strategy of selling power through arrangements of varying durations and terms helps the business respond quickly to market conditions and benefit from the favorable demand/supply dynamics of the Indian power sector. Since the realization rates of long, medium and short-term power fluctuate, results of operations may also fluctuate depending on the mix of power sold on long, medium and short-term basis. Moreover, given the lack of reliable access to power in some parts of India, we believe our results will be impacted by the growth potential within the industry and our ability to expand our capacity and achieve cost efficiencies to meet that demand while also maintaining profitability.

Government Policy

The Indian economy grew at a GDP growth rate of 6.7% in FY 2017 according to CRISIL Steel Products Report, dated January 2018, despite relatively slower global growth during that period. FDI continued to grow despite global uncertainties. The Indian economy witnessed a reduction in inflation and interest rates, fiscal stability and an uneven but manageable monsoon. The Government introduced several reforms intended to balance inflation and improve both its current and fiscal deficits. The Government announced the demonetization of high value currency in Q3 of FY 2017 to curb corruption, circulation of fake currency and black money. This program strove to increase the flow of financial savings into the banking system. It had a short-term impact on the economy's growth. Retail trade was somewhat affected in the months of November, 2016 and December, 2016. Demand started to ease from January, 2017 onwards. In the longer run, demonetization is expected to have a positive impact on GDP growth with greater tax obedience, digitalization and formal channeling of the savings system.

The implementation of the Goods and Service Tax ("GST") is expected to have a positive impact on the Indian economy in the medium to long term. The policy was initiated on July 1, 2017 with a view to reinforce the indirect taxation system, increase transparency and consolidation of the Indian market. We believe the steel industry is likely to benefit from the GST. GST rate for steel has been finalized at 18%, whereas the rate for coal and iron ore is 5%. The low rates of major raw materials will enable steel companies to have lower input costs, which we believe will increase margins of steel manufacturers. Besides, steel makers are likely to witness reduced logistics costs and time with the GST in place.

The Government initiated several steps to protect the Indian steel industry from the external threats of dumping and uniform trade, which have an effect on the overall business, including steel quality norms, removal of steelmaker classifications to avoid discrimination, and anti-dumping duties imposed on imports from China, the United States and other countries. See "Industry Overview".

The growth of the power industry in India and of our power business is dependent on stable government policies and prudent regulations. Power generation has historically been the domain of the Central and State Governments, and has been constrained by various factors such as shortages of public funding, political considerations and issues of transparency and accountability. Changes in Government policies have facilitated the entry of private capital into the Indian power industry and have led to rapid growth in the sector. Further, the Government's focus has also led to an increase in captive power generation capacity in India. The Government's vision of "Power for All" and its proactive policies in support of that vision align with our belief in the country's significant untapped demand for power.

Further, our results are impacted by the regulatory framework and the degree to which our power projects rely on the framework and certain incentives to maintain stable operations under the Government's power sector policy. For example, our EUP I project is a mega power project and receives certain benefits including tax benefits under section 80IA of the I.T. Act which are available for all power projects that became operational prior to March 31, 2010. The Government's power sector policy is one of the factors affecting the mix of power sold by us under long-term, medium-term and short-term PPAs in the future, average realization and results of operations. Power sector reforms have given us the flexibility to sell power for varying durations.

Significant Accounting Policies

In order to prepare our financial statements, estimates and judgments are used based on, among other things, industry trends, our experience and the terms of existing contracts, all of which are subject to an inherent degree of uncertainty. For information on our significant accounting policies, see note 5 to the consolidated annual financial statements and note 3 to the Special Purpose Interim Condensed Consolidated Financial Statements set forth in the section entitled "Financial Statements" included elsewhere in this Preliminary Placement Document.

While we believe our estimates and judgments to be reasonable under the circumstances, there can be no assurance that our judgments will prove correct or that actual results reported in future periods will not differ from expectations reflected in our

accounting treatment of certain items. In addition, other companies may utilize different accounting policies, which may impact the comparability of our results of operations to those of companies in similar businesses.

Changes in Accounting Policies Since 2015

The Ministry of Corporate Affairs (“MCA”) has, through its notification dated February 16, 2015, notified the applicability of Ind AS to be applicable to listed companies and certain class of companies, for the accounting period beginning from April 1, 2016, with comparatives to be provided for the period ended on March 31, 2016.

We have adopted Ind AS with effect from April 1, 2016 and accordingly the financial results presented for the nine months ended December 31, 2017 and December 31, 2016, and years ended March 31, 2017 and March 31, 2016 periods along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein, as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder. The years ended March 31, 2016 and March 31, 2015 financial results and comparatives have been prepared according to Indian GAAP, and are therefore not directly comparable to the aforementioned periods.

Description of Income Statement Items

“Revenue from operations” comprises revenue from the sale of steel products, sale of power and other operating income from business divisions.

“Captive sales for own projects” comprises revenue generated from the sale of product and/or power between our segments.

“Other income” comprises dividend income, net gain on trade investments, net gain on sale of investments and profit on slump sale, which represents profit on plant sales.

“Cost of materials consumed” comprises expenses associated with raw materials used in production, as well as inter division transfers (net).

“Purchase of stock-in-trade” comprises expenses associated with raw materials that were later resold.

“Changes in inventories of finished goods, work-in-progress and scrap” reflects the net change in these balance sheet items during the period.

“Employee benefits expense” comprises salaries and wages (including bonuses), contributions to provident and other funds and staff welfare expenses.

“Finance costs (net)” comprises interest on term-loans, debentures and other forms of borrowings, finance expenses and other borrowing costs less capitalized interest.

“Depreciation and amortization expense” comprises depreciation of fixed assets and amortization of intangible assets.

“Excise duty” comprises taxes charged on goods produced within the country, otherwise known as VAT.

“Other expenses” comprises expenses associated with stores and spares, power and fuel, manufacturing, repair and maintenance, rent, insurance, R&D, freight handling and other selling expenses, etc.

“Exceptional items” comprises exchange losses.

“Tax expense” comprises current tax and deferred tax.

Results of Operations

The following tables sets forth our income statement data for the nine months ended December 31, 2016 and December 31, 2017, the Fiscal Years ended March 31, 2016 and March 31, 2017, and the Fiscal Years ended March 31, 2015 and March 31, 2016, which have been extracted without material adjustment from the Interim Financial Statements and Audited Financial Statements presented elsewhere in this Preliminary Placement Document, and also includes the percentage change between the periods presented.

Nine Months Ended December 31, 2016 and December 31, 2017

The nine months ended December 31, 2016 and December 31, 2017 financial results have been prepared according to Ind AS, and are not directly comparable to the Fiscal Years ended March 31, 2015 and March 31, 2016 results presented elsewhere in this Preliminary Placement Document, which have been prepared according to Indian GAAP.

	Nine months ended December 31,		
	2017	2016	% change
	(₹ million, except percentages)		
REVENUE			
Revenue from operations	197,383.4	163,495.7	20.7
Less: Captive Sales for own projects	4,957.8	4,094.0	21.1
Other income	24.2	9.9	144.4
TOTAL INCOME	192,449.8	159,411.6	20.7
EXPENSES			
Cost of materials consumed	63,857.6	44,514.5	43.5
Purchase of stock-in-trade	2,455.5	1,558.4	57.6
Changes in inventories of finished goods, stock-in-trade & work-in-progress and scrap	(1,917.7)	1,014.6	(289.0)
Employee benefits expense	7,179.6	6,879.2	4.4
Finance Costs (Net)	27,943.1	25,597.6	9.2
Depreciation and amortization expense	29,231.1	29,431.4	(0.7)
Excise Duty	4,578.9	11,801.6	(61.2)
Other expenses	77,903.7	66,324.0	17.5
Cost of Captive Sales for own projects	(4,957.8)	(4,094.0)	21.1
TOTAL EXPENSES	206,274.0	183,027.3	12.7
PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS	(13,824.2)	(23,615.7)	(41.5)
Exceptional items	1,497.2	6,257.2	(76.1)
PROFIT / (LOSS) BEFORE TAX	(15,321.4)	(29,872.9)	(48.7)
Current Tax	(17.0)	-	-
Deferred Tax	(3,325.3)	(5,454.3)	(39)
Total tax expense / (credit)	(3,342.3)	(5,454.3)	(38.7)
PROFIT / (LOSS) AFTER TAX	(11,979.0)	(24,418.5)	(50.9)
Share in Profit / (Loss) of associates (Net of tax)	70.8	43.4	63.1
TOTAL PROFIT / (LOSS)	(11,908.3)	(24,375.2)	(51.1)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:	25.3	-	-
Remeasurement of the defined benefit plans			
Income tax relating to items that will not be reclassified to profit or loss	10.8	-	-
Items that will be reclassified to profit or loss:	1,116.1	-	-
Foreign currency translation reserve (FTCR)			
Income tax relating to items that will be reclassified to profit or loss	-	-	-
TOTAL COMPREHENSIVE INCOME	(10,777.7)	(24,375.2)	(55.8)

Results of Operations for the Nine Months Ended December 31, 2017 compared with the Nine Months Ended December 31, 2016

Revenue from Operations

Our revenue from operations in the nine months ended December 31, 2017 increased by 20.7% to ₹ 197,383.4 million from ₹ 163,495.7 million in the nine months ended December 31, 2016.

The following table presents our revenue from operations for the periods indicated:

	Nine months ended December 31,	
	2017	2016
	(₹ million)	(₹ million)
SALE OF PRODUCTS		
Finished goods	191,368.0	155,691.5
Traded goods	3,630.8	3,387.6
Inter divisional transfer	37,536.7	40,544.3

	Nine months ended December 31,	
	2017	2016
	(₹ million)	(₹ million)
TOTAL	232,535.5	199,623.4
OTHER OPERATING REVENUE		
Transmission charges	340.8	340.7
Scrap sales	107.1	70.0
Export incentives	762.3	283.6
Aviation income	81.4	69.5
Provision / liability no longer required written back	17.7	11.1
Liquidated damages written back	0.0	0.0
Profit on sale / transfer of PPE	107.5	347.4
Sales tax subsidy / capital reserve transferred	0.0	2,375.2
Others	967.8	919.1
TOTAL	234,920.1	204,040.0
Less: Inter divisional transfer	37536.7	40544.3
TOTAL REVENUE FROM OPERATIONS	197,383.4	163,495.7

Finished Goods

Our sales from finished goods in the nine months ended December 31, 2017 increased by 22.9% to ₹ 191,368.0 million from ₹ 155,691.5 million in the nine months ended December 31, 2016 due to increases in sales volume and selling prices, which were primarily the result of generally favorable Indian and global steel markets, which led to a rise in global steel prices and increased demand for our products.

Traded goods

Our sales from traded goods in the nine months ended December 31, 2017 increased by 7.2% to ₹ 3,630.8 million from ₹ 3,387.6 million in the nine months ended December 31, 2016 due to higher sales volumes, again resulting from favorable steel markets and increased demand for our products.

Export Incentives

Our export incentives in the nine months ended December 31, 2017 increased by 168.8% to ₹ 762.3 million from ₹ 283.6 million in the nine months ended December 31, 2016 resulting from higher export sales due to robust demand from international consumers and our dynamic sales model that gives us the ability to steer our sales to meet domestic and international demand based on where the more favorable pricing is for our products.

Sales Tax Subsidy

Our income from sales tax subsidy in the nine months ended December 31, 2017 decreased by 100% to nil from ₹ 2,375.2 million in the nine months ended December 31, 2016 on account of one time transfer of accumulated balance of sales tax subsidy in view of amendment in income tax laws and applicability of Ind AS.

Others

Our other operating revenue in the nine months ended December 31, 2017 increased 5.3% to ₹ 967.9 million from ₹ 919.1 million in the nine months ended December 31, 2016 mainly as there was higher one time service income in the nine months ended December 31, 2016 which related to consulting services for power plant set-up and servicing.

Captive Sales for Own Projects

Our captive sales for own projects in the nine months ended December 31, 2017 increased by 21.1% to ₹ 4,957.8 million from ₹ 4,094.0 million in the nine months ended December 31, 2016 due to higher supplies of our steel and power products for own projects, particularly at our Angul steel plant.

Cost of Materials Consumed

Our cost of materials consumed in the nine months ended December 31, 2017 increased by 43.5% to ₹ 63,857.6 million from ₹ 44,514.5 million in the nine months ended December 31, 2016 due to increases in the prices of coking coal and iron ore as well as increased production volume due to the reasons stated above.

Purchase of Stock-in-Trade

Our purchase of stock-in-trade in the nine months ended December 31, 2017 increased by 57.6% to ₹ 2,455.5 million from ₹ 1,558.4 million in the nine months ended December 31, 2016 primarily due to increased raw material purchases and higher sales volume of certain steel products.

Employee Benefits Expense

Our employee benefits expense in the nine months ended December 31, 2017 increased by 4.4% to ₹ 7,179.6 million from ₹ 6,879.2 million in the nine months ended December 31, 2016 primarily due to increased payroll for our additional manufacturing facilities.

Finance Costs

Our finance costs in the nine months ended December 31, 2017 increased by 9.2% to ₹ 27,943.1 million from ₹ 25,597.6 million in the nine months ended December 31, 2016. The increase was primarily due to interest cost pertaining to capitalization of some of the facilities that was charged to the profit and loss account following their capitalization.

Depreciation and Amortization

Our depreciation and amortization in the nine months ended December 31, 2017 decreased by 0.7% to ₹ 29,231.1 million from ₹ 29,431.4 million in the nine months ended December 31, 2016 due to the sale of oxygen plants at our Angul and Raigarh plants.

Other Expenses

Our other expenses in the nine months ended December 31, 2017 increased by 17.5% to ₹ 77,903.7 million from ₹ 66,324.0 million in the nine months ended December 31, 2016 due to an increase in prices of consumables, stores and lease rental of assets acquired under sale and leaseback arrangements.

Exceptional Items

Our exceptional items in the nine months ended December 31, 2017 is ₹ 1,497.2 million which is on account of loss on sale of assets under sale and leaseback arrangements. Exceptional items in the nine months ended December 31, 2016 were ₹ 6,257.2 million on account of impairment of certain assets.

Tax Expense

Our total tax credit in the nine months ended December 31, 2017 decreased by 38.7% to ₹ 3,342.3 million from ₹ 5,454.3 million in the nine months ended December 31, 2016 primarily due to a reduction in our losses. This also led to a reversal of excess current tax provision in the nine months ended December 31, 2017.

Profit /(Loss) for the Year

As a result of the foregoing, we recorded a loss of ₹ 11,908.3 million in the nine months ended December 31, 2017 compared to a loss of ₹ 24,375.2 million in the nine months ended December 31, 2016.

Fiscal Years Ended March 31, 2017 and March 31, 2016

The Fiscal Years ended March 31, 2017 and March 31, 2016 financial results have been prepared according to Ind AS, and are not directly comparable to the Fiscal Years ended March 31, 2016 and March 31, 2015 results presented elsewhere in this Preliminary Placement Document, which have been prepared according to Indian GAAP.

	Fiscal Year ended March 31,		
	2017	2016	% change
	(₹ million, except percentages)		
REVENUE			
Revenue from operations	233,012.3	214,656.4	8.6
Less: Captive sales for own projects	6,049.9	10,975.1	(44.9)
Other income	99.9	1,566.9	(93.6)
TOTAL INCOME	227,062.3	205,248.2	10.6
EXPENSES			
Cost of materials consumed*	65,354.6	60,762.7	7.6
Purchase of stock-in-trade	2,653.9	205.8	1,189.5
Changes in inventories of finished goods, stock-in-trade & work-in progress and scrap	2,826.2	4,481.9	(36.9)
Employee benefits expense	9,135.5	9,465.7	(3.5)
Finance costs (net)	33,895.9	32,535.6	4.2
Depreciation and amortization expense	39,490.2	40,678.8	(2.9)
Excise Duty	16,457.3	19,969.0	(17.6)
Other expenses	90,004.5	85,402.6	5.4
TOTAL EXPENSES	259,818.1	253,502.1	2.5
Less: Captive sales for own projects	(6,049.9)	(10,975.1)	44.9
PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS	(26,705.9)	(37,278.8)	28.4
Exceptional items	(3,723.1)	(2,358.3)	(57.9)
PROFIT / (LOSS) BEFORE TAX	(30,428.9)	(39,637.1)	23.2
Current Tax	7.2	6.7	7.5
Deferred Tax	(5,034.0)	(8,781.3)	42.7
Total tax expense / (credit)	(5,026.8)	(8,774.6)	42.7
PROFIT / (LOSS) FOR THE PERIOD	(25,402.2)	(30,862.5)	17.7
Share in profit / (loss) of associates (net of tax)	27.0	(10.1)	367.3
TOTAL PROFIT / (LOSS)	(25,375.2)	(30,872.6)	17.8

* Including material transferred from capital work-in-progress.

Results of Operations for the Fiscal Year ended March 31, 2017 compared with the Fiscal Year ended March 31, 2016

Revenue from Operations

Our revenue from operations in the year ended March 31, 2017 increased by 8.6% to ₹ 233,012.3 million from ₹ 214,656.4 million in the year ended March 31, 2016.

The following table presents our revenue from operations for the periods indicated:

	Fiscal Year ended March 31,	
	2017	2016
	(₹ million)	(₹ million)
SALE OF PRODUCTS		
Finished goods	221,482.3	210,271.1
Traded goods	5,116.3	153.8
Inter divisional transfer	60,217.2	53,465.8
TOTAL	286,815.8	263,890.7
OTHER OPERATING REVENUE		
Transmission charges	454.4	454.4
Scrap sales	101.7	136.4
Export incentives	688.7	155.9
Aviation income	111.6	148.0
Provision / liability no longer required written back	21.5	649.0
Liquidated damages written back	-	707.1
Profit on sale / transfer of PPE	314.6	32.5
Sales tax subsidy / capital reserve transferred	3,167.0	454.4
Others	1,554.2	1,493.8
TOTAL	6,413.7	4,231.5
Less: Inter divisional transfer	60,217.2	53,465.8
TOTAL REVENUE FROM OPERATIONS	233,012.3	214,656.4

Finished Goods

Our sales from finished goods in the year ended March 31, 2017 increased by 5.3% to ₹ 221,482.3 million from ₹ 210,271.1 million in the year ended March 31, 2016 due to increases in sales volume and selling prices as a result of generally favorable Indian and global steel markets, which led to a rise in global steel prices and increased demand for our products.

Traded goods

Our sales from traded goods in the year ended March 31, 2017 increased to ₹ 5,116.3 million from ₹ 153.8 million in the year ended March 31, 2016, again due to increases in sales volume and selling prices driven by favorable steel markets and increased demand for our products.

Export Incentives

Our export incentives in the year ended March 31, 2017 increased to ₹ 688.7 million from ₹ 155.9 million in the year ended March 31, 2016 resulting from higher export sales due to robust demand from international consumers and our dynamic sales model that gives us the ability to steer our sales to meet domestic and international demand based on where the more favorable pricing is for our products.

Provisions/Liability no Longer Required to be Written Back

Our provisions/liability no longer required to be written back in the year ended March 31, 2017 decreased by 96.7% to ₹ 21.5 million from ₹ 649.0 million in the year ended March 31, 2016 due to a reversal of excess provisions in the year ended March 31, 2016.

Liquidated Damages Written Back

Our liquidated damages written back in the year ended March 31, 2017 decreased to nil in the year ended March 31, 2017 from ₹ 707.1 million in the year ended March 31, 2016 as the amount deducted from vendors was assessed and considered not to be paid.

Sales Tax Subsidy / Capital Reserve Transferred

Our sales tax subsidy / capital reserve transferred in the year ended March 31, 2017 increased 597% to ₹ 3,167.0 million from ₹ 454.4 million in the year ended March 31, 2016, due to amendment of income tax laws and applicability of Ind AS.

Captive Sales for Own Projects

Our captive sales for own projects in the year ended March 31, 2017 decreased by 44.9% to ₹ 6,049.9 million from ₹ 10,975.1 million in the year ended March 31, 2017 due to lower captive requirements for our own projects at our steel and power plants.

Other Income

Our other income in the year ended March 31, 2017 decreased by 93.6% to ₹ 99.9 million from ₹ 1,566.9 million in the year ended March 31, 2016 as the other income during the year ended March 31, 2016 included gain from sale of investments.

Cost of Materials Consumed

Our cost of materials consumed in the year ended March 31, 2017 increased by 7.6% to ₹ 65,354.6 million from ₹ 60,762.7 million in the year ended March 31, 2016 due to increase in production volumes, particularly from our Oman operations, and an increase in price of certain raw materials, particularly coking coal.

Purchase of Stock-in-Trade

Our purchase of stock-in-trade in the year ended March 31, 2017 increased to ₹ 2,653.9 million from ₹ 205.8 million in the year ended March 31, 2016 primarily due to higher sales volume and purchase of certain finished products for sale.

Employee Benefits Expense

Our employee benefits expense in the year ended March 31, 2017 decreased by 3.5% to ₹ 9,135.5 million from ₹ 9,465.7 million in the year ended March 31, 2016 due to an overall reduction in our workforce, primarily as a result of an ongoing initiative by our management to increase operational efficiencies and streamline our workforce.

Finance Costs

Our finance costs in the year ended March 31, 2017 increased by 4.2% to ₹ 33,895.9 million from ₹ 32,535.6 million in the year ended March 31, 2016 due to increased interest paid on term loans added to the balance sheet since the previous year.

Depreciation and Amortization Expense

Our depreciation and amortization expense in the year ended March 31, 2017 decreased by 2.9% to ₹ 39,490.2 million from ₹ 40,678.8 million in the year ended March 31, 2016 due to obsolescence of certain assets and the impact of charge of depreciation on written down value method on certain assets.

Excise Duty

Our excise duty in the year ended March 31, 2017 decreased by 17.6% to ₹ 16,457.3 million from ₹ 19,969.0 million in the year ended March 31, 2016 due to an overall decrease in the sales of goods subject to excise duty.

Other Expenses

Our other expenses in the year ended March 31, 2017 increased by 5.4% to ₹ 90,004.5 million from ₹ 85,402.6 million in the year ended March 31, 2016 due to higher production volume and an increase in freight expenses due to the increase in export sales volumes in FY 2017, as well as adverse foreign exchange fluctuations.

Exceptional Items

Our exceptional items in the year ended March 31, 2017 was ₹ 3,723.1 million which is due to impairment of assets and exceptional items in the year ended March 31, 2016 was ₹ 2,358.3 million due to impairment of assets and adverse foreign exchange fluctuations.

Tax Expense

Our total tax credit in the year ended March 31, 2017 decreased by 42.7% to ₹ 5,026.8 million from ₹ 8,774.6 million in the year ended March 31, 2016 due to a reduction in losses.

Profit/(Loss) for the Year

As a result of the foregoing, we recorded a loss of ₹ 25,375.2 million in the year ended March 31, 2017 compared to a loss of ₹ 30,872.6 million in the year ended March 31, 2016.

Fiscal Years Ended March 31, 2016 and March 31, 2015

The Fiscal Years ended March 31, 2016 and March 31, 2015 financial results have been prepared according to Indian GAAP, and are not directly comparable to the Fiscal Years ended March 31, 2017 and March 31, 2016 results presented elsewhere in this Preliminary Placement Document, which have been prepared according to Ind AS.

	Fiscal Year ended March 31,		
	2016	2015	% change
	(₹ million, except percentages)		
REVENUE			
Revenue from operations	205,169.4	213,790.3	(4.0)
Less: Excise duty	13,145.1	12,613.8	4.2
Less: Captive sales from own projects	10,975.1	7,585.3	44.7
Other income	5,273.4	2,671.5	97.4
TOTAL REVENUE	186,322.6	196,262.7	(5.1)
EXPENSES			
Cost of materials consumed	60,762.7	55,489.6	9.5
Purchase of stock-in-trade	205.8	818.7	(74.9)
Changes in inventories of finished goods, work-in-progress and scrap	4,663.2	(1,571.8)	396.7
Employee benefits expense	9,125.1	10,903.4	(16.3)
Finance Cost (Net)	32,527.4	26,058.0	24.8
Depreciation and amortization expense	28,193.9	27,328.3	3.2
Other expenses	86,210.6	81,132.9	6.3
TOTAL EXPENSES	221,688.7	200,159.1	10.8

	Fiscal Year ended March 31,		
	2016	2015	% change
	(₹ million, except percentages)		
Less: Captive Sales for own projects	10,975.1	7,585.3	44.7
PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX	(24,391.0)	3,688.9	(761.2)
Exceptional items	2,358.3	19,116.4	(87.7)
PROFIT / (LOSS) BEFORE TAX	(26,749.3)	(15,427.5)	(73.4)
Current Tax	6.7	(0.4)	-
MAT Credit		(6,650.0)	-
Deferred Tax	(6,769.7)	6,101.3	-
Income Tax Charge (credit) for earlier years	-	(332.5)	-
Total tax expense / (credit)	(6,763.0)	(881.6)	(667.1)
PROFIT / (LOSS) AFTER TAX	(19,986.3)	(14,545.9)	(37.4)
Share in profit / (Loss) of associates	(14.0)	26.3	(153.2)
Minority interest	980.2	1,738.4	(43.6)
PROFIT / (LOSS) FOR THE YEAR	(19,020.1)	(12,781.2)	(48.8)

Results of Operations for the Fiscal Years Ended March 31, 2016 compared with the Fiscal Year Ended March 31, 2015

Revenue from Operations

Our revenue from operations in the year ended March 31, 2016 decreased by 4% to ₹ 205,169.4 million from ₹ 213,790.3 million in the year ended March 31, 2015.

The following table presents our revenue from operations for the periods indicated:

	Fiscal Year ended March 31,	
	2016	2015
	(₹ million)	(₹ million)
SALE OF PRODUCTS		
Finished goods	202,090.8	211,093.5
Traded goods	153.8	884.8
Inter divisional transfer	53,465.8	55,023.4
TOTAL	255,710.4	267,001.7
OTHER OPERATING REVENUE		
Transmission charges	454.4	454.4
Scrap sales	136.4	47.3
Export incentives	155.9	734.3
Aviation income	148.0	184.1
Service income	1,695.9	266.0
Others	334.2	125.9
TOTAL	2,924.8	1,812.0
Less: Inter divisional transfer (net of excise duty)	53,465.8	55,023.4
TOTAL REVENUE FROM OPERATIONS	205,169.4	213,790.3

Finished Goods

Our sales from finished goods in the year ended March 31, 2016 decreased by 4.3% to ₹ 202,090.8 million from ₹ 211,093.5 million in the year ended March 31, 2015 due to an overall decrease in selling prices, partially offset by an increase in sales volume.

Traded Goods

Our sales from traded goods in the year ended March 31, 2016 decreased 82.6% to ₹ 153.8 million from ₹ 884.8 million in the year ended March 31, 2015 due to lower sales volume and selling prices as a result of generally less favorable markets for traded goods.

Export Incentives

Our export incentives in the year ended March 31, 2016 decreased 78.8% to ₹ 155.9 million from ₹ 734.3 million in the year ended March 31, 2015 due to a decrease in export sales volume as a result of lower demand by customers outside India.

Service Income

Our service income in the year ended March 31, 2016 increased 537.6% to ₹ 1,695.9 million from ₹ 266.0 million in the year ended March 31, 2015 due to higher one time service income which related to power plant set-up and servicing.

Excise Duty

Our excise duty in the year ended March 31, 2016 increased by 4.2% to ₹ 13,145.1 million from ₹ 12,613.8 million in the year ended March 31, 2015 due to an increase in the sales of goods subject to excise duty.

Captive Sales for Own Projects

Our captive sales for own projects, net of excise duty, in the year ended March 31, 2016 increased by 44.7% to ₹ 10,975.1 million from ₹ 7,585.3 million in the year ended March 31, 2015 due to higher supplies of our steel and power products for own projects.

Other Income

Our other income in the year ended March 31, 2016 increased by 97.4% to ₹ 5,273.4 million from ₹ 2,671.5 million in the year ended March 31, 2015 mainly due to an increase in the net gain on sale of investments, favorable foreign exchange fluctuations, liquidated damages written back and the transfer / sale of right to purchase aircraft.

Cost of Materials Consumed

Our cost of materials consumed in the year ended March 31, 2016 increased by 9.5% to ₹ 60,762.7 million from ₹ 55,489.6 million in the year ended March 31, 2015 due to increases in production volumes.

Purchase of Stock-in-Trade

Our purchase of stock-in-trade in the year ended March 31, 2016 decreased by 74.9% to ₹ 205.8 million from ₹ 818.7 million in the year ended March 31, 2015 due to a decrease in the purchase of goods for sale.

Employee Benefits Expense

Our employee benefits expense in the year ended March 31, 2016 decreased by 16.3% to ₹ 9,125.1 million from ₹ 10,903.4 million in the year ended March 31, 2015 due to a leaner workforce as a result of our management's initiation of an employee efficiency and rationalization program.

Finance Costs

Our finance costs in the year ended March 31, 2016 increased by 24.8% to ₹ 32,527.4 million from ₹ 26,058.0 million in the year ended March 31, 2015 due to increased interest paid on term loans added to the balance sheet since the previous year, as well as exchange differences to the extent considered as an adjustment to others.

Depreciation and Amortization Expense

Our depreciation and amortization expense in the year ended March 31, 2016 increased by 3.2% to ₹ 28,193.9 million from ₹ 27,328.3 million in the year ended March 31, 2015 due to capitalization of various assets during the year.

Other Expenses

Our other expenses in the year ended March 31, 2016 increased by 6.3% to ₹ 86,210.6 million from ₹ 81,132.9 million in the year ended March 31, 2015 due to higher production volume and an increase in consumption of higher costing coal purchased on the open market due to the cancellation of certain coal blocks allocated to various entities by the Honorable Supreme Court of India. See “—Significant Factors Affecting the Results of Operations—Raw Material Cost and Availability” and “Risk Factors—Our operations have significant coal requirements, and we may not be able to ensure the availability of coal for our operations at competitive prices and in a timely manner, which could have an adverse effect on our results of operations”.

Exceptional Items

Our exceptional items in the year ended March 31, 2016 was ₹ 2,358.3 million due to impairment of assets and adverse foreign exchange fluctuations and exceptional items in the year ended March 31, 2015 was ₹ 19,116.4 million on account of payment of additional coal levy due to cancellation of coal blocks allocated to various entities by the Honorable Supreme Court of India.

Tax Expense

Our total tax credit in the year ended March 31, 2016 increased to ₹ 6,763.0 million from ₹ 881.6 million in the year ended March 31, 2015, due to an increase in losses and MAT credit that could not be availed due to non-availability of profit.

Profit/(Loss) for the Year

As a result of the foregoing, we recorded a loss of ₹ 19,020.1 million in the year ended March 31, 2016 compared to a loss of ₹ 12,781.2 million in the year ended March 31, 2015.

Liquidity and Capital Resources

Capital Requirements

Our principal capital requirements are for capital expenditure, payment of principal and interest on our borrowings and, in some years, acquisitions of subsidiaries and joint ventures. Our principal source of funding has been, and is expected to continue to be, cash generated from our operations, supplemented by funding from bank borrowings and the capital markets and optimization of operating working capital. For the three years ended March 31, 2017 and the nine months ended December 31, 2017, we met our funding requirements, including capital expenditure, satisfaction of debt obligations, investments, taxes, other working capital requirements, dividends and other cash outlays, principally with funds generated from operations and optimization of operating working capital, including reduction of inventories and receivables, with the balance principally met using external borrowings. In addition to this offering of Equity Shares, we are considering other financing and refinancing transactions intended to diversify our obligations, reduce interest cost and lengthen the maturity profile of our indebtedness. In order to implement this strategy, we or our Subsidiaries may enter into new credit facilities or issue other foreign or local currency securities, on negotiated terms which are customary for such arrangements.

Cash Management Policy

We follow a prudent policy of monitoring our budgeted cash flow on a monthly basis. Timing of inflows and outflows are matched so as to ensure smooth and efficient operations in a cost effective manner. Further, cash outflows are processed based on priority. As at December 31, 2017, we had overdraft facilities in place to balance out any mismatches in cash flows. We believe we are able to arrange other short-term funding at competitive rates to avail of interest rate arbitrage.

Cash Flow Data

Our objective is to maintain at all times optimum levels of liquidity to meet our cash and collateral requirements. Processes and policies related to such risk are overseen by senior management who also monitors our net liquidity position through rolling forecast on the basis of expected cash flows. We seek, in normal circumstances, to maintain a substantial cash and cash equivalents balances to provide us with financial liquidity and operational flexibility. Our cash is placed in bank fixed deposit and bank balances. As at December 31, 2017, we had cash and cash equivalents of ₹ 2,792.6 million.

The following table sets forth selected items from our consolidated cash flow statement for the periods and accounting treatment as indicated:

	Ind AS				Indian GAAP	
	Nine months ended December 31,		Year ended March 31,		Year ended March 31,	
	2017	2016	2017	2016	2016	2015
	(₹ million)					
Net cash generated from operating activities	62,266.9	53,103.6	67,986.8	43,327.8	43,319.8	11,824.8
Net cash used in investing activities	(5,421.2)	(20,581.5)	(19,991.4)	(22,615.9)	(22,615.9)	(67,174.3)
Net cash generated from (used in) financing activities	(56,514.1)	(36,321.2)	(50,565.9)	(26,719.1)	(26,719.1)	57,079.3
Net increase (decrease) in cash and cash equivalents	331.6	(3,799.1)	(2,570.5)	(6,007.2)	(6,015.2)	1,729.8
Opening balance of cash and cash equivalents	2,461.0	5,024.6	5,024.6	11,031.8	11,132.4	9,402.6
Closing balance of cash and cash equivalents	2,792.6	1,225.5	2,461.0	5,024.6	5,117.2	11,132.4

Cash Flows Generated from Operating Activities

We generated ₹ 62,266.9 million from operations during the nine months ended December 31, 2017. The cash generated from operations prior to the changes in working capital during the nine months ended December 31, 2017 was ₹ 46,316.3 million, primarily reflecting revenues from the sale of goods. Direct taxes paid during the nine months ended December 31, 2017 was ₹ (175.5) million.

We generated ₹ 67,986.8 million from operations during the year ended March 31, 2017 as compared to ₹ 43,327.8 million in the year ended March 31, 2016. The cash generated from operations prior to the changes in working capital in the year ended March 31, 2017 was ₹ 45,080.8 million against ₹ 29,667.1 million during the year ended March 31, 2016, reflecting improved revenues. Cash from operations was higher than the previous year due to movement in working capital, which was primarily comprised of a ₹ 16,491.8 million reduction in other non-current and current assets, as well as a decrease in inventories. Direct taxes paid during the year ended March 31, 2017 was ₹ 450.0 million as compared to ₹ (169.5) million during the year ended March 31, 2016.

We generated ₹ 43,319.8 million from operations during the during the year ended March 31, 2016 as compared to ₹ 11,824.8 million in the during the year ended March 31, 2015. The cash generated from operations prior to the changes in working capital during the year ended March 31, 2016 was ₹ 29,829.2 million against ₹ 33,214.0 million in the year ended March 31, 2015. Cash from operations was higher than the previous year, reflecting higher revenues.

Cash Flows Used in Investing Activities

Cash used in investing activities was ₹ 5,421.2 million in the nine months ended December 31, 2017, primarily for the purchase of property, plant and equipment, including capital work-in-progress and capital advances, which totaled ₹ 10,679.4 million in the period which was partly offset by interest received and advances recovered.

Cash used in investing activities was ₹ 19,991.4 million in the year ended March 31, 2017, primarily due to decreased purchase of property plant and equipment, which totaled ₹ 24,975.0 million in the period and which was partly offset by advance for sale of investment.

Cash used in investing activities was ₹ 22,615.9 million in the year ended March 31, 2016, primarily for purchase of property plant and equipment, which totaled ₹ 39,499.5 million in the period and which was partly offset by the decrease in current investments.

Cash Flows Generated from/(Used in) Financing Activities

Cash used in financing activities in the nine months ended December 31, 2017 (which consists of loan receipts net of loan repayments, interest payments and dividend payments) amounted to ₹ 56,514.1 million.

Cash used in financing activities in the year ended March 31, 2017 (which consists of loan receipts net of loan repayments, interest payments and dividend payments) amounted to ₹ 50,565.9 million, compared to cash used in financing activities of ₹ 26,719.1 million in the year ended March 31, 2016.

Cash used in financing activities (which consists of loan receipts net of loan repayments and interest payments) in the year ended March 31, 2016 was ₹ 26,719.1 million, compared to cash from financing activities of ₹ 57,079.3 million during the year ended March 31, 2015, primary due to proceeds from borrowings during the year.

The net increase in cash and cash equivalents was ₹ 331.6 million with a balance of ₹ 2,792.6 million as at December 31, 2017 against a balance of ₹ 2,461.0 million as on March 31, 2017.

The net decrease in cash and cash equivalents was ₹ 2,570.5 million, with a balance of ₹ 2,461.0 million as on March 31, 2017 against a balance of ₹ 5,024.6 million as on March 31, 2016.

The net decrease in cash and cash equivalents was ₹ 6,007.2 million in the year ended March 31, 2016, resulting in a cash and cash equivalent balance of ₹ 5,024.6 million as on March 31, 2016.

Indebtedness

Our principal sources of external financing include both short-term and long-term facilities (in both Rupees and other currencies). We are required to secure certain of our borrowings, in line with established market practices. As at December 31, 2017, we had total outstanding indebtedness of ₹ 434,991.1 million, with 33% of this total outstanding indebtedness denominated in foreign currency, principally in United States dollars, with the remainder denominated in Rupees.

The following table sets forth our details regarding the remaining contractual maturities of financial liabilities based on contractual undiscounted payments as of December 31, 2017:

	Carrying amount	Less than one year	One to three years	More than three years	Total
	(₹ million)				
Borrowings (inclusive of current maturity)	367,232.9	70,954.3	82,679.8	213,598.9	367,233.0
Trade payables	39,652.8	39,634.0	18.4	-	39,652.8
Other financial liabilities	37,081.2	33,314.3	3,136.5	630.4	37,081.2
TOTAL	443,966.9	143,902.6	85,834.7	214,229.3	443,967.0

We manage our capital structures and makes adjustment in light of changes in economic conditions and requirements of financing covenants. To this end, we may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of our capital management is to maximize shareholder value by maintaining an efficient capital structure and healthy ratios and safeguard our ability to continue as a going concern. We also work towards maintaining optimal capital structure to reduce the cost of capital. No changes were made to our objectives, policies or processes for capital management through the nine months ended December 31, 2017.

Some of our financing agreements and debt arrangements contain financial covenants that require the satisfaction and/or maintenance of financial tests and ratios, including requirements to maintain debt to equity ratios, debt coverage ratios and certain other liquidity ratios. In addition, such agreements and arrangements also require us to obtain prior lender consents for certain specified actions, including issuing new securities, changing our business, merging, consolidating, selling significant assets or making certain acquisitions or investments. See “Risk Factors—Risks Relating to Our Company—We have incurred significant indebtedness and may incur further debt. Our substantial indebtedness and the conditions and restrictions imposed by our lenders and the terms of any future debt obligations may restrict our ability to conduct our business and operations. We have breached and expect to continue to be in breach of certain covenants under our indebtedness”.

Our standalone interest coverage ratio as at December 31, 2017 and March 31, 2017, 2016 and 2015 is shown below:

Particulars	As on December 31, 2017 (₹ million) (Ind AS) (Unaudited)	As on March 31, 2017 (₹ million) (Ind AS)	As on March 31, 2016 (₹ million) (Ind AS)	As on March 31, 2016 (₹ million) (Indian GAAP)	As on March 31, 2015 (₹ million) (Indian GAAP)
Profit/ (loss) after tax	(5,066.9)	(9,864.5)	(14,185.3)	(10,188.8)	(3,106.8)
Addition:					
Depreciation and amortisation	14,414.1	20,436.5	21,481.4	14,921.0	17,855.6
Finance costs (net)	17,047.8	22,804.0	26,464.8	26,489.3	20,647.1
Exceptional item	1,497.2	-	-	-	8,077.7
Deferred tax	(3,349.1)	(4,705.3)	(9,115.4)	(6,408.4)	3,695.3

Particulars	As on December 31, 2017 (₹ million) (Ind AS) (Unaudited)	As on March 31, 2017 (₹ million) (Ind AS)	As on March 31, 2016 (₹ million) (Ind AS)	As on March 31, 2016 (₹ million) (Indian GAAP)	As on March 31, 2015 (₹ million) (Indian GAAP)
Adjusted profit	24,543.1	28,670.7	24,645.5	24,813.1	47,168.9
Finance cost*	17,259.0	26,305.5	27,369.8	27,394.3	24,645.2
Interest coverage ratio	1.42	1.09	0.90	0.91	1.91

*Finance cost = finance costs (net) + 'interest cost (net)/ borrowing cost' transfer to CWIP.

Our consolidated interest coverage ratio as at December 31, 2017 and March 31, 2017, 2016 and 2015 is shown below:

Particulars	As on December 31, 2017 (₹ million) (Ind AS) (Unaudited)	As on March 31, 2017 (₹ million) (Ind AS)	As on March 31, 2016 (₹ million) (Ind AS)	As on March 31, 2016 (₹ million) (Indian GAAP)	As on March 31, 2015 (₹ million) (Indian GAAP)
Profit/ (loss) after tax	(11,979.1)	(25,402.2)	(30,862.5)	(19,986.3)	(14,545.9)
Depreciation and amortisation	29,231.1	39,490.2	40,678.8	28,193.9	27,328.3
Finance costs (net)	27,943.1	33,895.9	32,535.6	32,527.4	26,058.0
Exceptional item	1,497.2	3,723.1	2,358.3	2,358.3	19,116.4
Deferred tax	(3,325.3)	(5,034.0)	(8,781.3)	(6,769.7)	6,101.3
Adjusted profit	43,367.0	46,673.0	35,928.9	36,323.6	64,058.1
Finance cost*	28,154.3	39,974.1	36,580.6	36,572.4	32,987.6
Interest coverage ratio	1.54	1.17	0.98	0.99	1.94

*Finance cost = finance costs (net) + 'interest cost (net)/ borrowing cost' transfer to CWIP.

Operating Leases

Jindal Shadeed has leased two plots from Sohar Industrial Port Company in Sohar, Oman under an operating non-cancellable lease agreement on which the plant and building is constructed. The future minimum lease payment(s) are as follows:

	(₹ million)
	As at March 31, 2017
Within one year	296.0
Later than one year by not later than five years	1,184.2
Later than five years	1,560.1
TOTAL	3,040.3

Commitments

In addition to the operating leases noted above, we have entered into contracts, on the capital account as illustrated below:

	(₹ million)		
	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016
Estimated amount of contracts remaining to be executed on the capital account and not provided for (net of advances)	19,207.1	25,682.4	37,130.1

Contingent Liabilities

Contingent liabilities and claims against us, to the extent not provided for, as at December 31, 2017, March 31, 2017 and 2016 are described below. See note 4 to the Special Purpose Interim Condensed Consolidated Financial Statements, note 44 to the financial statements for the year ended March 31, 2017 and note 29 to the consolidated financial statements ended March 31, 2016.

	(₹ million)		
	As at December 31, 2017	As at March 31, 2017	As at March 31, 2016
CONTINGENT LIABILITIES			
GUARANTEES, UNDERTAKINGS & LETTER OF CREDIT			
Guarantees issued by our bankers on our behalf	10,631.8	12,212.3	9,358.7
Guarantees issued by our associates(s)' bankers on behalf of our associate(s)	7.5	3.4	0.0
Letter of credit opened by banks	13,243.0	9,339.3	10,697.4
Corporate guarantees/undertakings issues on behalf of third parties	2,892.8	2,899.4	1,762.0
DEMAND			
Disputed statutory and other demands	28,319.9	15,667.0	16,024.5
Income tax demands where the cases are pending at various stages of appeal with authorities	23,932.0	17,797.8	15,135.1
Disputed statutory and other demands of associate(s) ¹	264.1	202.8	203.7
Bonds executed for machinery imports under EPCG scheme	11,208.3	18,307.4	28,488.9

Note:

(1) Represents our share in an associate, i.e. 40% in Nalwa Steel & Power Limited.

Off-Balance Sheet Arrangements

As at December 31, 2017, we did not have any material off-balance sheet arrangements, apart from those discussed under the section “—Liquidity and Capital Resources—Contingent Liabilities” above.

Certain Matters Identified by the Auditors

Set forth below are certain qualifications noted by our auditors (the “**Auditors**”), with respect to the financial statements of our Company for the Fiscal Years 2017, 2016, 2015, 2014 and 2013 and their impact on the financial statement and the corrective steps taken or proposed to be taken by us:

On a standalone basis

Fiscal Year	Qualifications	Impact on the financial statements	Corrective steps taken or proposed to be taken by us
2017	We draw attention regarding impact on the net carrying value of fixed assets/ investment made in mining assets not been considered for the reason stated in the note no. 58 to the standalone financial statements of the Company for the year ended March 31, 2017 and the management's view about additional levy paid of amounting to ₹ 12,744.6 million (being differential amount between Gross and Net) as stated in the note no. 57 to the standalone financial statements of the Company for the year ended March 31, 2017, which shown as good and recoverable. Auditors have also qualified in its reports on standalone financial statements for the year ended March 31, 2016.	Had the gross levy been recorded, net loss before tax for the year ended March 31, 2017, would have been higher by ₹ 12,744.6 million and reserves and surplus (other equity) as at March 31, 2017, would have been lower by ₹ 12,744.6 million. Auditors are unable to comment on the matter including any consequential adjustments that may be required.	The Company based on legal advice is sanguine of obtaining appropriate relief in respect of same. Further, the Company is of the view that as of now there is no requirement for adjustment to the carrying value of investments made in mining assets. Difference if any shall be accounted for as and when the matter is finally settled with the Government Authorities.
2016	a. As detailed in note no. 40(i) and 40(ii) of the financial statements, based on the Order of Hon'ble Supreme Court of India, the Company paid an additional levy of ₹ 295 per metric ton on gross coal extracted from operational mines. Through March 31, 2015, such levy on the gross extraction amounts to ₹ 20,822.3 million. Based on legal opinion, the Company had recorded ₹ 8,077.7 million in the previous year as an exceptional item representing the levy on net extraction (run of mines less shale, rejects and ungraded middling) of coal. Had the gross levy been	a. Had the gross levy been recorded, net loss before tax for the year ended March 31, 2016, would have been higher by ₹ 12,744.6 million and reserves and surplus as at March 31, 2016, would have been lower by ₹ 12,744.6 million. b. Auditors are unable to comment on the matter	a. The Company based on legal advice is sanguine of obtaining appropriate relief in respect of same. b. The Company is of the view that as of now there is no requirement for adjustment to the carrying value of investments made in mining assets. Difference if any shall be accounted for as and when the matter is finally settled

Fiscal Year	Qualifications	Impact on the financial statements	Corrective steps taken or proposed to be taken by us
	recorded, net loss before tax for the year ended March 31, 2016, would have been higher by ₹ 12,744.6 million and reserves and surplus as at March 31, 2016, would have been lower by ₹ 12,744.6 million. In respect of above matter, audit report for the year ended March 31, 2015 was similarly qualified. b. As detailed in note no. 40(iii) of the financial statements and referred above note, the Company has not made adjustment in the net carrying value of investment made in mining assets including land, infrastructure and clearance, etc., of ₹ 4,250 million as at March 31, 2016, pending finalization of the compensation claim filed by the Company with the Government authorities. Accordingly, we are unable to comment on the matter including any consequential adjustments that may be required in this regard in these financial statements. In respect of above matter, audit report for the year ended March 31, 2015 was similarly qualified.	including any consequential adjustments that may be required.	with the Government Authorities.
2015	a. As detailed in note no. 40(i) and (ii) of the financial statements, based on the Order of Supreme Court of India, the Company is to pay an additional levy of ₹ 295 per metric ton on gross coal extracted from operational mines. Through March 31, 2015, such levy on the gross extraction amounts to ₹ 20,822.3 million of which ₹ 19,898.3 million has been paid under protest and ₹ 388.6 million has been accrued. Of the total amount paid or accrued, based on legal opinion the Company has recorded ₹ 8,077.7 million as an exceptional item representing the levy on net extraction (run of mines less shale, rejects and ungraded middling) of coal. Had the gross levy been recorded, exceptional items and net loss before tax for the year ended March 31, 2015 would have been higher by ₹ 12,744.6 million. b. As detailed in note no. 40 (iii) of the financial statements and referred above note, the Company has not made adjustment in the net carrying value of investment made in mining assets including land, infrastructure and clearance, etc., of ₹ 4,197.2 million as at March 31, 2015, pending finalization of the compensation claim filed by the Company with the Government authorities. We are unable to comment on the matter including any consequential adjustments that may be required in this regard in these financial statements.	a. Had the gross levy been recorded, net loss before tax for the year ended March 31, 2015, would have been higher by ₹ 12,744.6 million and reserves and surplus as at March 31, 2015, would have been lower by ₹ 12,744.6 million. b. Auditors are unable to comment on the matter including any consequential adjustments that may be required.	a. The Company based on legal advice is sanguine of obtaining appropriate relief in respect of same. b. The Company is of the view that as of now there is no requirement for adjustment to the carrying value of investments made in mining assets. Difference if any shall be accounted for as and when the matter is finally settled with the Government Authorities.
2014	Nil		
2013	Nil		

On a consolidated basis

Fiscal Year	Qualifications	Impact on the financial statements	Corrective steps taken or proposed to be taken by us
2017	The Auditors draw attention regarding impact on the net carrying value of fixed assets/ investment made in mining assets not been considered for the reason stated in the note no. 59 to the consolidated financial statements of the Company for the year ended March 31, 2017 and the management's view not to provide for additional levy paid of amounting to ₹ 13,557.9 million (being differential amount between gross and net) as stated in the note no. 58 to the consolidated financial statements of the Company for the year ended March 31, 2017, which shown as good and recoverable. Auditors have also qualified in its reports on consolidated financial statements for the year ended March 31, 2016.	Had the gross levy been recorded, net loss before tax for the year ended March 31, 2017, would have been higher by ₹ 13,557.9 million and reserve and surplus (other equity) as at March 31, 2017 would have been lower by ₹ 13,557.9 million. Auditors are unable to comment on the matter including any consequential adjustments that may be required.	Our Company based on legal advice is sanguine of obtaining appropriate relief in respect of the same. Further, the Company is of the view that as of now there is no requirement for adjustment to the carrying value of investments made in mining assets. Difference if any shall be accounted for as and when the matter is finally settled with the Government Authorities.
2016	a. As detailed in note no. 31 (i) and (iii) of the consolidated financial statements, based on the Order of Hon'ble Supreme Court of India, the Group paid an additional levy of ₹ 295 per metric ton on gross coal extracted from operational mines. Through March 31, 2015, such levy on the gross extraction amounted to ₹ 32,674.3 million. Based on legal opinion, the Group had recorded ₹ 19,116.4 million as an exceptional item representing the levy on net extraction (run of mines less shale, rejects and ungraded middling) of coal in last year. Had the gross levy been recorded, net loss before tax for the year ended March 31, 2016, would have been higher by ₹ 13,557.9 million and reserve and surplus as at March 31, 2016 would have been lower by ₹ 13,557.9 million. In respect of above matter, audit report for the year ended March 31, 2015 was similarly qualified. b. detailed in note no. 31 (ii) of the consolidated financial statements, the Group has not made adjustment in the net carrying value of investment made in mining assets including land, infrastructure and clearance, etc., of ₹ 6,085.8 million as at March 31, 2016, (including ₹ 1,835.8 million by a subsidiary), pending finalization of the compensation claim filed by the Group with the Government authorities. Accordingly, we are unable to comment on the matter including any consequential adjustments that may be required in this regard in these consolidated financial statements. In respect of above matter, audit report for the year ended March 31, 2015 was similarly qualified. c. As detailed in note no. 40 of the consolidated financial statements, the Company has an investment in overseas subsidiary whose total assets as at March 31, 2016 are ₹ 43,359.0	a. Had the gross levy been recorded, net loss before tax for the year ended March 31, 2016, would have been higher by ₹ 13,557.9 million and reserve and surplus as at March 31, 2016 would have been lower by ₹ 13,557.9 million. b. Auditors are unable to comment on the matter including any consequential adjustments that may be required. c. Auditors are unable to comment on the matter including any consequential adjustments that may be required.	a. Our Company based on legal advice is sanguine of obtaining appropriate relief in respect of the same.. b. The Company is of the view that as of now there is no requirement for adjustment to the carrying value of investments made in mining assets. Difference if any shall be accounted for as and when the matter is finally settled. c. Audit was completed subsequent to the balance sheet approved by the Board of the Company and impact has been incorporated in subsequent financial year (i.e. Fiscal Year 2017).

Fiscal Year	Qualifications	Impact on the financial statements	Corrective steps taken or proposed to be taken by us
	million, total revenue is ₹ 370.2 million during the year ended March 31, 2016, which has been consolidated in these consolidated financial statements based on management certified accounts. In respect of above matter, the Auditors' audit report for the year ended March 31, 2015 was similarly qualified. During the year ended March 31, 2015, the financial statements of above subsidiary for the year ended March 31, 2015 was consolidated based on unaudited management certified accounts. During the current year financial statements of above subsidiary have been consolidated based on audited financial statements for the year ended March 31, 2015 and accordingly the Auditors' audit report is modified only for the unaudited management certified accounts for the year ended March 31, 2016. In the absence of the audited financial statements of this subsidiary, the Auditors are unable to comment upon the consequential effects, if any on the accompanying consolidated financial statements had the said audited financial statements of this subsidiary been made available to the Auditors.		
2015	a. As detailed in note no. 31 (i) and (ii) of the consolidated financial statements, based on the Order of Hon'ble Supreme Court of India, the Group is to pay an additional levy of ₹ 295 per metric ton on gross coal extracted from operational mines. Through March 31, 2015, such levy on the gross extraction amounts to ₹ 32,629.8 million of which ₹ 30,892.5 million has been paid under protest and ₹ 1,180.1 million has been accrued. Of the total amount paid or accrued, based on legal opinion the Group has recorded ₹ 19,116.4 million as an exceptional item representing the levy on net extraction (run of mines less shale, rejects and ungraded middling) of coal. Had the gross levy been recorded, exceptional items and net loss before tax for the year ended March 31, 2015 would have been higher by ₹ 13,513.4 million. b. As detailed in note no. 31 (iii) of the consolidated financial statements and referred above note, the Group has not made adjustment in the net carrying value of investment made in mining assets including land, infrastructure and clearance, etc., of ₹ 6,033.0 million as at March 31 2015, (including ₹ 1,835.8 million by a subsidiary) pending finalization of the compensation claim filed by the Group with the Government authorities. The Auditors are unable to comment on the matter including any consequential adjustments that may be required in this regard in these financial statements. c. As stated in note no. 41 (b) to the	a. the gross levy been recorded, net loss before tax for the year ended March 31, 2015, would have been higher by ₹ 13,513.4 million and reserve and surplus as at March 31, 2015 would have been lower by ₹ 13,513.4 million. b. Auditors are unable to comment on the matter including any consequential adjustments that may be required. c. Auditor are unable to comment upon the consequential effects, if any.	a. The Company based on legal advice is sanguine of obtaining appropriate relief in respect of the same. b. The Company is of the view that as of now there is no requirement for adjustment to the carrying value of investments made in mining assets. Difference if any shall be accounted for as and when the matter is finally settled with the Government Authorities. c. Audit was completed subsequent to the balance sheet approved by the Board of the Company and impact has been incorporated in subsequent financial year (i.e. Fiscal Year 2016).

Fiscal Year	Qualifications	Impact on the financial statements	Corrective steps taken or proposed to be taken by us
	consolidated financial statements, the Company has an investment in overseas subsidiary whose total assets as at March 31, 2015 are ₹ 47,401.1 million, total revenue is ₹ 186.9 million year ended March 31, 2015, which has been consolidated in these financial statements based on unaudited management certified accounts. In the absence of the audited financial statements of this subsidiary, the Auditors are unable to comment upon the consequential effects, if any, on the consolidated financial statements had the said audited financial statements of this subsidiary been made available to the Auditors.		
2014	Nil		
2013	Nil		

Quantitative and Qualitative Disclosures about Market Risk

We are exposed in the ordinary course of our business to risks related to changes in exchange rates, interest rates, commodity prices and energy and transportation tariffs.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. We transact business primarily in Indian Rupees and U.S. dollars. We have obtained foreign currency loans and have foreign currency trade payables and receivables and are therefore exposed to foreign exchange risk. Certain of our transactions act as a natural hedge as a portion of both our assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk we adopt a policy of selective hedging based on the risk perception of our management. Foreign exchange contracts are carried at fair value. We hedge our exposure to fluctuations by using foreign currency forwards contracts on the basis of risk perception of our management.

The carrying amounts of our net foreign currency exposure (net of forward contracts) denominated monetary assets and monetary liabilities as at March 31, 2017 and December 31, 2017 are as follows:

	(₹ million)	
	As at December 31, 2017	As at March 31, 2017
RUPEE PERTAINING TO EXPOSURE IN:		
USD	(17,116.7)	(2,359.1)
Euro	(3,495.0)	(4,063.8)
GBP	(152.5)	(213.8)
Others	(508.1)	(1,074.9)
TOTAL	(21,272.4)	(7,711.6)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize our position with regard to interest income and interest expenses and to manage our interest rate risk, we perform regular comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in our total portfolio.

The exposure of our borrowings to interest rate changes as at March 31, 2017 and December 31, 2017 are as follows:

	(₹ million)	
	As at December 31, 2017	As at March 31, 2017
Variable rate borrowings ¹	346,609.6	364,941.6
Fixed rate borrowings ¹	88,381.4	93,563.5
TOTAL BORROWINGS	434,991.0	458,505.1

Note:

(1) Inclusive of current maturity.

Commodity Price Risk

We are exposed to the movement in price of key raw materials in domestic and international markets. We have in place policies to manage our exposure to fluctuations in the prices of the key raw materials used in our operations. We enter into contracts for procurement of materials, most of the transactions are short-term fixed price contracts and a few transactions are long-term fixed price contracts.

SUMMARY OF KEY DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

Differences exist between Indian GAAP and Ind AS that might be material to the Financial Statements included in this Preliminary Placement Document. The matters described below summarize certain key differences between Indian GAAP and Ind AS as applicable to the Financial Statements included in this Preliminary Placement Document.

The matters described below summarize certain differences between Indian GAAP and Ind AS that may be material. Such comparative statement has been included for illustrative purposes only and does not imply that all such differences apply, or will apply, to the manner in which the financial statements are prepared and presented under Ind AS or otherwise. Accordingly, no assurance is provided that the following Summary of differences between Indian GAAP and Ind AS is complete. In making an investment decision, investors must rely upon their own examination of the Company, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between Indian GAAP and Ind AS, and how those differences might affect the financial information herein.

Key Accounting Differences between Indian GAAP and Ind AS

Area of Difference	Indian GAAP	Ind AS
Primary literature	AS 1 – Disclosure of Accounting Policies / Schedule III to the Companies Act, 2013 AS 5 – Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies	Ind AS 1 – Presentation of Financial Statements
Formats	Schedule III prescribes the minimum requirements for disclosure on the face of the balance sheet and statement of profit and loss and notes. There is no concept of Other Comprehensive Income (OCI) AS 3 provides guidance on line items to be presented in the statement of cash flows.	Ind AS 1 does not include any illustrative format for the presentation of financial statements. The MCA has issued the Ind AS-compliant Schedule III. Ind AS 1 introduces the concept of OCI. Items of Income and expenses that are not recognized in Statement of Profit and Loss as required or permitted by other Ind AS are presented under OCI. Ind AS 7 provides guidance on line items to be presented in the statement of cash flows.
Extraordinary items	Extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	Presentation of any items of income or expense as extraordinary is prohibited.
Primary Literature	AS 3 – Cash Flow Statements	Ind AS 7 – Statement of Cash Flows

Area of Difference	Indian GAAP	Ind AS
Bank overdrafts	Bank overdrafts are considered as financing activities.	Included as cash and cash equivalents if they form an integral part of an entity's cash management.
Interest and dividend	For Financial enterprises: Interest paid and interest and dividend received are to be classified as operating activities. Dividend paid is to be classified as financing activity. For other enterprises: Interest and dividends received are required to be classified as investing activities. Interest and dividends paid are required to be classified as financing activities.	Cash flows from interest and dividends can be classified as either operating, financing or investing cash flows in a consistent manner from period to period.
Primary literature	AS 5 – Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies	Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
Changes in accounting Policies	Changes in accounting policies should be made only if it is required by statute, for compliance with an Accounting Standard or for a more appropriate presentation of the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material. If a change in the accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should be appropriately disclosed. However, change in depreciation method, though considered a change in accounting policy, is given retrospective effect.	An entity shall change an accounting policy only if the change is required by an Ind AS; or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows. Requires retrospective application of changes in accounting Policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise. Under IndAS, change in depreciation method is considered to be change in estimates, and therefore requires prospective application.
Errors	Prior period items are included in determination of net profit or loss of the period in which the error pertaining to a prior period is discovered and are separately disclosed in the statement of	Material prior period errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening balance sheet

Area of Difference	Indian GAAP	Ind AS
	profit and loss in a manner that the impact on current profit or loss can be perceived.	except to the extent it is impracticable to determine either the period- specific effects or the cumulative effect of the change..
Primary Literature	AS 4 – Contingencies and Events Occurring after the Balance Sheet Date	Ind AS 10 – Events After the Reporting Period
Dividends	As per AS 4 amended vide the Companies (Accounting Standards) Amendment Rules, 2016 dividends declared after the balance date but before the financial statements are approved for issue, the dividends are not recognised as a liability at the balance sheet date because no obligation exists at that time unless a statute requires otherwise. Schedule III requires disclosure of proposed dividend in the notes to accounts.	Liability for dividends declared to holders of equity instruments are recognised in the period when declared. It is a non-adjusting event. In case of stock dividend, the earning per share calculations for current period and any prior period financial statements presented shall be based on the new number of shares.
Primary literature	AS 22 – Accounting for Taxes on Income	Ind AS 12 – Income Taxes Ind AS 12 – Appendix A – Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
Deferred income taxes	Deferred taxes are computed for timing differences in respect of recognition of items of profit or loss for the purposes of financial reporting and for income taxes.	Deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.
Recognition of deferred tax assets and Liabilities	Deferred taxes are generally recognised for all timing differences.	Deferred income taxes are recognised for all temporary differences between accounting and tax base of assets and liabilities except to the extent which arise from (a) initial recognition of goodwill or (b) asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither the accounting nor the tax profit.
Recognition of deferred tax assets for unused tax losses etc.	Deferred tax asset for unused tax losses and unabsorbed depreciation is recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax asset for all other unused credits/timing differences is recognised only to the extent that there is a reasonable certainty that sufficient	Deferred tax asset is recognised for carry forward unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilised. Where an entity has a history of tax losses, the entity recognises a deferred tax asset only to the extent that the entity has sufficient taxable temporary

Area of Difference	Indian GAAP	Ind AS
	future taxable income will be available against which such deferred tax assets can be realised.	differences or there is convincing other evidence that sufficient taxable profit will be available.
Investments in subsidiaries, branches, and associates and interests in joint arrangements	No deferred tax liability is recognised. Deferred tax expense is an aggregation from separate financial statements of each group entity and no adjustment is made on consolidation.	The Company recognises a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint arrangements, except to the extent that both of the following conditions are satisfied: - the parent, the investor, the venturer or joint operator is able to control timing of the reversal of the temporary difference, and - it is probable that the temporary difference will not reverse in the foreseeable future.
Deferred tax in respect of business Combinations	No specific guidance.	At the acquisition date, a deferred tax liability or asset (to the extent it meets the recognition criteria discussed above) is recognized for an acquired entity's temporary differences (with certain exceptions) including income tax loss carry forwards. If not recognized at the acquisition date, an entity recognizes acquired deferred tax benefits that it realizes after the business combination as follows (Ind AS 12.68): - In goodwill if the change occurs (1) during the measurement period and (2) as a result of new information about facts and circumstances that existed as of the acquisition date. If goodwill is reduced to zero, any remaining deferred tax benefits are recognized in in other comprehensive income and accumulated in equity as capital reserve or recognised directly in capital reserve depending on whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. - All other deferred tax benefits realized are recognized in profit or loss (or outside of profit or loss if required by Ind AS 12).
Deferred tax on unrealised intra-group Profits	Deferred tax is not recognised.	Deferred tax on unrealised intra-group profits is recognised at the buyer's tax rate.

Area of Difference	Indian GAAP	Ind AS
	Deferred tax expense is an aggregation from separate financial statements of each group entity and no adjustment is made on consolidation.	
Classification of deferred tax assets and liabilities	Schedule III requires net deferred tax assets and net deferred tax liabilities to be presented as part of non-current assets and non-current liabilities respectively.	Always classified as non-current.
Recognition of taxes on items recognised in OCI or directly in equity	No specific guidance in AS 22. However, an announcement made by the ICAI requires any expense charged directly to reserves and/ or securities premium account to be net of tax benefits expected to arise from the admissibility of such expenses for tax purposes. Similarly, any income credited directly to a reserve account or a similar account should be net of its tax effect.	Current tax and deferred tax are recognised outside profit or loss if the tax relates to items that are recognised in the same or a different period, outside profit or loss. Therefore, the tax on items recognised in OCI or directly in equity, is also recorded in OCI or in equity, as appropriate.
Primary Literature	AS 6 – Depreciation Accounting AS 10 – Accounting for Fixed Assets	Ind AS 16 – Property, Plant and Equipment Ind AS 16 – Appendix A – Changes in Existing Decommissioning, Restoration and Similar Liabilities Ind AS 16 – Appendix B – Stripping Costs in the Production Phase of a Surface Mine
Measurement	Recognised at cost and subsequent measurement at historical cost. Revaluation was permissible.	Property, Plant Equipment is measured initially at cost. Subsequent Measurement: • Can carry at historical Cost or Fair Value as its accounting policy. First time adoption: • Option to measure PPE at fair value and use that fair value as deemed cost.
Replacement costs	Replacement cost of an item of property, plant and equipment is generally expensed when incurred. Only expenditure that increases the future benefits from the existing asset beyond its previously assessed standard of performance is capitalised.	Replacement cost of an item of property, plant and equipment is capitalised if replacement meets the asset recognition criteria. Carrying amount of items replaced is derecognised.

Area of Difference	Indian GAAP	Ind AS
	From Fiscals commencing on or after 1 April 2015, Schedule II mandates fixed assets to be componentised and therefore, the position will be similar to that under Ind AS.	
Primary Literature	AS 19 – Leases	Ind AS 17 – Leases Ind AS 17– Appendix A – Operating Leases – Incentives Ind AS 17 – Appendix B – Evaluating the Substance of Transactions Involving the Legal Form of a Lease Ind AS 17 – Appendix C – Determining Whether an Arrangement Contains a Lease
Interest in leasehold land	Leasehold land is recorded and classified as fixed assets.	Recognised as operating lease or finance lease as per definition and classification criteria.
Operating lease rental recognition	Lease payments under an operating lease should be recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit. Lease income from operating leases should be recognised in the statement of profit and loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefit derived from the use of the leased asset is diminished.	Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the lease term unless either another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.
Determining whether an arrangement contains a lease	No specific guidance. Payments under such arrangements are recognised in accordance with the nature of expense incurred.	Arrangements that do not take the legal form of a lease but fulfilment of which is dependent on the use of specific assets and which convey the right to use the assets are accounted for as lease.
Primary literature	AS 15 (Revised 2005) – Employee Benefits	Ind AS 19 – Employee Benefits Ind AS 19 – Appendix B – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Actuarial gains and losses	All actuarial gains and losses should be recognised immediately in the statement of profit and loss.	Actuarial gains and losses representing changes in the present value of the defined benefit obligation resulting from experience adjustment and effects of changes in actuarial

Area of Difference	Indian GAAP	Ind AS
		assumptions are recognised in OCI and not reclassified to profit or loss in a subsequent period.
Defined benefit plans	The changes in defined benefit liability (surplus) has the following components: (a) Service cost – recognised in profit or loss; (b) Interest cost – recognised in profit or loss; (c) The expected return on any plan assets – recognised in profit or loss; (d) Net actuarial gains and losses – recognised in profit or loss.	The change in the defined benefit liability (asset) has the following components: (a) Service cost – recognised in profit or loss; (b) Net interest cost (i.e. time value) on the net defined benefit deficit/(asset) – recognised in profit or loss; (c) Re-measurement including: (i) changes in fair value of plan assets that arise from factors other than time value and (ii) actuarial gains and losses on obligations – recognised in OCI.
Prior Service Cost	Prior service costs are recognized immediately if they are related to vested benefits; otherwise, they are recognized over the vesting period.	An entity recognises prior service cost as an expense at the earlier of the following dates: • When the plan amendment or curtailment occurs; • When the entity recognises related restructuring costs or termination benefits.
Primary literature	AS 31 Financial Instruments:	Ind AS 32 – Financial Instruments:
literature	Presentation is not yet mandatory (since not notified under the Companies (Accounting Standards) Rules, 2006) the differences discussed below are based on the existing Indian Standards and generally accepted accounting practices.	Presentation
Classification of financial liabilities	Financial instruments are classified based on legal form – redeemable preference shares will be classified as equity. Preference dividends are always recognised similar to equity dividend and are not treated as interest expense.	Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement, (and not its legal form), and the definition of financial liabilities and equity instruments. Dividends on financial instruments classified as financial liability is recognised as an interest expense in the statement of profit or loss and other comprehensive income. Hence if preference shares meet the definition of financial liability, the dividend is treated as an interest expense.

Area of Difference	Indian GAAP	Ind AS
Treasury shares	Acquiring own shares is permitted only in limited circumstances. Shares repurchased should be cancelled immediately and cannot be held as treasury shares.	Cost of treasury shares is deducted from equity and resales of treasury shares are equity transactions. Costs of issuing or reacquiring equity instruments are accounted for as a deduction from equity, net of any related income tax benefit.
Primary literature	AS 28 – Impairment of Assets AS 26 – Intangible Assets	Ind AS 36 – Impairment of Assets
Goodwill	AS 28 requires goodwill to be tested for impairment using the “bottom-up/top-down” approach under which the goodwill is, in effect, tested for impairment by allocating its carrying amount to each cash-generating unit or smallest group of cash-generating units to which a portion of that carrying amount can be allocated on a reasonable and consistent basis.	Allocated to cash generating units that are expected to benefit from the synergies of business combination. Allocated to the lowest level at which goodwill is internally monitored by management which should not be larger than an operating segment before aggregation of segments as defined in Ind AS 108.
Reversal of impairment loss for goodwill	Impairment loss for goodwill is reversed if the impairment loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.	Impairment loss recognised for goodwill is prohibited from reversal in a subsequent period. Goodwill impaired in an interim period is not subsequently reversed in subsequent interim or annual financial statements.
Amortisation of Goodwill	Goodwill arising on amalgamation is amortised over its useful life not exceeding five years unless a longer period is justified. There is no specific guidance on goodwill arising on subsidiaries acquired which are not amalgamations. In practice, such goodwill is not amortised but tested for impairment.	Goodwill is not amortised but tested for impairment normally annually.
Primary Literature	AS 29 – Provisions, Contingent Liabilities and Contingent Assets	Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets Ind AS 37 – Appendix A – Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds Ind AS 37 – Appendix B – Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment Ind AS 37 – Appendix C – Levies

Area of Difference	Indian GAAP	Ind AS
Discounting	Discounting of liabilities is not permitted and provisions are carried at their full values except in case of decommissioning, restoration and similar liabilities that are recognised as cost of Property Plant and Equipment. The discount rate should be a pre-tax rate that reflects current market assessments of the time value of money and risk specific to the liability.	When the effect of time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects the current market assessment of the time value of money and risks specific to the liability.
Restructuring cost	Requires recognition based on general recognition criteria for provisions i.e. when the entity has a present obligation as a result of past event and the liability is considered probable and can be reliably estimated.	Ind AS 37 requires provisions on the basis of legal and constructive obligations. A constructive obligation to restructure arises only when an entity has a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.
Primary literature	AS 26 – Intangible Assets	Ind AS 38 – Intangible Assets Ind AS 38 – Appendix A – Intangible Assets – Web Site Costs
Measurement	Measured only at cost	Intangible assets can be measured at either cost or revalued amounts.
Primary literature	No equivalent standard. However, the ICAI has issued a Guidance Note that deals only with employee share-based payments. The SEBI has also issued the SEBI (Share Based Employee Benefits) Regulations, 2014 which requires that the Guidance Note on Accounting for Employee Share-based Payments or Accounting Standards as may be prescribed by the ICAI, including the disclosure requirements prescribed therein, should be followed while accounting for share based schemes.	Ind AS 102 – Share-based Payment (covers share-based payments both for employees and non-employees and transactions involving receipt of goods and services)
Measurement	The guidance note permits the use of either the intrinsic value method or the fair value method for determining the costs of benefits arising from employee share-based compensation plans. The guidance note recommends the use of the fair value method. Under the intrinsic value method, the cost is the difference between the market price of the underlying share on	For equity settled share-based transactions with non-employees, goods and services received and the corresponding increase in equity is measured at the fair value of the goods and services received. If the fair value of the goods and services cannot be estimated reliably, then the value is measured with reference to the fair value of the equity instruments granted,

Area of Difference	Indian GAAP	Ind AS
	the grant date and the exercise price of the option. The fair value method is based on the fair value of the option at the date of grant. The fair value is estimated using an option-pricing model (for example, the Black-Scholes or a binomial model) that takes into account as of the grant date the exercise price and expected life of the option, the current price in the market of the underlying stock and its expected volatility, expected dividends on the stock, and the risk-free interest rate for the expected term of the option. Where an enterprise uses the intrinsic value method, it should also disclose the impact on the net results and EPS – both basic and diluted – for the accounting period, had the fair value method been used.	measured at the date the entity obtains the goods or the counterparty renders the service. In case of equity settled transactions with employees and others providing similar services, grant date fair value of the equity instrument should be used.
Group entities	The Guidance Note applies to transfers of shares or stock options of the parent of an entity or shares or stock options of another entity in the same group to the employees of the entity.	The entity settling a share-based payment transaction when another entity in the group receives the goods or services shall recognise the transaction as an equity-settled share-based payment transaction only if it is settled in the entity's own equity instruments. Otherwise, the transaction shall be recognised as a cash-settled share-based payment transaction.
Graded Vesting	If the options vest only based on service conditions then the entity has an option to choose the accelerated method or straight line method of expense recognition.	Ind AS requires each installment of a graded vesting reward to be treated as a separate grant. This requires separately measuring and attributing the expenses to each tranche of the award, thereby accelerating the entire expense recognition.
Recognition Grant Date	Guidance Note (GN) on Accounting for Share Based Payments is Similar to IND AS. SEBI Guidelines doesn't define Grant Date.	Grant Date is the date at which the entity reaches understanding with the employees for the terms and conditions of the arrangement
Primary literature	AS 14 – Accounting for Amalgamations	Ind AS 103 – Business Combinations Ind AS 103 – Business Combinations – Appendix C – Business combinations of entities under common control
The pooling of interests and purchase method	Amalgamations in the nature of purchase are accounted for by recording the identifiable assets and liabilities of the acquiree either at the fair values or at book values. Amalgamations in the nature of merger are accounted under the pooling of interests method. Under the pooling of interests	All business combinations are accounted by using the acquisition method except for common control transactions. Common control transactions are included in the scope; and additional guidance is provided. The additional guidance provides that business combination transactions between

Area of Difference	Indian GAAP	Ind AS
	method, the assets, liabilities and reserves of the transferor company are recorded by the transferee company at their existing carrying amounts (after making the adjustments required for conflicting accounting policies). Identifiable assets and liabilities of subsidiaries acquired by purchase of shares which are not amalgamations are recorded in the consolidated financial statements at the carrying amounts stated in the acquired subsidiary's financial statements on the date of acquisition.	entities under common control should be accounted for using the 'pooling of interests' method.
Non-controlling interest	At the time of acquisition, minority interests in the net assets consist of the amount of equity attributable to minorities at the date on which investment in the acquiree is made. This is determined on the basis of information contained in the financial statements of the acquiree as on the date of investment.	At the date of acquisition, the acquirer may elect to measure, on a transaction by transaction basis, the non-controlling interest at (a) fair value or (b) the non-controlling interest's proportionate share of the fair value of the identifiable net assets of the acquiree.
Initial Goodwill Measurement	Any excess of the amount of the consideration over the value of the net assets of the transferor company acquired by the transferee company is recognised in the transferee company's financial statements as goodwill arising on amalgamation. If the amount of the consideration is lower than the value of the net assets acquired, the difference is recognised as capital reserve, a component of shareholders' equity.	Goodwill is measured as the difference between: • the aggregate of (a) the acquisition-date fair value of the consideration transferred; (b) the amount of any non-controlling interest; and (c) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (d) the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed. If the above difference is negative, the resulting gain is recognised as a bargain purchase in profit or loss. However, any gain on bargain purchase is recognised in other comprehensive income and accumulated in equity as capital reserve. If there is no clear evidence of the underlying reason for classification of the business combination as a bargain

Area of Difference	Indian GAAP	Ind AS
		purchase, the resulting gain is recognised directly in equity as capital reserve.
Change in Ownership interest without any loss of control	No specific guidance.	Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control and shall be accounted for as equity transactions.
Primary literature	AS 24 – Discontinued Operations AS 10 – Accounting for Fixed Assets	Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations Ind AS 10 – Appendix A – Distributions of Non-cash Assets to Owners
Recognition, measurement and presentation	AS 10 deals with assets held for disposal. Items of fixed assets retired from active use and held for disposal are stated at the lower of their carrying amount and net realisable value. Any write-down in this regard should be recognized immediately in the statement of profit and loss.	Non-current assets to be disposed off are classified as held for sale when the asset is available for immediate sale and the sale is highly probable. Depreciation ceases on the date when the assets (individually or as part of a disposal group) are classified as held for sale. These are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets classified as held for sale, and the assets and liabilities in a disposal group classified as held for sale, are presented separately in the balance sheet.
Primary literature	AS 13 – Accounting for Investments AS 30 – Financial Instruments: Recognition and Measurement	Ind AS 109 – Financial Instruments Ind AS 109 – Appendix C – Hedges of a Net Investment in a Foreign Operation Ind AS 109 – Appendix D – Extinguishing Financial Liabilities with Equity Instruments
Initial measurement	No specific guidance	All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue. Trade

Area of Difference	Indian GAAP	Ind AS
		receivables that do not have a significant financing component should initially be measured at transaction price.
Classification and subsequent measurement of financial assets	Per AS 13, investments are classified as long- term or current. A current investment is an investment that is by its nature readily realisable and is intended to be held for not more than one year from the date on which such investment is made. A long-term investment is an investment other than a current investment. Accordingly, the assessment of whether an investment is long- term has to be made on the date the investment is made. Long-term investments are carried at cost less provision for diminution in value, which is other than temporary. Current investments are carried at lower of cost and fair value. Loans are measured at cost net of provisions, if any.	All financial assets are classified as measured at amortised cost or measured at fair value. Where assets are measured at fair value, gains and losses are either recognised entirely in profit or loss, (FVTPL), or recognised in other comprehensive income (FVTOCI). Debt Instrument held within a business model : (a) Collect contractual cash flows - Amortised cost (b) Collect contractual cash flows and selling financial assets – measured at FVTOCI Ind AS 109 provides an option to irrevocably designate, at initial recognition, financial assets as measured at FVTPL if doing so eliminates an accounting mismatch. Equity instruments – option to irrevocably designate them so that subsequent changes in fair value are in OCI. Dividend income from such assets is recognized in – Profit / Loss
Classification and subsequent measurement of financial liabilities	No specific guidance.	Financial liabilities held for trading are subsequently measured at FVTPL and all other financial liabilities are measured at amortised cost using the effective interest method. An entity may, at initial recognition, irrevocably designate a financial liability as measured at FVTPL if doing so eliminates an accounting mismatch or a group of financial liabilities or financial assets and financial liabilities is managed, and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.
Changes in fair value of financial liabilities due to changes in credit risk	No specific guidance.	Gains and losses on financial liabilities designated as at FVTPL are required to be split into the amount of change in fair value attributable to changes in own credit risk of the liability, presented in other comprehensive income, and the remaining amount presented in profit or loss.

Area of Difference	Indian GAAP	Ind AS
		Amounts presented in other comprehensive income should not be subsequently transferred to profit or loss, the entity may only transfer the cumulative gain or loss within equity.
Impairment of financial Assets	An enterprise should assess the provision for doubtful debts at each period end which, in practice, is based on relevant information such as • past experience, • actual financial position and • cash flows of the debtors. Different methods are used for making provisions for bad debts, including: • the ageing analysis, • an individual assessment of recoverability. Impairment losses recognised in profit or loss for equity investments are reversed through profit or loss (as per AS 13).	The impairment model in Ind AS 109 is based on expected credit losses and it applies equally to debt instruments measured at amortised cost or FVTOCI (the loss allowance is recognised in other comprehensive income and not reduced from the carrying amount of the financial asset), lease receivables, contract assets and certain written loan commitments and financial guarantee contracts. Expected credit losses (with the exception of purchased or original credit-impaired financial assets) are required to be measured through a loss allowance at an amount equal to: • The 12 month expected credit losses; or • Lifetime expected credit losses if credit risk has increased significantly since initial recognition of the financial instrument. With respect to trade receivables or contract assets, loss allowance is measured at lifetime expected credit losses. For lease receivables within the scope of Ind AS 17, an entity can elect to always measure loss allowances at an amount equal to lifetime expected credit losses. Interest revenue is calculated by applying the effective interest rate to the amortised cost (which is the gross carrying amount minus loss allowance) for credit-impaired financial assets while for all other instruments, it is calculated based on the gross carrying amount.
Derecognition of financial assets and securitisation	There is no current equivalent standard and therefore any specific guidance.	Derecognition of financial assets is permitted only upon: • expiry of the contractual rights to the cash flows from the financial assets; • transfer of the financial assets. An asset is transferred if either the entity has transferred the contractual rights to receive the cash flows, or the entity has retained the contractual rights to receive the cash flows from

Area of Difference	Indian GAAP	Ind AS
		the asset, but has assumed a contractual obligation to pass those cash flows under an arrangement that meets certain specified conditions. Once an entity has determined that the asset has been transferred, it would need to evaluate the extent to which it retains the risks and rewards of ownership of the financial asset. If substantially all the risks and rewards have been retained, derecognition of the asset is precluded. If risks and rewards have neither been substantially transferred nor retained, an assessment is made whether control has been retained by the transferor. If the entity does not control the asset then derecognition is appropriate; however if the entity has retained control of the asset, then the assets continue to be recognised to the extent of continuing involvement.
Derecognition of financial liabilities	There is no current equivalent standard and therefore any specific guidance.	A financial liability (or part of it) is extinguished when the debtor either: discharges the liability (or part of it) by paying the creditor, normally with cash, other financial assets, goods or services; or is legally released from primary responsibility for the liability (or part of it) either by process of law or by the creditor. (If the debtor has given a guarantee this condition may still be met.)
Modification	There is not current equivalent standard and therefore any specific guidance.	When contractual cash flows of financial assets are renegotiated/ modified, and such renegotiation/ modification does not result in derecognition, the gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows discounted at the financial asset's original effective interest rate and a modification gain or loss is recognised in profit or loss. Any costs or fees incurred are adjusted to the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset. In case of financial liabilities, a substantial modification of the terms should be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount

Area of Difference	Indian GAAP	Ind AS
		of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, should be recognised in profit or loss. Ind AS, unlike US GAAP, does not seem to distinguish between fees and third party cost. When the terms of the new/modified instrument are not substantially different, then any fees or costs paid in the exchange/modification are treated as an adjustment to the carrying amount of the original liability and are amortised over the remaining life of the new/modified liability.
Accounting of Financial Guarantee Contract	No specific mandatory requirement.	Ind AS 109 defines a financial guarantee contract as ‘a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Ind AS 109 requires the guarantor to recognise the financial guarantee contract initially at its fair value. Subsequently, this guarantee is to be measured at the higher of an amount determined based on the expected loss method (as per guidance in Ind AS 109) or the amount originally recognised less, the cumulative amount recognised as income on a straight-line basis in accordance with Ind AS 18, Revenue.
Derivatives Accounting	No specific mandatory requirement.	Ind AS 109, Financial Instruments provides guidance on accounting for derivatives and embedded derivatives. A derivative is defined as ‘a financial instrument or other contract within the scope of this standard with all three of the following characteristics: • Its value changes in response to the change in 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,

Area of Difference	Indian GAAP	Ind AS
		• It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors, and • It is settled at a future date.' Companies may also enter into contracts that are not derivatives in themselves but include a derivative feature. This is known as an 'embedded derivative'. An embedded derivative is a component of a hybrid (non-derivative, financial or non-financial) contract and results in some or all of the cash flows varying in a manner similar to a stand-alone derivative. Embedded derivatives in financial assets are not separately recognised, however those in financial liabilities or in non-financial contracts are separated and accounted for as a derivative if they meet the following conditions: • Their economic characteristics and risks are not closely related to the economic characteristics of the host contract, • A separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and • The hybrid contract is not classified and measured at Fair Value through Profit or Loss (FVTPL). In this case study we describe the guidance in Ind AS 109 relating to identifying and separating foreign currency embedded derivatives present in non-financial host contracts with the help of an illustrative example.
Hedge Accounting	No specific mandatory requirement.	Ind AS 109, Financial Instruments permits an entity to apply hedge accounting in order to represent the effect of its risk management activities in its financial statements. Hedge accounting is voluntary and may be applied to individual transactions or a group of similar transactions if they meet the qualifying criteria specified in the standard.

Area of Difference	Indian GAAP	Ind AS
		Ind AS 109 envisages the following three types of hedging relationships: • Fair value hedge: A hedge of the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or a component of any such item, that is attributable to a particular risk and could affect profit or loss or other comprehensive income (OCI) (for a hedge of an equity investment measured at fair value through OCI). • Cash flow hedge: A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all of, or a component of, a recognised asset or liability or a highly probable forecast transaction, and could affect profit or loss. • Net investment hedge: A hedge of the foreign currency exposure arising from a net investment in a foreign operation, as defined in Ind AS 21, The effects of changes in foreign exchange rates, when the net assets of that foreign operation are translated for inclusion in the consolidated financial statements.
Primary Literature	AS 18 - Related Party Disclosures	Ind AS 24 – Related Party Disclosures
Relative/ Close member of a person’s family	Relative – in relation to an individual, means the spouse, son, daughter, brother, sister, father and mother who may be expected to influence, or be influenced by, that individual in his/her dealings with the reporting enterprise.	Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity including: (a) that person’s children, spouse or domestic partner, brother, sister, father and mother; (b) Children of that person’s spouse or domestic partner; and (c) Dependants of that person or that person’s spouse or Domestic partner.
Primary Literature	AS 21 – Consolidated Financial Statements	Ind AS 27 – Separate Financial Statements Ind AS 110 – Consolidated Financial Statements Ind AS 112 – Disclosure of Interests in Other Entities

Area of Difference	Indian GAAP	Ind AS
Definition of control	Control is: (a) the ownership, directly or indirectly through subsidiary(ies), of more than one-half of the voting power of an enterprise; or (b) control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other enterprise so as to obtain economic benefits from its activities. Therefore, a mere ownership of more than 50% of equity shares is sufficient to constitute control under Indian GAAP, whereas this is not necessarily so under IND AS.	Control is based on whether an investor has 1. power over the investee; 2. exposure, or rights, to variable return from its involvement with the investee; and 3. the ability to use its power over the investee to affect the amounts of the returns.
Exclusion of subsidiaries, associates and joint ventures	Excluded from consolidation, equity accounting or proportionate consolidation if the subsidiary/ investment/interest was acquired with intent to dispose of in the near future (which, ordinarily means not more than 12 months, unless a longer period can be justified based on facts and circumstances of the case) or if it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent/ investor/venturer.	Consolidated financial statements include all subsidiaries and equity accounted associates and joint ventures. No exemption for 'temporary control', 'different lines of business' or 'subsidiary/associate/ joint venture that operates under severe long-term funds transfer restrictions'. An investment entity need not present consolidated financial statements if it is required, in accordance with paragraph 31 of this Ind AS, to measure all of its subsidiaries at fair value through profit or loss.
Uniform accounting policies	If not practicable to use uniform accounting policies in the preparation of consolidated financial statements, that fact should be disclosed together with the proportions of the items in the consolidated financial statements to which different accounting policies have been applied.	Consolidated financial statements should be prepared using uniform accounting policies.
Non-controlling interests	Minority interests are presented in the consolidated balance sheet separately from liabilities and the equity of the parent's shareholders.	Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent.
Allocation of losses to non- controlling Interests	Excess of loss applicable to minority over the minority interest in the equity of the subsidiary and any further losses applicable to minority are adjusted against majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses.	Profit or loss and each component of OCI should be attributable to the owners of the parent and to the non-controlling interests. The total comprehensive income should be attributable to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Area of Difference	Indian GAAP	Ind AS
Disposals	The difference between the proceeds from the disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of profit and loss as the profit or loss on the disposal of the investment in the subsidiary. An investment in an enterprise should be accounted for in accordance with Accounting Standard (AS) 13, Accounting for Investments, from the date that the enterprise ceases to be a subsidiary and does not become an associate.	If a parent loses control of a subsidiary, the parent: derecognises the assets and liabilities of the former subsidiary from the consolidated balance sheet; recognises any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant Ind ASs. That fair value is regarded as the fair value on initial recognition of a financial asset in accordance with Ind AS 109 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. recognises the gain or loss associated with the loss of control attributable to the former controlling interest.
Primary Literature	AS 27 – Financial Reporting of Interests in Joint Ventures	Ind AS 111 – Joint Arrangements Ind AS 28 – Investments in Associates and Joint Ventures
Joint control	Joint control is the contractually agreed sharing of control over an economic activity. However, where an enterprise by a contractual arrangement establishes joint control over an entity which is a subsidiary of that enterprise within the meaning of AS 21, the entity is consolidated under AS 21 by the said enterprise and is not treated as a joint venture.	Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.
Uniform accounting policies	If not practicable to use uniform accounting policies while applying the proportionate consolidation method, that fact should be disclosed together with proportions of items in the consolidated financial statements to which different accounting policies have been applied.	Uniform accounting policies should be followed while applying the equity method. No exception is provided.
Primary Literature	No equivalent standard	Ind AS 113 – Fair Value Measurement
Definition	No equivalent standard. Fair value is defined in the context of each accounting standard, wherever applicable.	Fair value is defined as 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.

Area of Difference	Indian GAAP	Ind AS
Classification and disclosure	No equivalent standard.	Requires with some exceptions, classification of these measurements into a 'fair value hierarchy' based on the nature of inputs: Level 1 – quoted prices in active markets for identical assets and liabilities that the entity can access at the measurement date; Level 2 – inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; Level 3 – unobservable inputs for the asset or liability. Requires various disclosures depending on the nature of the fair value measurement (e.g. whether it is recognised in the financial statements or merely disclosed) and the level in which it is classified
Primary Literature	AS 12 – Accounting for Government Grants	Ind AS 20 Accounting for Government Grants Ind AS 20 – Appendix A – Government Assistance – No specific relation to operating activities
Government Assistance	Does not deal with disclosure of Government Assistance other than in the form of Government grants	Deals with both Government grants and disclosure of Government Assistance
Forgivable loans	No specific guidance	Forgivable loans are treated as government grants when there is a reasonable assurance that the entity will meet the terms for forgiveness of the loan
Government loans with below market rate of interest	No specific guidance	Benefit of government loans with below market rate of interest should be accounted for as a government grant – measured as the difference between the initial carrying amount of the loan determined in accordance with Ind AS 109 and the proceeds received
Recognition	Two broad approaches may be followed – capital approach or the income approach Government grants in the nature of promoter's contribution i.e. they are given with reference to the total investment in an undertaking or by way of contribution towards its total capital	Government grants are recognized as income to match with expenses in respect of the related costs for which they are intended to compensate on a systematic basis. Government grants are not directly credited to shareholder's interests.

Area of Difference	Indian GAAP	Ind AS
	outlay and no repayment is ordinarily expected, are credited directly to shareholders' funds. Grants related to revenue are recognized in the statement of profit and loss on a systematic and rational basis over the periods necessary to match them with the related costs. Grants relating to non- depreciable assets are credited to capital reserve. If such grant require fulfilment of some obligation, such grants should be credited to income over the period over which the cost of meeting the obligation is charged to income. Grants related to depreciable assets are either treated as deferred income and transferred to the statement of profit and loss in proportion to depreciation, or deducted from the cost of the asset.	Government grants related to assets (including non-monetary grants at fair value) are presented in the statement of financial position by setting up the grant as deferred income.
Non-monetary government grants	If the asset is given by the Government at a discounted price, the asset and the grant accounted at the discounted purchase price. Non-monetary grants free of cost are accounted for at nominal values.	The asset and the grant should be accounted at fair value.
Repayment of grants relating to fixed assets	Recognized either by increasing the carrying amount of the asset or reducing the deferred income or capital reserve, as appropriate, by the amount repayable. If the carrying amount of the asset is increased, depreciation on the revised carrying amount is provided prospectively over the residual useful life of the asset.	Recognized by reducing the deferred income balance by amount repayable.
Primary Literature	AS 17 – Segment Reporting	IndAS 108 – Operating Segments
Scope	Applicability of the standard is not linked to the listing status of an entity.	Ind AS 108 is applicable to companies to which Ind Ass notified under the Companies Act apply.
Determination of segments	AS 17 requires an enterprise to identify two segments (business and geographical), using a risks and rewards approach, with the enterprise's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.	Operating segments are identified based on the financial information that is regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance.
Measurement	Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the enterprise as a whole. Segment	Segment profit or loss is reported on the same measurement basis as that used by the chief operating decision maker. There is no definition of segment revenue, segment expense, segment result, and segment asset or segment liability nor does it require

Area of Difference	Indian GAAP	Ind AS
	revenue, segment expense, segment result, segment asset and segment liability have been defined. A reconciliation is presented between the information disclosed for reportable segments and the aggregated information in the enterprise's financial statements.	segment information to be prepared in conformity with the accounting policies adopted for the entity's financial statement. Requires reconciliation of segment performance measures with the corresponding amounts reported in the financial statements. A reconciliation of the total of the segment's assets and total of the segment's liabilities to the entity's assets and the entity's liabilities respectively should only be provided if the segment assets and segment liabilities are regularly provided to the chief operating decision maker.
Aggregation criteria	No specific guidance	Two or more operating segments may be aggregated into a single operating system if the aggregation is consistent with the principles laid down in the standard. Management need to disclose the judgements made in applying the aggregation criteria for operating segments.
Entity wide disclosures	Disclosures are required based on the classification of segments as primary or secondary. Disclosure requirements for secondary reporting format are less detailed than those required for primary reporting formats.	Requires disclosure of a) external revenues from each product or service; b) revenues from customers in the country of domicile and from foreign countries; c) geographical information on non-current assets located in the country of domicile and foreign countries. Information on major customers including total revenues from each major customer is disclosed if revenue from each customer is 10% or more of total segment revenues. The entity need not disclose the identity of such customers.
Primary Literature	AS 9 – Revenue Recognition	Ind AS 18 – Revenue
Linked transactions - inventory sold to a counterparty with a repurchase obligation.	There is no specific guidance under Indian GAAP	Under IndAs, the applicable inventory is carried at cost on the balance sheet and cash proceeds associated with the sale to the counterparty is recorded as borrowings, provided that the entity retains either continuing managerial involvement to the degree usually associated with ownership or effective control over the goods sold. Under IndAS, the recognition criteria are applied to two or more transactions together when they are linked in such a way

Area of Difference	Indian GAAP	Ind AS
		that the commercial effect cannot be understood without reference to the series of transactions as a whole.
Revenue Definition	Revenue is the gross inflow of cash, receivables or other consideration arising in the course of the ordinary activities from the sale of goods, from the rendering of services and from the use by others of entity resources yielding interest, royalties and dividends.	Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Revenue excludes taxes and duties that are collected on behalf of Government Authorities.
Revenue - Recognition	Recognition criteria depend on the category of revenue transaction. In general criteria includes no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of good/ rendering of service.	Revenue is recognised only when it is probable that any future economic benefit will flow to the entity and such a benefit can be measured reliably.
Measurement	Revenue is recognised at the consideration received or receivable.	Revenue is recognised at the fair value of the consideration received or receivable. Fair value is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the consideration is recognised as interest income using the effective interest method.
Tax effects of changes in exchange rates	There is no specific guidance under Indian GAAP	Ind AS requires that If the entity's taxable profit or tax loss is determined in a different currency (including, the tax base of its non-monetary assets and liabilities), changes in the exchange rate will give rise to temporary differences that result in a recognized deferred tax liability or asset. The resulting deferred tax has to be charged or credited to the Statement of P&L.
Primary literature	AS 11 – The Effects of Changes in Foreign Exchange Rates	Ind AS 21 – The Effects of Changes in Foreign Exchange Rates
Functional and presentation Currency	Foreign currency is a currency other than the reporting currency which is the currency in which financial statements are presented. There is no specific concept of functional currency under Indian GAAP.	Functional currency is the currency of the primary economic environment in which the entity operates. Foreign currency is a currency other than the functional currency. Presentation currency is the currency in which the financial statements are presented.

Area of Difference	Indian GAAP	Ind AS
Recognition of exchange difference arising on translation of foreign currency transactions	Recognised in the statement of profit and loss. However, an entity has an option to recognise unrealised exchange differences on translation of certain long-term monetary assets/liabilities directly in equity or as adjustment to cost of an asset. The amount so accumulated in equity shall be transferred to profit or loss over the period of maturity of such long-term monetary items in an appropriate manner.	All exchange differences arising on translation of foreign currency transactions are generally recognised in profit or loss except exemption available under Ind AS 101.
Exchange difference arising on translation of foreign operations	Exchange differences arising on translation of financial statements of integral foreign operations and non-integral foreign operations are recognised in the statement of profit and loss and equity respectively.	Exchange differences arising on translation of financial statements of foreign operations are recognised in other comprehensive income and accumulated as a separate component of equity.
Presentation currency	Reporting currency (presentation currency) is the currency in which financial statements are presented. Generally Indian Rupees is the reporting currency.	Entity can present its financial statements in a currency other than functional currency (presentation currency).

INDUSTRY OVERVIEW

Market data and certain industry forecasts used in “Industry Overview” were obtained from internal surveys, market research, publicly available information and industry publications published by the World Steel Association (“**worldsteel**”), the Indian Ministry of Steel, Indian Ministry of Power, the Central Electricity Authority of India (“**CEA**”), the Central Intelligence Agency (“**CIA**”) and the reports titled “CRISIL Steel Products Report, dated January 2018” and “CRISIL Power Report, dated January 2018” prepared by CRISIL (as defined below). As far as we are aware, the information contained in this section is able to be ascertained from information published by such third parties. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and neither we nor the Book Running Lead Manager makes any representation as to the accuracy or completeness of this information.

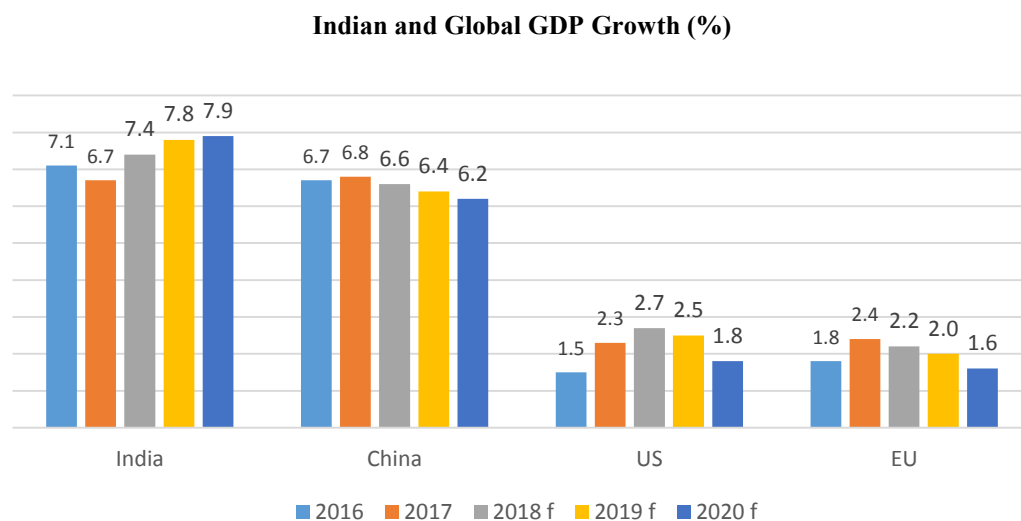
CRISIL Research, a division of CRISIL Limited (“**CRISIL**”) has taken due care and caution in preparing the reports titled “CRISIL Steel Products Report, dated January 2018” and “CRISIL Power Report, dated January 2018” (the “**Reports**”) based on the information obtained by CRISIL from sources which it considers reliable (the “**Data**”). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data or the Reports and is not responsible for any errors or omissions or for the results obtained from the use of the Data or the Reports. The Reports are not a recommendation to invest or disinvest in any entity covered in the Reports and no part of the Reports should be construed as an expert advice or investment advice or any form of investment banking activity (within the meaning of any law or regulation). CRISIL especially states that it has no liability whatsoever to the subscribers, users, transmitters or distributors of the Reports. Without limiting the generality of the foregoing, nothing in the Reports will be construed as CRISIL providing, or intending to provide, any services in jurisdictions where CRISIL does not have the necessary permission or registration to carry out its business activities in this regard. The Company will be responsible for ensuring compliance and consequences of non-compliance for use of the Reports or part thereof outside India. CRISIL Research, a division of CRISIL, operates independently of, and does not have access to information obtained by CRISIL’s Ratings Division or CRISIL Risk and Infrastructure Solutions Ltd (“**CRIS**”), which may, in their regular operations, obtain information of a confidential nature. The views expressed in the Report are that of CRISIL Research and not of CRISIL’s Ratings Division or CRIS. No part of the Reports may be published or reproduced in any form without CRISIL’s prior written approval.

Overview

Indian Economy

Indian GDP grew by 7.1% in the Fiscal Year 2016, 6.7% in the Fiscal Year 2017 and is forecasted to grow by 7.4%, 7.8% and 7.9% for the Fiscal Years 2018, 2019 and 2020, respectively, according to CRISIL Steel Products Report, dated January 2018. Indian economic growth compares favourably to that of the United States (1.5%, 2.3%, 2.7%, 2.5% and 1.8%), EU (1.8%, 2.4%, 2.2%, 2.0% and 1.6%) and China (6.7%, 6.8%, 6.6%, 6.4% and 6.2%) for the Calendar Years 2016, 2017, 2018, 2019 and 2020, according to CRISIL Steel Products Report, dated January 2018.

The chart below shows GDP growth trends for India compared to global economies for the years indicated:



Source: CRISIL Steel Products Report, dated January 2018

Note:

(1) f – Forecasted

Foreign direct investment continued to flow into India despite global uncertainties in 2017. India experienced reduced inflation, falling to 3.0% in April 2017 from 3.8% in March 2017, according to the CIA World Factbook, leading to overall fiscal stabilization. Further, the Government introduced several reforms in an effort to improve the economy, including improvements in both current and fiscal deficits. India, the world's second largest country in terms of population (approximately 1.3 billion people), had an estimated GDP on a purchasing power parity basis of approximately USD 9.4 trillion in 2017, according to the CIA. This makes India the world's third largest economy by GDP after the United States and China.

Steel

Steel is one of the most important, multi-functional and adaptable materials in use today and is generally considered to be critical to industrial development. Steel is an alloy of iron and carbon which is produced from smelting and refining pig iron and/or scrap iron, steel and direct reduced iron ("DRI"). Steel contains less than 2% carbon and 1% manganese and small amounts of silicon, phosphorus, sulphur and oxygen. Steel is highly versatile, as it is hot and cold formable, weldable, hard, recyclable and resistant to corrosion, water and heat. Steel continues to be the production material of choice in the automotive, construction, machinery and other industries. Notwithstanding potential threats from substitute materials such as plastics, aluminum, glass and ceramics, steel continues to demonstrate its economic value.

Production Process

Steel production involves several processing stages, including iron making, primary and secondary steelmaking, casting and hot rolling. These are followed by fabrication processes such as cold rolling, forming, forging, joining, machining, coating and/or heat treatment. Steel can be made either from raw materials (e.g. iron ore, coal and limestone) or by recycling steel scrap. Iron making involves the reduction of iron ore from the natural oxide state to a metal known as either pig iron or DRI, depending on the iron making process used. There are primarily three iron making process routes in commercial use: blast furnace iron making; direct reduction (Midrex and HYL process) and direct smelting (i.e. Corex, FINEX, Hismelt among others). Steelmaking involves the removal of carbon and other impurities to convert the pig iron or DRI to steel and the addition of other metals to add desired properties in relation to strength, hardness and corrosion-resistance. There are essentially three methods employed for the production of steel: the blast furnace ("BF") and basic oxygen furnace ("BOF") process; the electric arc furnace method ("EAF") and the induction furnace method.

In the BOF method, the basic oxygen furnace converts iron from the blast furnace into steel. In the EAF method, recycled steel scrap, along with pig iron, is melted and converted into high quality steel by using high-power electric arcs. The general determining factor in choice of production process depends on the local availability of iron ore. The oxygen converter process is generally considered to be the most efficient steelmaking route for producing large volumes of high quality steel.

Types of Steel

There are currently more than 3,500 different grades of steel with many different properties – physical, chemical, environmental, 75% of which have been developed in just the last 20 years. Steel products are typically subdivided into the following two main categories:

- ◆ *flat products*, including hot and cold rolled steel, plates, galvanized steel, pre-painted steel, transformer steel and dynamo steel. Flat products are largely used in various industries, including construction, electrical engineering, machine building, automotive, energy, shipbuilding, and tube and pipe production; and
- ◆ *long products*, including blooms, slabs, billets, wire, rebars, beams and rails. Long products are mostly used in the construction, machine building, engineering and infrastructure industries such as railways, road construction.

The Global Steel Industry

The global steel industry is affected by a combination of factors, including periods of economic growth or recession, worldwide production capacity and the existence of, and fluctuations in, steel imports and protective trade measures. Steel prices are responsive to supply and demand dynamics and fluctuate in response to general and industry specific economic conditions. The global steel industry is cyclical and fragmented, and the growth or decline of the steel industry is linked to the economic cycle of a country and in particular, to industrial production and infrastructure development.

According to the worldsteel, global crude steel production in 2017 was approximately 1,691.2 MT, up 5.3% as compared to 1,606.3 MT in 2016. Crude steel production increased in all regions in 2017, except for in the Commonwealth of Independent States ("CIS", which includes Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan) which has remained stable (subject to current estimates as indicated).

World Steel Production

The steel industry operates predominantly on a regional basis as a result of the high cost of transporting steel and the restrictive effects of protective tariffs, duties and quotas. Historically, steel production has been concentrated in the developed markets such as the European Union, North America, Japan and the former Soviet Union. However, steel production in Asia, particularly

in India and China, has grown significantly over the past decade. The recent production shift to Asia has largely been the result of proximity to the major growth markets for steel consumption and the greater availability of inexpensive key raw materials. The levels of global imports and exports have generally increased as production has shifted towards low-cost production regions. The recent shift to Asia is also evident in the number of Asia based steel producers who are ranked amongst the top ten in crude steel production. China is the leading global steel producer, however, their production is expected to moderate in the coming years as government stimulus runs its course, according to CRISIL Steel Products Report, dated January 2018. This is expected to include not only fewer project additions, but also plans to decommission some Chinese capacity.

The following table sets forth the top ten steel producing countries in the world in 2017, as well as historical figures, according to the worldsteel:

Top Ten Steel Producing Countries

Country	2010	2011	2012	2013	2014	2015	2016	2017
(in MT)								
1. China	638.7	702.0	731.0	813.1	822.3	803.8	786.9	831.7
2. Japan	109.6	107.6	107.2	110.6	110.7	105.1	104.8	104.7
3. India ¹	69.0	73.5	77.3	81.3	87.3	89.0	95.5	101.4
4. United States	80.5	86.4	88.7	86.9	88.2	78.8	78.5	81.6
5. Russia	66.9	68.9	70.2	69.0	71.5	70.9	70.5	71.3 ^e
6. South Korea	58.9	68.5	69.1	66.1	71.5	69.7	68.6	71.0
7. Germany	43.8	44.3	42.7	42.6	42.9	42.7	42.1	43.3 ^e
8. Turkey	29.1	34.1	35.9	34.7	34.0	31.5	33.2	37.5
9. Brazil	32.9	35.2	34.5	34.2	33.9	33.3	31.3	34.4
10. Italy	25.8	28.7	27.3	24.1	23.7	22.0	23.4	24.1

Source: worldsteel

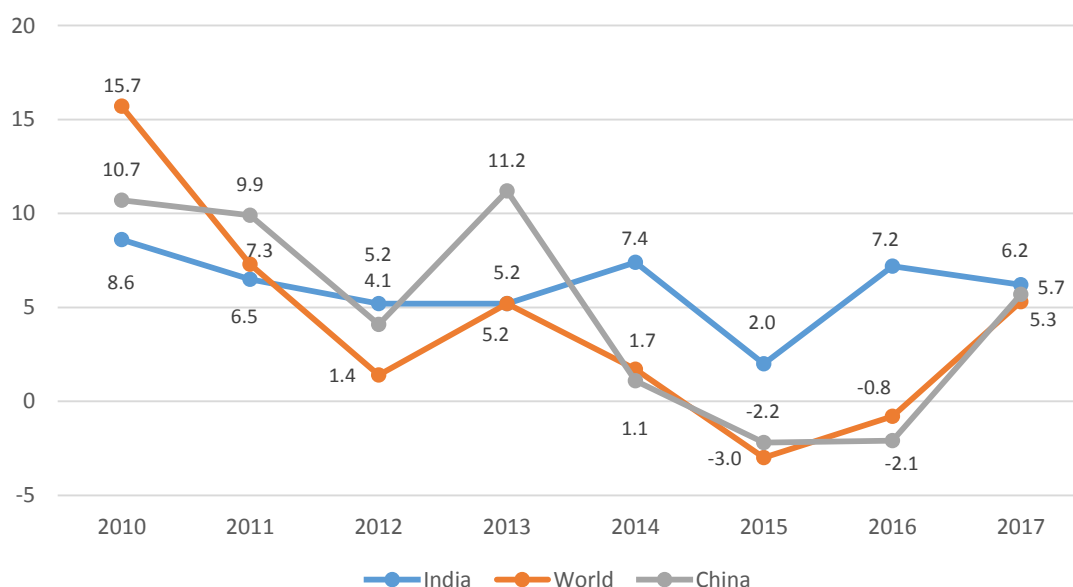
Note:

(1) India data as of the Fiscal Year ended March 31.

(2) e – Estimated

The following charts illustrate global crude steel production growth trends from 2010 to 2017:

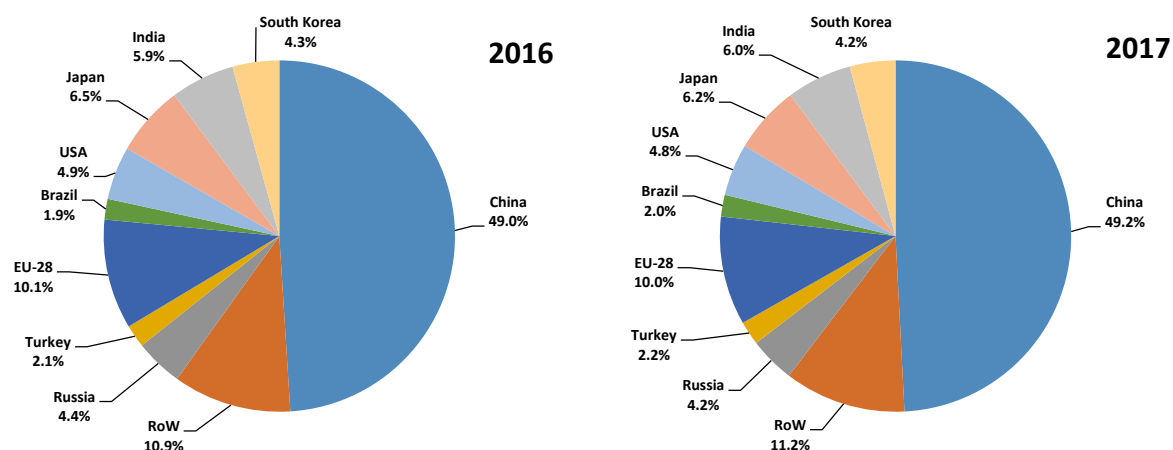
Steel Production Annual Growth (%)



Source: worldsteel

The following charts illustrate the percentage share of world crude steel production for the years 2016 and 2017:

Share of World Steel Production 2016 & 2017 (%)



Source: worldsteel

The following table sets forth historical crude steel production data by country or region from 2010 to 2017:

World Steel Production ¹	2010	2011	2012	2013	2014	2015	2016	2017
	(in MT)							
Europe (28 + other)	207	217	209	205	208	202	200	211
CIS	108	113	111	109	106	102	102	102
Nam	31	32	33	32	33	32	32	34
U.S.	80	86	89	87	88	79	79	82
South America	44	48	46	46	45	44	40	44
Middle East/Africa	37	39	40	43	45	43	45	50
Asia (excluding China, India and Japan)	100	112	110	88	119	115	116	125
China	639	702	731	813	822	804	787	832
India	69	73	77	81	87	89	95	101
Japan	110	108	107	111	111	105	105	105
Oceania	8	7	6	6	5	6	6	6
World total	1,433	1,538	1,560	1,641	1,669	1,620	1,606	1,691
<i>Annual change (%)</i>	—	7	1	5	2	(3)	(1)	5

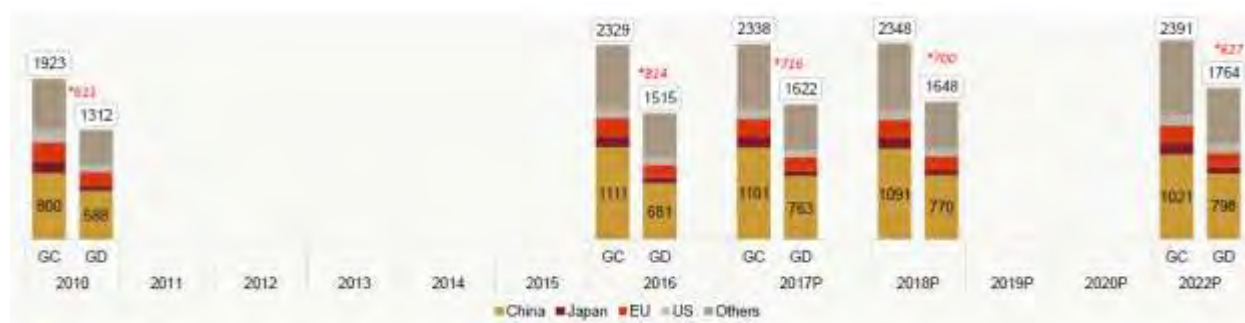
Source: worldsteel

Note:

(1) The world and regional production figures in this table includes estimates of other countries that only report annually.

The following chart illustrates the global steel oversupply situation through 2022:

Global Capacity Far Outpaces Demand Growth (MT)



Source: CRISIL Steel Products Report, dated January 2018

Note:

(1) GC – Global Capacity; GD – Global Demand

World Steel Consumption

Similar to steel production, demand for steel has shifted from developed economies to emerging economies, largely due to increased infrastructure and construction activity, especially in Asia, according to CRISIL Steel Products Report, dated January 2018.

World finished steel consumption reached 1,622 MT in 2017, representing an increase of 7% compared to 1,516 MT in 2016, according to worldsteel. All major steel consuming regions demonstrated moderate growth rates in 2017 as compared to 2016. China consumed 766 MT of steel in 2017, which is approximately 47% of all global consumption, according to worldsteel.

The following table sets forth finished steel consumption data by country or region from 2010 to 2017:

World Steel Consumption	2010	2011	2012	2013	2014	2015	2016	2017
	(in MT)							
Europe (28)	147	157	141	142	147	154	158	162
Other Europe	29	33	34	37	37	40	41	40
CIS	49	55	58	59	57	51	49	51
Nam	112	123	133	131	144	134	132	139
South America	45	47	49	51	48	46	39	40
Africa	28	29	33	36	37	39	38	37
Middle East	49	51	51	53	52	53	53	54
Asia/Oceania	851	918	945	1,026	1,016	983	1,005	1,099
China	588	641	660	735	711	672	681	766
India	65	70	72	74	75	80	84	87
World total	1,310	1,414	1,443	1,435	1,537	1,500	1,516	1,622
<i>Annual change (%)</i>	—	8	2	(1)	7	(2)	1	7

Source: worldsteel

Recent Trends in Steel Prices

Prices of steel products are generally sensitive to changes in worldwide and local demand, which in turn are affected by worldwide and country-specific economic conditions, available production capacity, and fluctuations in steel imports and exports and tariffs, according to CRISIL Steel Products Report, dated January 2018. With diverse product types and applications, steel is not completely fungible, due to the wide varieties in shape, chemical composition, quality and specifications, all of which is expected to impact sales prices. In addition, as there is a time lag between upticks in demand and increasing capacities to meet these needs and the high fixed costs involved, steel prices are cyclical and volatile in nature.

The price of hot rolled coils (“HRC”) is typically used as the proxy for steel pricing as it is the largest category of steel consumed. In recent years, oversupply of steel due to imports from China, economic slowdown in Europe and tempered growth in Asia, impacted steel prices. Lower steel prices have affected margins of major steelmakers in developed markets. China is expected to continue to account for approximately 45-50% of the global steel capacity despite its government’s efforts to shut down 50 MT of its capacity in 2017, thereby supporting higher global steel prices. However, over the long term, progress on

One Belt One Road and continued stimulus support by the Chinese government will be critical for sustainable growth given the overcapacity situation.

In 2017, with a strong uptick in demand, elevated coking coal prices and long-term (5 years +) regulatory barriers in several countries, such as the U.S. and the EU, on imports from China, CRISIL Steel Products Report, dated January 2018, expects that 2017 HRC prices will end at approximately USD 440.0- 460.0 per ton. This view is supported by the unexpected strong growth in global demand at 4-6% on-year in 2017, driven largely by Chinese demand on the back extended incentives, as well as the expectation for coking coal prices to further increase by approximately 20% on-year to average at USD 170.0 per ton.

Global Steel Outlook

According to the worldsteel, world finished steel demand is expected to reach 1,648 MT in 2018, increasing 1.6% from 1,622 MT in 2017. The apparent steel consumption in the NAFTA countries is estimated to increase by 4.9% in 2017 to reach 139 MT, and 1.2% in 2018 to reach 140 MT. The apparent steel consumption in the 28 countries of the European Union is expected to grow by 2.5% to reach 162 MT in 2017 and grow by 1.4% to reach 164 MT by 2018.

According to worldsteel, Indian steel consumption is estimated to grow by 4.3% to 87 MT in 2017 and 5.7% to reach 92 MT by 2018. China apparent steel consumption is estimated to grow by 3.0% to 766 MT in 2017 and leveling off in 2018. Apparent steel consumption for the world excluding China is estimated to increase by 3.0% in 2018.

The following table sets forth forecasts for 2018 and 2017 global steel demand by country or region:

World Steel Demand	2016	2017	2018	16/15	17/16	18/17
		(in MT)			(%)	
Europe (28)	158	162	164	2.8	2.5	1.4
Other Europe	41	40	42	1.2	(1.0)	5.2
CIS	49	51	53	(2.7)	3.6	3.8
NAm	132	139	140	(1.5)	4.9	1.2
South America	39	40	42	(13.5)	2.5	4.7
Africa	38	37	38	(2.7)	(1.6)	3.3
Middle East	53	54	57	(1.4)	1.5	4.8
Asia/Oceania	1,005	1,099	1,111	2.2	2.9	1.1
China	681	766	766	1.3	3.0	0.0
India	84	87	92	4.1	4.3	5.7
World total	1,516	1,622	1,648	1.0	2.8	1.6

Source: worldsteel

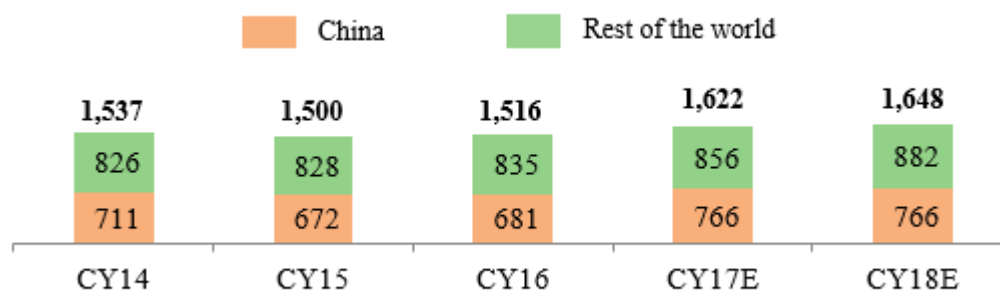
Some macro trends that are expected to affect the global steel industry include:

- China's economic deceleration;
- deceleration of population growth, ageing;
- increasing economic inequality;
- circular economy (4R – reduce, reuse, remanufacture, recycle);
- digitalization;
- premature de-industrialization; and
- climate change.

Following the closure of outdated induction furnaces in FY 2017, the nominal growth rate for steel demand in China increased to 12.4% or 766.0 million tons. The worldsteel expects 1.6% demand growth in steel for CY 2018.

Still, global economic momentum bodes well for steel demand growth as illustrated below:

Global Steel Demand (MT)



Source: worldsteel

Indian Steel Industry

Overview

According to India's Ministry of Steel, from the mid-1950s to the early 1970s, the Government set up large integrated steel plants in the public sector at Bhilai, Durgapur, Rourkela and Bokaro. The policy regime governing the industry during these years involved:

- capacity control measures, including licensing of capacity, reservation of large-scale capacity creation for the public sector units;
- a dual-pricing system: price and distribution control for the integrated, large-scale producers in both the private and public sectors, while the rest of the industry operated in a free market;
- quantitative restrictions and high tariff barriers;
- railway freight equalization policy to ensure balanced regional industrial growth; and
- controls on imports of inputs, including technology, capital goods and restrictions on finances and exports.

Creation in the public sector during these years contributed to making India the 10th largest steel producer in the world, as crude steel production grew markedly to nearly 15 MT in the span of a decade from only 1 MT in 1947. However, the trend could not be sustained from the late 1970's onward, as a general economic slowdown adversely affected the pace of growth of the Indian steel industry. However, this phase was reversed in 1992, when India replaced the control regime by liberalization and deregulation.

The provisions of the New Economic Policy initiated in the early 1990's impacted the Indian steel industry in the following ways:

- large-scale capacities were removed from the list of industries reserved for the public sector, including a licensing requirement for additional capacities being withdrawn subject to locational restrictions;
- private sector came to play a prominent role in the overall set-up;
- pricing and distribution control mechanisms were discontinued;
- the iron and steel industry was included in the high priority list for foreign investment, implying automatic approval for foreign equity participation up to 50%, subject to the foreign exchange and other stipulations governing such investments in general;
- freight equalization scheme was replaced by a system of freight ceiling; and
- quantitative import restrictions were largely removed and export restrictions were withdrawn.

The Indian steel industry has entered into a new development stage, post de-regulation, riding on the resurgent economy and rising demand for steel. A rapid rise in production has resulted in India becoming the third largest producer of crude steel in 2015 and 2016. India was the largest producer of sponge iron, or DRI, in the world during the period 2003-2015 and emerged

as the second largest global producer of DRI in 2016 (after Iran), according to the Ministry of Steel. India is also the third largest finished steel consumer in the world and maintained this status in 2016. In a de-regulated, liberalized economic, market scenario, the Government's role is that of a facilitator which lays down the policy guidelines and establishes the institutional mechanism and structure for creating a conducive environment for improving efficiency and performance of the steel sector. The liberalization of the industrial policy and other Government initiatives have already spurred growth in the private sector. While the existing units are being modernized or expanded, a large number of new steel plants have also come up in different parts of India based on cost-effective and state-of-the-art technologies. In the last few years, the rapid and stable growth of demand has also prompted domestic entrepreneurs to set up greenfield projects in different states of India. According to worldsteel, India produced 101.4 MT of crude steel in 2017, representing an increase of 6.2% compared to 95.5 MT produced in 2016.

India's Steel Production and Capacity Utilization

Crude steel capacity in the country stood at 124.8 MT in Fiscal Year 2017, as compared to 122.0 MT in the Fiscal Year 2016. The following table sets forth crude steel capacity in MT and capacity utilization as a percentage:

India Steel Capacity Utilization	Capacity	Production	Capacity utilization %
	(in MT)		
2012	90.9	74.3	82
2013	97.0	78.4	81
2014	102.3	81.7	80
2015	109.9	89.0	81
2016	122.0	89.8	74
2017 ¹	124.8	72.4	77

Source: "Ministry of Steel Annual Report for 2016-2017"

Note:

(1) Provisional data, pro-rata, based on annual capacity data

The above crude steel performance has primarily been contributed to by the strong trends in growth of the electric route of steelmaking, particularly the induction furnace route, which accounted for 30% in 2016 and 28% of total crude steel production in India during 2017 and has emerged as a key driver of crude steel production.

The shares of the different process routes in total production of crude steel in India during the years 2012 and 2017 are shown in the table below and indicate the emergence of the electric route of production compared to the oxygen route:

India Crude Steel Production by Process	2012	2017 ¹
	(route percentage share (%))	
Basic Oxygen Furnace	42	43
Electric Arc Furnace	6	29
Induction Furnace	32	28
Total	100	100

Source: "Ministry of Steel Annual Report for 2016-2017"

Note:

(1) Provisional data

India's Steel Prices

In 2012, domestic steel prices continued to rise due to the marginal increase in raw material costs. Prices rose by 7% year-on-year to ₹ 39,575 per ton during 2012, from ₹ 36,854.0 per ton in 2011. In 2013, the average international price declined to USD 582.0 per ton from USD 670.0 per ton in 2012, as raw material prices waned and demand for steel remained weak in the global market. However, domestic HRC prices remained relatively flat in 2013. A weak Rupee, a hike in the countervailing duty (to 12% from 10%) and an increase in the customs duty on flat steel (to 7.5% from 5%) have kept the landed cost of HRC imports high. Consequently, domestic steel prices remained firm in 2013.

After hitting multi-year lows in 2015 and 2016, domestic HRC prices rose by 17% in 2017 and are estimated to increase by 10% to 12% in 2018 driven by a 17% rise in global HRC prices, coupled with elevated coking coal prices, according to CRISIL Steel Products Report, dated January 2018.

The following chart sets forth the domestic HRC prices for the periods stated:

Domestic HRC Prices (₹/ton)



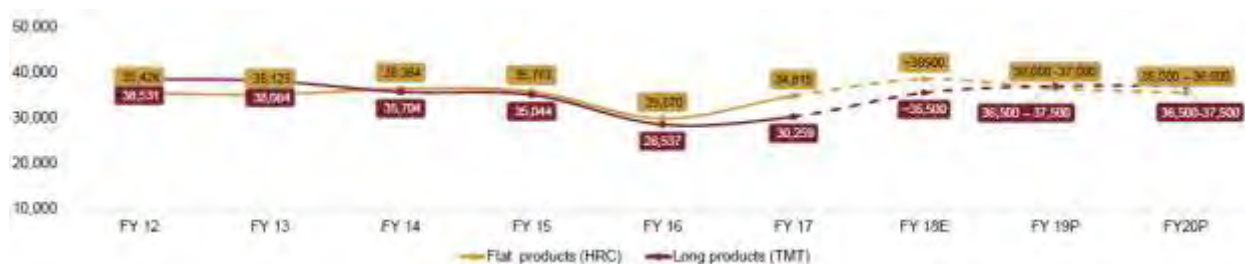
Source: CRISIL Steel Products Report, dated January 2018

Long product prices are estimated to increase at a relatively higher rate of 16% to 18% led by expectations of further demand growth of 5.5% to 6.5% for 2018, according to CRISIL Steel Products Report, dated January 2018.

In 2019, while long products prices are expected to stay firm based on domestic demand strength, HRC prices are expected to decline led by a decline in global prices, forcing domestic steelmakers to react to lower import prices.

The following chart sets forth the domestic prices for flat and long steel products for the periods stated:

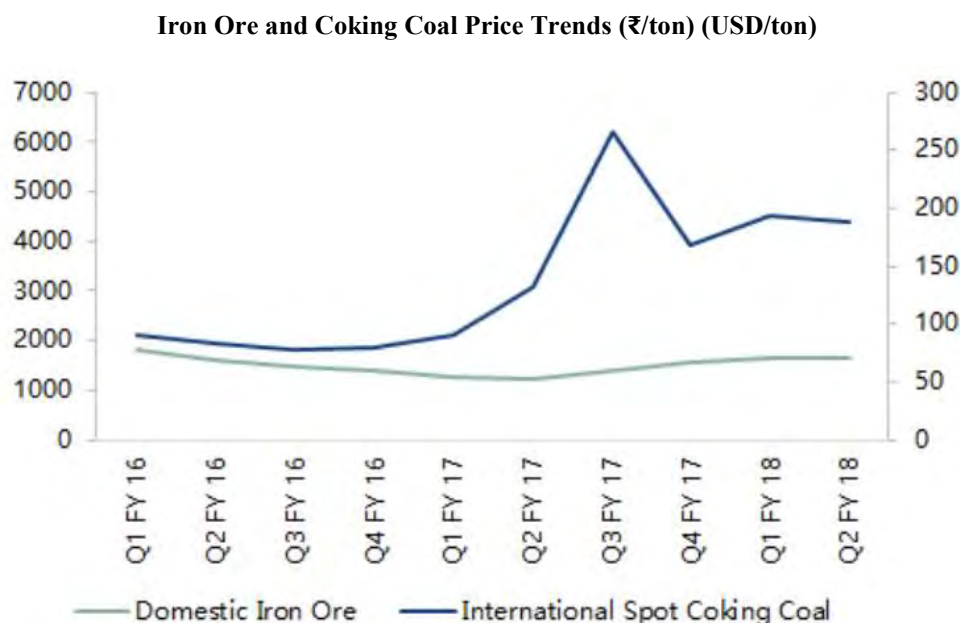
Domestic Flat and Long Steel Price Trends (₹/ton)



Source: CRISIL Steel Products Report, dated January 2018

Despite an estimated decline in global iron ore price on-year, Indian iron ore miners are expected to raise prices; as a result, domestic iron ore prices are expected to be approximately 35% higher year-on-year during Q3 of the Fiscal Year 2018. International coking coal prices are estimated to decline year-on-year. During October-December 2016, spot coking coal prices rose sharply to average at USD 266.0 per ton due to supply disruptions in China. However, during October-December 2017, prices are estimated to average at USD 195.0-200.0 per ton, according to CRISIL Steel Products Report, dated January 2018.

The following chart sets forth the prices of iron ore and coking coal for the periods stated on a domestic and international basis, respectively:



Source: CRISIL Steel Products Report, dated January 2018

India's Steel Consumption

India's demand for steel has been primarily driven by rapid urbanization and industrialization, its manufacturing industries and many large-scale infrastructure projects as the nation experienced strong economic growth. The increase in consumer affluence associated with its rapid industrialization has also contributed to a structural increase in demand for consumer durable goods, particularly electrical appliances and automobiles. This shift in consumer preference for these goods, driven by material increases in disposable income, has further boosted the demand for steel. According to the worldsteel, India's finished steel demand was 87.1 MT in 2017, representing an increase of 4.3% compared to demand of 83.5 MT in 2016. However, Indian steel demand is slow to realize its full growth potential.

According to the CRISIL Steel Products Report, dated January 2018, India's steel demand has not performed particularly well of late, most likely due to these reforms, but also due to a sluggish private investment resulting from a highly leveraged corporate sector. However, on average, in the past decade, India's steel demand has been growing on par with its GDP, from 2001 to 2016, GDP grew at 7.34% and steel use at 7.43%. This is a different scenario to that of China, where steel demand grew at a rate that was much faster than GDP during that country's take-off period.

The following chart sets forth Indian steel demand as a result of increased government spending:



Source: CRISIL Steel Products Report, dated January, 2018.

Key Growth Drivers

According to worldsteel, Indian finished steel demand growth is expected to accelerate to 5.7%, or 92.1 MT, in 2018, following 4.3% growth in 2017, due to an improved outlook for the construction and manufacturing sectors. Higher rates of urbanization is expected to lead to an increase in the intensity of steel consumption as per capita consumption of steel in urban India is much higher than in rural India. It is estimated that India's urban population will increase to 600.0 million by 2030 from the current level of 400.0 million. The rising middle class population of India is expected to generate additional demand for automobiles, white goods and other consumer non-durables leading to higher per capita steel consumption.

According to the Ministry of Steel, the new National Steel Policy 2017 is in step with the Government's long term vision to give an impetus to the steel sector. It seeks to enhance domestic steel consumption, ensure high quality steel production, and create a technologically advanced and globally competitive steel industry.

Vision on demand, supply and trade in the National Steel Policy:

- increase consumption of steel across major segments of infrastructure, automobiles, and housing, resulting in a potential rise in per capita steel consumption to 160 kg by 2030 from approximately 60 kg at present;
- achieve 300 MT of steel-making capacity by 2030 through additional investments of ₹ 10 trillion by 2031;
- domestically produce steel for high-end applications, including electrical steel (Cold Rolled Grain Oriented steel), special steel and alloys for power equipment, aerospace, defense, and nuclear applications; and
- reduce reliance on imports to nil and export approximately 24 MT of steel by 2030.

Vision on raw materials access and development of cost effective advanced technology:

- ensure availability of raw materials such as iron ore, coking coal and non-coking coal, natural gas, etc., at competitive rates through policy measures, asset acquisitions, etc.;
- raise availability of washed coking coal to reduce import dependence on it to 65% by 2031 (from 85% at present);
- focus on pelletization, through investments in slurry pipelines and conveyors;
- an emphasis on increasing share of BF route to 68% by 2030 (as per draft steel policy); and
- the adoption of energy efficient technologies in the micro, small and medium enterprise steel sector, to improve overall productivity and reduce energy intensity.

Industry Analysis – National Steel Policy 2017



Source: Ministry of Steel.

The following table sets forth expected sector-wise steel consumption in India as a result of National Steel Policy 2017 (in MT unless stated):

S. No.	Item	Current demand 2015-16	Projected demand in 2030-31
1	Infrastructure (Steel Projects, Oil refinery, Highways & Bridges, Airports, Seaports, Urban Infrastructure, Water transportation & sanitation, Industrial sheds, Pre-fabricated buildings)	9.5	90
2	Construction (Real Estate – residential, institutional, commercial & Industrial)	23.5	45
3	Engineering & Fabrication (Capital goods, Consumer durables, Yellow goods, Electrical goods, Industrial boilers & Pressure vessels, General engineering, Tube making, Cold reducing, Wire drawing, Nails, Fasteners, Bright bars, Agriculture implements, General fabrication including SMEs)	35	43
4	Automotive (Cars, two-three wheelers, commercial vehicles, auto components, tractors, bus trailer, tractor-trolley etc.)	2.5	10
5	Railways (Rail tracks, rolling stocks, wagons, coaches, etc.)	2	5
6	Packaging (Petroleum, non-petroleum, LPG cylinders, grain bins, GI boxes)	2	6

S. No.	Item	Current demand 2015-16	Projected demand in 2030-31
7	Energy (including Power projects, wind mills, power transmission)	3	11
8	Ship Building (AH 32/36, DH32/36, EH 32/36)	4	3
9	Oil & Gas Pipelines (X60, X65, X70 & X80 – For main line, X70 is mostly in use whereas X80 used in very limited quantities. For smaller pipes, X60 & X65 grade materials are in use)		4
10	Defence (including space, nuclear) (Steel grades – Maraging Steel, Ultra high strength steels such as AISI/SAE 4130, High strength 4140, deeper hardening and high strength 4340, 6150 & 8640; High alloy Hardenable steel viz. HP9-4-20, HP9-4-25, HP9-4-30, HP9-4-45, HP9-4-20 & HP9-4-30)		2
11	Others (Misc. other machinery)		11
Total Finished Steel Consumption in MT		81.5	230
Per Capita Finished Steel Consumption in Kgs		61	158

Source: Ministry of Steel

The following table sets forth forecasted major raw material requirements by 2031 (in MT unless stated):

Raw materials	Projections
Iron ore requirement	447
Coking coal requirement	180
Non-coking coal requirement for PCI	35
Non-coking coal requirement for DRI	82
Natural Gas (in MMSCMD ²)	(Under Discussion)
Manganese ore requirement	11
Chromite ore requirement	5
Limestone & dolomite requirement	91
Ferro-alloys	4
Refractories	3.2
Scrap	11

Source: Ministry of Steel

In order to keep pace, Indian crude steel capacity is expected to grow from 118 MT in 2017 to 300 MT by 2031, representing 182 MT in additional capacity, according to CRISIL Steel Products Report, dated January 2018. Production is expected to increase from 97 MT in 2017 to 255 MT by 2031, representing a CAGR of 7.1%. Domestic demand, expected to reach 84 MT in 2017, is forecasted to reach 206 MT by 2031, representing a CAGR of 6.6%. Imports are expected to be 7.4 MT in 2017, with exports of 8.2 MT, of which are expected to reach 24 MT by 2031, representing a CAGR of 8.3%. Import data is unavailable for the same period, according to CRISIL Steel Products Report, dated January 2018.

India Steel Producers

The private sector of the Indian steel industry is currently playing an important role in production and growth of the steel industry in the country. The private sector units consist of both large scale steel producers as well as relatively smaller and medium scale units such as sponge iron plants, mini-blast furnace units, electric arc furnaces, re-rolling mills, cold-rolling mills

and cooling units. These contribute substantial value addition in terms of quality, innovation and cost effectiveness.

The following table sets forth key capacity additions by leading domestic steel producers:

Indian Crude Steel Capacity (MT)											
	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17 e	FY 18 f	FY 19 f	FY 20 f	FY 21 f	FY 22 f
SAIL	13.3	13.3	13.3	18.6	18.6	19.1	21.4	21.4	21.4	21.4	21.4
RINL	3.3	3.3	3.3	6.3	6.3	6.3	6.3	7.3	7.3	7.3	7.3
Tata Steel Ltd.	9.7	9.7	9.7	9.7	12.5	12.5	13	13	14	17	19
ESSAR	10	10	10	10	10	10	10	10	10	10	10
JSWL	14.3	14.3	14.3	14.3	18	18	18	18	18	23	23
JSPL	3.0	3.0	4.6	4.6	4.8	5.1	8.6	8.6	8.6	8.6	8.6
NMDC	–	–	–	–	–	–	–	3	3	3	3
Others	37.4	43.4	46.8	46.5	51.8	55.3	55.3	55.3	55.3	55.3	55.3
Total capacity	91	97	102	110	122	126	133	137	138	146	148
	Brownfield capacity expansion										
	Greenfield capacity expansion										

Source: CRISIL Steel Products Report, dated January 2018

Note:

(1) e – Estimated; f – Forecasted

Recent Developments

In the recent past, the Government has undertaken several initiatives to protect the debt laden domestic steel industry. Though the Government has hiked the custom duty on imports (of flat and long steel products) twice, by 2.5% each, in June and August 2015, and has also imposed a 20% provisional safeguard duty on HRC imports in September 2015, to protect the domestic industry, the steps were inadequate for the domestic manufacturers. Consequently, on February 6, 2016, the Government levied a minimum import price (“MIP”) on 173 iron and steel products, including semi-finished products and flat and long steel products for a period of six months, according to CRISIL Steel Products Report, dated January 2018.

The levy of a MIP for two additional months on the pruned list of 66 products on August 4, 2016. Further, in order to cover the other products, the Government levied an anti-dumping duty on HRCs and plates in the range of USD 474.0- 557.0 per ton on China, Russia, Japan, Korea, Brazil and Indonesia for a period of six months on August 9, 2016. The Government is also expected to levy an anti-dumping duty on CR coils soon. Through these initiatives, the Government continues to safeguard and shield the domestic steel industry which has been adversely impacted on account of lower realizations and higher imports since the second half of 2015. In the wake of the expected levy of anti-dumping duty, the Government has discontinued the safeguard duty on flat rolled and HRCs which it had imposed in March 2016.

These initiatives aided the domestic steel industry with prices inching up, however, the uptick was limited on account of a demand-supply imbalance (low off-take especially in the most recent 1-2 months emanating from weak demand as well as seasonality induced impact). With MIPs time period expiring, the Government recently announced the continuation of MIP on a pruned list of 66 products (from the earlier 173 products) for an additional period of two months. The items primarily include semis, value-added flat and long products. However, HRC, CR, and plates are excluded from the purview of MIP with a proposed anti-dumping duty expected on the products. MIP is applicable on imports from Japan, Russia, Korea, China and Brazil. With the aforementioned efforts, the Government has effectively covered the entire gamut of the earlier 173 iron and steel products.

The Union Budget for 2018 was announced by the Government in Parliament on February 1, 2017. Budget 2018 contains three major reforms: advancement of date of presentation, merger of railway budget with general budget, done away with Plan and non-Plan expenditure. Initiatives such as a USD 35.7 billion investment in the transportation sector, including rail, roads and shipping, smart homes, promoting affordable housing as well as the real estate sector across the board, including a scheme for profit-linked income tax deductions for promotion of affordable housing – carpet area instead of built up area of 30 and 60 square meters will be counted, as well as the goods and services tax (“GST”) scheme, contribute to the USD 224.0 billion budget for 2018. According to CRISIL Steel Products Report, dated January 2018, the GST will have a neutral impact on steel products.

The following infographic outlines the effects of the newly instated GST on certain aspects of steel production in India:



Source: CRISIL Steel Products Report, dated January 2018

Note:

- (1) Includes Excise duty of 12.5%, VAT of 5.5%, and other levies wherever applicable.
- (2) Includes Excise Duty of 6.18%, VAT of 5%, Entry Tax of 0.5%, %, and other levies wherever applicable.
- (3) Includes VAT of 5.5%, %, and other levies wherever applicable.

Key Raw Material Sources

The demand for raw materials correlates closely with the steel market, with prices fluctuating according to steel supply and demand dynamics. Steel raw material prices increased dramatically in 2003, as a robust increase in Chinese consumption of steel created a scarcity. Fueled by strong demand from China, prices of key inputs began to rise.

Iron ore

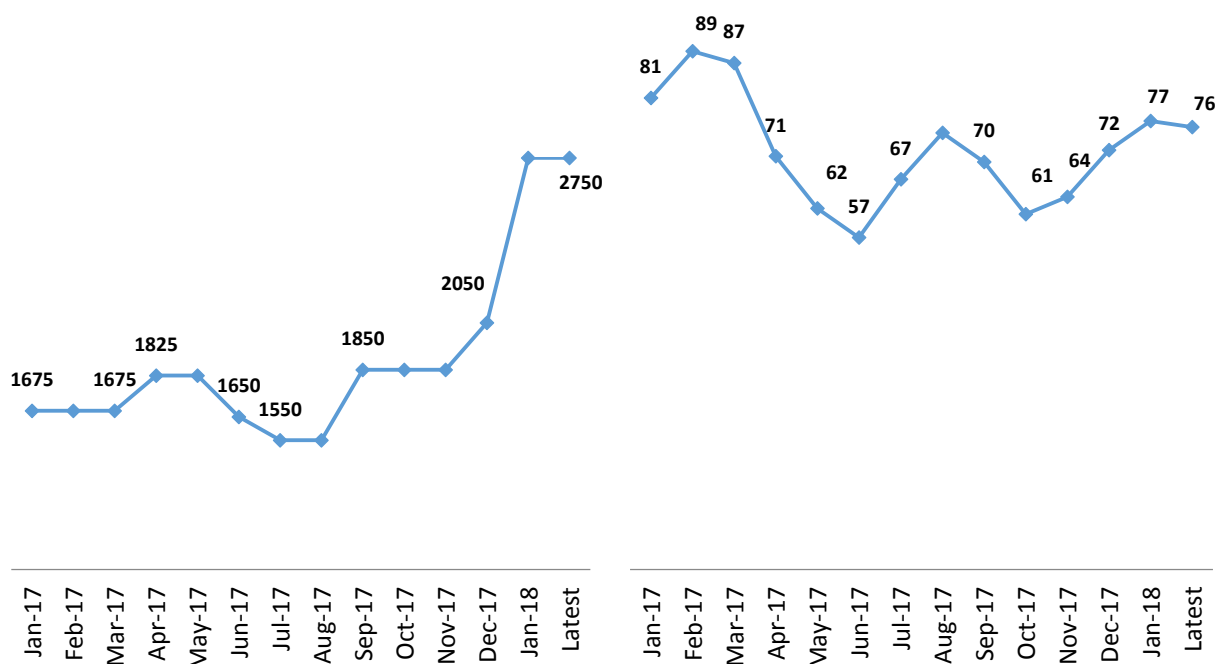
Iron ore is the basic raw material used in steelmaking. Though iron ore is abundantly available in India, large scale exports of iron ore have raised serious concerns about the future availability of iron ore resources to meet fast rising domestic steel demand. At present, export of iron ore is being discouraged through higher tariff levels. For the steel industry, the critical area of concern continues to be the restrictions on mining in major iron ore producing states including Karnataka, Goa and Odisha, resulting in poor availability and inconsistent quality of iron ore.

According to CRISIL Steel Products Report, dated January 2018, the availability of iron ore decreased in 2010 as the Government closed down several mines, especially in Karnataka due to rampant illegal mining. The situation worsened in August 2011 when the Supreme Court of India ordered a complete ban on mining in Karnataka and closure of certain mines in Odisha. Subsequently, domestic iron ore prices increased to approximately ₹ 7,291 per ton in 2011 and remained flat in 2012. In September 2012, iron ore mining was completely banned in Goa in an effort to curb illegal mining. In 2013, domestic iron ore prices increased further by 6% year-on-year, despite a fall in international iron ore prices, as a weak Rupee drove up the landed cost.

International iron ore prices declined by approximately 14% in November 2017. In line with the international trend, domestic prices also decreased by approximately 4%. Going forward, CRISIL Steel Products Report, dated January 2018, expects prices to be range bound. Further, international iron ore prices remained elevated in 2017 due to the rise in Chinese procurement amid anticipated growth in demand on the back of recent credit stimulus by the Government. However, continuation of these incentives are unlikely to continue in 2018. As a result, a widening demand supply gap is expected to pull down prices in 2018, according to CRISIL Steel Products Report, dated January 2018.

Indian producers can source raw materials such as iron ore more cheaply than on the international market. The charts below, taken on a 65.0 ₹:1.0 USD currency basis, illustrate a discount of nearly 80% for the latest:

Domestic and International Prices (₹/ton) (USD/ton)



Source: CRISIL Steel Products Report, dated January 2018.

Coking Coal

The domestic availability of coking coal, a critical raw material required by the steel industry, is limited and therefore the Indian steel industry is heavily dependent on imported coking coal. Currently, domestic steelmakers meet 70% of their coking coal requirement through imports, according to CRISIL Steel Products Report, dated January 2018. The quantum of imports is likely to go up significantly as steel production in a large number of new projects is likely to be through the BOF route.

According to CRISIL Steel Products Report, dated January 2018, global demand for coking coal increased at a 4.3% CAGR to 854.0 million tons in 2011 from 691.0 million tons in 2006, largely led by China – the country's consumption increased at a 7.7% CAGR to 522.0 million tons from 359.0 million tons over the same period. On the other hand, demand for coking coal from Europe declined, as the economic slowdown there affected demand for steel. Average coking coal prices rose to a historic high of USD 289.0 per ton in 2011 as floods in Queensland severely impacted mining operations in Australia. With the affected mines resuming operations and gradually achieving their peak capacities, prices of coking coal began to ease from July 2011. Even as the supply-side disruptions abated, demand for coking coal dipped in 2012, since slowing GDP growth of major importing countries crimped demand for steel. The contract prices of coking coal declined to USD 192.0 per ton in 2013 from USD 288.0 per ton in 2012, according to CRISIL Steel Products Report, dated January 2018.

Global coking coal prices declined by 11% during November 2017. Consistent with international trends, domestic prices also decreased by approximately 4%. Going forward, CRISIL Steel Products Report, dated January 2018, expects prices to be range-bound. Further, global coking coal prices are expected to remain elevated from 2017 and into 2018 as a result of the aforementioned Chinese stimulus. However, CRISIL Steel Products Report, dated January 2018, expects coking coal prices to be lower in 2018.

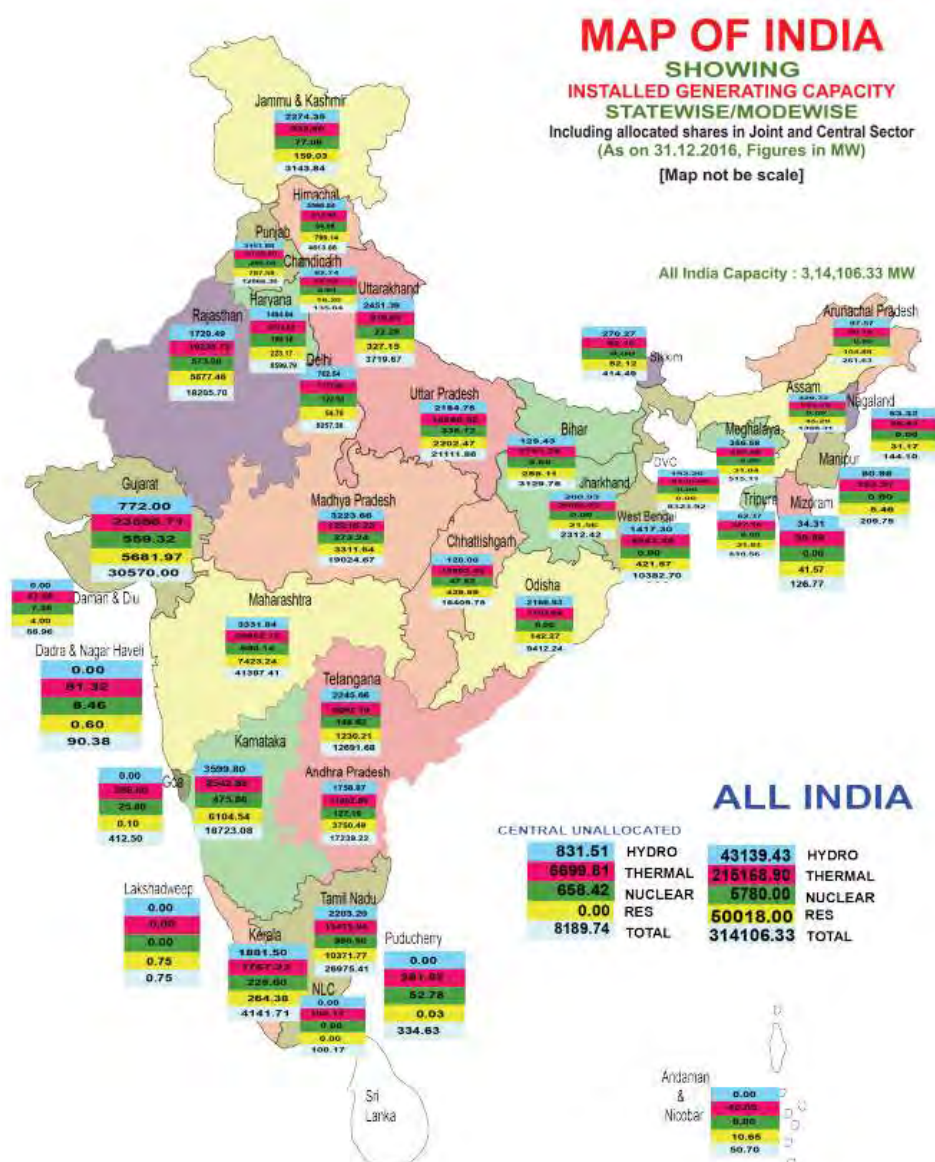
Thermal Coal

According to the Geological Survey of India, as of April 2016, total coal reserves in India was estimated at approximately 308.8 billion tons (including the non-recoverable reserves under riverbeds or urban areas). Out of this, proven reserves stood at approximately 138.1 billion tons, according to CRISIL Steel Products Report, dated January 2018. Coal production has improved recently with faster clearances and land acquisition and the implementation of the Shakti scheme.

India Power

Overview

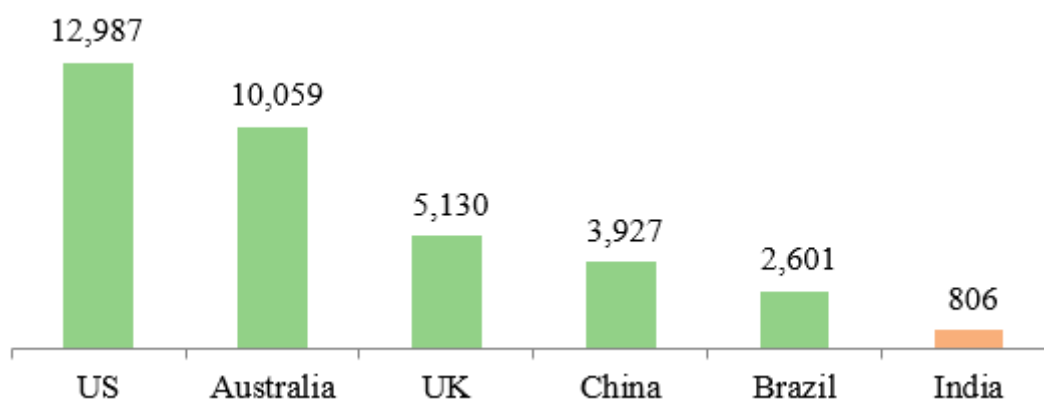
The following map illustrates the installed generating capacity for power by state in India:



Source: Ministry of Power as of December 31, 2016

India's National Grid has an installed capacity of 330.86 GW as of December 31, 2017. Renewable power plants constituted 18.8% of total installed capacity. During the Fiscal Year 2017, the gross electricity generated by utilities in India was 1,236.39 tWh and the total electricity generation (utilities and non-utilities) in the country was 1,433.4 tWh, according to the CEA. The gross electricity consumption was 1,122 kWh per capita in 2017. India is the world's third largest producer and fourth largest consumer of electricity, according to the CEA. Electric energy consumption in the agriculture sector was the highest at 17.89% in 2016 globally, compared to a considerably low per capita electricity consumption compared to many other countries, despite a cheaper electricity tariff regime in India.

Global Per Capita Electricity Consumption in 2014 (kWh/Year)



Source: CRISIL Power Report, dated January 2018

According to CRISIL Power Report, dated January 2018, the total installed power capacity (excluding renewable energy) in India increased to 268,751 MW at the end of 2017 from 174,173 MW at the end of 2012, representing an addition of 94,577 MW. Moreover, approximately 48,279 MW (provisional) of captive power capacity is also connected to the grid (as of March 2016). Capacity additions have exceeded the target set for each year from 2012 to 2017. The Electricity Act, 2003 coupled with competitive bidding for power procurement implemented in 2006, encouraged the participation of private players who announced large capacity additions. As a result, private players have commissioned significant capacity over the past years and have provided momentum to the industry, according to CRISIL Power Report, dated January 2018.

India Power Sources Overview

The India power sector generates electricity by a variety of fuel sources and technologies, including: thermal fuels, such as coal, gas, diesel, nuclear generation, and renewables, such as hydroelectric generation, and soon to include capacities of solar and wind.

The following sets forth an overview of India's installed capacity growth across all fuel sources:

Growth of installed capacity in India

Installed Capacity as on	Thermal (MW)				Nuclear (MW)	Hydro (MW)	Renewable (MW)		Total (MW)	% Growth (yearly)
	Coal	Gas	Diesel	Sub-Total Thermal			Other Renewable	Sub-Total Renewable		
31-Mar-2002	62,131	11,163	1,135	74,429	2,720	26,269	1,628	27,897	105,046	4.49%
31-Mar-2007	71,121	13,692	1,202	86,015	3,900	34,654	7,760	42,414	132,329	5.19%
31-Mar-2012	112,022	18,381	1,200	131,603	4,780	38,990	24,503	63,493	199,877	9.00%
31 Mar 2017	192,163	25,329	838	218,330	6,780	44,478	57,260	108,518	326,841	10.31%

Source: Ministry of Power

Coal. A coal-fired plant is usually located near coal mines or where it is economically feasible to transport coal, and work economically and efficiently at a constant load. However, the plants cannot be stopped or started frequently or rapidly. In low capacity operations (lower than 50% to 70%), boilers need to burn furnace oil or diesel as supplementary fuel, in order to support a steady flame. As a result, coal-based power plants are generally used for meeting base-load demand and cannot be used for meeting peak demand.

As of 2017, approximately 72% of total installed thermal capacity was based on coal as a fuel, and conventional generation remains a major contributor to India's generation plans going forward, according to CRISIL Power Report, dated January 2018. According to the Geological Survey of India, as on April 2016, total coal reserves in India were estimated at approximately 308.8 billion tons (including the non-recoverable reserves under riverbeds or urban areas). Out of this, proven reserves stood at approximately 138.1 billion tons, according to CRISIL Power Report, dated January 2018.

Natural gas. Natural gas is increasingly used in Combined Cycle Gas Turbine power stations in view of the very high efficiencies resulting from the use of advanced technology gas turbines.

Natural gas-based power generation capacity accounted for approximately 9% of the total installed capacity as of March 2017.

According to the provisional data reported by the Petroleum Ministry, as of April 2016, the proven and recoverable reserves of natural gas in India were estimated at 1,227.2 billion cubic meters (“bcm”), of which approximately 61% are located in offshore regions, in the Bombay High, Cambay Basin and KG Basin, according to CRISIL Power Report, dated January 2018.

Hydroelectric. Hydroelectric power generation is based on the sustainable development of river basins. The hydroelectric potential of a river basin forms an integral part of the electric power supply industry, as well as water resources development of the basin.

The share of hydroelectric capacity as a percentage of total generating capacity stood at 17% as of March 2017. During the Twelfth Five Year Plan period, 5,479 MW of hydroelectric power capacity were added, which was about 6% of the total capacity additions over that period, according to CRISIL Power Report, dated January 2018.

Nuclear. According to the National Electricity Plan (April 2007), nuclear power is a clean, environmentally friendly and economically viable source of power generation. The role of nuclear power is important as a complement to the fossil thermal power generation to meet the base load demand and to minimize coal transportation from the regions rich in coal reserves to deficit regions located far from the coal belt. Nuclear power is expected to have an increasingly important role in power generation and provide energy security given the finite resources of fossil fuels. As nuclear fuel is a concentrated source of energy, quantities of waste are much smaller than in the case of coal-based stations.

Nuclear power accounts for approximately 3% of the total electricity generated in India, according to CRISIL Power Report, dated January 2018. As of March 2017, the installed capacity of nuclear power plants in India was 6,780 MW. However, in May 2017 the Government has approved the setting up of ten indigenous Pressurized Heavy Water Reactors for nuclear power generation. The Government hopes to dramatically expand India’s capacity to 63 GW by 2032, according to CRISIL Power Report, dated January 2018.

Renewables. The Ministry of New and Renewable Energy (“MNRE”) is driving the advancement of the following renewable energy sources: solar, wind, small hydro and bio-power. The increased use of these indigenous renewable resources is expected to reduce India’s dependence on expensive imported fossil fuels. India has an estimated renewable energy potential of approximately 900 GW from commercially exploitable sources, including: wind – 102 GW (at 80 meter mast height); small hydro – 20 GW; bio-energy – 25 GW; and 750 GW solar power, assuming 3% wasteland, according to the MNRE.

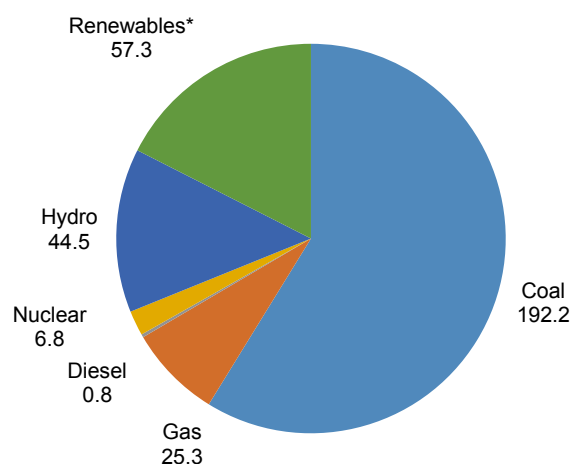
Various policy measures have been initiated and special steps taken in addition to providing financial support to various schemes being implemented by the MNRE for achieving the target of renewable energy capacity to 175 GW by the year 2022. These include suitable amendments to the Electricity Act and Tariff Policy for strong enforcement of Renewable Purchase Obligation and for providing Renewable Generation Obligation; setting up of exclusive solar parks; development of power transmission network through Green Energy Corridor project; identification of large government complexes and buildings for rooftop projects; provision of roof top solar and 10 percent renewable energy as mandatory under Mission Statement and Guidelines for development of smart cities; amendments in building bye-laws for mandatory provision of roof top solar for new construction or higher Floor Area Ratio; infrastructure status for solar projects; raising tax free solar bonds; providing long tenor loans; making roof top solar as a part of housing loan by banks and NHB; incorporating measures in Integrated Power Development scheme for encouraging distribution companies and making net-metering compulsory as well as raising funds from bilateral and international donors and the Green Climate Fund to achieve the target.

The total capacity additions in the Twelfth Five-Year Plan (2012-2017), setting forth the strategic direction for the Government during the period, was 99,210 MW against a target of 88,537 MW. This achievement was primarily due to significant capacity additions by the private sector whose share of the total installed capacity was approximately 55%, according to CRISIL Power Report, dated January 2018.

Coal-fired capacities account for a large portion (approximately 71%) of the overall fuel mix as it continues to remain the most widely available and the cheapest source of fuel available. On the other hand, the share of hydro plants has declined to 17% in 2017 from about 22% in 2012, according to CRISIL Power Report, dated January 2018. The share of hydro plants fell on account of issues such as delay in environmental clearances, difficulties in land acquisition, adverse weather conditions and labor issues.

The following chart sets forth the composition of installed capacity in India:

Indian Current Installed Capacity by Fuel Source As of March 31, 2017 (GW)



Source: CEA

Note:

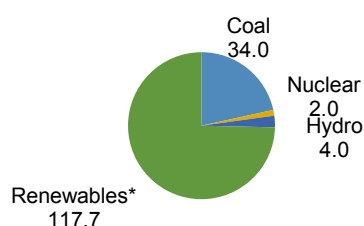
(1) Renewables include Solar, Wind, Small Hydro and Bio-power.

Capacity additions of approximately 40 GW of conventional generation are expected from 2018 to 2022 compared to 98 GW over the past five years. With PPAs tied up under MoUs and aggressive capacity expansion plans, central sector entities are expected to add approximately two-thirds of these capacities. Private sector additions are expected decline sharply due to weak financials of certain developers, as well as large scale existing untied capacities. Larger players have also taken a hit, which is expected to result in slower capacity expansion, according to CRISIL Power Report, dated January 2018.

In addition, the MNRE has taken several steps to fructify Prime Minister Shri Narendra Modi's dream of clean energy. The largest renewable capacity expansion program in the world is being undertaken by India. The Government is aiming to increase share of clean energy through massive thrust in renewables. Core drivers for development and deployment of new and renewable energy in India have been energy security, electricity shortages, energy access and climate change, among others. A capacity addition of 14.30 GW of renewable energy has been reported during the last two and half years under Grid Connected Renewable Power, which includes 5.8 GW from solar power, 7.04 GW from wind power, 0.53 GW from small hydro power and 0.93 GW from bio-power. According to the MNRE, the Government is confident it will achieve 40% cumulative electric power capacity from non-fossil fuel based energy resources by 2030 with the help of transfer of technology and low cost international financing, including from the Green Climate Fund. As on October 31, 2016, solar energy projects with an aggregate capacity of more than 8,727.62 MW have been installed in the country.

The following chart illustrates the push by renewables in capacity additions through 2022:

Indian Capacity Additions: FY18 - FY22 (GW)



Source: CRISIL Power Report, dated January 2018, MNRE

Note:

(1) Renewables include Solar, Wind, Small Hydro and Bio-power.

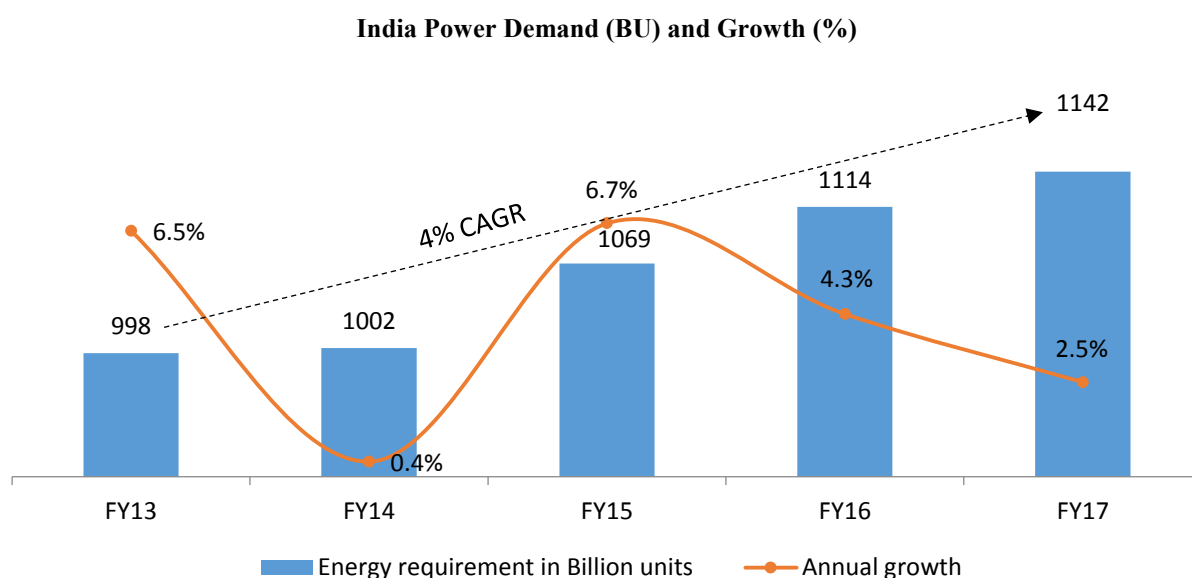
(2) Incremental capacity of 117.7 GW based on 175 GW target set by MNRE by FY 2022.

India Power Demand and Supply

After registering a robust 6.7% growth rate in 2015, India's energy requirement has increased at a sluggish 4.3% and 2.5% rate in the Fiscal Year 2016 and 2017, respectively, according to CRISIL Power Report, dated January 2018. As a result, in the past five years, the overall growth rate in energy requirement remained tepid at 4% CAGR. Historically, power demand growth has largely followed the GDP growth trend. However, in the past five years, power demand has remained low despite healthy GDP growth of 6.8% CAGR, largely on account of the following reasons (according to the Ministry of Power):

- well-distributed and satisfactory monsoon season during 2017;
- improvement in energy efficiency: Governments LED and efficient appliances distribution under UJALA scheme;
- reduction in transmission and distribution (“T&D”) losses from 24.6% in Mar 2015 to 20.1% in March 2017;
- power cuts and load shedding owing to weak financial health; and
- lack of intensive rural electrification- completed for only 55% of set target.

The following chart illustrates India's power demand over the past five years:

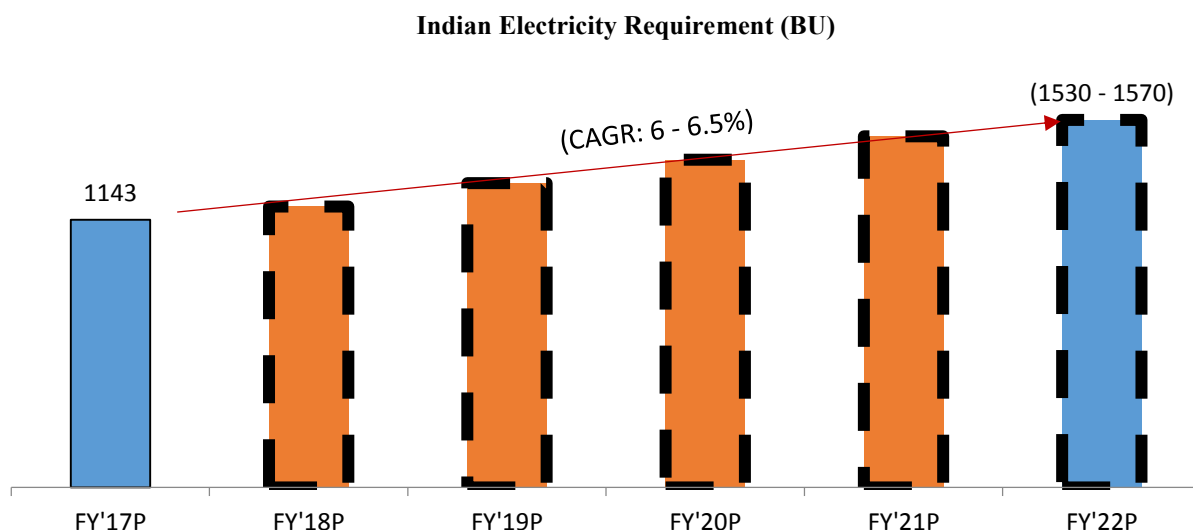


Source: Ministry of Power.

Electricity consumption in the domestic segment is estimated to increase at a pace of approximately 8.5-9.0% during 2018-22 and its share in total electricity consumption is expected to increase to 25% in 2021 from 23% in 2016. This growth will be led by high latent demand, rapid urbanization in the country and Government initiatives such as rural electrification and the Government's 24x7 "Power for All" by 2019 vision, according to CRISIL Power Report, dated January 2018. Power off-take by the residential segment is also expected to be supported by rising disposable income. The demand is expected to be met through higher power availability, coupled with improved access to electricity. However, higher use of energy efficient equipment and a rise in domestic tariffs should limit the substantial rise in domestic consumption.

As compared to the residential segment, the growth in industrial demand is expected to be lower at approximately 6-6.5%, according to CRISIL Power Report, dated January 2018. Although the Government's push to the manufacturing sector under "Make in India" campaign should assist industrial demand, implementation of the policies is expected to take a longer time, thereby restricting growth from the industrial segment. Consumption by commercial and agriculture segments is expected to grow at a moderate pace of 7% to 7.5%, owing to the development of cities and a higher availability of electricity in rural areas, respectively.

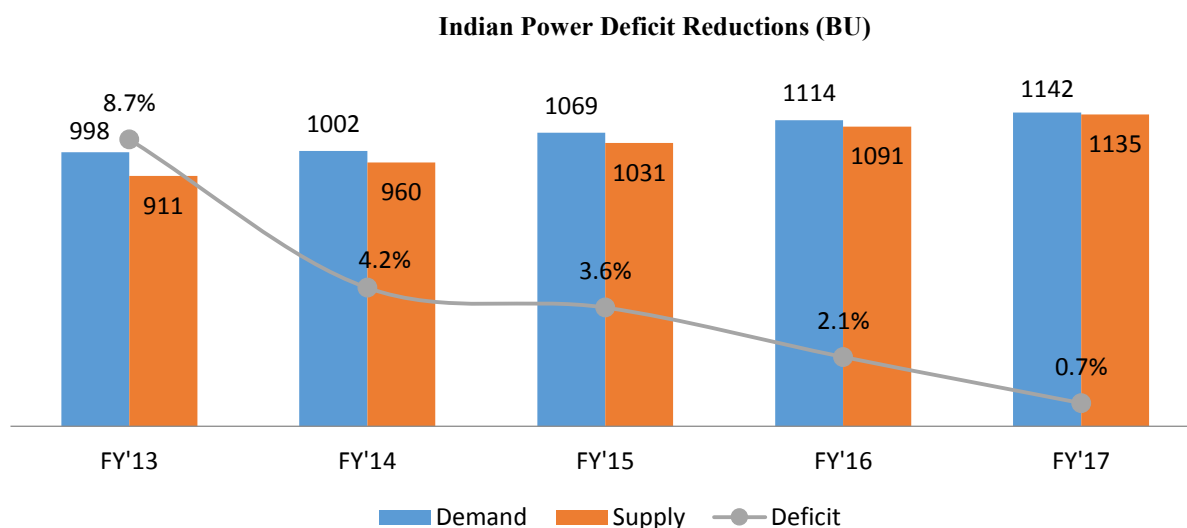
CRISIL Power Report, dated January 2018, expects power demand to rise at a higher pace of 6.0% to 6.5% CAGR over the next five years from 2018 to 2022:



Source: CRISIL Power Report, dated January 2018.

Indian base power deficit declined to 0.7% in 2017, led by strong growth in the power supply, according to CRISIL Power Report, dated January 2018. While electricity requirement grew at 4% CAGR in the past 5 years (2013 to 2017), power availability increased at a faster pace of 5.8% CAGR on the back of strong capacity additions, both in the generation and transmission segments. The decline was sharp, particularly in 2014, on account of muted demand growth of 0.4%, the lowest witnessed over the past three decades. This was due to a decline in industrial and commercial demand owing to weak economic growth during the year.

The following illustrates the Indian power deficit reduction over time:



Source: CRISIL Power Report, dated January 2018

Base deficit has reached below 1% level in almost all the major states (except Uttar Pradesh) and states like Gujarat, Maharashtra, Madhya Pradesh, Punjab, Haryana, Tamil Nadu and Telangana are showing zero deficit as of March 2017. However, CRISIL Power Report, dated January 2018, believes that, terming this scenario as a power surplus situation is not appropriate, as there is still off-grid untapped latent demand in the country and 100% intensive rural electrification and 24x7 power supply has not yet been achieved. In fact, while per capital electricity consumption in India was approximately 1010 kwh, just one third of the global average, the eastern and north eastern regions lagged far behind at 618 kwh and 338 kwh as of March 2015, respectively. This indicates that the lower power demand is on account of lagging rural electrification, sub-optimal distribution infrastructure and absence of last mile connectivity.

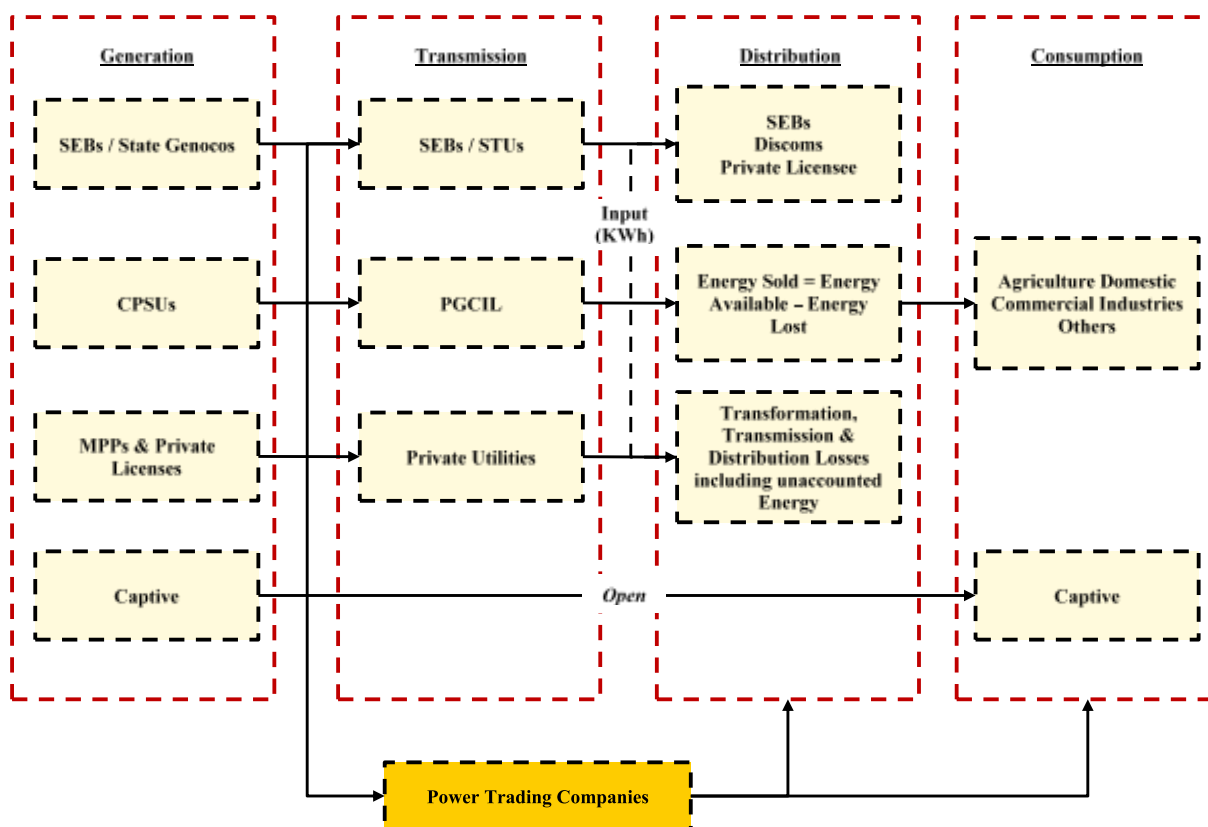
Further, keeping in the view the role of electricity in human and socio-economic development, the Government has formulated the Saubhagya scheme to ensure that last mile connectivity and electricity connections to all remaining un-electrified households in the country. To achieve universal household electrification in the country, the total cost will be approximately USD 2.5 billion, and a budget commitment of up to USD 1.9 billion in 2018.

Indian Power Industry Structure

The power sector in India can broadly be divided into four distinct areas – generation, transmission, distribution and consumption. Power generation is undertaken by the Government and State Governments, with increasing participation from private players, including captive power projects, which includes power generation from a project set up for industrial consumption. Further, the market includes merchant power plants (“MPPs”), which generate electricity for sale in the open wholesale market. Typically MPPs do not have long-term PPAs and are generally built and owned by private developers at their own cost, and are a product of the restructuring of the electricity industry.

Power transmission is handled by the Government and State Governments, with limited private sector participation so far. Power distribution is carried out by various state distribution companies (“discoms”), such as Kerala State Electricity Board, Karnataka Power, GOA Electricity Board and MPEB, as well as by private discoms, such as Tata Power, BSES Yamuna, BSES Rajdhani and Reliance, as well as certain licensees.

The following diagram depicts the structure of the Indian power industry for generation, transmission and distribution and consumption:



Source: CEA

Note:

- (1) State Gencos – State Generation Companies
- (2) CPSUs – Central Public Sector Units
- (3) SEBs – State Electricity Boards
- (4) STUs – State Transmission Unit
- (5) PGCIL – Power Grid Corporation of India Limited

PGCIL, a Central Transmission Utility, is responsible for planning inter-state transmission system. Similarly, there are State Transmission Utilities (namely State Transco/State Electricity Boards (“SEBs”)) responsible for the development of an Intra State Transmission System. An extensive network of transmission lines has been developed over the years for gathering power

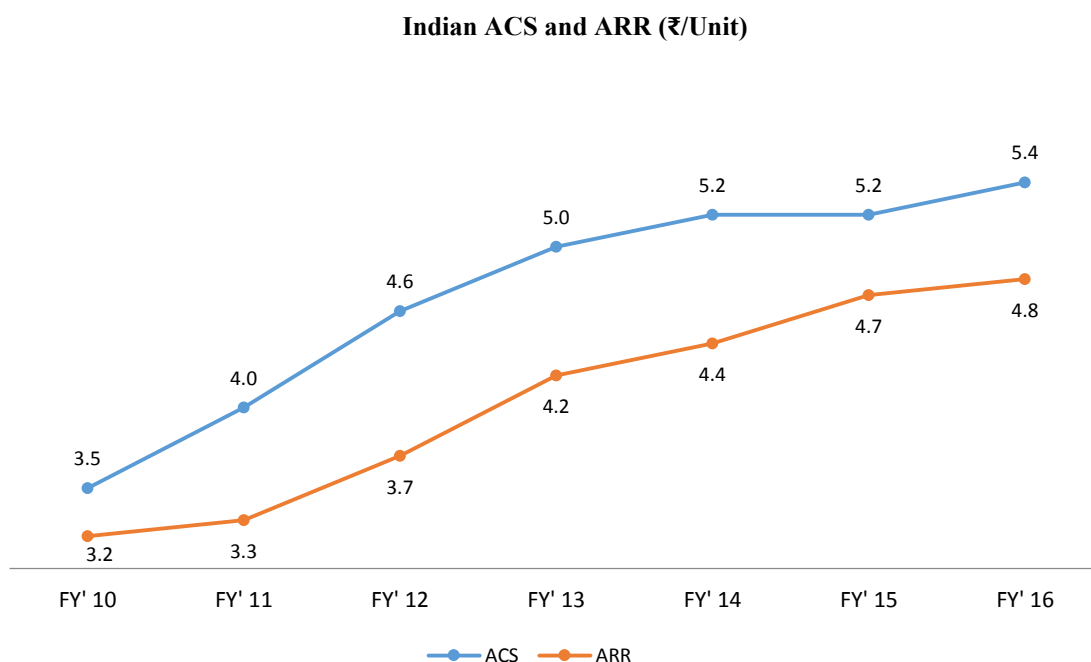
produced by different electricity generating stations and distributing it to consumers. Depending upon the quantum of power and the distance involved, lines of appropriate voltages are laid, according to the Ministry of Power.

The transmission segment plays a key role in transmitting power continuously to various distribution entities across the country. Further, the transmission sector requires concomitant capacity additions in line with generation capacity additions to enable seamless flow of power. The Government's focus on providing electricity to rural areas has led to the power T&D system being extended to remote villages. The total length of transmission lines in the country has increased from 257,481 circuit kilometers (ckm) in 2012 to approximately 367,851 ckm in 2017, according to CRISIL Power Report, dated January 2018. Significant investments in India's transmission network remains a priority in current Government budgets, including most recently a focus on feeder separation and smart grid technology to improve efficiencies throughout the system.

Distribution is the final and critical link in the power sector value chain. Unfortunately, over the last decade the financial position of the distribution sector has significantly deteriorated due to irregular tariff hikes, high aggregate technical and commercial ("AT&C") losses and delay in subsidy payments by respective State Governments. This has adversely impacted power off-take by discoms and also led to a delay in payments to generation companies, according to CRISIL Power Report, dated January 2018.

Further, the gap between average cost of supply ("ACS") and aggregate revenue realized ("ARR") has resulted in revenue losses. With rising fuel costs and inflation, average cost of supply for discoms has increased at 7.9% CAGR from 2010 to 2016. However, due to irregular tariff hikes, ARR by discoms has remained lower, resulting in the gap, which has increased to ₹ 0.63 per unit in 2016 from ₹ 0.4 per unit in 2010.

The historical relationship between ACS and ARR is illustrated below:

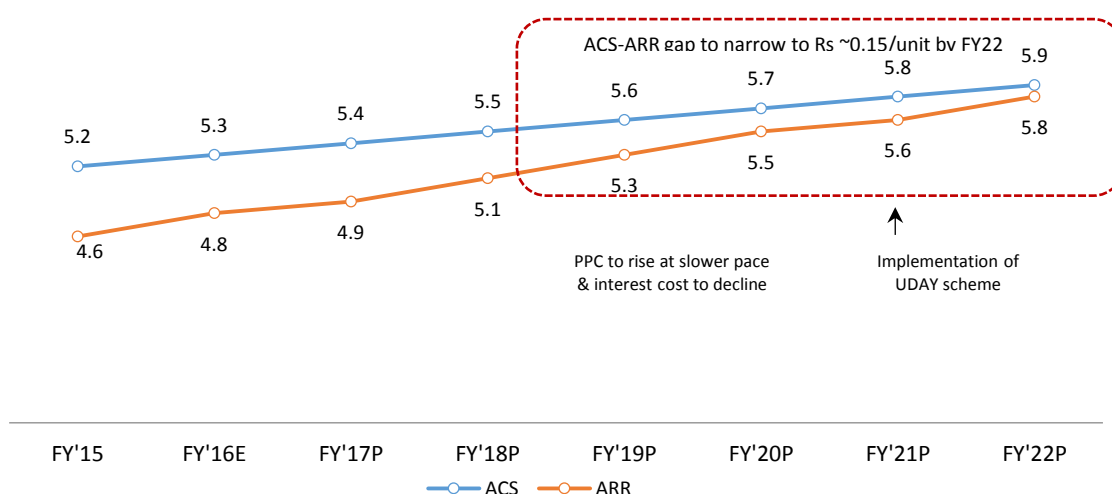


Source: CRISIL Power Report, dated January 2018

CRISIL Power Report, dated January 2018, believes that implementation of the Ujwal Discom Assurance Yojna ("UDAY") scheme will lower interest costs resulting in a reduction in the ACS-ARR gap by 2022. Further, growth in power purchase costs is expected to be significantly moderated owing to lower international coal prices, import coal substitution and subdued merchant power tariffs. Moreover, as tariff hikes, albeit moderate at 4% to 5%, exceed the growth in cost of supply, CRISIL Power Report, dated January 2018, expects the ACS-ARR gap to shrink to approximately 15 paise by 2022 from 58 paise in 2015.

The following illustrates the ACS-ARR relationship, with lower power purchase costs to reduce the gap leading up to 2022:

Outlook on Indian ACS-ARR Gap (₹/Unit)



Source: CRISIL Power Report, dated January 2018

Note:

(1) Revenue is on a subsidy booked basis.

Further, fuel accounts for a large proportion (approximately 55% to 60%) of operating cost of thermal power plants (approximately 81% of conventional power installed base). Historically, from 2011-14, domestic coal availability has been a major issue as total non-coking coal production grew by only 1.7% owing to stringent environmental regulations. This partly contributed to a decline in PLFs, which stood at 60% in 2017, off from 75% in 2011. Also, producers were compelled to rely more on expensive imported coal (priced approximately 110% higher for comparable grade of domestic coal), whose share peaked at 24% in 2015 from 11% in 2011. This in turn adversely impacted returns of Indian power producers, according to CRISIL Power Report, dated January 2018. However, over the last 18-24 months, coal production has improved with faster clearances and land acquisition. Meanwhile, the government has announced the Shakti scheme to improve coal supplies to the power sector, availability of fresh PPAs (pre-condition for domestic coal linkage) and issue discounts on existing PPAs, according to CRISIL Power Report, dated January 2018.

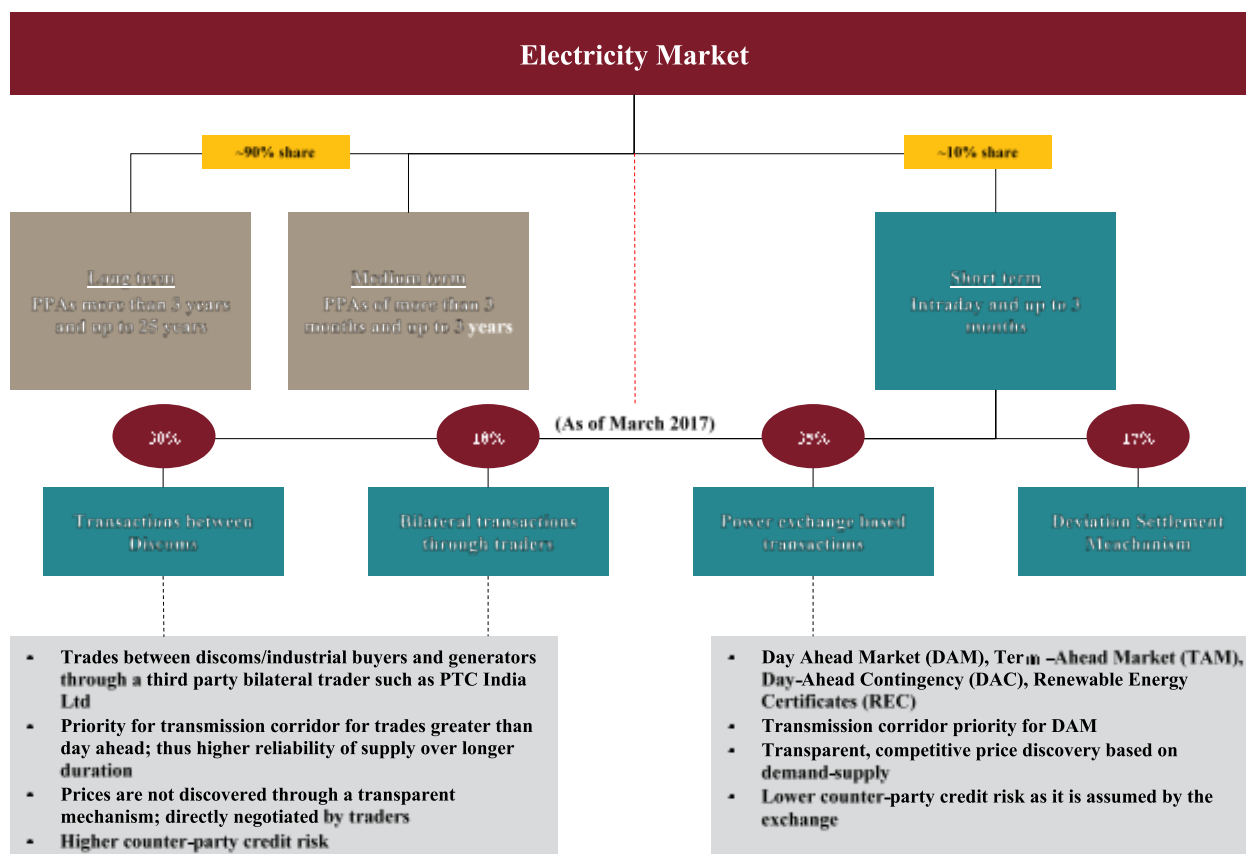
India Power Tariffs

In India, control over the development of the power industry is shared between the Government and the State Governments. The Ministry of Power is the highest authority governing the power industry in India. The CEA, a statutory organization constituted under the Supply Act, is the technical branch of the Ministry of Power, assisting with technical, financial and economic matters relating to the electricity industry. In the case of hydropower projects, the CEA is responsible for approving such schemes that involve capital expenditure beyond a certain limit fixed by the Central Government from time to time. It is also responsible for the development of a sound, adequate power policy in relation to the control and utilization of national power resources.

Tariffs for MPPs are governed by agreements between power generation companies and utilities known as power purchase agreements, or PPAs. Tariffs for state sector generators are regulated by the State Electricity Regulatory Commissions. The Electricity Act 2003 empowers the Central Electricity Regulatory Commission ("CERC") to set the tariff of generating companies owned or controlled by the Government and other entities with interstate generation transmission operations.

Several states have set up State Electricity Regulatory Commissions ("SERCs"). SERCs are engaged in regulating the purchase, distribution, supply and utilization of electricity, tariffs and charges payable, as well as the quality of service. State Governments have set up SEBs at the state level, which are tasked to ensure that the supply, transmission and distribution of electricity in such states is carried out in the most economical and efficient manner. SEBs are required to coordinate with power generating companies, as well as the government entities that control the relevant power grids. Some states have amalgamated their respective SEBs to form regional electricity boards, to ensure that electricity supply, transmission and distribution policies are consistently applied.

The following illustrates India's contracted power sector:

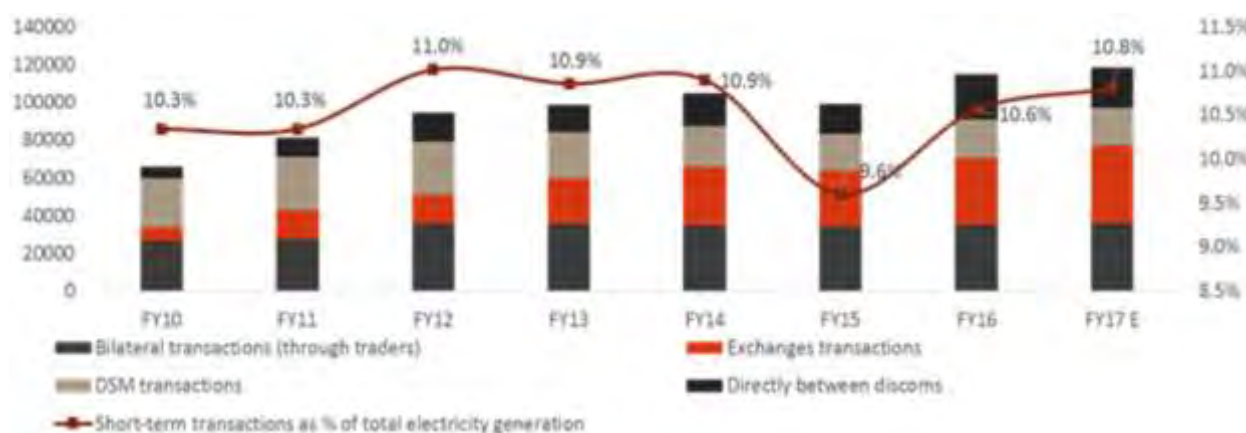


Source: CRISIL Power Report, dated January 2018

The short-term power market, which covers contracts of less than one year, constituted approximately 11% of total power sales in 2017, according to CRISIL Power Report, dated January 2018. These contracts grew at 8.8% CAGR in terms of volume between 2011 and 2017. However, its share in total generation remained stagnant at approximately 10% of total generation. Growth was constrained by a limited transmission corridor availability for short-term power, and moderate growth in open access consumers owing to high cross subsidy charges. Volumes on power exchanges rose at a CAGR of 28%, which reflects reliability of exchange-based transactions, has increased gradually among power procurers.

The chart below illustrates the trend in short-term power transactions:

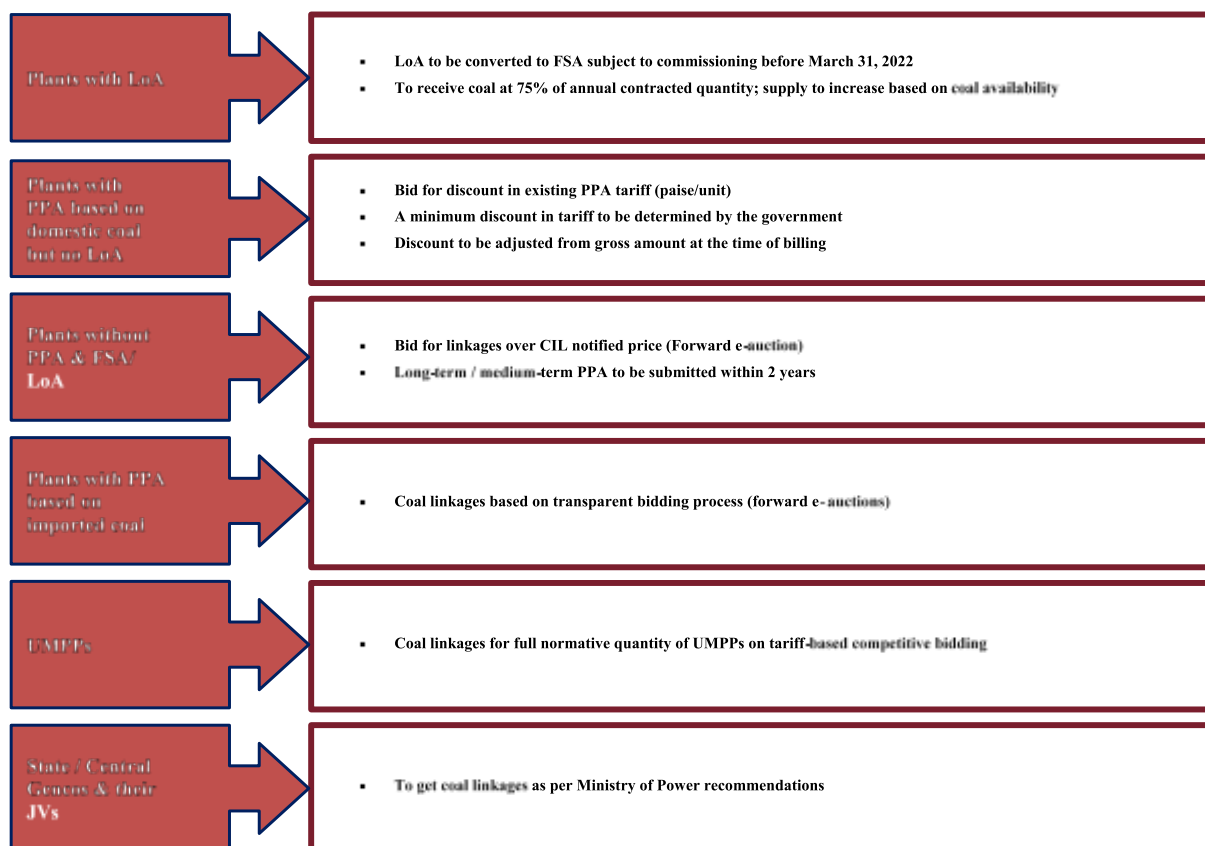
Mode-wise Short Term Power Transactions (₹)



Source: CRISIL Power Report, dated January 2018.

The Shakti scheme is considered a positive update for the sector, particularly for private sector IPPs given their current financial stress, according to CRISIL Power Report, dated January 2018. The new coal allocation policy proposes to replace the old linkage allocation policy with more transparent bidding-based linkages.

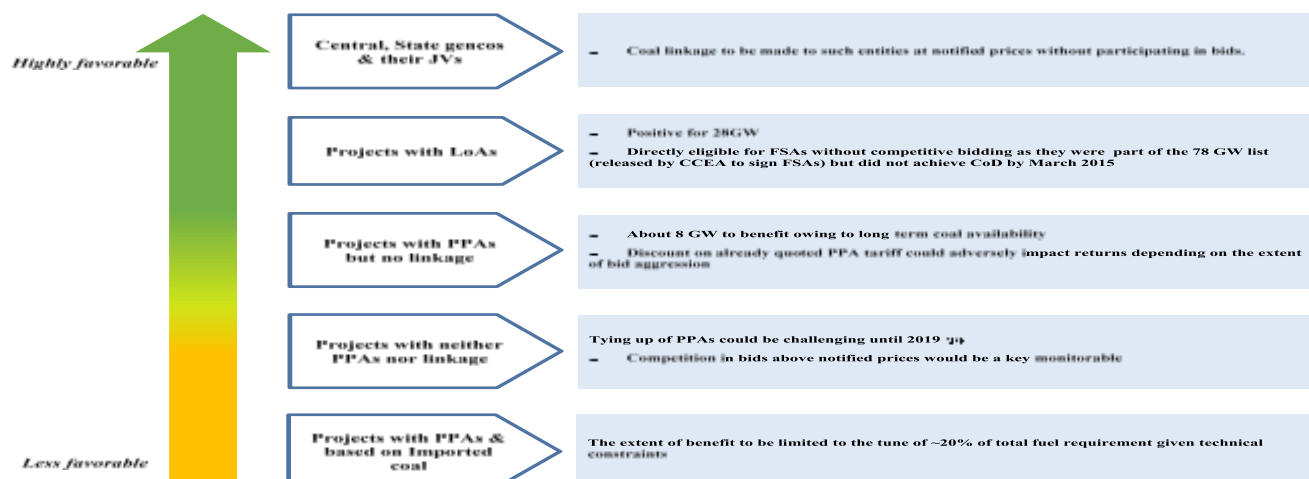
The Shakti scheme segregates coal-based power plants in India into the following six categories and stipulates different mechanisms to provide fuel supply to plants, which do not have FSAs or coal linkages:



Source: CRISIL Power Report, dated January 2018.

Further, the Shakti scheme prescribes coal linkages to be earmarked for larger states. These states may either allot these linkages to successful bidders under future tariff-based competitive bidding for PPAs, or assign linkages to plants which would expand up to 100% of their existing capacities, according to CRISIL Power Report, dated January 2018. Linkage quantity unused by states for two years would expire. For small states, power required for a group of states would be aggregated and the linkage would be provided to the agency designated by the Ministry of Power and respective states. Then the agency would undertake tariff-based competitive bidding.

The Shakti scheme is aimed at alleviating the stress on account of non-availability of coal. However, the impact of the new coal linkage policy would vary depending upon category of the plants as illustrated below:



The most significant beneficiaries of the Shakti scheme are expected to be those private sector developers who have long-term PPAs as well as LoAs, as they would be able to secure linkages at the notified price. This would keep their generation cost low and ensure increased plant availability with an assured fuel supply, according to CRISIL Power Report, dated January 2018.

India Power Key Trends and Situational Update

The Government has begun a number of initiatives to improve the electricity supply to villages. As part of its initiatives, the power distribution system has been extended to reach remote villages. Under the Rajiv Gandhi Grameen Vidyutikaran Yojana (“**RGVY**”), the Ministry of Power had sanctioned 648 projects to electrify 112,795 villages and to provide free electricity connections to approximately 27.6 million below the poverty line (“**BPL**”) rural households in the 10th and 11th Five Year Plans. In December 2014 the union government launched the Deen dayal Upadhyaya Gram Jyoti Yojana (“**DDUGJY**”) for rural area electrification. The scheme covers efforts related to strengthening of rural power infrastructure, according to CRISIL Power Report, dated January 2018.

The former RGVY scheme for village electrification and providing electricity distribution infrastructure in the rural areas has been included in the DDUGJY scheme. Under this scheme, the Ministry of Power has sanctioned 5,777 projects (including 4,220 DDG projects) to electrify 129,274 un-electrified villages, intensive electrification of 768,089 partially electrified villages and provide free electricity connections to 43.6 million BPL rural households. As of April 30, 2017 projects in 122,393 un-electrified villages and intensive electrification of 420,831 partially electrified villages were completed and 25.7 million free electricity connections had been released to BPL households, according to CRISIL Power Report, dated January 2018.

As of 2017, AT&C losses in the country were estimated to be at 20.2%, according to CRISIL Power Report, dated January 2018. This was due to poorly maintained and overburdened distribution networks, inadequate metering and theft of electricity. However, over the coming years losses are expected to decline on account of government initiatives such as UDAY under which state discoms are obligated to reduce their AT&C losses, which will lead to wide spread financial health improvement for discoms, according to CRISIL Power Report, dated January 2018.

Although discoms have been granted partial financial autonomy, most of them work under the administrative control of the respective State Governments. As a result, tariff revision filing has not been regular and the average cost of supply is higher than average revenue realized for most states, according to CRISIL Power Report, dated January 2018. Further, the tariffs for agricultural and domestic consumers is subsidized in most states. To compensate for this, most states charge higher tariffs to commercial and industrial consumers.

In order to reduce their revenue gap most of the states have announced tariff hikes. Except Tamil Nadu, Rajasthan, Kerala and Tripura all other states which have signed MoUs under UDAY have revised their tariffs for 2017, according to CRISIL Power Report, dated January 2018.

National Tariff Policy. In January 2016, the Cabinet approved the proposal by the Ministry of Power for amendments to the tariff policy. It provided a holistic view of the power sector and comprehensive amendments were made in the Tariff policy 2006. The amendments were also aimed at achieving the objectives of UDAY.

According to CRISIL Power Report, dated January 2018, key highlights of the amendments include:

- 24x7 supply of power will be ensured to all consumers for which State Governments and regulators will devise a power supply trajectory to achieve this;
- power to be provided to remote unconnected villages through micro grids with provision for purchase of power into the grid as and when the grid reaches there;
- affordable power for people near coal mines by enabling procurement of power from coal washery reject based plants;
- reduced power costs to consumers through the expansion of existing power plants;
- benefits from sale of un-requisitioned power to be shared allowing for reduction in overall power cost;
- transmission projects to be developed through a competitive bidding process to ensure faster completion at a lower cost;
- faster installation of smart meters to enable time of day metering, reduce theft and allow net-metering;
- lower power cost by creating transmission capacity for accessing power from across India;
- Renewable Power Obligation: in order to promote renewable energy and energy security, 8% of electricity consumption excluding hydro power, shall be from solar energy by March 2022;

- Renewable Generation Obligation: new coal and lignite based thermal plants after specified date to also establish, procure and purchase renewable capacity;
- affordable renewable power through bundling of renewable power with power from plants whose PPAs have expired or completed their useful life;
- no inter-state transmission charges and losses to be levied for solar and wind power; and
- removal of market uncertainty by allowing pass-through for the impact of any changes in domestic duties, levies, cess and taxes in competitive bid projects.

UMPPs. According to the Ministry of Power, ultra mega power projects (“UMPPS”) are large sized projects of approximately 4,000 MW each, involving an estimated investment of more than ₹ 160,000.0 million. These projects are designed to meet power needs of a number of states and distribution companies located in these states, and are being developed on a Build, Own, and Operate basis. As promotion of competition is one of the key objectives of the Electricity Act, 2003, and of the legal provisions regarding procurement of electricity by distribution companies, identification of the project developer for these projects is being done on the basis of tariff based competitive bidding. Guidelines for determination of tariff for procurement of power by distribution licensees have been notified in January 2005 under the provisions of the Electricity Act, 2003.

Initially, nine UMPPs were proposed to be setup in various states:

1. Sasan Ultra Mega Power Project in Madhya Pradesh. – coal pithead
2. Mundra Ultra Mega Power Project in Gujarat – coastal
3. Krishnapatnam Ultra Mega Power Project in Andhra Pradesh. – coastal
4. Ultra Mega Power Project in Jharkhand – coal pithead
5. Ultra Mega Power Project in Chhattisgarh – coal pithead
6. Ultra Mega Power Project in Odisha – coal pithead
7. Ultra Mega Power Project in Tamil Nadu – coastal
8. Ultra Mega Power Project in Maharashtra – coastal
9. Ultra Mega Power Project in Karnataka – coastal

In addition to the nine UMPPs originally identified, requests have come from some of the State Governments for installation of additional UMPPs in their respective states. These are given below:

1. Two additional UMPPs in Odisha
2. A second UMPP in Gujarat
3. A second UMPP in Jharkhand-Deoghar UMPP
4. A second UMPP in Tamil Nadu
5. A UMPP in Bihar
6. In addition to these projects, CEA and PFCCCL are currently in discussions with the Government of Uttar Pradesh for identification of land for a proposed UMPP at Uttar Pradesh, and a site at Etah has been tentatively identified.

Four UMPPs, namely Sasan in Madhya Pradesh, Mundra in Gujarat, Krishnapatnam in Andhra Pradesh and Tilaiya in Jharkhand have already been transferred to developers. Out of the four awarded UMPPs, two UMPPs, Mundra UMPP and Sasan UMPP, are currently in operation.

OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Preliminary Placement Document including the information contained in the section entitled “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements”. Financial information included in this section for the nine- months ended December 31, 2017 and the Fiscal Years 2017 (including the comparative financial information for the Fiscal Year 2016) was prepared in accordance with Ind AS, whereas the financial information for the Fiscal Year 2016 and the Fiscal Year 2015 was prepared in accordance with Indian GAAP. As such, the financial information contained in this section may not be strictly comparable. See the sections entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Summary of Financial Information” and “Summary of Significant Differences Between Ind-AS and Indian GAAP” for further details.

Overview

Jindal Steel & Power Limited, part of the O.P. Jindal Group, is one of India’s leading steel companies with a significant global presence. We have a total installed crude steel manufacturing capacity of 10.6 MTPA. We produce a wide range of products at our steel and pellet plants strategically located in India and in Oman, through our subsidiary Shadeed Iron & Steel LLC (“Jindal Shadeed”). We also have a strong presence in India’s power generation sector with installed capacity of 3,400 MW at a single location through our subsidiary, Jindal Power Limited (“JPL”). In addition, our global resources business operates thermal coal and coking coal mines in Australia, Mozambique and South Africa. We are the sixth largest integrated steel company in India in terms of crude steel capacity in the Fiscal Year 2017, according to CRISIL Steel Products Report, dated January 2018. During the Fiscal Year 2017, we produced 4.81 MT of steel and recorded steel sales of 4.45 MT, on a consolidated basis. During the nine-months ended December 31, 2017, we recorded steel production of 3.97 MT and steel sales of 3.78 MT, on a consolidated basis.

India Steel Business. We are one of the leaders in the Indian steel industry through our integrated steel plants at Raigarh (Chhattisgarh), Angul (Odisha), rolling mills at Patratu (Jharkhand) and our pellet plant at Barbil (Odisha). We have an integrated installed steel capacity of 8.6 MTPA in India and captive power capacity of 1,634 MW. Each of our plants are strategically located in resource rich areas, with abundant availability of coal and iron ore, which we believe provides us with a distinct cost advantage. Our plants are driven by advanced technology, global integration and the adoption of green technologies, which we believe helps us to achieve significant cost and operational efficiencies. We have installed a 250 ton Basic Oxygen Furnace (“BOF”) at the Angul plant, marking the completion of a 5.0 MTPA integrated steel project that will enable us to utilize the full capacity of the plant’s 3.2 MTPA blast furnace, thereby allowing us to achieve higher cost effectiveness and efficiencies. As part of our backward integration strategy, in addition to the overseas coal mines discussed below, we also own a captive 3.11 MTPA iron ore mine at Tensa, located near the Angul steel plant. Our technologically advanced facilities allow us to produce a wide range of steel products, including steel plates, structures, rails, beams, TMT bars, wire rods, bars, semis and pellets, that cater to a variety of industries, including housing, infrastructure (airports, stadiums, rail, road, bridges), ship building, power plants, industrial and high rise buildings and heavy machinery. We use advanced technology at our plate mill in India. Our “Jindal Panther” brand of TMT bars is widely recognized for its quality and is sold through a pan-India dealer network. In addition, we believe that our steel plant at Raigarh has the potential to emerge as an important supplier of rails for high speed trains to the forthcoming corridors in India and the world, as our head hardening rail facility is the first of its kind in India. We are focused on achieving operational efficiencies by effectively utilizing resources, with a formulated action plan to minimize costs by leveraging technical knowledge in our manufacturing processes and focusing on value-added products. During the Fiscal Year 2017, we recorded Indian steel production of 3.48 MT and steel sales of 3.15 MT, on a standalone basis. During the nine-months ended December 31, 2017, our Indian steel operations produced 2.76 MT of steel with sales of 2.59 MT, on a standalone basis.

Oman Steel Business. Through our subsidiary, Jindal Shadeed, we own and operate an integrated steel plant in Oman with an installed capacity of 2.00 MTPA. The Jindal Shadeed steel plant features modern technology, energy efficient processes and automation that follows international best practices for steel making. The plant has a long term natural gas supply contract with the Sultanate of Oman. The Jindal Shadeed steel plant has two quays of 300 meters each with two ship loaders to handle a high volume of import and export activity. The plant can accommodate large capesize vessels of up to 120,000 DWT with a draft of range 16 to 19 meters. The plant’s location on the Gulf of Oman allows for access to Jindal Shadeed’s primary customers in the Middle East. Jindal Shadeed is a supplier of rebars and rounds for manufacturing seamless pipes used in the petroleum industry. The plant’s compact configuration allows for hot charging capabilities, resulting in lower energy consumption. In the Fiscal Year 2017, the Jindal Shadeed plant produced 1.33 MT of steel with steel sales of 1.30 MT. Further, Jindal Shadeed achieved 50,000 MT per month in sales of rebars in the Fiscal Year 2017 from the month of November, 2016. During the nine-months ended December 31, 2017, Jindal Shadeed produced 1.21 MT of steel with sales of 1.19 MT, on a standalone basis.

Power Business. Our subsidiary, JPL, an independent power producer (“IPP”), is well positioned to take advantage of the Government’s stated vision of “Power for All”. JPL currently operates two single location coal-fired power plants with a total installed power capacity of 3,400 MW. JPL’s power plants are located in the coal rich state of Chhattisgarh. The plants’ close proximity to their fuel source allows JPL to achieve cost efficiencies. JPL sources its coal requirements from a mix of coal linkages and e-auction sources, and JPL believes the plants have the ability to achieve a higher plant load factor. Equipment for our power plants is supplied by Bharat Heavy Electricals Limited.

Global Resources Business

In an effort to improve our backward integration and hedge fluctuations in raw material prices, we conduct mining operations in South Africa (anthracite coal – operating and iron ore – under exploration), Mozambique (coking coal - operating), Australia (coking coal - operating), Botswana (thermal coal – under exploration) and Namibia (iron ore – under exploration). Coking coal production for our mines in Mozambique for the nine-months ended December 31, 2017 and the Fiscal Year 2017 was 220,103 MT and 94,255 MT, respectively. Coking coal production for our mine in Australia for the nine-months ended December 31, 2017 and the Fiscal Year 2017 was 111,000 MT and 255,000 MT, respectively. Anthracite coal production for our mine in South Africa for the nine-months ended December 31, 2017 and the Fiscal Year 2017 was 162,756 MT and 337,973 MT, respectively.

Competitive Strengths

We believe that the following competitive strengths can be leveraged to allow us to further enhance our position as a leading steel and power producer in India and globally:

Leading integrated steel company in India

We are one of India's leading integrated steel companies, with installed capacity of 8.60 MTPA, ranking us currently sixth in India in terms of installed capacity, according to CRISIL Steel Products Report, dated January 2018. We are one of the leaders in one of the world's fastest growing economies, with Indian GDP growing at 7.1% in the Fiscal Year 2017, according to the RBI. Our India steel business is fully integrated with a presence across the value chain of steel focusing on the production of various types of steel products. The large scale of our Indian steel business helps us to reach a wide range of customers and markets, to enjoy procurement strength and to experience significant cost efficiencies. The integrated nature of our India steel business helps us to maintain greater control over our operating margins.

Jindal Shadeed is located in a growing economy. Given the plant's location on the Gulf of Oman with a deep water port capable of accommodating two ships of 120,000 DWT, it is ideally situated to meet the demand for its products tailored for the petroleum industry in neighbouring Gulf Cooperation Council countries.

Diversified product portfolio serving a variety of industries

We offer a wide range of flat and long steel products that cater to diversified end markets across several geographies. We believe that our multiproduct portfolio allows us to compete in several different global markets and industries, resulting in greater revenue diversification and more sustainable operations in the long term. Our production systems are fungible by design, which provide us with the ability to quickly adapt to changing market conditions and shift our production and product offering to meet this continuously changing market climate. Our technologically advanced facilities enable us to produce a wide range of steel products, including steel plates, structures, rails, beams, TMT bars, wire rods, bars, semis and pellets, that cater to a variety of industries, including housing, infrastructure (airports, stadiums, rail, road, bridges), ship building, power plants, industrial and high rise buildings and heavy machinery. For example, we have capacity to produce five meter wide plates, suitable for both shipbuilding and pipe applications globally. As a result of our increasingly advanced operations, we are supplying rounds and plates to pipe manufacturers in India and globally.

A leader in innovative products and processes

We strive to innovate new products and processes that are either best of its kind, first of its kind, or both. We focus on technology and innovation in order to deliver value-added steel products at an efficient cost. We utilize several advanced technologies, and consider our Company to be a pioneer in introducing these leading technologies to the Indian market. We have certain products that are unique to our Company. For example, our steel plant at Raigarh has the potential to emerge as an important supplier of rails for high speed trains with the first head hardening rail facility in India. When we recently lost certain coal linkages for some of our plants, we quickly adjusted our operations by switching the type of coal that could be used at our plants through innovation. In order to maintain quality while lowering the cost of production, we have adopted a combination of industry leading technologies, including our 250 ton BOF at the Angul plant, in addition to other well established steelmaking methods. In addition, the Jindal Shadeed plant's processes allow for hot charging capabilities, resulting in lower energy consumption.

Low cost operations

We enjoy certain competitive advantages which help us to maintain low cost of operations in our steel business. Our steel plants are located near to raw materials and have strong logistics infrastructure, such as private railway siding. We are therefore able to reduce the logistical costs associated with the transportation of raw materials and finished goods to and from our steel plants. Chhattisgarh state and Odisha state, where our steel and power plants are located, produced 16% and 51% of India's total iron ore in the Fiscal Year 2016, respectively, according to the Ministry of Mines. In addition, Chhattisgarh state and Odisha state accounted for 17.9% and 24.5% of India's total coal reserves, respectively, according to most recent estimates from the MoC. All of our plants are well connected through rail and road networks, and our international operations are located within close proximity of raw material suppliers and ports. Partial integration of our raw material sources, including iron ore, pellets, global coal assets and a long term natural gas supply contract in Oman help to reduce the risk of supply interruption and minimize the

impact of fluctuations in raw material prices. Our captive assets and supply chain include domestic iron ore mines at Tensa, Odisha; exploration assets in Bailadila; operational global coking coal and thermal coal mines in Australia, Mozambique and South Africa; and a long term gas supply contract with the Sultanate of Oman for the Jindal Shadeed steel plant. Our large and technologically advanced facilities also result in lower per unit production costs. As we continue to ramp up our recently increased capacity, our per unit cost will continue to decline on both a fixed and variable cost basis. We have continuously invested in advanced technology, which allows us to achieve operational efficiencies. For example our 250 ton BOF at the Angul plant will enable us to utilize the full capacity of that plant's blast furnace, as well as converting from EAF, which consumes electrodes and significant amounts of power, to NeOF, which consumes oxygen. In addition, our plants operate in areas with highly skilled and low cost labour, which helps us to keep our operating costs low.

Positioned at an inflexion point for volume driven growth

We believe that we are well-positioned for volume driven growth, due to our recently completed significant capital expenditures that were focused on increasing our plant capacities at Angul. Our high operating leverage from the recently installed integrated steel plant at Angul puts us in a strong position to benefit from the expected high demand for steel in India. The Angul plant manufactures steel using the BF, BOF and EAF routes, which reduces its current cost of production, leading to a reduction in the overall costs at our Indian steel facilities. In addition, we have developed advanced technologies and processes leading to operational efficiencies, such as the conversion from EAF to NeOF discussed above. We believe that with a large amount of capital expenditure having already been deployed to develop advanced and efficient production facilities, as well as to secure raw material resources, we are well positioned moving forward to achieve stronger profitability.

Large IPP capacity with significant cost competitiveness

Our coal-fired power plants benefit from being in close proximity to coal sources. Our existing single location coal-fired power plants are located within close proximity to two of India's largest coal fields, in the state of Odisha, which accounts for approximately 24.6% of India's coal reserves, according to the MoC. This coal rich belt is expected to further benefit from the MoC's Shakti scheme, which is a Government policy designed to harness and allocate coal transparently through the auction of long-term coal linkages to power companies. We currently have 4.81 MTPA of existing long term coal supply agreements. Our coal-fired power plants are at a single location, which provides us with economies of scale by maintaining low auxiliary power consumption, operational and maintenance efficiencies, lower logistical costs for raw materials and lower employee cost. Our existing power plants enjoy stable and long term offtake agreements for a total of 1,070 MW, with the remaining power sold in the spot market.

Experienced board of directors and professional management team within a nimble and dynamic organization

Our senior management team comprises members with diverse skills and expertise in manufacturing, sales and marketing, finance and supply chain management in the steel and power industries. Their extensive experience and understanding of our Company have been instrumental in becoming one of India's leading integrated steel companies with a global presence. Each of our businesses is supported by a dedicated team of professionals. We pride ourselves on being a dynamic organization driven by innovative technology and management best practices.

Strategies

We aim to enhance our position as a leading global steel and domestic power producer through the following strategies:

Asset sweating and optimizing utilization of existing steel and power plants

We have recently completed our capital expenditure program that has strengthened our operational efficiencies, widened our product offerings, fortified our raw material security and thereby led to a ramp up in steel production volumes. We will continue to review and assess new technologies in an effort to extract additional economies of scale, optimize certain processes such as coal blending, as well as to improve yields and reduce fixed costs. Going forward, we intend to continue asset sweating by increasing capacity utilization across our steel plants, including ramping up production at recently commissioned facilities. For example, we have installed a BOF at the Angul plant that will enable us to utilize the full capacity of the plant's 3.2 MTPA blast furnace, one of the largest in India, thereby allowing us to achieve higher cost effectiveness, efficiencies and increased production volumes. Further, in order to optimize the utilization of our existing operations, management is committed to growing our market share in core product markets by increasing our marketing and sales efforts. Our marketing team is currently focused on optimizing customer segmentation, especially with respect to new and emerging segments, such as energy and defence. We believe that by increasing our penetration into these new segments, we will be able to reduce seasonal fluctuations and increase our global footprint. We are also focusing on specific markets where we believe there is room for penetration into high value projects. Our marketing team is also focused on value additions through customization, leveraging our position as a market leader in technologically advanced value added products.

In an effort to utilize more of the capacity at our existing power plants, JPL plans to optimize the mix of long, medium and short-term PPAs with a diverse set of state distribution companies, industrial consumers and power trading companies in the near term. JPL believes that it is well positioned to take advantage of the emerging power scenario in India, as the Government intends to provide "Power for All". JPL believes that it enjoys a low capital cost and competitive coal cost due to its proximity

to coal fields, and it accordingly believes that it is well positioned to compete for new PPAs and long term coal linkages.

Continue to focus on raw material security

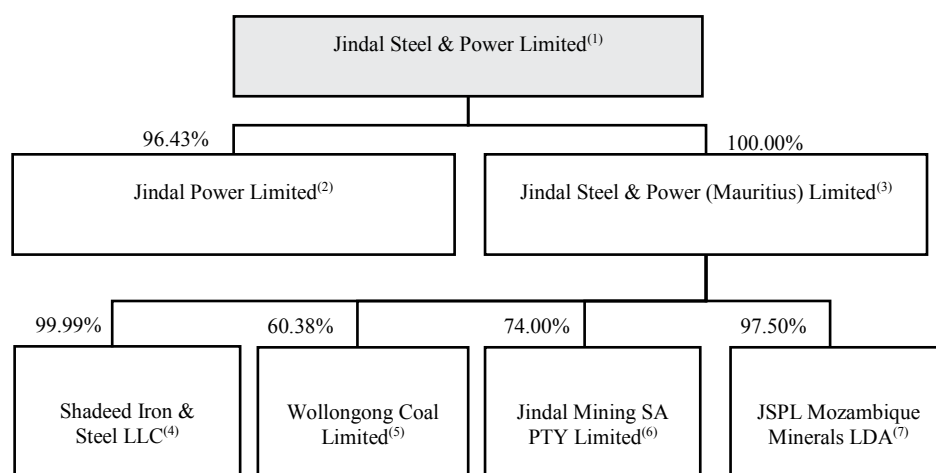
We intend to continue to focus on raw material security, which we believe is a key component of our Company's future growth. For example, we intend to take advantage of the recently passed Shakti scheme which encourages coal supply linkages for Indian power producers by bidding at upcoming long term coal linkage auctions. We have recently won coal linkages aggregating to 3.74 MTPA at a competitive price and will continue to look for additional coal linkages from Coal India Limited or its subsidiaries in order to secure long term supplies of coal near our steel and power plants. We also intend to further ramp up our coal production at our mines in Mozambique and Australia. In addition, we will conduct further exploration of our mining assets in Jeraldabaru and Bailadila in an effort to further strengthen our domestic raw materials supply. We intend to maintain a stable supply of raw materials with relatively lower purchase and transportation costs from our suppliers, thereby enabling us to develop price competitive products vis-à-vis our competitors.

Prioritize financial prudence

We continuously seek to improve our financial profile and maintain a strong focus on cost management. We have, over time, developed robust financial principles and business criteria, focusing on reducing our working capital (receivables and inventory) requirement, interest cost reduction and boosting our aforementioned strategy of maximizing output of our existing assets. Further, we are committed to achieving the optimization of financial cost supported by credit rating improvement and proactive debt management. For example, in March 2017, we successfully negotiated a debt restructuring plan with 18 of our existing lenders whereby we were given a moratorium of between three to five years for repayments. We were able to complete the capital expenditure at the Angul plant over the last two years primarily through internal accruals and did not significantly increase our debt for the completion of this project. We will seek to reduce our leverage over time and improve our return ratios, including through divestments of our non-core or non-profit making assets as we consider expedient. Given the target volume ramp up and the substantial completion of our capital expenditures, we believe we are well positioned to achieve improved leverage ratios.

Corporate Structure

The chart below shows a summary of the key components of our Company, as on December 31, 2017:



Note:

- (1) The Issuer and the listed operating entity holding all the steel plants and captive power plants in India.
- (2) Independent power plants in India.
- (3) Holding company for the overseas businesses.
- (4) Steel plant in Oman.
- (5) Coking coal mine in Australia.
- (6) Anthracite coal mine in South Africa.
- (7) Coking and thermal coal mine in Mozambique.

Facilities

The following illustrates the locations of steel plants, power plants and mines in India and globally:



The following tables lists certain characteristics of our steel plants, power plants and mines:

Steel Plant	Installed Capacity	Products
Raigarh	3.6 MTPA	Rail, structures, plates, HRC, bloom, billet, rounds
Angul	5.0 MTPA	Plate, TMT, billet
Patratu	1.6 MTPA	TMT, wire rod
Barbil	9.0 MTPA	Pellet
Oman	2.0 MTPA	TMT, round, billet

Power Plant	Power Capacity	Fuel Source
EUP I	1,000 MW	Coal
EUP II	1,200 MW	Coal
EUP III	1,200 MW	Coal

Operating Mine	Mineral	Resources / Reserves
Australia	Coking coal	665 MT / 125 MT
Mozambique	Coking and thermal coal	1,708.65 MT
South Africa	Anthracite coal	47.47 MT/ 20 MT

India Steel Business

Our India steel business is operated through integrated steel plants at Raigarh and Angul, a rolling mill at Patratu and a pellet plant at Barbil, with a combined installed capacity of 8.6 (Angul has got a CTO of 4.5 MTPA but it has capacity to produce 5 MTPA) MTPA of crude steel. Our steel plants are driven by advanced technology and global integration, as well as green technologies, which have been instrumental in achieving cost and operational efficiencies. We produce a wide range of steel products, including angles and channels, fabricated structures, parallel flange beams, hot rolled plates, rails, TMT rebars (sold under the “Jindal Panther” brand – one of India’s well-known TMT brands with a nationwide sales network), wire rods and coils. Our products are used in a wide variety of applications in such industries as housing, infrastructure (airports, stadiums, rail, road, bridges), power plants, industrial, high-rise buildings and heavy machinery.

Certain key performance indicators for our India steel business are presented below:

KPI	Unit	FY2015	FY 2016	FY 2017	9M FY 2017	9M FY 2018
Installed capacity ⁽¹⁾	MTPA	4.75	4.75	5.10	5.10	8.20 \$
Production ⁽²⁾	MTPA	3.16	3.46	3.48	2.56	2.76 \$
% Utilization	%	66%	73%	68%	67%	65%
Sales ⁽³⁾	MTPA	2.75	3.08	3.15	2.43	2.59

(1) as certified by the management and relied upon by the auditor being technical matter

(2) steel only (at SMS/BOF level)

(3) steel products only

\$ including BOF under trial run

Raigarh Steel Plant



The Raigarh steel plant is located in Chhattisgarh state and consists of an integrated steel plant with an installed capacity of 3.6 MTPA. This plant includes iron-making capacities spread over a 2.12 MTPA blast furnace, and a 1.32 MTPA DRI plant – the world’s largest coal-based sponge iron manufacturing facility. The Raigarh plant has an installed capacity of 2.35 MTPA for finished steel that includes India’s first head hardened rail manufacturing facility, that produces the world’s longest single piece rails of up to 121 meters in length.

Process	Installed Capacities
Iron Making	BF: 2.12 MTPA DRI: 1.32 MTPA
Steel Making	SMS: 3.60 MTPA
Rolling	Plate mill: 1.00 MTPA RUBM: 0.75 MTPA MLSM: 0.60 MTPA
CPP	824 MW

Two CPPs are spread between a 284 MW coal and waste heat CPP at Raigarh and a 540 MW coal CPP at Dongamauha, near Raigarh.

The plant sources its steam coal primarily through imports, coal linkages, spot auctions and traders. The plant’s coking coal requirement is met through our captive mines in Australia and Mozambique as well as imports and from global traders. Iron ore is sourced from our 3.11 MTPA captive mine located in nearby Tensa, Odisha, as well as through the open market.

The plant has excellent logistics infrastructure that helps the plant to move raw materials and finished products in an efficient

and cost effective manner.

Angul Steel Plant



The Angul steel plant is located in Odisha state and consists of an integrated steel plant with an installed capacity of 5.00 MTPA. We recently completed a project at the plant consisting of a 3.20 MTPA blast furnace, one of the largest in India. We also installed a 250 ton BOF at the plant, marking the completion of a 5 MTPA integrated steel project that will enable us to utilize the full capacity of the plant's 3.2 MTPA blast furnace, thereby allowing us to achieve higher cost effectiveness and efficiencies. The Angul steel plant includes a 5 MTPA steel melting shop, a 1.20 MTPA plate mill that produces plates of up to 5 meters in width, and a 1.40 MTPA bar mill that produces a wide range of the Jindal Panther branded TMT rebars. We believe that the large land parcel on which this plant sits provides room for additional greenfield expansion in the future.

Process	Installed Capacities
Iron Making	CGP: 225,000 Nm ³ /Hr DRI: 1.80 MTPA BF: 3.2 MTPA Sinter: 4.0 MTPA Coke oven: 1.0 MTPA (commissioned) 1.0 MTPA (under construction)
Steel Making	5 MTPA
Rolling	Plate mill: 1.20 MTPA Bar mill: 1.40 MTPA
CPP	810 MW

The plant also has a 6.5 MTPA coal washery, 2 x 500 TPD lime and dolomite plant, raw material handling system and utility systems to support its operations. The plant is well connected to India's road network via NH-55 and state highway-63. The plant has railway siding capable of handling inbound raw materials and outbound finished goods rakes and is connected to the Indian Railways network connecting the plant to all domestic destinations and ports. The nearest major port is at Paradip, which is in proximity to the Angul plant.

Iron ore and coking coal are the two key raw materials for the Angul plant. Our iron ore requirement is partly sourced from our 3.11 MTPA Tensa mines, while the remainder of our requirement is sourced from long term agreements with merchant mining groups. The Angul plant's coking coal requirements are sourced partly from our overseas mines in Mozambique and Australia, and partly through open market purchases.

Patratu Rolling Mill



Our Patratu rolling mill is located in Jharkhand state and consists of an integrated steel plant with a finished steel installed capacity of 1.60 MTPA, including a 1 MTPA bar mill and a 0.60 MTPA wire rod mill. Patratu's rebar center has the ability to tailor ready-to-use construction products such as weld mesh and cut-and-bend rebars to retail customer specification. We believe that the large land parcel on which this plant sits provides room for utilization of land in the future.

Process (Rolling)	Installed Capacities
TMT / Rebar Mill	1 MTPA
Wire Rod Mill	0.60 MTPA

Barbil Pellet Plant



The Barbil pellet plant is located in Odisha state with an installed capacity of 9.00 MTPA, allowing us to become India's largest pellet exporter. The plant provides greater flexibility to produce pellets for both blast furnaces and DRI plants. The plant comprises a 4.50 MTPA dry-grinding and a 4.50 MTPA wet-grinding pelletization unit. We are currently installing a filter press at the Barbil plant that we believe is expected to increase production. In an effort to increase efficiency of materials handling, the Barbil plant has a rapid loading system that improves the material handling capacity of the plant by accelerating its rake loading speed. In addition, the plant has inside railway siding which connects the plant to the rest of India. The Barbil plant produced 6.45 MT of pellets in the Fiscal Year 2017.

The plant sources its iron ore from the domestic market and its coal from the domestic market, primarily under long term agreements.

The plant has a logistics infrastructure that helps the plant to move raw materials and finished products in an efficient and cost effective manner.

Products

The following table lists our various steel products, as well as their principal end uses/ markets:

Class of Products	Principal End Usage / Markets
Angles and channels	Transmission towers, building and bridges support structure, border fencing, equipment and machinery frames, truck and trailer frame supports
Fabricated structures	Refineries, power plants, rail over bridges, road over bridges, airports, stadiums
Parallel flange beams and columns	Refineries, power plants, rail over bridges, road over bridges, offshore structures, mezzanines and platforms, high rise buildings, stadiums, steel plants, industrial sheds and warehouses, transmission line towers
Hot rolled plates	Construction, general engineering, boiler and pressure vessels, refineries and power plants, offshore platforms, line pipes, wind mill, ship building, pre-engineered buildings
Rails and head hardened rails	Rail tracks for high speed trains and metros, sidings of power plants, refineries, cement, fertilizer and steel plants, industrial sheds, semi-portal crane tracks, ports
TMT / Rebars	Construction, infrastructure, buildings, roads, bridges, flyover, jetty, ports, dams
Wire Rods	General purpose wires, fasteners, bolts, rivets, screws, tyre bead, hose reinforced wire, coil springs, ball bearings, rail clips
Coils	General engineering, structural fabrication, oil and gas pipelines, saw pipes, boilers and pressure vessels, automobiles

Sales, Marketing and Distribution

Our wide product range is supported by a diverse sales and distribution network throughout India and globally. We distribute our products in the domestic market by selling directly to customers and wholesale traders through regional offices. In the export market, we use a combination of direct sales to customers and sales to international trading houses. Our sales contracts are a mix of medium term and spot contracts which ensure consistency on the demand of our products.

Our marketing team is currently focused on optimizing customer segmentation, especially with respect to new and emerging segments, such as energy and defence. We believe that by increasing our penetration into these new segments, we will be able to reduce seasonal fluctuations and increase our global footprint. We have created focus groups for each of our key and emerging customer segments, who are responsible for understanding and adapting to each particular segment's needs. We are also focusing on specific markets where we believe there is room for penetration into high value projects. Our marketing team is also focused on value additions through customization. We believe that we have created a niche for our Company in terms of product customization in all major product segments by offering a holistic product solution. Examples of this include our cut and bend TMT/ Rebar that are highly customized, our structural steel fabrication shop that is capable of producing customized solutions for our customers and our plates that are all customized to order. Our marketing team also believes that a greater focus on selling directly to OEMs will result in increased sales with potentially higher margins.

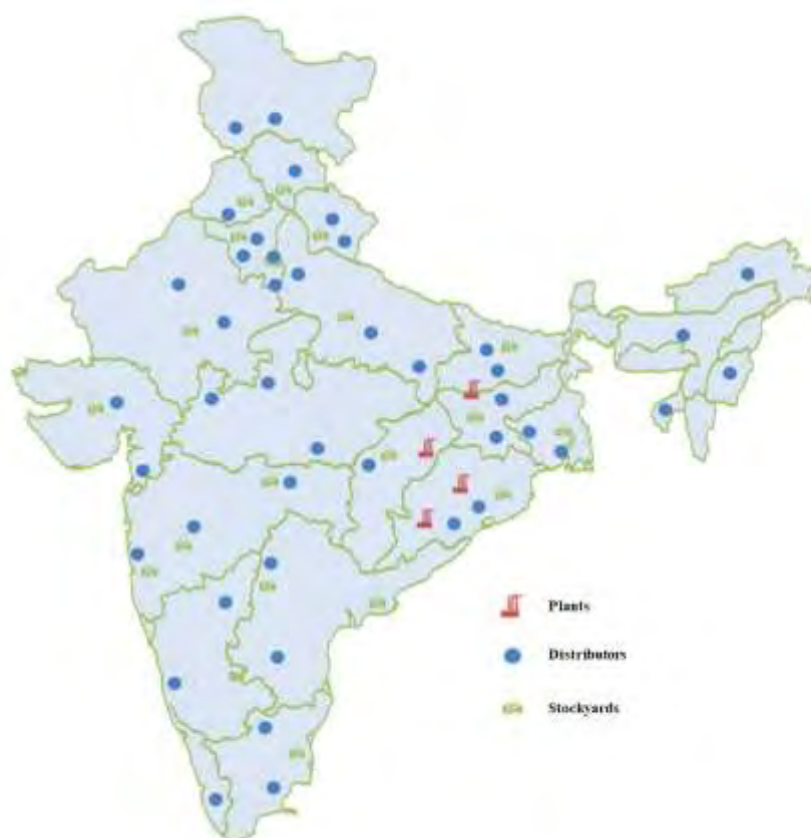
Some of our key marketing initiatives in India include widening our product mix, substituting steel imports in India, focusing on retail and expanding our domestic reach in rural and semi-urban areas. We also launched an e-commerce portal as well as mobile based applications, so that the purchase of TMT / rebars can be made with speed and convenience, equipped to deliver any order received through the portal. For standard structural products, we are also capable of delivering within 24 hours through a Guaranteed for Availability Scheme.

We are logistically well connected through national road highways and major rail networks, which act as distribution enablers. We also use a coordinated multimodal transportation network for strict adherence to delivery commitments. Our plants are connected to all major ports through railways which facilitate export shipments.

We currently have sales and marketing offices in several major cities across India. These sales and marketing offices are responsible for:

- exploring regional market potential in India and providing feedback to the head office in Delhi for future business planning;
- translating potential customer demand into sales for our Company;
- coordinating production schedules to ensure timely sales order execution;
- ensuring timely receipt of payment from customers; and
- customer visits to provide after sales service.

As illustrated in the map below, we have an extensive distribution network in India for our steel products that includes distributors and stockyards:



Materials Procurement

Backward integration and raw material security continue to be strategic priorities for our Company. We believe that securing critical raw materials, either for sale on the global market or for direct use at our facilities, will help protect us from volatility in raw material prices and supply disruptions. We continue to leverage our own global and domestic mineral sources for raw materials. Through captive mines and long-term supply arrangements, we help to ensure sufficient supplies of raw materials for our steel plants. Material movement, both inbound and outbound, is critical for ensuring the timely receipt and delivery of raw materials and finished products. We continuously revisit our logistics roadmap to ensure swift movement of coal and iron-ore to various locations.

Coal requirements for our steel plants are met through domestic sources as well as through imports from global mines, including our own overseas mines. Our iron ore mine at Tensa and pelletization complex at Barbil have contributed to securing iron ore requirements across our operations. In order to maintain power generation levels, we utilize a judicious coal-sourcing mix from global mines, coal linkages and e-auctions to be fully aligned with all PPA commitments and merchant market demand. Our management is committed to ensuring the most appropriate and cost-effective external sources of coal for both our steel and power businesses.



We acquired Shadeed Iron & Steel LLC on July 2, 2010. Jindal Shadeed commissioned its DR plant in December 2010, within five months of our acquisition. Jindal Shadeed owns and operates a 2.0 MTPA installed capacity integrated steel plant at Sohar, Oman. Powered by advanced technology, Jindal Shadeed is efficient on energy consumption and automation and follows international standards of steel making. This plant has the capability to charge hot direct reduced iron at a high temperature directly into an electric arc furnace. The plant's compact configuration allows for hot charging capabilities, resulting in lower energy consumption. The establishment of the 2 MTPA Steel Melting Shop ("SMS"), set up by Danieli, Italy, consists of state-of-the-art steel making facilities with advanced features for product range and productivity. Jindal Shadeed also has a 1.4 MTPA rolling mill with advanced technology and equipment. The rolling mill produces rebars in accordance with international standards and grades and sells them under the Jindal Panther Brand. Jindal Shadeed was given an award in recognition of their "exceptional annual operational availability" in 2014 by Midrex.

Process	Installed Capacity
Iron Making	DRI — 1.50 MTPA
Steel Making	SMS — 2.00 MTPA
Rolling	TMT / Rebar mill — 1.40 MTPA

The Jindal Shadeed plant has its own deep water port along its eastern boundary, allowing it to load large vessels and ship to global customers directly from the plant. The jetty has two berths with a draft range of 16 to 19 meters. The jetty is equipped with two shore gantry cranes and a wharf conveyor for unloading bulk raw materials. Ships with a capacity of 120,000 DWT are presently able to operate at the berth. At present, the jetty is used to receive pellets and dispatch HBI, billets and rebars. Jindal Shadeed is currently developing caster to increase the plant's production capabilities.

Jindal Shadeed has signed a long term Gas Supply Agreement with the Sultanate of Oman for allocating 0.33 tcf of natural gas (between 5.71 million and 14.09 million MMBTU per annum) for a period of 20 years beginning from January 2010. Power at 220 kV is available from Sohar Industrial Area sub-station located south of the plant. The plant site is well connected to the road network of the Sohar Industrial Area with two connectivity points, one on each of the western and southern sides of the plant.

Raw materials, including pellets being the major requirement, are procured from Oman, Bahrain, Brazil and India.

Certain key performance indicators for Jindal Shadeed are presented below:

KPI	Unit	FY2015	FY 2016	FY 2017	9 months ended December 31, 2016	9 months ended December 31, 2017
Installed Capacity	MTPA	2	2	2	2	2

KPI	Unit	FY2015	FY 2016	FY 2017	9 months ended December 31, 2016	9 months ended December 31, 2017
Production	MTPA	0.53	1.05	1.33	0.95	1.21
% Utilization	%	36%	53%	66%	63%	81%
Sales	MTPA	0.49	1.08	1.30	0.91	1.19
Sales Realization	USD/ Ton	483	332	397	386	503
EBITDA per Ton	USD/ Ton	35	29	77	74	126

Power Business

Through our subsidiary, JPL, we operate two coal-fired IPPs, with a third IPP installed but currently not in operation. JPL's ongoing focus is to enhance its power plants' performance by adopting various measures, such as securing off-take agreements for untied capacity, securing long term fuel sources through fuel supply agreements, reducing fuel costs. We believe that a large Indian population, supported by important Government initiatives, will lead to sustained growth in the Indian power sector. While the nationwide demand-supply base deficit in India has decreased to approximately 0.7% in 2017, certain regions still experience regular power shortages, according to CRISIL Power Report, dated January 2018 and demand for electricity is expected to grow at CAGR 6.0% to 6.5% during the Fiscal Year 2018 to the Fiscal Year 2022, according to CRISIL Power Report, dated January 2018. In response to the country's ongoing need for power, the Government has announced its vision of "Power For All". For additional information on Government initiatives meant to promote power generation in India, see "Industry Overview" on page 401.

Certain key performance indicators for the power business are shown below:

KPI ⁽¹⁾	Unit	FY2015	FY 2016	FY 2017	9 months ended December 31, 2016	9 months ended December 31, 2017
Installed Capacity ⁽²⁾	MW	2,800	2,800	3,400	3,400	3,400
Capacity tied-up on long / medium term PPAs	MW	600	600	800 ⁽³⁾	800	950 ⁽³⁾
Net Generation	MUs	9,609	8,735	8,481	6,324	7,895
Sale under long / medium term PPAs	MUs	2,907	3,556	5,147	3,592	4,960
Sale under short term PPAs	MUs	6,702	5,179	3,335	2,732	2,935
Realization per unit	₹ per Kwh	3.32	3.36	3.51	3.50	3.78
Realization under Long/Medium Term PPA's	₹ per Kwh	3.98	3.89	4.17	4.25	4.08
Realization under Short Term PPA's	₹ per Kwh	3.03	3.00	2.50	2.51	3.26

(1) Includes JPL only.

(2) Date of Installation of Units:

250 MW Units		600MW Units	
Unit No.	Date of Installation	Unit No.	Date of Installation
Unit 1	December 5, 2007	Unit 1	March 14, 2014
Unit 2	June 15, 2008	Unit 2	March 31, 2014
Unit 3	April 16, 2008	Unit 3	January 15, 2015
Unit 4	September 5, 2008	Unit 4	December 12, 2016

(3) 200 MW Long Term PPA and 150 MW Long Term PPA with Kerala State Electricity Board (KSEB) started from months of June 2016 and October 2017 respectively. On August 31, 2017, 200 MW Medium Term PPA with Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) has been completed and renewed from September 27, 2017.

We have also signed agreements with the government of Arunachal Pradesh to develop four hydro power plants.

Power Plants

All three of JPL's coal-fired power plants employ pulverized coal combustion technology. Water is supplied to the power plants from the Kurket River for EUP I, II and III, and the Mahanadi River for EUP II and III, both of which are close to the power plants. Each of the plants are connected to national grid.

EUP I



EUP I is a 1,000 MW coal-fired power plant located in Tamnar in Raigarh, Chhattisgarh. The EUP I plant was commissioned in phases in 2007 and 2008. EUP I is designated as a “mega” power project (“MPP”) by the Cabinet Committee of Economic Affairs.

Coal for the EUP I plant is currently sourced through open market purchases and e-auctions. JPL believes that the Shakti Scheme will help EUP I to secure additional coal linkages.

Power generated from the EUP I plant is sold through a PPA with TNGDCL for 200 MW as well as sold through bilateral exchange. JPL owns the 400 kV 258 km Tamnar- Raipur D/C transmission line which is part of the Interstate Transmission System.



EUP II is a 1,200 MW coal-fired power plant, located in the same complex in Tamnar in Raigarh, Chhattisgarh as EUP I and EUP III.

The majority of coal required for the EUP II plant is currently sourced from nearby mines through long term coal linkages with Mahanadi Coal Limited and South Eastern Coalfields Limited.

Power generated from the EUP II plant is sold through PPAs with TNGDCL for 400 MW, CSPTCL for 60 MW, KSEB for 200 MW and KSEB for another 150 MW.

EUP III

EUP III is a 1,200 MW coal-fired power plant located in the same complex in Tamnar in Raigarh, Chhattisgarh as EUP I and EUP II. EUP III is fully commissioned, however, it is currently not operating.

Global Resources Business

Our global resources business includes coal and iron mines that act as a platform to enhance backward integration and raw material security for our Company.

Mining Operations

In an effort to enhance our backward integration, increase raw material security and drive profit growth, we have acquired certain overseas coal and iron mines, including two coking coal mines in Australia (active), a coking and thermal coal mine in Mozambique (active), an anthracite coal mine in South Africa (active), an iron ore mine in South Africa (under exploration), an iron ore mine in Namibia (under exploration) and a thermal coal mine in Botswana (under exploration).

Australia

We own and operate two underground coking coal mines in New South Wales, Australia, located near Port Kembla, a user port. Our Company, through JSPML, acquired a majority stake in Wollongong Coal Limited (“**WCL**”) (formerly Gujarat NRE Coking Coal Ltd), a company registered in Australia in November 2013. WCL’s shares are listed on the Australian Securities Exchange. The mining area is under lease periods ranging up to 2023 to 2033. WCL is one of six shareholders of Port Kembla, with the other shareholders also having mines in the region. According to reports from 2010 and 2017 conducted under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the mines have resources of

approximately 665 MT and reserves of approximately 125 MT, with a mine reserve life of approximately 30 years, based on current production plans.

We have our own rolling stock to export the coal through Beira Port using the Sena Railway Line.

Mozambique

We own and operate an open cast coking coal mine located in Chirodzi, Mozambique. The mining area is under a lease period valid until 2035. According to a third party report from 2012, the mine has resources of approximately 1,708.65 MT, with a mine reserve life of approximately 15 years.

South Africa

We own and operate an underground anthracite coal mine located in Kiepersol, South Africa through our step down subsidiary Jindal Mining SA (Pty) Limited. The South Africa mine also has a 1.20 MTPA wash plant that allows us to produce various high grade metallurgical products for the local and international markets. The anthracite coal from the colliery has low sulphur and phosphorus content and the mine is a supplier to ferro alloy manufacturers in South Africa and abroad, to customers in the Middle East. We have a private railway siding which enables the mine to dispatch orders directly to customers and to shipping ports for export.

Other Businesses

We engage in certain other business activities, including cement manufacturing, construction solutions and power transmission.

We produce “Jindal Panther” branded cement at our Raigarh plant. This cement product caters to housing and construction requirements across infrastructure, residential, commercial and industrial projects. Our primary emphasis is to produce “Portland Slag Cement”, which is an eco-friendly product. The 0.7 MTPA cement manufacturing unit operates a vertical roller mill through a fully-computerized process control room.

We have also built up our in-house project management expertise to develop buildings and townships. We believe that our continued focus on innovation to develop new grades of steel and product lines offers potential to tap into the fast-growing market of construction solutions. We continue to make inroads into the construction solutions business in an effort to become a preferred choice as a one-stop shop for all construction and steel structure based building solutions.

We also have a distribution license to sell 299 MW of power to the OP Jindal Industrial Park at Punjipatra, Chhattisgarh.

Competition

Steel

The market for steel is competitive with high levels of international trade. Despite the consolidation that has taken place in the steel industry in recent years, levels of global industry concentration still remain well below those of other metals and mining sectors. According to the WSA, the fifteen largest steel producers represented approximately 33% of global steel production in 2016. As a global producer, we face significant competition from other steel producers worldwide. Our primary competitors in the global steel market include ArcelorMittal, Baosteel Co., Ltd., Nippon Steel, JFE Steel Corporation, POSCO, Shagang Group and ThyssenKrupp AG. In India, we face competition from integrated and partially integrated steel producers such as Tata Steel, Steel Authority of India Limited (SAIL), Vishakhapatnam Steel Plant (Rashtriya Ispat Nigam Limited), Essar Steel Limited and JSW Steel Limited, as well as rerollers. For further information on the steel industry, see the section titled “Industry Overview”.

Power

Due to the significant demand-supply mismatch and low per capita consumption of power in India, we believe that the power business has the ability to absorb new entrants into the power industry. We believe that more companies entering the power generation industry will help reduce the power deficit in India. For example, an increased number of players may result in heightened competition during the bidding process for power procurement and may cause downward pressure on short-term tariffs. Some of our competitors operating in India include Tata Power Company Limited, Reliance Power Limited, Torrent Power Limited, NTPC Limited, Adani Power Limited, KSK Energy Ventures Limited and Indiabulls Power Limited. For further information on the power industry, see the section titled “Industry Overview”.

Internal Controls

We have put in place a system of internal controls to help ensure that all assets are safeguarded against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported correctly. In addition, the internal financial control and reporting process ensures robust financial monitoring and ensures compliance. We deploy standard policies and procedures, covering relevant business aspects, which are designed to facilitate effective oversight on business operations. Our internal

control system is periodically reviewed by the management, and supplemented by an extensive program of internal and external audits. Financial and other records are reliable for preparing financial information, maintaining accountability of assets and providing reliable management information.

Research Development and Innovation

Our consolidated research and development expenditures were ₹ 264.2 million, ₹ 84.5 million and ₹ 82.9 million in the Fiscal Years 2015, 2016 and 2017, respectively. Our research and development activities include development of processes, products and applications to improve product quality, reduction of energy consumption and environmental footprint, and waste utilization.

Intellectual Property

We have intellectual property rights in terms of brand names used in relation to our products and offerings. Certain of our mainline end use products are marketed under the “Jindal Panther” brand, which has been adopted and used since 2013, having a logo and device representing the distinctive characteristics of the brand. The Jindal Panther logo is registered under Classes 6 and 37 in India in relation to the product categories of steel goods, including TMT rebars, sheets, plates, rods, coils, angles and channels, crude steel and semis, steel structural construction work and consultancy relating thereto. We have also claimed this brand logo and device for marketing of our products in other countries, such as Nepal, Bhutan, Bangladesh and Oman, where steps have been taken to protect our intellectual property.

IT Systems

Our domestic and global locations operate on a digitally enabled, process based, integrated IT system. We use a mix of SAP and non-SAP applications, and our businesses run on an online platform onto a fully secured network with analytics solutions embedded in them. Use of telepresence facilities across business locations have brought benefits of collaborative working at a low cost. We have implemented a strong compute environment, examples of this include the online NFA application for approvals, the capital expenditure decision system, fund management system, steel sales and operations dash board and distributor management system.

Our IT team has received multiple awards, including the prestigious IDG – CIO 100 award and the IDC Insights Award, 2016 for ‘Excellence in Operations’ won by our Chief Information Officer.

Energy Management

Our energy management procedures involve identification of opportunity for mitigation of energy/heat loss in the production system through measures such as technology advancement, retrofitting existing equipment, ensuring raw material quality and operational practices. All of our production units are either certified or are in the process of becoming ISO 50001 certified.

We have been issued several energy saving certificates by the Bureau of Energy Efficiency in its ‘Perform, Achieve and trade program’. Our production units have received recognition from the Government on several occasions, including the CREDA Award on Sustainable Energy Development in 2016 for our CPP at Raigarh, as well as the National Energy Conservation Award in 2016.

Environmental Management

We have adopted sound environmental management practices for operating our steel plants, mines and power plants. Conservation of natural resources and pollution control initiatives are integral components of our operational module. Integrated management systems are followed across all of our businesses. We also have an environmental policy. Environmental management is implemented through the Environment Management Departments based in India.

Sewage treatment plants and industrial effluent recycling and treatment systems have been installed at all plant locations. Further, rainwater harvesting has been adopted to recharge groundwater and to minimize withdrawal of surface water. In order to monitor effluent quality, online effluent quality monitoring systems have been installed. Real-time checks on the performance of pollution control devices is done through continuous online monitoring systems for stack emissions as well as ambient air quality.

Employees

As of December 31, 2017, we had 15,270 permanent employees for our global operations. Our permanent employees include personnel engaged in management, administration, engineering, auditing, finance, sales and marketing, procurement, logistics and legal functions. As part of our strategy to improve our operational efficiency, we regularly organize in-house and external training programs for our employees.

Occupational Health and Safety

We are committed to conducting all of our operations free from accidents and occupational hazards. We implement best practices at our operational units to ensure the safety of our people, including contractors and temporary laborers. Further, we strive to provide a safe working ecosystem for our people and thus, follow all statutory requirements. We are guided by the following principles for developing robust safety standards across our operations:

- all injuries and work-related illness can and must be prevented;
- managers are responsible and accountable for safety and health performance;
- employee engagement and training is mandatory;
- working safely is a condition of employment;
- excellence in safety and health drive excellent business results; and
- safety and health must be integrated in all business processes.

We are committed to strict compliance for all state and central statutory requirements and applicable standards. The compliance status of such requirement is monitored online through the software “iComply” on a regular basis. We conform to the International Occupational Health and Safety Management Standard OHSAS 18001, which is certified by recognized external accredited agencies. We have been recognized for our safety achievements in the recent past, including the International Safety Award from British Safety Council, UK and the Rashtra Vibushan Occupational Health & Safety Awards.

Corporate and Social Responsibility

We believe strongly that sustainable community development is essential for harmonious development of both the community and our industry. We endeavor to make a positive contribution, especially to underprivileged communities by supporting a range of socio-economic, educational and health initiatives by adopting a need profile analysis and implementing sustainable social development projects. A few examples of our initiatives include:

- health, water and sanitation services;
- preventive health care services, community health outreach services, such as health camps and, tele-medicine centers, population stabilization programs, maternal and child health care services, institutional delivery and vaccination;
- medical referral services care and rehabilitation of the differently abled, HIV and AIDS prevention awareness and control programs through integrated counseling and training programs;
- addressing malnutrition and hunger in micro project mode;
- providing safe drinking water supplies and sanitation facilities by way of installation of deep tube wells and piped water supplies;
- rehabilitation and mainstreaming of physically and mentally challenged children through the dedicated centre “Asha – The Hope”; and
- mass education, skill development and scholarship programs.

Insurance

We currently maintain a range of insurance coverage on our property and plants, fixed assets, transportation vehicles and certain other assets that are considered to be subject to significant operating risks. We maintain mega-risk policies and industrial all-risk policies for facilities in relation to building, plant and machinery, stock and stock in-progress and furniture and other contents. In addition, our operations are covered by insurance policies for any anticipated loss due to accident, fire, flood, riot, strike and malicious damage, and for any liability to customers and third parties. In addition, our global operations are covered by insurance policies for anticipated loss of profit due to accident, fire, flood, riot, strike and malicious damage, for liability to customers and third parties. In addition, JPL maintains the following policies: (i) money insurance, (ii) contractor’s plant and machinery insurance, (iii) marine cargo insurance, and (iv) public liability insurance.

Properties

Our registered office, located at O. P. Jindal Marg, Hisar –125 005 (Haryana) and our corporate office, located at Jindal Centre, 12, Bhikaji Cama Place, New Delhi – 110 066, are not owned by us. Additionally, other various plants and facilities are located on land that is either owned or leased to our Company.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles. In accordance with the Articles, our Company shall not have less than three Directors and not more than 18 Directors. Our Board presently consists of 12 Directors, including six independent Directors and two nominee Directors.

Pursuant to the provisions of the Companies Act 2013, at least two-thirds of the total number of Directors, excluding the independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. The nominee Directors are non-rotational directors. A retiring Director is eligible for re-election. Further, pursuant to the Companies Act 2013, the independent directors may be appointed for a maximum of two consecutive terms of up to five consecutive years each and thereafter have a cooling off period of three years prior to re-appointment. Any re-appointment of independent directors shall be on the basis of, *inter alia*, the performance evaluation report and approval by the shareholders of our Company, by way of a special resolution.

The following table sets forth details regarding our Board as of the date of this Preliminary Placement Document:

S. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation
1.	Naveen Jindal <i>Address:</i> 6, Prithviraj Road, New Delhi – 110 011 <i>Occupation:</i> Industrialist <i>Nationality:</i> India <i>Term:</i> Three years from October 1, 2017 (liable to retire by rotation) <i>DIN:</i> 00001523	48	Chairman
2.	Shallu Jindal <i>Address:</i> 6, Prithviraj Road, New Delhi – 110 011 <i>Occupation:</i> Industrialist <i>Nationality:</i> Indian <i>Term:</i> Liable to retire by rotation <i>DIN:</i> 01104507	47	Non- Executive Director
3.	Rajeev Rupendra Bhaduria <i>Address:</i> A-103, Kshitij, C/o Mahindra Gesco, , Ram Mandir Road, Opp Movie Star Theatre, Goregaon (West), Mumbai – 400 104 <i>Occupation:</i> Service <i>Nationality:</i> Indian <i>Term:</i> Three years from May 27, 2015 (liable to retire by rotation) ⁽¹⁾ <i>DIN:</i> 00376562	57	Wholetime Director
4.	Dinesh Kumar Saraogi <i>Address:</i> Plot no. 751, Similipada, Near Panchmukhi Chhak, Angul, Orissa – 759 122 <i>Occupation:</i> Service	59	Wholetime Director

S. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation
	Nationality: Indian Term: Three years from November 9, 2017 (liable to retire by rotation) DIN: 06426609		
5.	Ram Vinay Shahi Address: 14, Factory Road, Block no. 1 , Ground Floor, Adj. Vardhman Mahavir Medical College, Safdarjung New Delhi – 110 029 Occupation: Professional Nationality: Indian Term: Five years from July 30, 2014 DIN: 01337591	73	Independent Director
6.	Arun Kumar Purwar Address: C-2303/4, Flr-23, Ashok Tower, 63/7-4, Dr. SS Rao Road, Parel, Mumbai – 400 012 Occupation: Professional Nationality: Indian Term: : Five years from July 30, 2014 DIN: 00026383	71	Independent Director
7.	Arun Kumar Address: E-202, Som Vihar, Sector 10, R.K. Puram, New Delhi – 110 022 Occupation: Professional Nationality: Indian Term: : Five years from July 30, 2014 DIN: 01772163	75	Independent Director
8.	Sudershan Kumar Garg Address: 111, Akash Neem Marg, DLF Phase – II, Gurgaon, Haryana – 122 002 Occupation: Professional Nationality: Indian Term: : Five years from July 30, 2014 DIN: 00055651	67	Independent Director
9.	Amar Singh Address: House no. 18, Harnam Colony, Vill-Gill, Tehsil-Ludhiana West – 142 028	64	Independent Director

S. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation
	Occupation: Professional Nationality: Indian Term: Three years from April 25, 2017 DIN: 07800513		
10.	Hardip Singh Wirk Address: 2, Andheria Morh, Mehrauli, New Delhi – 110 030 Occupation: Professional Nationality: Indian Term: : Five years from July 30, 2014 DIN: 00995449	48	Independent Director
11.	Anjan Barua Address: House No. 26, W. No. 54, Nilgiri Path, Baghorbari Tinali, Panjabari, S-Dispur, Kamrup, Guwahati, Assam – 781 037 Occupation: Professional (banker) Nationality: Indian Term: Not liable to retire by rotation DIN: 01191502	65	Nominee Director
12.	Pradyumna Singh Dubey Address: Flat no. 6, Club House, Oberoi Apartments, 2, Shamnath Marg, Civil Lines, Delhi – 110 054 Occupation: Service Nationality: Indian Term: Not liable to retire by rotation DIN: 00506858	50	Nominee Director

⁽¹⁾ The shareholders of the Company in the AGM held on September 22, 2017 approved the re-appointment of Rajeev Rupendra Bhadauria for a further period of three years from May 27, 2018 to May 26, 2021.

Brief Biographies of the Directors

Naveen Jindal is the Chairman of our Company. He also serves as the president of Flag Foundation of India and as the chancellor of O.P. Jindal Global University. He represented Kurukshetra in the Indian Parliament for 10 years in the 14th and 15th Lok Sabha and was part of several Parliamentary committees and initiatives. He holds a MBA degree from the University of Texas at Dallas, USA. Naveen Jindal has been awarded with various awards including Industry Communicator of the Year 2016 by World Steel Association; India's Best CEO by BT – INSEAD – Harvard Business Review; Top Ten India Inc's Most Powerful CEO's – 2011 by The Economic Times; Young Entrepreneur of the Year Award – 2010 by Ernst & Young in the field of Energy and Infrastructure; and Justice P.N. Bhagwati Award for unique contribution to legal education and philanthropy by Dr. A.P.J. Abdul Kalam.

Shallu Jindal is a Non-Executive Director of our Company. She currently heads National Bal Bhavan as chairperson and was honoured with the 2nd Aadhi Aabadi Women Achievers Award, 2010 and the 'Priyadarshini Award 2007' for her outstanding achievements in the field of Indian classical dance (Kuchipudi) and contribution in the field of art and culture, education and community development. She has also been awarded with the International Women's Day award by ICUNR (Indian Council for UN Relations). She has been honoured with 'Rajiv Gandhi Excellence Award', 'Devdasi National Award' & 'Art Karat

Award for Excellence' for best classical danseuse and remarkable contribution in field of Indian classical dance. She is the president of the JSPL Foundation and spearheads the CSR initiatives of the Company. She is also director on the board of Miracle Foundation India, Jindal Steel & Power (Mauritius) Limited and Nalwa Steel & Power Limited.

Rajeev Rupendra Bhadauria is a Wholetime Director of our Company. At present he is the Director – group HR of the Company. He is post graduate in personnel management and industrial relations from the Power Management Institute, NTPC and LLB from Allahabad University. He is also a director on board of Jindal Synfuels Limited and Indian Iron and Steel Sector Skill Council. He has been associated with the Company since 2011.

Dinesh Kumar Saraogi is an Executive Director Incharge & Location Head of our Company, Raigarh. He is also a Wholetime Director of the Company. He holds a bachelor's degree in mechanical engineering from Government Engineering College, Jabalpur in the year 1981. He joined the Jindal Group in November 1988. He has served the organization at many locations starting from Hisar, Raigarh C.G. and Oman. He headed the plant in Oman from its inception to commercial production. He is the recipient of the Best Corporate Leaders Award- 2014 by Odia Televiewers Private Limited. He is also a member of the Corporate Management Committee and Health, Safety, CSR and Environment Committee of the Company.

Ram Vinay Shahi is an independent Director on the Board of our Company. He holds a bachelor's degree in mechanical engineering from the National Institute of Technology, Jamshedpur, post-graduation in industrial engineering from the National Productivity Council, Chennai, post graduate diploma in business management (equivalent to MBA) from Xavier Institute, Ranchi and a diploma in advanced training in industrial management from Delft, Holland. He has served as the secretary, Ministry of Power, Government of India, prior to which he was chairman and managing director of BSES Limited. He also worked in various capacities with Hindustan Steel Limited (now Steel Authority of India Limited) and NTPC Limited and was director (operations) on the board of NTPC Limited. He has received several awards which include, among others, Best Power Man of the Millennium Year 2000 Award by the National Foundation of Indian Engineers. He is a director on the board of Energy Infratech Private Limited, Renowab Infratech Private Limited and RV Shahi Advisory Private Limited.

Arun Kumar Purwar is an independent Director on the Board of our Company. He holds a master's degree in commerce from University of Allahabad and hold an associate certificate issued by Indian Institute of Bankers. He was the chairman of State Bank of India from November, 2002 to May, 2006. He has also worked as chairman of Indian Bank Association during 2005-2006. He has received several awards including 'Finance Man of the Year' award by the Bombay Management Association in 2005. He is a director on board of Reliance Communications Limited, Apollo Tyres Limited, IIFL Holdings Limited, ONGC Tripura Power Company Limited, Alkem Laboratories Limited, Saurya Urja Company of Rajasthan Limited amongst others.

Arun Kumar is an independent Director on the Board of our Company. He holds a master's degree in Physics from Delhi University and in Mathematics from Banaras Hindu University. He is an I.A.S. Officer (Retired) of 1965 batch. He was the Chief Secretary to the Government of Chhattisgarh. He is the Chairman of Health, Safety CSR and Environment Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee and a member of the Audit Committee and Investment Committee.

Sudershan Kumar Garg is an independent Director of our Company. He holds a bachelor's degree in commerce from Shri Ram College of Commerce and is a chartered accountant by profession. He has several years of experience in the field of oil and power. He was the executive director (finance) in Indian Oil Corporation. He joined the board of NHPC Limited as director (finance) in 2003. In October 2005, he was appointed chairman and managing director of NHPC Limited and NHDC Limited (a subsidiary of NHPC Limited). He was also the chairman of Loktak Downstream Hydroelectric Corporation Limited.

He also holds directorship in Etalin Hydro Electric Power Company Limited and Kamala Hydro Electric Power Company Limited.

Amar Singh is an independent Director of our Company. He holds a bachelor's degrees in medicine and surgery from Guru Nanak Dev University. He also holds a master's of arts in economics from Barkatullah University, Bhopal. He served in the Indian Administrative Service (IAS) from 1981 to 2013. He has worked at various levels of Government and has experience spanning multiple sectors. He was the chairman and managing director, Food Corporation of India. He has worked at senior positions for over 12 years in the Government of Madhya Pradesh.

Hardip Singh Wirk is an independent Director on the Board of our Company. He holds a bachelor's of commerce degree from Delhi University. He started his career in 1994 as a lawyer and he has his independent practice. He is a director on board of JPL, Etalin Hydro Electric Power Company Limited and Kamala Hydro Electric Power Company Limited.

Anjan Barua has been nominated as nominee Director by State Bank of India. He was a Public Interest Director nominated by SEBI on the board of National Securities Clearing Corporation Limited. Prior to this he was on the board of NSE, Central Depository Services Limited and the Clearing Corporation of India Limited. He was also a member of the committee appointed by SEBI for suggesting reforms in the corporate debt market. He has several years of experience in banking in India and abroad.

Pradyumna Singh Dubey has been nominated as nominee Director by IDBI Bank Limited. He completed his master's degree of philosophy in economics with specialisation on petroleum industry from Jawaharlal Nehru University, New Delhi and his master's degree of arts in economics from St. John's College, Agra.

Relationship with Other Directors

None of our Directors are related to each other, except Naveen Jindal and Shallu Jindal are spouses of each other.

Borrowing Powers of our Board

Our Company has, pursuant to the special resolution passed by the shareholders of the Company through postal ballot dated July 9, 2014, in supersession of ordinary resolution passed by the shareholders in their AGM held on September 28, 2010, authorised the Board to borrow moneys from time to time, whether as rupee loans, foreign currency loans debentures, bonds and/ or other instruments or non-fund based facilities or in any other form (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from the banks, financial institutions, investment institutions, mutual funds, trusts or other bodies corporate or from any other source, located in India or abroad, whether unsecured or secured, on such terms and conditions as may be considered suitable by the Board up to an amount, the aggregate outstanding of which should not exceed, any given time, ₹ 500,000.0 million.

Interest of the Directors

All of the independent Directors, non-executive Directors and nominee Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or committees thereof, as well as to the extent of reimbursement of expenses, and the Chairman and the executive Directors of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered.

All of the Directors may also be regarded as interested in any Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them. All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms, HUFs, and trusts, in which they are interested as directors, members, partners, karta, trustees, etc.

Except as provided in "Financial Statements" at page 67, and except as disclosed below in this Preliminary Placement Document, our Company has not entered into any contract, agreement or arrangement during the three Fiscal Years immediately preceding the date of this Preliminary Placement Document, in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

As on the date of this Preliminary Placement Document, there are no outstanding loans which have been extended by our Company to any of the Directors. However, the Company has given salary advance to the Directors, as per the Company's policy. The current outstanding amount for such salary advance, as on date of this Preliminary Placement Document, is given below:

Name	Amount Outstanding (in ₹ million)
Rajeev Rupendra Bhadauria	0.8

As on the date of this Preliminary Placement Document, the Directors of the Company have not advanced any loans to our Company.

Shareholding of Directors

The following table sets forth the shareholding of the Directors in our Company as on March 16, 2018:

Name	Number of Equity Shares	Percent of the issued and paid-up Equity Share capital (in %)
Naveen Jindal	7,871,596	0.86
Shallu Jindal	Nil	N.A
Rajeev Rupendra Bhadauria	16,191	Negligible ⁽¹⁾
Dinesh Kumar Saraogi	52,447	Negligible ⁽¹⁾
Ram Vinay Shahi	Nil	N.A
Arun Kumar Purwar	8,000	Negligible ⁽¹⁾
Arun Kumar	Nil	N.A
Sudershan Kumar Garg	1,200	Negligible ⁽¹⁾
Amar Singh	Nil	N.A
Hardip Singh Wirk	Nil	N.A
Anjan Barua	Nil	N.A
Pradyumna Singh Dubey	Nil	N.A
TOTAL	7,949,434	0.87

⁽¹⁾ Less than 0.1%

Terms of Appointment of Executive Directors

S. No.	Name	Particulars
1.	Naveen Jindal	(i) Period of Appointment: Three years with effect from October 1, 2017 to September 30, 2020. (ii) Remuneration: ₹ 147.8 million per annum. (iii) Entitled to reimbursement of expenses on actual basis which are incurred for business of our Company. (iv) Benefits, perquisites, allowances, reimbursements and facilities as per the policy of our Company. The perquisites and allowances, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/ or allowances for utilisation of gas, electricity, water, furnishing and repairs, medical assistance and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules framed thereunder or any statutory modification(s) or re-enactment (s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost. (v) Our Company's contribution to provident fund, superannuation or annuity fund, gratuity payable and encashment of leave, as per the rules of the Company, shall be in addition to the remuneration under (ii) above. (vi) No entitlement to sitting fees for attending any meetings of the Board ~~vis-à-vis~~ its committees. (vii) In case our Company has no profits or its profits are inadequate in any financial year, our Company will pay remuneration by way of salary, benefits, perquisites, allowances reimbursements and facilities as specified above or as per the limits prescribed under Schedule V to the Companies Act 2013, whichever is lower.
2.	Rajeev Rupendra Bhadauria	(i) Period of appointment: Three years with effect from May 27, 2015 to May 26, 2018. (ii) Basic salary: ₹ 7.5 million per annum. (iii) Flexible Compensation: ₹ 10.4 million per annum. (iv) Performance based Target Variable Pay: ₹ 5.7 million per annum as per Company's policy. (v) Perquisites: (a) employer's contribution to provident fund at the rate of 12% of basic salary; (b) gratuity in accordance with Company's policy; (c) medi-claim insurance coverage for self and family as per Company's policy; (d) group personal accident insurance as per Company's policy; (e) leave encashment in accordance with Company's policy; (f) mobile phone, telephone facility, I- pad, laptop etc. as per Company's policy; and (g) furniture/ fixtures/ home furnishing loan or any other loan as per Company's policy. (vi) Entitlement for reimbursement of expenses incurred for business purposes on actuals. (vii) Not be entitled for any sitting fees for attending any meetings of Board ~~vis-à-vis~~ committee. (viii) In case our Company has no profits or its profits are inadequate in any financial year, our Company will pay the remuneration by way of salary, performance based target variable pay, benefits, perquisites, allowances, reimbursements and facilities as specified above.
3.	Dinesh Kumar Saraogi	(i) Period of appointment: Three years with effect from November 9, 2017 to November 8, 2020. (ii) Basic salary: ₹ 4.6 million per annum.

S. No.	Name	Particulars
		(iii) Flexible Compensation: ₹ 6.3 million per annum.
		(iv) Performance Based Target Variable Pay: ₹ 2.9 million per annum.
		(v) Perquisites: (a) employer's contribution to provident fund; (b) gratuity in accordance with Company's policy; (c) medi-claim insurance coverage for self and family as per Company's policy; (d) group personal accident insurance as per Company's policy; (e) leave encashment in accordance with Company's policy; (f) mobile phone, telephone facility, I- pad, laptop etc. as per Company's policy; and (g) furniture/ fixtures/ home furnishing loan or any other loan as per Company's policy.
		(vi) Entitlement to reimbursement of expenses on actual basis which are incurred for business of the Company. Further, no sitting fees will to be paid for attending the meetings of Board or committees.
		(vii) In case our Company has no profits or its profits are inadequate in any financial year, our Company will pay the remuneration by way of salary, performance based target variable pay, benefits, perquisites, allowances, reimbursements and facilities as specified above or as per the limits prescribed under the Schedule V of the Companies Act, 2013, whichever is lower.

Compensation of the Non-executive Directors

The non-executive Directors are paid remuneration consisting of sitting fees as determined by our Board. Presently, non-executive Directors on our Board are entitled, pursuant to the resolution passed by the Board on February 14, 2017, to sitting fees of ₹ 50,000 for attending each meeting of the Board, ₹ 20,000 for attending each meeting of our Audit Committee and ₹ 10,000 for attending meetings of other committees of the Board.

The following table set forth the compensation paid by our Company to the non-executive Directors of our Company during the relevant period for the Fiscal Year 2017, Fiscal Year 2016, Fiscal Year 2015 and nine month period ended December 31, 2017:

(in ₹ million)					
S. No.	Name of Director	Sitting fees for the Fiscal Year 2015	Sitting fees for the Fiscal Year 2016	Sitting fees for the Fiscal Year 2017	Sitting fees for the nine month period ended December 31, 2017
1.	Ratan Jindal	0.06	0.02 ⁽⁵⁾	-	-
2.	Shallu Jindal	0.04	0.06	0.2	0.3
3.	Shalil Mukund Awale	0.02 ⁽¹⁾⁽²⁾	0.04 ⁽⁶⁾	0.06 ⁽⁷⁾⁽⁸⁾	-
4.	Rajiv Sharma	0.02 ⁽¹⁾⁽³⁾	-	-	-
5.	Ajit M. Ingle	0.08 ⁽¹⁾⁽⁴⁾	-	-	-
6.	Ram Vinay Shahi	0.4	0.3	0.4	0.4
7.	Arun Kumar Purwar	0.2	0.3	0.6	0.4
8.	Arun Kumar	0.6	0.5	0.7	0.5
9.	Sudershan Kumar Garg	0.2	0.2	0.4	0.4
10.	Hardip Singh Wirk	0.4	0.4	0.5	0.4
11.	Chandan Roy	0.04 ⁽²⁾	0.08	0.02 ⁽⁷⁾	-
12.	Haigreave Khaitan	0.04	0.06	0 ⁽⁷⁾	-
13.	Deepak Sood	-	-	0.1 ⁽⁹⁾⁽⁸⁾	0.05 ⁽¹²⁾⁽¹³⁾
14.	Anjan Barua	-	-	0.1 ⁽⁹⁾	0.3
15.	Amar Singh	-	-	-	0.3
16.	Pradyumna Singh Dubey	-	-	-	0.1 ⁽¹⁰⁾⁽¹³⁾
17.	K.C. Sood	-	-	-	0.3 ⁽¹¹⁾

⁽¹⁾ Sitting fees paid directly to IDBI Bank Limited.

⁽²⁾ Chandan Roy and Shalil Mukund Awale were appointed as Directors with effect from December 19, 2014 and March 4, 2015 respectively.

⁽³⁾ Rajiv Sharma was appointed as Director with effect from November 4, 2014 and subsequently resigned with effect from March 4, 2015.

⁽⁴⁾ Ajit M. Ingle was appointed as Director with effect from May 3, 2014 and subsequently resigned with effect from October 20, 2014.

⁽⁵⁾ Ratan Jindal resigned as Director with effect from March 30, 2016.

⁽⁶⁾ Sitting fees paid directly to IDBI Bank Limited.

⁽⁷⁾ Chandan Roy, Haigreave Khaitan and Shalil Mukund Awale resigned as Director with effect from June 7, 2016, December 7, 2016 and December 8, 2016 respectively.

⁽⁸⁾ Sitting fees paid directly to IDBI Bank Limited.

⁽⁹⁾ Deepak Sood and Anjan Barua were appointed as Director with effect from December 8, 2016 and February 14, 2017 respectively.

⁽¹⁰⁾ Pradyumna Singh Dubey was appointed as Director with effect from October 3, 2017.

⁽¹¹⁾ K.C. Sood was appointed as Director with effect from April 25, 2017 and subsequently ceased to be Director with effect from December 2, 2017.

⁽¹²⁾ Deepak Sood resigned as a Director with effect from August 10, 2017.

⁽¹³⁾ Sitting fees directly paid to IDBI Bank Limited.

Compensation of the Executive Directors

The following tables set forth the details of remuneration paid by our Company to the executive Directors of our Company during the relevant period for the Fiscal Year 2017, the Fiscal Year 2016, the Fiscal Year 2015 and nine month period ended December 31, 2017:

(in ₹ million)

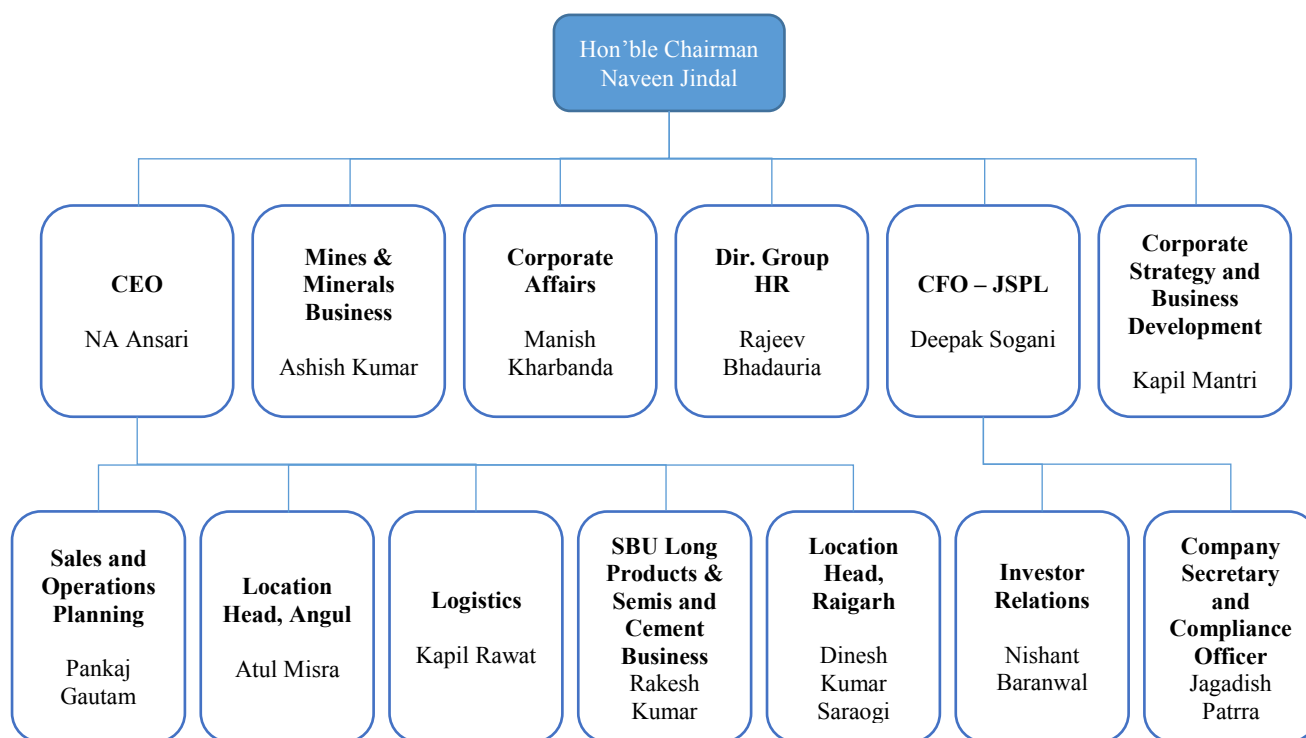
S. No.	Name of Director	Remuneration for the Fiscal Year 2015	Remuneration for the Fiscal Year 2016	Remuneration for the Fiscal Year 2017	Remuneration for the nine month period ended December 31, 2017
1.	Naveen Jindal	147.8	131.7	70.6	95.1
2.	Ravikant Uppal	90.0 ⁽¹⁾	70.7	60.6	50.0 ⁽³⁾
3.	K. Rajagopal	37.5	-	-	-
4.	Dinesh Kumar Saraogi	14.2	13.4	12.9	8.4
5.	Rajeev Rupendra Bhadauria		21.4 ⁽²⁾	17.8	13.9

⁽¹⁾ Includes ₹ 20.9 million relating to FY 2013-14 paid in FY 2014-15.

⁽²⁾ Rajeev Rupendra Bhadauria was appointed as a Wholetime Director with effect from May 27, 2015. The remuneration details include the remuneration paid to him during April 1, 2015 to May 26, 2015.

⁽³⁾ Ravikant Uppal resigned from the position of managing director and group chief executive officer of the Company with effect from September 30, 2017.

Organisation Chart of our Company



Key Managerial Personnel and Senior Management Personnel

The following table sets forth details regarding our Company's Key Managerial Personnel and senior management personnel, as of the date of this Preliminary Placement Document:

I. Key Managerial Personnel

S. No.	Name	Age	Designation
1.	Naveen Jindal	48	Chairman
2.	Dinesh Kumar Saraogi	59	Wholetime Director
3.	Rajeev Rupendra Bhadauria	57	Wholetime Director

S. No.	Name	Age	Designation
4.	Deepak Sogani	52	Chief Financial Officer
5.	Jagadish Pattra	47	Company Secretary and Compliance Officer

II. Senior Managerial Personnel

S. No.	Name	Age	Designation
1.	Manish Kharbanda	47	Executive Director & Head Corporate Affairs
2.	Atul Misra	57	Executive Director & Location Head
3.	Kapil Rawat	57	Executive Director & Head Logistics
4.	Kapil Mantri	36	Head – Corporate Strategy and Business Development
5.	Rakesh Kumar	56	Executive Director Operational Excellence & Head Strategic Business Unit of Long Products & Semis and Cement Business
6.	Pankaj Gautam	65	Executive Director & Head Sales and Operations Planning
7.	Ashish Kumar	48	Executive Director & Head Mines and Minerals
8.	Nishant Baranwal	36	Head Investor Relations

For brief biographies of our Chairman and Wholetime Directors, see “- Brief Biographies of our Directors on pages 449 - 450.

Brief biographies of the Key Managerial Personnel:

Deepak Sogani is the chief financial officer of the Company. He is an engineering graduate from IIT Delhi and post graduate diploma in management from IIM Ahmedabad. He is a Chartered Financial Analyst as certified by the Association for Investment Management and Research. He is well experienced in all areas of business and financial management with special focus on strategy, merger and acquisition, business/ corporate development, business restructuring, corporate finance, capital markets, investor relationship, governance and operations.

Jagadish Pattra is the Company Secretary and Compliance Officer of the Company. He is a fellow member of The Institute of Company Secretaries of India and graduate in law from North Orissa University. He has professional competency in company law compliances, SEBI and listing compliances, merger and acquisition and legal functions.

Brief biographies of the senior management personnel:

Manish Kharbanda is the executive director and head of corporate affairs of our Company. He has completed an advanced management program from the Harvard Business School, Boston. He received his post graduate diploma in business administration from ICAI Business School and also holds an advanced diploma in finance from the Institute of Chartered Financial Analysts of India. He also holds a bachelors’ of science degree from the University of Lucknow. He has also cleared the eligibility test for junior research fellowship and lecturer positions conducted by the University Grants Commission.

Atul Misra is an executive director and location head at our Company’s Angul operations. He completed his bachelor’s degree in Metallurgy Engineering from IIT Roorkee. He has held leadership positions in steel companies such as Essar Steel (Hazira) Limited, Ispat Industries Limited and Bhushan Steel Limited.

Kapil Rawat is the executive director and head of logistics of our Company. He graduated with distinction in the stream of bachelor of engineering (civil) from the University of Indore. He has held various leadership positions, such as serving as the chief executive officer – rail operations of Mundra International Container Terminal Limited, chief executive officer of Gateway Terminals India Private Limited and the chief general manager, central region of Container Corporation of India (CONCOR). Prior to holding these positions, he was a permanent employee in Indian Railways.

Kapil Mantri is the head – corporate strategy and business development of our Company. He leads the strategy development, new business development, market intelligence, merger and acquisitions functions of our Company. He is also the head of the strategy cell of JPL and is responsible for environment scanning, corporate planning and monitoring and special initiatives. He completed his bachelor’s degree in computer engineering from the National Institute of Technology Karnataka, Surathkal and has completed his post graduate programme in management at ISB, Hyderabad. He is the co-chair of the National Council on Power – ASSOCHAM. Further, he is on the board of OPJ Trading Private Limited, Jindal United Steel Limited and Kineta Power Limited.

Rakesh Kumar is the executive director operational excellence and head strategic business unit of long products and semis and cement business of our Company. He is a chartered accountant and was the head of finance and accounts and commercial functions at Company’s operations at Angul.

Pankaj Gautam is the executive director and heads the sales and operations planning of our Company. He holds a bachelor of engineering (electrical engineering) and a Post Graduate Diploma in Business Management (PGDBM) from Ravishankar University Raipur. Immediately prior to joining our Company, he was the joint managing director and chief executive officer of Visa Steel Limited and the chief executive officer of Bhilai Steel Plant an integrated steel plant under Steel Authority of

India Limited (SAIL).

Ashish Kumar is the executive director and head of mines and minerals of our Company. He graduated with a bachelor's degree in engineering from Thapar Institute of Engineering and Technology in Patiala. He has also worked with the petroleum business of Reliance Industries Limited prior to joining our Company.

Nishant Baranwal heads the investor relations team along with global business strategic finance for our Company. He has experience spanning across investment banking, corporate finance, project management and public policy analysis and implementation for over a decade. He has been ranked as #1 IR Professional in the basic materials sector in Asia by Institutional Investor Magazine 2016-17 (sell-side). He worked with Goldman Sachs (India) Securities Private Limited for more than four years before joining our Company. He holds an MBA degree from the Indian Institute of Science and a bachelor's degree of technology in computer science and engineering from the Uttar Pradesh Technical University.

Except Pankaj Gautam and Nishant Baranwal, all Key Managerial Personnel and senior management personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel and Senior Management Personnel

The following table sets forth the shareholding of the Key Managerial Personnel and senior management personnel in our Company as on March 16, 2018:

Name	Number of Equity Shares	Percentage of issued and paid-up Equity Share capital (in %)
Deepak Sogani	30,000	Negligible ⁽¹⁾
Jagadish Patra	Nil	N.A
Manish Kharbanda	Nil	N.A
Atul Misra	Nil	N.A
Kapil Rawat	3,500	Negligible ⁽¹⁾
Rakesh Kumar	47,878	Negligible ⁽¹⁾
Pankaj Gautam	Nil	N.A
Ashish Kumar	44,000	Negligible ⁽¹⁾
Kapil Mantri	Nil	N.A
Nishant Baranwal	Nil	N.A
TOTAL	1,25,378	0.01

⁽¹⁾ Less than 0.1%

For details of shareholding of Naveen Jindal, Dinesh Kumar Saraogi and Rajeev Rupendra Bhadauria, see “- Shareholding of Directors” on page 451.

Relationship

None of our Key Managerial Personnel and senior management personnel are related to each other.

Interest of Key Managerial Personnel

The Key Managerial Personnel, other than the Directors of our Company, do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business and to the extent of the Equity Shares held by them directly or indirectly in our Company, if any, and any dividend payable to them and other distributions in respect of such Equity Shares. For details of interests of Chairman and Wholtime Directors, see “- Interest of the Directors” on page 451.

Except as provided in “Financial Statements” at page 67, and except as disclosed in this Preliminary Placement Document, our Company has not entered into any contract, agreement or arrangement during the three Fiscal Years immediately preceding the date of this Preliminary Placement Document in which any of the Key Managerial Personnel other than the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

Corporate Governance

Our Board presently consists of 12 Directors. In compliance with the requirements of the SEBI Listing Regulations, our Board consists of six independent Directors.

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act 2013 and the SEBI Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our

Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act 2013 and the SEBI Listing Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company's executive management provides our Board detailed reports on its performance periodically.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act 2013 and the SEBI Listing Regulations and certain other committees for ease of operations:

The committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Health, Safety, Corporate Social Responsibility and Environment Committee; (v) Investment Committee; (vi) Governance and Business Ethics Committee; and (vii) Corporate Management Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Preliminary Placement Document:

S. No.	Committee	Name and Designation of Members
1.	Audit Committee	Ram Vinay Shahi, Chairman Arun Kumar, Member Arun Kumar Purwar, Member Rajeev Rupendra Bhadauria, Member
2.	Nomination and Remuneration Committee	Arun Kumar, Chairman Arun Kumar Purwar, Member Sudershan Kumar Garg, Member Hardip Singh Wirk, Member
3.	Stakeholders Relationship Committee	Arun Kumar, Chairman Hardip Singh Wirk, Member Rajeev Rupendra Bhadauria, Member
4.	Health, Safety, Corporate Social Responsibility and Environment Committee	Arun Kumar, Chairman Hardip Singh Wirk, Member Dinesh Kumar Saraogi, Member Rajeev Rupendra Bhadauria, Member
5.	Investment Committee	Arun Kumar Purwar, Chairman Arun Kumar, Member Hardip Singh Wirk, Member
6.	Governance and Business Ethics Committee	Sudershan Kumar Garg, Chairman Hardip Singh Wirk, Member Rajeev Rupendra Bhadauria, Member
7.	Corporate Management Committee	Naveen Jindal, Chairman Rajeev Rupendra Bhadauria, Member

S. No.	Committee	Name and Designation of Members
		Dinesh Kumar Saraogi, Member

Other Confirmations

None of the Directors, Promoters or Key Managerial Personnel and senior management personnel of our Company has any financial or other material interest in the Issue and there is no effect of such interest as is different from the interest of other persons.

Neither our Company, nor the Directors or Promoters have ever been identified as willful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.

Neither our Company, nor the Directors or Promoters have been debarred from accessing capital markets under any order or direction made by the SEBI.

Policy on disclosures and internal procedure for prevention of insider trading

Regulation 9(1) of the SEBI Insider Trading Regulations applies to our Company and its employees and requires our Company to implement a code of internal procedures and conduct for the prevention of insider trading. Our Company has implemented a code of conduct for prevention of insider trading in accordance with the SEBI Prohibition of Insider Trading Regulations, as per which, the Company Secretary of our Company is the Compliance Officer for the purposes of this code.

Related Party Transactions

For details in relation to the related party transactions entered into by our Company during the last three Financial Years, immediately preceding the year of circulation of this Preliminary Placement Document, see “Financial Statements” on page 67.

PRINCIPAL SHAREHOLDERS

I. The following table sets forth the details regarding the shareholding pattern of our Company, as on December 31, 2017:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of (A+B+ C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class eg: X	Class eg: Y	Total								
A	Promoter & Promoter Group	52	567784037	0	0	567784037	61.96	567784037	0	567784037	61.96	48000000	63.85	92720393	16.33	192391491	33.88	567784037
B	Public	154489	348660197	0	0	348660197	38.04	348660197	0	348660197	38.04		36.15	120434	0.03			334788635
C	Non Promoter- Non Public	0	0	0	0	0	0.00	0	0	0	0.00		0.00	0	0.00	0	0.00	0
C1	Shares underlying DRs	0	0	0	0	0	0.00	0	0	0	0.00		0.00		0.00			0
C2	Shares held by Employee Trusts	0	0	0	0	0	0.00	0	0	0	0.00		0.00		0.00			0
	Total	154541	916444234	0	0	916444234	100.00	916444234	0	916444234	100.00	48000000	100.00	92840827	10.13	192391491	20.99	902572672

II. The following table sets forth the details regarding the shareholding of the Promoter and Promoter Group as on December 31, 2017:

	Category & Name of the Shareholders (I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of A+B+C2	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
								Class X	Class Y	Total								
1	Indian	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
a	Individuals/Hindu undivided Family	20	18589884	0	0	18589884	2.03	18589884	0	18589884	2.03	0	1.93	0	0.00	12000	0.06	18589884
	Savitri Devi Jindal		1116540	0	0	1116540	0.12	1116540	0	1116540	0.12	0	0.12	0	0.00	0	0.00	1116540
	Tripti Jindal		97440	0	0	97440	0.01	97440	0	97440	0.01	0	0.01	0	0.00	0	0.00	97440
	Urvi Jindal		92880	0	0	92880	0.01	92880	0	92880	0.01	0	0.01	0	0.00	0	0.00	92880
	Deepika Jindal		1010100	0	0	1010100	0.11	1010100	0	1010100	0.11	0	0.11	0	0.00	0	0.00	1010100
	Abhyuday Jindal		177600	0	0	177600	0.02	177600	0	177600	0.02	0	0.02	0	0.00	0	0.00	177600
	Urmila Bhuwalka		35960	0	0	35960	0.00	35960	0	35960	0.00	0	0.00	0	0.00	0	0.00	35960
	Sushil Bhuwalka		37488	0	0	37488	0.00	37488	0	37488	0.00	0	0.01	0	0.00	12000	32.01	37488
	P R Jindal HUF		1804230	0	0	1804230	0.20	1804230	0	1804230	0.20	0	0.19	0	0.00	0	0.00	1804230
	Arti Jindal		115080	0	0	115080	0.01	115080	0	115080	0.01	0	0.01	0	0.00	0	0.00	115080
	Parth Jindal		220620	0	0	220620	0.02	220620	0	220620	0.02	0	0.02	0	0.00	0	0.00	220620

	Category & Name of the Shareholders (I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of A+B+C2	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
								Class X	Class Y	Total								
	S K Jindal And Sons HUF		1664610	0	0	1664610	0.18	1664610	0	1664610	0.18	0	0.17	0	0.00	0	0.00	1664610
	Naveen Jindal		7871596	0	0	7871596	0.86	7871596	0	7871596	0.86	0	0.82	0	0.00	0	0.00	7871596
	Tanvi Shete		96000	0	0	96000	0.01	96000	0	96000	0.01	0	0.01	0	0.00	0	0.00	96000
	Sangita Jindal		757290	0	0	757290	0.08	757290	0	757290	0.08	0	0.08	0	0.00	0	0.00	757290
	Sminu Jindal		64500	0	0	64500	0.01	64500	0	64500	0.01	0	0.01	0	0.00	0	0.00	64500
	Prithvi Raj Jindal		285150	0	0	285150	0.03	285150	0	285150	0.03	0	0.03	0	0.00	0	0.00	285150
	Seema Jajodia		7200	0	0	7200	0.00	7200	0	7200	0.00	0	0.00	0	0.00	0	0.00	7200
	Tarini Jindal Handa		96000	0	0	96000	0.01	96000	0	96000	0.01	0	0.01	0	0.00	0	0.00	96000
	R K Jindal & Sons HUF		791370	0	0	791370	0.09	791370	0	791370	0.09	0	0.08	0	0.00	0	0.00	791370
	Naveen Jindal HUF		2248230	0	0	2248230	0.25	2248230	0	2248230	0.25	0	0.23	0	0.00	0	0.00	2248230
b	Central Government/ State Government(s)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
c	Financial Institutions/ Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
d	Any Other (specify)	20	481135587	0	0	481135587	52.50	481135587	0	481135587	52.50	48000000	54.86	92720393	19.27	185850131	38.63	481135587
	Body Corporate	11	481133487	0	0	481133487	52.50	481133487	0	481133487	52.50	48000000	54.86	92720393	19.27	185850131	38.63	481133487
	Goswamis Credits & Investments Ltd		1874400	0	0	1874400	0.20	1874400	0	1874400	0.20	0	0.19	0	0.00	0	0.00	1874400
	Opelina Finance And Investment Limited		91300393	0	0	91300393	9.96	91300393	0	91300393	9.96	48000000	14.44	91300393	100.00	0	0.00	91300393
	Sun Investments Pvt Ltd		16800	0	0	16800	0.00	16800	0	16800	0.00	0	0.00	0	0.00	0	0.00	16800
	JSW Holdings Limited		3685800	0	0	3685800	0.40	3685800	0	3685800	0.40	0	0.38	0	0.00	0	0.00	3685800
	Gagan Infraenergy Limited		49709952	0	0	49709952	5.42	49709952	0	49709952	5.42	0	5.15	0	0.00	0	0.00	49709952
	OPJ Trading Private Limited		187637898	0	0	187637898	20.47	187637898	0	187637898	20.47	0	19.46	0	0.00	107177085	57.12	187637898
	JSL Limited		2607453	0	0	2607453	0.28	2607453	0	2607453	0.28	0	0.27	0	0.00	0	0.00	2607453
	Danta Enterprises Private Limited		62238816	0	0	62238816	6.79	62238816	0	62238816	6.79	0	6.45	0	0.00	59088083	94.94	62238816
	Glebe Trading Private Limited		16246108	0	0	16246108	1.77	16246108	0	16246108	1.77	0	1.69	0	0.00	12184963	75.00	16246108
	Virtuous Tradecorp Private Limited		64395867	0	0	64395867	7.03	64395867	0	64395867	7.03	0	6.68	0	0.00	7400000	11.49	64395867
	Nalwa Steel & Power Limited		1420000	0	0	1420000	0.15	1420000	0	1420000	0.15	0	0.15	1420000	100.00	0	0.00	1420000
	Trust	9	2100	0	0	2100	0.00	2100	0	2100	0.00	0	0.00	0	0.00	0	0.00	2100
	Naveen Jindal (As A Trustee Of Global Wisdom Trust)		500	0	0	500	0.00	500	0	500	0.00	0	0.00	0	0.00	0	0.00	500
	Naveen Jindal (As A Trustee Of Global Vision Trust)		500	0	0	500	0.00	500	0	500	0.00	0	0.00	0	0.00	0	0.00	500
	Naveen Jindal (As A Trustee Of Global Growth Trust)		500	0	0	500	0.00	500	0	500	0.00	0	0.00	0	0.00	0	0.00	500

	Category & Name of the Shareholders (I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of A+B+C2	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
								Class X	Class Y	Total								
	Sajjan Jindal, Sangita Jindal (As A Trustee Of Sajjan Jindal Family Trust)		100	0	0	100	0.00	100	0	100	0.00	0	0.00	0	0.00	0	0.00	100
	Sajjan Jindal, Sangita Jindal, Tarini Jindal (As A Trustee Of Tarini Jindal Family Trust)		100	0	0	100	0.00	100	0	100	0.00	0	0.00	0	0.00	0	0.00	100
	Sajjan Jindal, Sangita Jindal, Parth Jindal (As A Trustee Of Parth Jindal Family Trust)		100	0	0	100	0.00	100	0	100	0.00	0	0.00	0	0.00	0	0.00	100
	Sajjan Jindal, Sangita Jindal, Tanvi Shete (As A Trustee Of Tanvi Jindal Family Trust)		100	0	0	100	0.00	100	0	100	0.00	0	0.00	0	0.00	0	0.00	100
	Sajjan Jindal, Sangita Jindal (As A Trustee Of Sajjan Jindal Lineage Trust)		100	0	0	100	0.00	100	0	100	0.00	0	0.00	0	0.00	0	0.00	100
	Sajjan Jindal, Sangita Jindal (As A Trustee Of Sangita Jindal Family Trust)		100	0	0	100	0.00	100	0	100	0.00	0	0.00	0	0.00	0	0.00	100
	Sub-Total (A)(1)	40	499725471	0	0	499725471	54.53	499725471	0	499725471	54.53	48000000	56.79	92720393	18.55	185862131	37.19	499725471
2	Foreign	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
a	Individuals (Non-Resident Individuals/ Foreign Individuals)	2	825470	0	0	825470	0.09	825470	0	825470	0.09	0	0.09	0	0.00	0	0.00	825470
	Sarika Jhunjhuwala		622400	0	0	622400	0.07	622400	0	622400	0.07	0	0.07	0	0.00	0	0.00	622400
	Ratan Jindal		203070	0	0	203070	0.02	203070	0	203070	0.02	0	0.02	0	0.00	0	0.00	203070
b	Government	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
c	Institutions	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
d	Foreign Portfolio Investor	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
e	Any Other (specify)	10	67233096	0	0	67233096	7.34	67233096	0	67233096	7.34	0	6.97	0	0.00	6529360	9.71	67233096
	Body Corporate	10	67233096	0	0	67233096	7.34	67233096	0	67233096	7.34	0	6.97	0	0.00	6529360	9.71	67233096
	Estrela Investment Company Limited		7176000	0	0	7176000	0.78	7176000	0	7176000	0.78	0	0.74	0	0.00	0	0.00	7176000
	Jargo Investments Limited		7430400	0	0	7430400	0.81	7430400	0	7430400	0.81	0	0.77	0	0.00	0	0.00	7430400
	Nacho Investments Limited		7440000	0	0	7440000	0.81	7440000	0	7440000	0.81	0	0.77	0	0.00	0	0.00	7440000
	Templar Investments Limited		7437840	0	0	7437840	0.81	7437840	0	7437840	0.81	0	0.77	0	0.00	0	0.00	7437840
	Vavasa Investments Limited		7404480	0	0	7404480	0.81	7404480	0	7404480	0.81	0	0.77	0	0.00	0	0.00	7404480

	Category & Name of the Shareholders (I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of A+B+C2	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
								Class X	Class Y	Total								
	Beaufield Holdings Limited		5991720	0	0	5991720	0.65	5991720	0	5991720	0.65	0	0.62	0	0.00	0	0.00	5991720
	Pentel Holding Limited		3235496	0	0	3235496	0.35	3235496	0	3235496	0.35	0	0.34	0	0.00	0	0.00	3235496
	Mendeza Holdings Limited		7431060	0	0	7431060	0.81	7431060	0	7431060	0.81	0	0.77	0	0.00	0	0.00	7431060
	Sarmento Holdings Limited		7156740	0	0	7156740	0.78	7156740	0	7156740	0.78	0	0.74	0	0.00	0	0.00	7156740
	JSL Overseas Limited		6529360	0	0	6529360	0.71	6529360	0	6529360	0.71	0	0.68	0	0.00	6529360	100.00	6529360
	Sub-Total (A)(2)	12	68058566	0	0	68058566	7.43	68058566	0	68058566	7.43	0	7.06	0	0.00	6529360	9.59	68058566
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	52	567784037	0	0	567784037	61.96	567784037	0	567784037	61.96	48000000	63.85	92720393	16.33	192391491	33.88	567784037

III. The following table sets forth the details regarding the shareholding of persons belonging to the public category as on December 31, 2017:

	Category & Name of the Shareholders (I)	Nos. of shareholder (III)	No. of fully paid up equity share s held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held VII = IV+V+VI	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2) VIII	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total shares held (Not applicable) (b)	
								Class X	Class Y	Total								
l	Institutions	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
a	Mutual Funds/	28	37139570	0	0	37139570	4.05	37139570	0	37139570	4.05		3.85	0	0.00			37029090
	L & T Mutual Fund Trustee Ltd-L And T Monthly Income Plan	0	10774414	0	0	10774414	1.18	10774414	0	10774414	1.18		1.12	0	0.00			10774414
b	Venture Capital Funds	0	0	0	0	0	0.00	0	0	0	0.00		0.00	0	0.00			0
c	Alternate Investment Funds	2	695200	0	0	695200	0.08	695200	0	695200	0.08		0.07	0	0.00			695200
d	Foreign Venture Capital Investors	0	0	0	0	0	0.00	0	0	0	0.00		0.00	0	0.00			0
e	Foreign Portfolio Investors	187	161036304	0	0	161036304	17.57	161036304	0	161036304	17.57		16.70	0	0.00			160920864
	HSBC Pooled Investment Fund - HSBC Pooled Asia Pacific Ex Japan Equity Fund	0	10693417	0	0	10693417	1.17	10693417	0	10693417	1.17		1.11	0	0.00			10693417
	Black Rock Global Funds Asian Dragon Funds	0	21150771	0	0	21150771	2.31	21150771	0	21150771	2.31		2.19	0	0.00			21150771

	Category & Name of the Shareholders (I)	Nos. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held VII = IV+V+VI	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2) VIII	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights Class X	Class Y	Total			No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total shares held (Not applicable) (b)	
	Kotak Funds - India Midcap Fund	0	9824897	0	0	9824897	1.07	9824897	0	9824897	1.07		0	0.00			9824897
	HSBC Global Investment Funds - Indian Equity	0	11749818	0	0	11749818	1.28	11749818	0	11749818	1.28		0	0.00			11749818
f	Financial Institutions/ Banks	22	1950367	0	0	1950367	0.21	1950367	0	1950367	0.21		0	0.00			1906407
g	Insurance Companies	7	15453112	0	0	15453112	1.69	15453112	0	15453112	1.69		0	0.00			15453112
h	Provident Funds/ Pension Funds	0	0	0	0	0	0.00	0	0	0	0.00		0	0.00			0
i	Any Other (specify)	4	8770	0	0	8770	0.00	8770	0	8770	0.00		0	0.00			0
	Sub-Total (B)(1)	250	216283323	0	0	216283323	23.60	216283323	0	216283323	23.60	0	0	0.00			216004673
2	Central Government/ State Government(s)/ President of India	2	3563500	0	0	3563500	0.39	3563500	0	3563500	0.39		0	0.00			3563500
	Sub-Total (B)(2)	2	3563500	0	0	3563500	0.39	3563500	0	3563500	0.39	0	0	0.00			3563500
3	Non-institutions	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0.00	0	0.00	0
a	Individuals -	146629	90456814	0	0	90456814	9.87	90456814	0	90456814	9.87	0	120434	0.13	0	0.00	79869822
i	Individual shareholders holding nominal share capital up to ₹ 200,000.	146620	84628829	0	0	84628829	9.23	84628829	0	84628829	9.23		120434	0.14			74041837
ii	Individual shareholders holding nominal share capital in excess of ₹ 200,000.	9	5827985	0	0	5827985	0.64	5827985	0	5827985	0.64		0	0.00			5827985
b	NBFCs registered with RBI	16	98250	0	0	98250	0.01	98250	0	98250	0.01		0	0.00			98250
c	Employee Trusts	0	0	0	0	0	0.00	0	0	0	0.00		0	0.00			0
d	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0.00	0	0	0	0.00		0	0.00			0
e	Any Other (specify)	7592	38258310	0	0	38258310	4.17	38258310	0	38258310	4.17		0	0.00			35252390
	Clearing member	416	3360883	0	0	3360883	0.37	3360883	0	3360883	0.37		0	0.00			3360883
	Body Corporate	1231	23241289	0	0	23241289	2.54	23241289	0	23241289	2.54		0	0.00			22918429
	Foreign Nationals	1	33480	0	0	33480	0.00	33480	0	33480	0.00		0	0.00			33480
	Non-Resident Indian (NRI)	2980	8910287	0	0	8910287	0.97	8910287	0	8910287	0.97		0	0.00			6227227
	Hindu Undivided Family	2950	2305575	0	0	2305575	0.25	2305575	0	2305575	0.25		0	0.00			2305575
	Trust	14	406796	0	0	406796	0.04	406796	0	406796	0.04		0	0.00			406796
	Sub-Total (B)(3)	154237	128813374	0	0	128813374	14.05	128813374	0	128813374	14.05	0	120434	0.09			115220462
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	154489	348660197	0	0	348660197	38.04	348660197	0	348660197	38.04	0	120434	0.03			334788635

IV. The following table sets forth the details regarding the shareholding of the non-promoter non-public shareholders as on December 31, 2017:

	Category & Name of the Shareholders (I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total no. shares held (VII = IV+V+VI)	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV) (Not Applicable)
								No of Voting Rights			Total as a % of Total Voting rights			No.	As a % of total Shares held	No. (Not applicable)	As a % of total share s held (Not applicable)	
								Class X	Class Y	Total								
1	Custodian/DR Holder	0	0	0	0	0	0.00	0	0	0	0.00		0.00		0.00			0
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0.00	0	0	0	0.00		0.00		0.00			0
	Total Non-Promoter-Non Public Shareholding (C)=(1)+(C)(2)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0

V. Details of disclosure made by the trading members holding 1% or more of the total no. of shares of our Company as on December 31, 2017:

Name of the trading member	Name of the beneficial owner	No. of shares held	% of total no. of shares	Date of reporting by the trading member
NIL	NIL	NIL	NIL	NIL

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Equity Shares to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and the prospective investors are presumed to have apprised themselves of any such changes from our Company or the Book Running Lead Managers. The prospective investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. The prospective investors that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Book Running Lead Managers and their respective directors, officers, shareholders, employees, councils, advisors, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and the Book Running Lead Managers, and their respective directors, officers, shareholders, employees, councils, advisors, agents, affiliates and representatives accept no responsibility or liability for advising any prospective investor on whether such prospective investor is eligible to acquire the Equity Shares. The prospective investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. For further details, see "Selling Restrictions" and "Transfer Restrictions" on pages 478 and 483, respectively.

Qualified Institutions Placement

The Issue is being made to QIBs in reliance upon Chapter VIII of the SEBI Regulations and Sections 42 and 62 of the Companies Act 2013 and the rules issued thereunder, through the mechanism of a QIP. Under Chapter VIII of the SEBI Regulations and Sections 42 and 62 of the Companies Act 2013 read with Rule 14 of the PAS Rules, a company may issue equity shares to QIBs provided that certain conditions are met by the company. Some of these conditions are set out below:

- the shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must specify (a) that the Allotment of securities is proposed to be made pursuant to the QIP; and (b) the relevant date;
- equity shares of the same class of such issuer, which are proposed to be Allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution;
- the aggregate of the proposed issue and all previous QIPs made by the issuer in the same financial year does not exceed five times the net worth (as defined in the SEBI Regulations) of the issuer as per the audited balance sheet of the previous financial year;
- the issuer shall be in compliance with the minimum public shareholding requirements set out in the SCRR;
- the issuer shall have completed Allotments with respect to any prior offer or invitation made earlier by the issuer and shall have withdrawn or abandoned any such invitation or offer made by the issuer;
- the issuer shall offer to each Allottee at least such number of the securities in the issue which would aggregate to at least ₹ 20,000 calculated at the face value of the securities;
- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- prior to circulating the private placement offer letter, the issuer must prepare and record a list of QIBs to whom the offer will be made. The offer must be made only to such persons whose names are recorded by the issuer prior to the invitation to subscribe;
- the offer must be made through a private placement offer letter and an application form serially numbered and addressed specifically to the QIB to whom the offer is made, and sent within 30 days of recording the names of such QIBs;
- the payment to be made for subscription to the Equity Shares shall be made from the bank account of the person subscribing to such securities and in case of securities to be held by joint holders, the payment for subscription to the securities shall be paid from the bank account of the person whose name appears first in the application;

- at least 10% of the equity shares issued to QIBs must be Allotted to Mutual Funds, provided that, if such portion to be Allotted to Mutual Funds, or any part thereof, remains unsubscribed, it may be Allotted to other QIBs;
- investors are not allowed to withdraw their Bids after the Bid/Issue Closing Date;
- additionally, there is a minimum pricing requirement under the SEBI Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's Equity Shares of the same class quoted on the stock exchange during the two weeks preceding the relevant date. However, a discount of up to 5% of the floor price is permitted in accordance with the provisions of the SEBI Regulations, subject to approval from the shareholders of the Company;
- securities Allotted to a QIB pursuant to a QIP shall not be sold for a period of one year from the date of Allotment except on the floor of a recognised stock exchange in India. Allotments made to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements; and
- the "relevant date" referred to above, for Allotment, will be the date of the meeting in which the Board or the committee of directors duly authorised by the board decides to open the Issue and "stock exchange" means any of the recognised stock exchanges in India on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares have been recorded during the two weeks immediately preceding the relevant date.

Equity Shares must be Allotted within 12 months from the date of the shareholders' resolution approving the QIP and also within 60 days from the date of receipt of subscription money from the successful Bidders. For details of refund of application money, see "Issue Procedure – Pricing and Allocation – Designated Date and Allotment of Equity Shares" on page 474.

The Equity Shares issued pursuant to the QIP must be issued on the basis of this Preliminary Placement Document and the Placement Document that shall contain all material information including the information specified in Schedule XVIII of the SEBI Regulations and the requirements prescribed under Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select prospective investors through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to QIBs and no offer is being made to the public or to any other category of prospective investors.

The minimum number of Allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 2,500.0 million; and
- five, where the issue size is greater than ₹ 2,500.0 million.

No single Allottee shall be Allotted more than 50% of the issue size or less than ₹ 20,000 of face value of Equity Shares. QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee. For details of what constitutes "same group" or "common control", see "- Application Process - Application Form" on page 470.

Our Company has applied for and received the in-principle approvals dated March 20, 2018 of BSE and NSE, respectively under Regulation 28(1) of the SEBI Listing Regulations for the listing of the Equity Shares on the Stock Exchanges. Our Company has also delivered a copy of this Preliminary Placement Document to the Stock Exchanges.

Our Company shall also make the requisite filings with the RoC, Stock Exchanges and the SEBI within the stipulated period as required under applicable laws, including the Companies Act 2013 and the PAS Rules, with respect to the Issue.

The Issue has been authorized by (i) our Board pursuant to a resolution passed on August 8, 2017 and March 16, 2018; and (ii) the shareholders of our Company through the resolution passed on September 22, 2017.

Equity Shares Allotted to QIBs pursuant to the Issue shall not be sold for a period of one year from the date of the Allotment, except on the floor of the Stock Exchanges.

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the

registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold by the Company (a) in the United States only to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act) pursuant to Section 4(a)(2) under the Securities Act, and (b) outside the United States, in offshore transactions, in reliance on Regulation S under the Securities Act. For further information, see the sections “Selling Restrictions” and “Transfer Restrictions” on pages 478 and 483, respectively.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. Our Company and the Book Running Lead Managers shall identify QIBs and shall circulate serially numbered copies of this Preliminary Placement Document and serially numbered Application Forms, either in electronic or physical form to QIBs, and the Application Form, will be specifically addressed to such QIBs. In terms of Section 42(7) of the Companies Act 2013, our Company shall maintain complete records of the QIBs to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC and the SEBI within the stipulated time period as required under the Companies Act 2013 and the PAS Rules.
2. **The list of QIBs to whom the Application Form is delivered shall be determined by the Company in consultation with the Book Running Lead Managers. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form is addressed to a particular QIB, no invitation to subscribe shall be deemed to have been made to such QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.
3. The Bidders shall submit Bids for, and our Company shall offer to each successful Allottee at least such number of Equity Shares in the Issue, which would aggregate to at least ₹ 20,000.0 calculated at the face value of the Equity Shares.
4. QIBs may submit an Application Form, including any revisions thereof, during the Bidding Period to the Book Running Lead Managers.
5. QIBs will be, *inter alia*, required to indicate the following in the Application Form:
 - full official name of the QIB to whom Equity Shares are to be Allotted;
 - number of Equity Shares Bid for;
 - price at which they are agreeable to subscribe for the Equity Shares, provided that QIBs may also indicate that they are agreeable to submit a Bid at “Cut-off Price”; which shall be any price as may be determined by our Company in consultation with the Book Running Lead Managers at or above the Floor Price or the Floor Price net of such discount as approved in accordance with the SEBI Regulations. Our Company may offer up to 5% discount to the floor price in accordance with the proviso of Regulation 85(1) of the SEBI Regulations;
 - PAN; along with a copy of the PAN card or PAN allotment letter;
 - details of the depository account to which the Equity Shares should be credited; and
 - a representation that it was either (i) outside the United States at the time the offer of the Equity Shares was made to it, and is currently outside the United States and acquiring the Equity Shares in an offshore transaction under Regulation S, or (ii) a “qualified institutional buyer” as defined in Rule 144A of the Securities Act, and it has agreed to certain other representations set forth in the Application Form.
6. Once a duly completed Application Form is submitted by a QIB, such Application Form constitutes an irrevocable offer and cannot be withdrawn after the Bid/Issue Closing Date. The Bid/Issue Closing Date shall be notified to the Stock Exchanges and the QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple, Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. The Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.
8. Upon receipt of the Application Form, after the Bid/Issue Closing Date, our Company shall determine the final terms, including the Issue Price and the number of Equity Shares to be issued pursuant to the Issue in consultation with the Book Running Lead Managers. Our Company shall intimate the Stock Exchanges about the meeting to decide the Issue Price two clear working days in advance (excluding the date of intimation and the date of the meeting). Our Company shall notify the Stock Exchanges of the Issue Price, once determined. Upon determination of the final terms of the Equity Shares and the QIBs to whom Allocation shall be made. The Book Running Lead Managers will send the serially numbered CAN along with the serially numbered Placement Document to the QIBs who have been Allocated the Equity Shares either in electronic form or by physical delivery. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the QIBs to pay the entire Issue Price for all the Equity Shares Allocated to such QIB. The CAN shall contain details such as the number of Equity Shares Allocated to the QIBs, payment instructions including the details of the amounts payable by the QIB for Allotment of the Equity Shares in its name, and the Pay-In Date as applicable to the respective QIB. **Please note that the Allocation will be at the absolute discretion of our Company and will be based on the recommendation of the Book Running Lead Managers.**
9. No payment shall be made by QIBs in cash. Please note that any payment of application monies for the Equity Shares shall be made from the bank accounts of the relevant QIBs applying for the Equity Shares. Monies payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending allotment, all monies received for subscription to the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilized only for the purposes permitted under the Companies Act.
10. Pursuant to receiving a CAN, each QIB shall be required to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Issue Price, only through electronic transfer to our Company's designated bank account by the Pay-In Date as specified in the CAN sent to the respective QIBs.
11. Upon receipt of the application monies from the QIBs, our Company shall Allot Equity Shares as per the details in the CAN to the QIBs. Our Company will intimate the details of the Allotment to the Stock Exchanges.
12. After passing the resolution for Allotment and prior to crediting the Equity Shares into the depository participant accounts of the successful Bidders, our Company shall apply to the Stock Exchanges for listing approvals.
13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the Depository Participant accounts of the respective Allottees in accordance with the details submitted by the QIBs in the Application Forms.
14. Our Company will then apply for the final trading approvals from the Stock Exchanges.
15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.
16. Upon receipt of intimation of final trading and listing approval from the Stock Exchanges, our Company shall inform the Allottees of the receipt of such approval. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. QIBs are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Qualified Institutional Buyers

Only QIBs as defined in Regulation 2(1)(zd) of the SEBI Regulations and not otherwise excluded pursuant to Regulation 86(1)(b) of the SEBI Regulations are eligible to invest under Regulation 86(1)(b) of the SEBI Regulations, no Allotment shall be made, either directly or indirectly, to any QIB who is a Promoter or any person related to the Promoters. Currently, under Regulation 2(1)(zd) of the SEBI Regulations, a QIB means:

- public financial institutions as defined in Section 4A of the Companies Act 1956 (and the corresponding Section 2(72) of the Companies Act 2013);
- scheduled commercial banks;
- Mutual Funds registered with SEBI;
- Eligible FPIs;
- multilateral and bilateral development financial institutions;
- venture capital funds registered with the SEBI;
- foreign venture capital investors registered with the SEBI;
- alternate investment funds registered with the SEBI
- state industrial development corporations;
- insurance companies registered with Insurance Regulatory and Development Authority;
- provident funds with minimum corpus of ₹ 250.0 million;
- pension funds with minimum corpus of ₹ 250.0 million;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India; and
- systemically important non-banking financial companies.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) shall be less than 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company and the same may be increased up to the sectoral cap by way of a resolution passed by the board of directors followed by a special resolution passed by the shareholders and subject to prior intimation to the RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The existing individual and aggregate investment limits for an FPI in our Company is 10% and 40% of the total paid-up Equity Share capital of our Company, respectively.

Eligible non-resident QIBs can participate in the Issue under Schedule 1 of the FEMA Regulations.

Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws, and such that their shareholding does not exceed specified limits as prescribed under applicable laws in this regard and subject to compliance with the conditions and restrictions that may be specified by the any governmental, regulatory or statutory authority from time to time.

All non-resident QIBs shall ensure that the investment amount is paid as per RBI's notification no. Notification No. FEMA 20(R)/ 2017-RB dated November 7, 2017, as amended from time to time.

In terms of FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment

Under Regulation 86(1)(b) of the SEBI Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, or any person related to, the promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to the promoter:

- rights under a shareholders' agreement or voting agreement entered into with the promoter or persons related to the promoter;
- veto rights; or
- a right to appoint any nominee director on our Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoter.

Our Company or the Book Running Lead Managers or any of their respective directors, officers, counsels, advisors, representatives, agents or affiliates are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single Application Form from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, QIBs are required to satisfy themselves that any requisite compliance pursuant to this Allotment such as public disclosures under applicable laws is complied with. QIBs are advised to consult their advisers in this regard. Furthermore, QIBs are required to satisfy themselves that their Application Form would not eventually result in triggering a tender offer under the Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion as specified above, such minimum portion or part thereof may be Allotted to other QIBs.

Allotment made to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements.

Note: Affiliates or associates of the Book Running Lead Managers who are QIBs may participate in the Issue in compliance with the applicable laws.

Application Process

Application Form

QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the QIB will be deemed to have made the following representations and warranties, and the representations, warranties and agreements made under the sections titled "Notice to Investors", "Representations by Investors", "Selling Restrictions" and "Transfer Restrictions" on pages 1, 3, 478 and 483:

1. The QIB confirms that it is a QIB in terms of Regulation 2(1)(zd) of the SEBI Regulations, has a valid and existing registration under the applicable laws in India, and is eligible to participate in this Issue;
2. The QIB confirms that it is not excluded under Regulation 86 of the SEBI Regulations and that it is not a Promoter and is not a person related to any of the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;
3. The QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the promoter or persons related to the promoter, no veto rights or right to appoint any nominee director on our Board other than those acquired in the capacity of a lender (not holding any Equity Shares) which shall not be deemed to be a person related to the promoter;

4. The QIB acknowledges that it has no right to withdraw its Bid after the Bid/Issue Closing Date;
5. The QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges;
6. The QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted and together with any Equity Shares held by the QIB prior to the Issue. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any regulations applicable to the QIB;
7. The QIB confirms that its Bids would not eventually result in triggering a tender offer under the Takeover Regulations;
8. The QIB acknowledges, represents and agrees that in the event its total interest in the paid-up share capital of our Company or voting rights in our Company, whether direct or indirect, beneficial or otherwise (any such interest, your “**Holding**”), when aggregated together with any existing Holding and/or Holding of any of the persons acting in concert, results in Holding of 5% or more of the total paid-up share capital of, or voting rights in, our Company a disclosure of the aggregate shareholding and voting rights will have to be made under the Takeover Regulations. In case such QIB is an existing shareholder who, together with persons acting in concert, holds 5% or more of the underlying paid up share capital of, or voting rights in our Company a disclosure will have to be made under the Takeover Regulations in the event of a change of 2% or more in the existing Holding of the QIB and persons acting in concert.
9. The QIB confirms that to the best of its knowledge and belief together with other QIBs in the Issue that belongs to the same group or are under same control, the Allotment to the QIB shall not exceed 50% of the Issue Size. For the purposes of this statement:
 - (a) The expression “belongs to the same group” shall derive meaning from the concept of “companies under the same group” as provided in sub-section (11) of Section 372 of the Companies Act 1956;
 - (b) “Control” shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations.
10. The QIBs shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

The QIB confirms that It has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of the Preliminary Placement Document, will be deemed to have made the representations, warranties and agreements made under the sections titled “Notice to Investors”, “Representations by Investors”, “Selling Restrictions” and “Transfer Restrictions” on pages 1, 3, 478 and 483, respectively.

QIBS MUST PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, PERMANENT ACCOUNT NUMBER (“PAN”), THEIR DEPOSITORY PARTICIPANT’S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, E-MAIL ID AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE QIB SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO BOOK RUNNING LEAD MANAGERS TO EVIDENCE ITS STATUS AS A “QIB”. IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE QIB SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of an Application Form by a QIB shall be deemed a valid, binding and irrevocable offer for the QIB to pay the entire Issue Price for the Equity Shares (as indicated by the CAN) and becomes a binding contract on the QIB upon issuance of the CAN by us in favour of the QIB.

Submission of Application Form

All Application Forms must be duly completed with information including the name of the QIB, the price and the number of Equity Shares applied for. The Application Form shall be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at the following address:

Name of Book Running Lead Manager	Address	Contact Person	E-mail	Phone (Telephone and Fax)
JM Financial Limited	7 th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi Mumbai 400 025	Neha Agarwal	Jsp.qip@jmfl.com	Tel: +91 22 6630 3151 Fax: +91 22 6630 3330
Axis Capital Limited	1 st Floor, Axis House, C-2, Wadia International Centre P.B. Marg, Worli, Mumbai 400 025	G. Venkatesh	venkatesh.iyer@axiscap.in	Tel: +91 22 4325 5587 Fax: +91 22 4325 4599
ICICI Securities Limited	ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020	Nidhi Wanganoo/ Suyash Jain	jspl.qip@icicisecurities.com	Telephone: +91 22 2288 2460 Fax: +91 22 2282 6580
SBI Capital Markets Limited	202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005	Sambit Rath/ Gitesh Vargantwar	jspl.qip@sbicaps.com	Tel: +91 22 2217 8300 Fax: +91 22 2217 8332

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the same.

Permanent Account Number or PAN

Each QIB should mention its PAN allotted under the IT Act in the Application Form along with a copy of the PAN card or PAN allotment letter. Applications without this information will be considered incomplete and are liable to be rejected. QIBs should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Pricing and Allocation

Build-up of the Book

The QIBs shall submit their Bids (including the revision of bids) within the Bidding Period to the Book Running Lead Managers through the Application Form and cannot be withdrawn after the Bid/Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI Regulations.

After finalisation of the Issue Price, our Company shall update the Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VIII of the SEBI Regulations.

Application Forms received from the QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL QIBS. QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

All Application Forms duly completed along with payment and a copy of the PAN card or PAN allotment letter shall be submitted to the Book Running Lead Managers as per the details provided in the respective CAN.

CAN

Based on the Application Forms received, our Company, in consultation with the Book Running Lead Managers, in its sole and absolute discretion, shall decide the QIBs to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment of such Equity Shares in their respective names shall be notified to such QIBs. Additionally, a CAN will include details of the relevant Escrow Account into which such payments would need to be made, Pay-In Date as well as the probable designated date, being the date of credit of the Equity Shares to the respective QIB's account.

The QIBs who shall be Allotted Equity Shares pursuant to the Issue would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the serially numbered CAN to the QIBs shall be deemed a valid, binding and irrevocable contract for the QIB to furnish all details that may be required by our Company and the Book Running Lead Managers and to pay the entire Issue Price for all the Equity Shares Allocated to such QIB.

QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

Bank Account for Payment of Application Money

Our Company has opened the "JSPL – Escrow account" with the Escrow Bank in terms of the arrangement among us, the Book Running Lead Managers and the Escrow Bank. The QIB will be required to deposit the entire amount payable for the Equity Shares Allocated to it by the Pay-In Date as mentioned in the respective CAN.

If the payment is not made favouring the "JSPL – Escrow account" within the time stipulated in the CAN, the Application Form and the CAN of the QIB are liable to be cancelled.

Our Company undertakes to utilise the amount deposited in "JSPL – Escrow account" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of application money if we have not been able to Allot Equity Shares in the Issue.

In case of cancellations or default by the QIBs, we and the Book Running Lead Managers have the right to reallocate the Equity Shares at the Issue Price among existing or new QIBs at their sole and absolute discretion subject to the compliance with the requirements of the Companies Act 2013 and the SEBI Regulations.

Our Company undertakes to utilise the amount in the Escrow Account only for the purposes of: (i) adjustments against Allotment of Equity Shares in the Issue; or (ii) repayment of application money if our Company is not able to Allot Equity Shares in the Issue.

Payment Instructions

The payment of application money shall be made by the QIBs in the name of “JSPL – Escrow account” as per the payment instructions provided in the CAN.

Payments are to be made only through electronic fund transfer. All payments through cheques are liable to be rejected.

Designated Date and Allotment of Equity Shares

The Equity Shares will not be Allotted unless the QIBs pay the Issue Price to the “JSPL – Escrow account” as stated above.

In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN for the QIBs who have paid the aggregate subscription amounts as stipulated in the CAN.

Our Company, in its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the QIBs’ Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Post receipt of the listing approval from the stock exchanges, our Company shall credit the Equity Shares into the Depository Participant account of the QIBs.

In relation to QIBs who have been Allotted more than 5% of the Equity Shares in the Issue, our Company shall disclose the name and the number of the Equity Shares Allotted to such QIB to the Stock Exchanges and the Stock Exchanges will make the same available on their website.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company after Allotment of Equity Shares to QIBs and receipt of final listing and trading approval from the exchanges.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of application money, we shall repay the application money within 15 days from expiry of 60 days, failing which we shall repay that money with interest at the rate of 12% per annum or such other rate that may be applicable under law, from expiry of the sixtieth day. The application money to be refunded by us shall be refunded to the same bank account from which application money was remitted by the QIBs.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company and the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding.

Equity Shares in Dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

A QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Allotment to a successful QIB will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the QIB.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on part of the QIBs.

For details of our Company Secretary and Compliance Officer, see “General Information” on page 518.

PLACEMENT

Placement Agreement

The Book Running Lead Managers have entered into the Placement Agreement dated March 20, 2018 with our Company, pursuant to which the Book Running Lead Managers have agreed to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares on a reasonable efforts basis to be placed with the QIBs, pursuant to Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act 2013.

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the Book Running Lead Managers, and it is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold by the Company (a) in the United States only to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act) pursuant to Section 4(a)(2) under the Securities Act, and (b) outside the United States, in offshore transactions, in reliance on Regulation S under the Securities Act. For further information, see the sections "Selling Restrictions" and "Transfer Restrictions" on pages 478 and 483, respectively.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares issued pursuant to the Issue, will be offered in India or overseas to the public or any members of the public in India or any other class of prospective investors, other than QIBs.

In connection with the Issue, the Book Running Lead Managers (or their affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "Offshore Derivative Instruments" on page 7.

From time to time, the Book Running Lead Managers, and their affiliates and associates have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, banking, trading services for our Company, the Subsidiaries, the Associates, Joint Ventures, group companies, affiliates and the shareholders of our Company, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Managers and their affiliates and associates.

Lock-in

Our Company undertakes that it will not for a period of 90 days from the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Managers, directly or indirectly, (a) purchase, lend, sell, offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (c) deposit Equity Shares with any other depository in connection with a depository receipt facility, (d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility, or (e) publicly announce any intention to enter into any transaction falling within (a) to (d) above or enter into any transaction (including a transaction involving

derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depository receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (d) above. Provided that, the foregoing restriction shall not apply to (i) an issuance of Equity Shares or options pursuant to any employee stock option scheme formulated by our Company; (ii) an issuance of Equity Shares by our Company pursuant to any acquisition, merger or amalgamation undertaken by our Company with the prior written consent of the Book Running Lead Managers if such acquisition, merger or amalgamation is to be undertaken within 90 days from the date of Allotment under the Issue (such consent shall not be unreasonably withheld); (iii) the conversion of the outstanding warrants issued by our Company as disclosed in this Preliminary Placement Document; and (iv) any preferential allotment of Equity Shares or any securities convertible into Equity Shares to any of our Promoters or persons/entities forming part of our Promoter Group.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document or any offering material and the offering, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized.

General

No action has been or will be taken in any jurisdiction by our Company or the Book Running Lead Managers that would permit a public offering of the Equity Shares or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in the Issue in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares in the Issue may not be offered or sold, directly or indirectly and neither this Preliminary Placement Document nor any other offering material or advertisements in connection with the Equity Shares issued pursuant to the Issue may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on our Company or the Book Running Lead Managers. The Issue will be made in compliance with the SEBI Regulations. Each subscriber of the Equity Shares in the Issue will be required to make, or will be deemed to have made, as applicable, the acknowledgments and agreements as described under the sections “Notice to Investors”, “Selling Restrictions” and “Transfer Restrictions” on pages 1, 478 and 483, respectively.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private basis and is limited to QIBs and is not an offer to the public. This Preliminary Placement Document is neither a public issue nor a prospectus under the Companies Act or an advertisement and should not be circulated to any person other than to whom the offer is made. This Preliminary Placement Document has not been and will not be registered as a prospectus with the RoC.

United States

The Equity Shares have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold by the Company (1) in the United States to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act) pursuant to Section 4(a)(2) of the Securities Act and (2) outside the United States, in offshore transactions, in reliance upon Regulation S.

Each purchaser of the Equity Shares will be deemed to have made the representations, agreements and acknowledgements as described under the section titled “Transfer Restrictions”.

United Kingdom

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (“FSMA”) received in connection with the issue or sale of any Equity Shares in which section 21(1) of FSMA does not apply to the Issuer has been only communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom. All applicable provisions of FSMA with respect to anything done in relation to the Equity Shares in, from or otherwise involving the United Kingdom has been complied and will be complied with.

United Arab Emirates (excluding Dubai International Financial Centre)

The Equity Shares have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

Dubai International Financial Centre

The Equity Shares have not been and will not be offered to any person in the Dubai International Financial Centre unless such offer is an “Exempt Offer” in accordance with the Markets Rules (MKT) Module of the DFSA rulebook;

and made only to persons who meet the "Professional Client" criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module of the DFSA.

Australia

This Preliminary Placement Document and the offer of Equity Shares are only made available in Australia to persons to whom a disclosure document is not required to be given under Chapter 6D of the Australian Corporations Act 2001 and has not been and will not be lodged or registered with the Australian Securities & Investments Commission or any other regulatory body or agency in Australia. This Preliminary Placement Document is not a prospectus, product disclosure statement or any other form of formal "disclosure document" for the purposes of the Australian Corporations Act 2001 and is not required to, and does not, contain all the information which would be required in a disclosure document under the Australian Corporations Act 2001. (i) The offer of the Equity Shares under this Preliminary Placement Document is only made to persons to whom it is lawful to offer the Equity Shares without a disclosure document such as a professional investor or sophisticated investor for the purposes of Chapter 6D of the Australian Corporations Act; (ii) this Preliminary Placement Document is made available in Australia to persons as set forth in clause (i) above; and by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (ii) above and agrees not to sell or offer for sale within Australia any Equity Shares sold to the offeree within 12 months after their transfer to the offeree under this Preliminary Placement Document.

Bahrain

No invitation to the public in the Kingdom of Bahrain to subscribe for the Equity Shares will be made and this Preliminary Placement Document will not be issued, passed to, or made available to the public generally.

Canada

Prospective Canadian investors are advised that the information contained within this Preliminary Placement Document and any other offering material relating to the Equity Shares has not been prepared with regard to matters that may be of particular concern to Canadian investors. Accordingly, prospective Canadian investors should consult with their own legal, financial and tax advisers concerning the information contained within this Preliminary Placement Document and any other offering material relating to the Equity Shares and as to the suitability of an investment in the Equity Shares in their particular circumstances.

The offer and sale of the Equity Securities in Canada will only be made under exemptions from the requirement to file a prospectus with the Canadian securities regulators and will be made only by authorized dealer representatives that are properly registered under the laws of the relevant Canadian jurisdictions or, alternatively, that are entitled to rely on exemptions from the dealer registration requirements in the relevant Canadian jurisdictions.

The Equity Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions ("NI 45-106") or subsection 73.3(1) of the Securities Act (Ontario), and that are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Equity Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Preliminary Placement Document or any other offering material constituting an "offering memorandum" under applicable Canadian securities laws (including any amendment to any such documents) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the parties to this offering, including the Company and the Book Running Lead Managers, are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with an offering of Equity Securities.

Prospective Canadian purchasers are hereby notified that: (a) the Company may be required to provide personal information pertaining to the purchasers as required to be disclosed in Schedule I of Form 45-106F1 under NI 45-106 (including, without limitation, the purchaser's name, address, telephone number and the aggregate purchase price of any Equity Securities purchased) ("**personal information**"), which Form 45-106F1 may be required to be filed by the Company under NI 45-106, (b) such personal information may be delivered to the Ontario Securities Commission (the "**OSC**") in accordance with NI 45-106, (c) such personal information is collected indirectly by the

OSC under the authority granted to it under the securities legislation of Ontario, (d) such personal information is collected for the purposes of the administration and enforcement of the securities legislation of Ontario, and (e) the public official in Ontario who can answer questions about the OSC's indirect collection of such personal information is the Administrative Support Clerk at the OSC, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, Telephone: (416) 593-3684. Prospective Canadian purchasers that purchase Equity Securities in this offering will be deemed to have authorized the indirect collection of the personal information by the OSC, and to have acknowledged and consented to its name, address, telephone number and other specified information, including the aggregate purchase price paid by the purchaser, being disclosed to other Canadian securities regulatory authorities, and to have acknowledged that such information may become available to the public in accordance with requirements of applicable Canadian laws.

Upon receipt of this Preliminary Placement Document, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Equity Securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Cayman Islands

No offer to invitation has been made and will not, either directly or indirectly, be made to the public in the Cayman Island to subscribe for any Equity Shares.

The People's Republic of China

No offer or sale has been made or will be made of the Equity Shares in the PRC (excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan) as part of the initial distribution of the Equity Shares.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), no offer has been made or will be made to the public of any Equity Shares which are the subject of the Issue contemplated by this Preliminary Placement Document in that Relevant Member State, except that the Equity Shares may be offered to the public in that Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to any legal entity which is a qualified investor, as defined in the Prospectus Directive (as defined below);
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Book Running Lead Managers nominated by the Company for any such offer; or
- at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Equity Shares shall result in a requirement for the publication by the Issuer or the Book Running Lead Managers of a prospectus or the initial purchaser of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an offer to the public in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase any securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2003/71/EC), and includes any relevant implementing measure in the Relevant Member State.

Hong Kong

This Preliminary Placement Document has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly, (i) the Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding up and Miscellaneous

Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and no advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance has been or will be issued, whether in Hong Kong or elsewhere.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended; the FIEA). No offer or sale of any Equity Shares has been made or will be made, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act (the FSCMA). No offer, sale or delivery, directly or indirectly, has been made or will be made in Korea or to any Korean resident (as such term is defined in the Foreign Exchange Transaction Law) for a period of one year from the date of issuance of the Equity Shares, except (i) to or for the account or benefit of a Korean resident which falls within certain categories of “professional investors” as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, in the case that the Equity Shares are issued as bonds other than convertible bonds, bonds with warrants or exchangeable bonds, and where other relevant requirements are further satisfied, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Kuwait

The Equity Shares have not been and will not be offered, sold, promoted or advertised by it in Kuwait other than in compliance with Law No. 7 of 2010 and the bylaws thereto, as amended governing the issue, offering and sale of securities. No private or public offering of the Equity Shares is being made in Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in Kuwait.

Malaysia

At issuance, the Equity Shares shall only be offered, sold or otherwise disposed of directly or indirectly to a person to whom an offer or invitation to subscribe the Equity Shares may be made and to whom the Equity Shares are issued which would fall within Schedule 6 or Section 229(1)(b) of the Capital Market and Services Act 2007 (CMSA) or Schedule 7 or Section 230(1)(b) of the CMSA read together with Schedule 8 or Section 257(3) of the CMSA at issuance. Thereafter, the Equity Shares shall only be offered, sold, transferred or otherwise disposed of directly or indirectly to a person to whom an offer or invitation to purchase the Equity Shares would fall within Schedule 6 or Section 229(1)(b) of the CMSA read together with Schedule 8 or Section 257(3) of the CMSA.

Mauritius

No offer or sale of any Equity Shares will be made in Mauritius. Neither this Preliminary Placement Document, nor any other offering material or information contained herein relating to the offer of the Equity Shares, may be treated as a prospectus for the purpose of the Securities Act 2005 of Mauritius or be released or issued to the public in Mauritius or used in connection with any such offer. Moreover this Preliminary Placement Document does not constitute an offer made to sell the Equity Shares to the public in Mauritius. For the purpose of the Securities Act 2005 of Mauritius, the Equity Shares will only be issued to sophisticated investors (which term means that they subscribe for a minimum amount of USD 200,000.0 and they are either (i) QIBs in the United States or (ii) qualified investors (as defined in Directive 2003/71/EC, as amended)).

Qatar (excluding Qatar Financial Centre)

No offer, delivery or sale has been made or will be made at any time, directly or indirectly, of any Equity Shares in the State of Qatar, except: (i) in compliance with all applicable laws and regulations of the State of Qatar; and through persons or corporate entities authorized and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the Securities and Futures Act). Accordingly, the Equity Shares may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Preliminary Placement Document or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Equity Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each of the following relevant persons specified in Section 275 of the Securities and Futures Act who has subscribed for or purchased shares, namely a person who is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,
- should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 of the Securities and Futures Act except:
- to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person or to any person pursuant to Section 275(2) of the Securities and Futures Act, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- pursuant to Section 276(7) of the Securities and Futures Act; or
- as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulation 2005 of Singapore.

Switzerland

Swiss professional investors may freely purchase Equity Shares directly from the Book Running Lead Managers who are not resident in Switzerland and/or conducting business activities in or from Switzerland. Should a Swiss securities book running lead manager be involved in the transaction, such manager must be licensed in such capacity with the Swiss Financial Market Supervisory Authority FINMA. A securities book running lead manager as a matter of Swiss law is "any natural person, legal entity or partnership who buys and sells securities, in a professional capacity, on the secondary market, either for its own account with the intent of reselling them within a short period of time or for the account of third parties, or makes public offers of securities to the public on the primary market, or creates derivatives and offers them to the public": Article 2(d) of the Federal Law on Stock Exchange and Securities Trading of 24th March, 1995; translation published by SIX Swiss Exchange in the Manual of SIX Swiss Exchange Vol. I. Securities as a matter of Swiss law are "standardised certificates which are suitable for mass trading, rights not represented by a certificate with similar functions (book-entry securities) and derivatives": Article 2(a) of the same Act; translation, op. cit.

TRANSFER RESTRICTIONS

Due to the following restrictions, prospective investors are advised to consult legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Allottees are not permitted to sell the Equity Shares for a period of one year from the date of Allotment, except on the Stock Exchanges. Allotments made to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. Additionally, purchasers are deemed to have represented, agreed and acknowledged as below with respect to purchase and sale of Equity Shares.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

If you purchase the Equity Shares in the Issue, by accepting delivery of this Preliminary Placement Document, submitting a bid to purchase the Equity Shares and accepting delivery of the Equity Shares, you will be deemed to have represented to and agreed with our Company and the Book Running Lead Managers as follows:

- you have received a copy of the Preliminary Placement Document and such other information as you deem necessary to make an informed decision and that you are not relying on any other information or the representation concerning our Company or the Equity Shares and neither our Company nor any other person responsible for this document or any part of it or the Book Running Lead Manager will have any liability for any such other information or representation;
- you are authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;
- you will comply with all laws, regulations and restrictions (including the distribution and solicitation restrictions contained in this Preliminary Placement Document) which may be applicable in your jurisdiction and you have obtained or will obtain any consent, approval or authorisation required for you to purchase and accept delivery of the Equity Shares, and you acknowledge and agree that none of our Company, the Book Running Lead Managers or any of their respective affiliates shall have any responsibility in this regard;
- you acknowledge (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges) that such Equity Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;
- if you are located in the United States (within the meaning of Regulation S):
 - you acknowledge (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges) that the Equity Shares are being issued in reliance on Rule 144A and such Equity Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;
 - you are (A) a “qualified institutional buyer” (as defined in Rule 144A), and (B) aware that the sale of the Equity Shares is being made to you in reliance on an exemption from the Securities Act;
 - you are acquiring the Equity Shares for your own account or for the account of one or more eligible U.S. investors (i.e. “qualified institutional buyers”, as defined above), each of which is acquiring beneficial interests in the Equity Shares for its own account;
 - you will notify any transferee to whom you subsequently offer, sell, pledge or otherwise transfer and the executing broker and any other agent involved in any resale of the Equity Shares of the foregoing restrictions applicable to the Equity Shares and instruct such transferee, broker or agent to abide by such restrictions;
- if you are located outside the United States (within the meaning of Regulation S):
 - you acknowledge (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges) that the Equity Shares are being issued in

reliance on Regulation S and such Equity Shares have not been and will not be registered under the Securities Act, nor with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;

- O you and the person, if any, for whose account or benefit you are acquiring the Equity Shares, were located outside the United States at the time the buy order for the Equity Shares was originated and continue to be located outside the United States and have not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or any economic interest therein to any person in the United States;
 - O you certify that either (A) you are, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and are located outside the United States (within the meaning of Regulation S) or (B) you are a broker-dealer acting on behalf of your customer and your customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S);
 - O you are aware of the restrictions on the offer and sale of the Equity Shares pursuant to Regulation S described in this Preliminary Placement Document and that neither the BSE nor the NSE is a “designated offshore securities market” within the meaning of Regulation S of the Securities Act;
 - O you certify that the Equity Shares have not been offered to you by means of any “directed selling efforts” as defined in Regulation S; and
 - O you are aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S;
- you are not an affiliate (as defined in Rule 405 of the Securities Act) of our Company or a person acting on behalf of such affiliate; and you are not in the business of buying and selling securities or, if you are in such business, you did not acquire the Equity Shares from our Company or an affiliate (as defined in Rule 405 of the Securities Act) thereof in the initial distribution of the Equity Shares;
- you acknowledge that our Company, the Book Running Lead Managers and their respective affiliates (as defined in Rule 405 of the Securities Act), and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, you will promptly notify our Company and the Book Running Lead Managers, and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make the foregoing acknowledgements, representations and agreements on behalf of such accounts.
- you acknowledge that the Equity Shares have not been and will not be registered under the Securities Act or the securities law of any state of the United States and warrant to our Company, the Book Running Lead Managers and their respective affiliates that you will not offer, sell, pledge or otherwise transfer the Equity Shares except in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.
- you represent and warrant to our Company, the Book Running Lead Managers and their respective affiliates that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.
- our Company, the Book Running Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of your representations, warranties, acknowledgements and undertakings set out in this document, each of which is given to (a) the Book Running Lead Managers on their own behalf and on behalf of our Company, and (b) to our Company, and each of which is irrevocable and, if any of such representations, warranties, acknowledgements or undertakings deemed to have been made by virtue of your purchase of the Equity Shares are no longer accurate, you will promptly notify our Company.
- you and any accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or the Book Running Lead Managers or their respective affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity

with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to distribution;

- you have been provided access to this Preliminary Placement Document which you have read in its entirety;
- you agree to indemnify and hold our Company and the Book Running Lead Managers and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. You will not hold any of our Company or the Book Running Lead Managers and their respective affiliates liable with respect to its investment in the Equity Shares. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares; and
- any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions will not be recognised by our Company.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Managers or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchange Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the SCR (SECC) Regulations on June 20, 2012, which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of a company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognised stock exchange. Further, the SEBI Listing Regulations *inter alia* also provide for disclosures to be made by a company after delisting.

Delisting

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges which were significantly modified in 2015. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. However, a public company, including public sector undertakings, seeking to get a particular class or kind of securities listed shall offer and allot to the public (i) at least 25% of such class or kind of securities issued by the company, if the post issue capital is less than or equal to ₹ 16,000 million, (ii) at least such percentage of such class or kind of securities issued by the company equivalent to ₹ 4,000 million, if the post issue capital of the company is more than ₹ 16,000 million but less than or equal to ₹ 40,000 million or (iii) at least 10% of such class or kind of securities issued by the company, if the post issue capital of the company is above ₹ 40,000 million. In case of (ii) and (iii) above, the public shareholding is required to be increased to 25% within a period of three years from the date of listing of the securities. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such the public shareholding having fallen below the 25% threshold. Consequently, a listed company may be delisted from the Stock

Exchanges for not complying with the above mentioned requirements. Our Company is in compliance with this minimum public shareholding.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the CNX NIFTY of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, it is the oldest stock exchange in India. BSE became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. It has evolved over the years into its present status as one of the premier stock exchanges of India. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet based trading services. Internet trading is possible on both the “equities” as well as the “derivatives” segments of NSE. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the “equities” and the “derivatives” segments of NSE.

Trading Hours

Trading on both NSE and BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading (“NEAT”), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Takeover Regulations, which provides specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations (including mandatory open offer) on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Insider Trading Regulations

The Insider Trading Regulations have been notified to prohibit and penalise insider trading in India.

An insider is, *inter alia*, prohibited from trading in securities of a listed or proposed to be listed company when in possession of unpublished price sensitive information (“UPSI”) and to provide access to any person including other insiders to the above referred UPSI except where such communication is for legitimate purposes, performance of duties or discharge of legal obligations. UPSI shall include any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities.

The Insider Trading Regulations also provide disclosure obligations for promoters, directors, key management personnel and employees, with respect to their shareholding in a company, and the changes therein. The definition of “insider” means any person who is a connected person or is in possession of or having access to unpublished price sensitive information. The terms “connected person” means any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term “securities”, as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act. The prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

The authorised share capital of the Company is ₹ 3,000.0 million comprising of 2,000,000,000 Equity Shares of ₹ 1 each and 10,000,000 Preference Shares of ₹ 100 each. As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up capital of the Company is ₹ 916.4 million comprising of 916,444,234 fully paid-up Equity Shares of ₹ 1 each. The Equity Shares are listed on BSE and NSE.

Dividends

Under Indian law, a company pays dividend upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held in each Fiscal Year. Our Board may declare and pay interim dividends, which requires confirmation of a majority of shareholders at the next AGM. The shareholders have no right to declare dividend at a rate higher than such rate recommended by our Board. Subject to certain conditions laid down by Section 123 of the Companies Act, no dividend can be declared or paid by a company for any Fiscal Year except: (a) out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act; or (b) out of the profits of the company for any previous Fiscal Year arrived at as required to be computed in terms of the Companies Act and remaining undistributed; or (c) out of both; or (d) out of money provided by the Government of India or a State Government for payment of dividend by the Company in pursuance of a guarantee given by that Government.

The Equity Shares issued pursuant to this Preliminary Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by the Company.

Subject to the provisions of the Companies Act, no shareholder shall be entitled to receive payment of any interest or dividends in respect of his Equity Share(s), whilst any money may be due or owing from him to the Company in respect of such Equity Share(s) either above or jointly with any other person and our Board may deduct from the dividend payable to any such shareholder all sums of money, if any, payable by such shareholder to the Company on account of calls or otherwise in relation to the Equity Shares. Any dividend, interest or other monies in respect of the Equity Shares may be paid in electronic mode or by cheque or warrant to the shareholder or person entitled or in case of joint-holders to the joint-holder first named in the register of members or to such person and to such address as the holder or the joint holders direct in writing to the Company. The Company is not liable for any cheque or warrant lost in transmission, or for any dividend lost or delayed.

Issue of Bonus Shares and Capitalisation of Reserves

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits our Board, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the securities premium account or the capital redemption reserve account to its shareholders, in the form of fully paid up bonus shares. However, bonus ordinary shares must be distributed to shareholders in proportion to the number of ordinary shares owned by them as recommended by our Board. No issue of bonus shares may be made by capitalizing reserves created by revaluation of assets. Further, any issue of bonus shares would be subject to the SEBI Regulations and the Companies Act.

The Articles of Association of the Company provide that the Company may, in any general meeting, upon the recommendation of our Board, resolve that any part of the amount standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution be capitalized.

Issue of Additional Equity Shares

Subject to the provisions of the Companies Act, the Company may increase its Equity Share capital by issuing new Equity Shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62 of the Companies Act such new Equity Shares shall be offered to existing equity shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of Equity Shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date or upon receipt of earlier intimation from persons to whom such notice is given that they decline to accept the

Equity Shares offered, Board may dispose of the Equity Shares offered in respect of which no acceptance has been received in a manner which shall not be disadvantageous to the shareholders of the Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1)(c) of the Companies Act, new Equity Shares may be offered to any persons whether or not those persons include existing equity shareholders, or employees to whom shares have been allotted under a scheme of employee stock option, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by the Company's shareholders in a general meeting.

The Articles of Association provide that our Company may, by an ordinary resolution:

- Increase the authorised share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
- Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; and
- Cancel any shares which, at the date of the passing of the resolutions have not been taken or agreed to be taken by any person.

General meetings of shareholders

There are two types of general meetings of the shareholders:

- (i) AGM; and
- (ii) EGM.

The Company must hold its AGM within six months after the expiry of each Fiscal Year provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of the Company's issued paid up capital (carrying a right to vote in respect of the relevant matter on the date of receipt of the requisition).

Notices, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to members at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95% of the shareholders entitled to vote. Unless, the Articles of Association provide for a larger number, such number of shareholders, shall constitute a quorum for a general meeting of the Company, whether AGM or EGM as specified under the Companies Act. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with.

In accordance with Section 110 of the Companies Act 2013 and the rules made thereunder, a company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the Memorandum of Association, the issuing of shares with different voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares, giving loans or extending guarantees in excess of limits prescribed in Section 186(3) of the Companies Act 2013, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in the company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons therefore and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of dispatch of the notice. The shareholders may exercise their right to vote at general meetings or through postal ballot by voting through electronic voting mechanism.

Voting rights

Section 108 of the Companies Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 deal with the exercise of right to vote by members by electronic means. In terms of Rule 20, every listed company (other than a company referred to in Chapters XB or XC of the SEBI Regulations) is required to provide to its members facility to exercise their right to vote at general meetings by electronic means. The Ministry of Corporate Affairs, has clarified that voting by show of hands would not be allowable in cases where Rule 20 is applicable. Our Articles of Association provide that every member present in person shall have one vote on a show of hands, and on poll, the voting rights of the member shall be in proportion to the share held in the paid-up equity share capital of the Company.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to STT (levied on and collected by the stock exchanges on which such equity shares are sold), however are exempt from stamp duty. The Company has entered into an agreement for such depository services with the NSDL and the CDSL. The SEBI requires that the Company's shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The Company shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the SEBI Listing Regulations, in the event the Company has not affected the transfer of shares within 15 days from the date of receipt of request for transfer or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable subject to applicable laws. Under the SEBI Listing Regulations, notice of such refusal must be sent to the transferee within one month of the date on which the transfer was lodged with the Company.

According to the Articles of Association of the Company, any person who becomes entitled to Equity Shares by reason of death or insolvency of a member shall be entitled to the same dividend and other advantages to which he would be entitled if he was a registered member except that he shall not be entitled to exercise any rights in the meetings of the Company, before being registered as a member of the Company.

Winding up

Our Articles of Association provide that on winding up, the liquidator may, with the sanction of a special resolution and any other sanction required under Companies Act 2013, divide amongst the members, in specie or kind, any part of the assets of our Company, whether they shall consist of property of the same kind or not, and may with like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributors, if the liquidator considers necessary.

TAXATION
STATEMENT OF TAX BENEFITS

March 20, 2018

To,
The Board of Directors
Jindal Steel & Power Limited
O. P. Jindal Marg, Hisar 125 005
Haryana, India

Proposed qualified institutions placement of equity shares having face value of ₹ 1 each (“the Equity Shares”) of Jindal Steel & Power Limited (the “Company” or “Issuer”), in India in accordance with Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“SEBI ICDR Regulations”) and Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended (the “Offer” or “Offering”).

Introduction

1. This Certificate is issued in relation to the Offering.
2. The accompanying Statement of Possible Tax Benefits (the “**Statement**”) available to the Company and its shareholders under the Income Tax Act, 1961 (read with Income Tax Rules, Circulars, notifications) as amended by Finance Act 2017 (i.e. applicable for the financial year 2017-18, relevant to the assessment year 2018-19) presently in force in India, in “**Annexure A**” has been prepared by the Company, pursuant to the requirement for Offer. The accompanying Statement also includes the possible tax benefits available to the Company and its shareholders pursuant to the amendments proposed in the Finance Bill 2018, as passed by Lok Sabha on March 14, 2018, however it may be noted that such amendments as included in the Statement have not yet been enacted as law. We have initialled the Statement for identification purposes only.

Management’s Responsibility for the Statement

3. The accompanying Statement, is solely the responsibility of the Management of the Company. The said Statement has been compiled by the management based on the provisions of Income Tax Act, 1961, as amended (the “**Act**”), presently in force in India. The management’s responsibility includes collecting, collating and validating data and designing, implementing and monitoring of internal controls relevant for the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances. The management is also responsible for identifying and ensuring that Company complies with laws and regulations applicable to its activities.

Auditors’ Responsibility

4. Our work has been carried out in accordance with Standards on Auditing, as per the ‘Guidance Note on Audit Reports or Certificates for Special Purposes’ (Revised 2016) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.
5. Pursuant to the SEBI ICDR Regulations and the Companies Act 2013, it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available as of March 20, 2018 to the Company and the shareholders of the Company, in accordance with the applicable income tax regulations as at the date of our report. We hereby report that we have reviewed the possible direct tax benefits available to the Company, under the Income Tax Act, 1961, as amended (the “**Act**”), and to the shareholders of the Company under the Income Tax Act presently in force in India, in the enclosed Statement.
6. Our confirmation is based on the information, explanations and representations obtained from the Company in relation to the business activities and operations of the Company
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Inherent Limitations

8. We draw our attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information:
 - (a) Several of these tax benefits/consequences are dependent on the Company or the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions.
 - (b) We are informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of individual nature of tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. The benefits discussed in the Statement are not exhaustive.
 - (c) In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement (DTAA), if any, entered into between India and the country in which the non-resident has fiscal domicile. (Subject to furnishing of Tax Residency Certificate)
 - (d) The above Statement of Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

Conclusion

1. In our opinion, the Statement presents in all material respects, the possible benefits available to the Company and its shareholder, in accordance with the Income Tax Regulations as at the date of this certificate. Considering the matter referred above, we are unable to express any opinion or provide any assurance whether:
 - (a) The Company or its shareholders will continue to obtain these benefits in future; or
 - (b) The conditions prescribed for availing the benefits, where applicable have been/ would be met.

This certificate is intended solely for your information and for the inclusion in the Preliminary Placement Document and Placement Document in connection with the Offer and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Lodha & Co,
Chartered Accountants
Firm Registration Number: 301051E

(Gaurav Lodha)
Partner
Membership No.: 507462
Place: New Delhi

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, AND ITS SHAREHOLDERS

I. Benefits available to the Company

Special Tax Benefits to the Company

1. Deduction under section 80-IA of the Act

In accordance with and subject to the condition specified in Section 80-IA of the Act, the Company would be entitled for a deduction of an amount equal to hundred per cent of profits or gains derived from industrial undertaking engaged in generation and/or distribution or transmission of power for any ten consecutive assessment years out of fifteen years beginning from the year in which the undertaking has started its operation.

However, no deduction under section 80-IA is available for any undertaking set up after March 31, 2017.

2. Additional depreciation under section 32 of IT Act

Subject to the specified enabling conditions under section 32(1)(ia) of the IT Act, companies engaged in the business of manufacture or production of any article or thing on in the business of generation, transmission or distribution of power are allowed additional depreciation at the rate of 20 percent on any new plant and machinery installed after March 31, 2005.

3. Deduction under section 32AC of IT Act

As per section 32AC(1A) of the IT Act, the Company is entitled to a deduction of 15% of actual cost of 'specified new assets' acquired and installed in a FY subject to fulfilment of prescribed conditions. The aggregate amount of actual cost of new assets should exceed ₹ 250.0 million. However, no deduction under section 32AC(1A) of the IT Act would be available for any assets acquired after March 31, 2017.

However, it has been provided that, where any specified new assets were acquired in Fiscal Year 2017 and installed in Fiscal Year 2018, then deduction under the said section may be claimed in Fiscal Year 2018.

Further in case the new asset acquired and installed is transferred by the Company within 5 years from the date of its installation, the amount of deduction allowed under section 32AC(1A) of the IT Act, except in connection with amalgamation/ demerger, would be deemed to be income under the head 'profits and gains from business and profession' of the year in which such new asset is sold or otherwise transferred. This taxability is in addition to the taxability of gains arising on transfer of new asset.

4. Deduction under section 35 of the IT Act

Under section 35(2AB) of the Act, where a company engaged in the business of bio-technology or in any business of manufacture or production of specified article or thing, incurs any expenditure on scientific research (not being expenditure in the nature of cost of any land or building) on in-house research and development facility as approved by the prescribed authority, then, there shall be allowed a deduction of a sum equal to 200% of the expenditure so incurred subject to other conditions specified therein.

General Tax Benefits to the Company

1. Dividend Income

- a) As per section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income-tax. Such dividend is also to be excluded while computing MAT liability.

However, in view of the provisions of section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income and quantum of such expenditure is to be computed in accordance with the provisions contained therein liable for disallowance.

Further, as per the provisions of section 94(7) of the IT Act, losses arising from transfer/ sale of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt. 'Record date' means such date as may be fixed by the company for the purposes of entitlement of the holder of securities to receive dividend.

- b) As per section 10(35) of the IT Act, the income received in respect of units of a Mutual Fund specified in section 10(23D) of the IT Act would be exempt in the hands of the Company. Such income is also to be excluded while computing MAT liability.

However, in view of the provisions of section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income and quantum of such expenditure is to be computed in accordance with the provisions contained therein liable for disallowance.

Further, as per the provisions of section 94(7) of the IT Act, losses arising from transfer/sale of units, where such units were purchased within three months prior to the record date and sold within nine months from the record date will be disallowed to the extent such loss does not exceed the amount of income claimed exempt. 'Record date' means such date as may be fixed by the company for the purposes of entitlement of the holder of securities to receive dividend.

2. Income from business

- a) Subject to compliance of certain conditions laid down in section 32 of the IT Act, the Company will be entitled to a deduction for depreciation in respect of tangible assets and intangible assets being in the nature of know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998 at the rates prescribed under the Income Tax Rules, 1962. Unabsorbed depreciation, if any, shall be carried forward for set off in the subsequent years indefinitely.
- b) The Company will be entitled to amortize expenses being the expenditure incurred on qualified institutional placement of shares, under section 35D of the IT Act, subject to the limits specified in section 35D(3) and fulfilment of conditions prescribed under section 35D of the IT Act.

Under section 35D of the IT Act, a company is eligible for deduction in respect of specified preliminary expenditure incurred by it in connection with extension of its undertaking or in connection with setting up new unit for an amount equal to 1/5th of such expenditure over 5 successive AYs subject to conditions and limits specified in that section.

Specified expenditure includes expenditure in connection with the issue, for public subscription, of shares in or debentures of the company, being underwriting commission, brokerage and charges for drafting, typing, printing and advertisement of the prospectus.

- c) In terms of section 36(1)(xv) of the IT Act, the STT paid by the Company in respect of the taxable securities transactions entered into in the course of his business of transactions/trading in shares would be eligible for deduction from the amount of income chargeable under the head "Profit and gains of business or profession" if the income arising from taxable securities transaction is included in such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains of such amount paid on account of STT.
- d) As per section 72 of the IT Act, Business Losses (not being speculation business loss) computed for the given year is allowed to be set off against income assessable under other heads of income computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' profits and gains of business or profession.

3. Minimum Alternate Tax ("MAT")

- a) Under section 115JAA(1A) of the IT Act, where any tax is paid under the MAT provisions for any assessment year commencing on the 1st day of April 2006, credit in respect of tax so paid shall be allowed to the Company in accordance with the provisions of the IT Act. Tax credit eligible to be carried forward will be the difference between the MAT paid and the tax computed as per the normal provisions of the IT Act for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to fifteen years succeeding the year in which the MAT credit becomes allowable.

4. Dividend Distribution Tax ("DDT")

- a) Under section 115-O of the IT Act, for the purpose of payment of dividend distribution tax (DDT) at 15% (plus applicable surcharge and education cess) on the dividends, the dividends so declared, distributed or paid by the domestic Company shall be reduced by the dividends received from its subsidiary provided where:
- such subsidiary is a domestic company it has paid DDT on the dividends declared / distributed /paid by it;
 - where such subsidiary is a foreign company, the domestic company has paid taxes under section 115BBD of the IT Act at 15% (plus applicable surcharge and education cess) on dividends received/ earned.

For the said purpose, a Company shall be a subsidiary of another company, if such other Company, holds more than half in nominal value of the equity share capital of the former mentioned Company.

As per proviso to this section, the same amount of dividend would not be taken into account for reduction more than once.

Further, for the purposes of determining the tax on distributed profits payable in accordance with the section 115-O, any amount by way of dividends referred to in sub-section (1) of the said section, as reduced by the amount referred to in sub-section (1A) referred to as net distributed profits, shall be increased to such amount as would, after reduction of the tax on such increased amount at the rate 15%, be equal to the net distributed profits.

5. Capital Gains

- a) Section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of Acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. In respect of Long Term Capital Gains, (“LTCG”), the second proviso to Section 48 of the IT Act, permits substitution of cost of acquisition/ improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/improvement by a cost inflation index, as prescribed from time to time.
- b) Under Section 10(38) of the IT Act, LTCG arising to a Company on transfer of equity shares would be exempt from tax where the sale transaction has been entered into on a recognised stock exchange of India and is chargeable to Securities Transaction Tax (“STT”). As per the third proviso to section 10(38) of the IT Act inserted by the Finance Act, 2017, the exemption under section 10(38) would not be available to the cases of purchases after October 1, 2004 which are not subject to STT unless such cases are notified by the Government. However, to protect the exemption for genuine cases where STT could not have been paid like acquisition of share in Initial Public Offering (IPO), Follow-on Public Offer (FPO), bonus or right issue by a listed company, the Central Board of Direct Taxes (CBDT) on June 5, 2017 has issued notification in this regard prescribing a negative list of transactions under section 10(38).

This notification applies to all transactions on or after April 1, 2017.

Note: As per the recently introduced finance bill 2018, it is proposed to withdraw the exemption under section 10(38) and to introduce a new section 112A which provide that such long term capital gains shall be taxed at 10 per cent of such capital gains exceeding ₹ 100,000.0. Section 112A along with amended section 48 and section 55 also proposes to provide the following:—

- i. *The long term capital gains will be computed without giving effect to the first and second provisos to section 48;*
- ii. *The cost of acquisitions in respect of the long term capital asset acquired before the 1st day of February, 2018, shall be deemed to be the higher of—*

- a) *the actual cost of acquisition of such asset; and*
- b) *the lower of—*

I. the fair market value of such asset which shall be, in a case where the capital asset is listed on any recognized stock exchange, the highest price of the capital asset quoted on such exchange on January 31, 2018. However, where there is no trading in such asset on such exchange on January 31, 2018, the highest price of such asset on such exchange on a date immediately preceding January 31, 2018 when such asset was traded on such exchange shall be the fair market value, and in a case where the capital asset is a unit and is not listed on recognized stock exchange, the net asset value of such asset as on January 31, 2018. In a case where the capital asset is an equity share in a company which is: (a) not listed on a recognised stock exchange as on January 31, 2018 but listed on such exchange on the date of transfer; (b) listed on a recognised stock exchange on the date of transfer and which became the property of the assessee in consideration of share which is not listed on such exchange as on January 31, 2018 by way of transaction not regarded as transfer under section 47, an amount which bears to the cost of acquisition the same proportion as cost inflation index for the Fiscal Year 2018 bears to the cost inflation index for the first year in which the asset was held by the assessee or for the year beginning on April 1, 2001, whichever is later; and

II. the full value of consideration received or accruing as a result of the transfer of the capital asset.

- c) As per section 111A of the IT Act, Short Term Capital Gains (“STCG”), i.e., gains from shares held for a period not exceeding twelve months (immediately preceding the date of transfer) arising on transfer of equity share would be taxable at a rate of 15% (plus applicable surcharge and education cess) where such transaction of sale is entered into on a recognised stock exchange in India and is liable to STT. STCG arising from transfer of shares, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.
- d) Under section 112 of the IT Act LTCG, other than those exempt under section 10(38) of the IT Act arising on transfer of shares would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) after indexation. However, where the tax payable on capital gains exceeds 10% of the amount of capital gains before giving benefit of indexation, the excess shall be ignored.

Further, given the amendment proposed by Finance Bill, 2018, it is hereby clarified that LTCG on sale of listed equity shares in excess of ₹ 100,000.0 shall be governed by section 112A of the Act and not section 112 of the Act.

- e) As per section 74 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against Short Term as well as Long Term Gains computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years’ Short Term as

well as Long Term Gains. However, the Long Term capital Loss computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG.

6. Other deductions

- a) A deduction amounting to 100% or 50%, as the case may be, of the sums paid as donations to various entities is allowable as per section 80G of the IT Act.
- b) As per section 80JJAA, a Company may claim a deduction equal to 30% of the additional employee cost incurred in the course of its business for 3AYs including the AY in which additional employees are taken on board, subject to the conditions mentioned under the said section.

Also, as per the finance bill, 2018, it is proposed to rationalize additional deduction of 30% by allowing the benefit for a new employee who is employed for less than the minimum period of 240 days during the first year but continues to remain employed for the minimum period of 240 days in immediately succeeding year. The employee shall be deemed to have been employed in the succeeding year and additional deduction in that case shall be provided in the succeeding year.

II. Benefits Available To Shareholders

Special Tax Benefits Available to the Shareholders

There are no special tax benefits available to the shareholders

General Tax Benefits Available to the Resident Shareholders

1. The tax benefits / implications referred to in paragraphs 1, 2(d) and 5 under the heading "General tax benefits available to the Company" will equally apply to the resident shareholders.
It is however noted that as per section 115BBDA of the IT Act, if the aggregate of dividend income during the year is in excess of ₹ 1.0 million, then such excess dividend shall be chargeable to tax at the rate of 10% (plus applicable surcharge and education cess). Provisions of section 115BBDA are not applicable to a domestic company, a fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub clause (vi) or sub-clause (via) of section 10(23C) or a trust/institution registered under section 12A or section 12AA of the IT Act.
2. As per the provisions of section 54EC of the IT Act and subject to the conditions specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) arising to a taxpayer on transfer of shares of the Company will be exempt from capital gains tax if such gain is invested within 6 months from the date of transfer in specified long-term assets, being bonds issued by NHAI, REC or such other bonds as notified. The investment in such bonds cannot exceed ₹ 5.0 million and the investment made has a lock-in of 3 years. In case the specified asset is transferred or converted into money within 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

As per the finance bill 2018, it is proposed to provide that exemption shall be available only in respect of capital gain arising from the transfer of a long-term capital asset, being land or building or both. Therefore, no exemption shall be available for any capital gains arising from transfer of shares or securities. It has also been proposed that long-term specified asset, for making any investment under section 54EC on or after the 1st day of April, 2018, shall mean any bond, redeemable after five years (instead of existing three years) and issued on or after 1st day of April, 2018 by the National Highways Authority of India or by the Rural Electrification Corporation Limited or any other bond notified by the Central Government in this behalf

3. As per the provisions of section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (which are not exempt under section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ("HUF") on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of one residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of one residential house property within a period of 3 years after the date of such transfer, subject to fulfillment of conditions as prescribed under proviso to section 54F of the IT Act.

General Tax Benefits Available to the Non-Resident /Foreign Company (Other than Non-Resident Indians, Mutual Funds, FIIs and Foreign Venture Capital Investors)

1. Tax treaty benefits

- a) Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the Double Tax

Avoidance Agreement between India and the country of tax residence of the non- resident and the provisions of the Act apply to the extent they are more beneficial to the assessee.

- b) Any person considering claiming benefits under any such DTAA will not be able to claim any benefits unless a tax resident certificate, containing such particulars as prescribed by the Central Board of Direct Taxes, is obtained by the non-resident from the Government of the country in which such person is a resident.

2. Capital Gain

- a) The tax benefits / implications referred to in paragraphs 5(b), 5(c) and 5(d) under the heading "General tax benefits available to the Company" and in paragraphs 1, 2 and 3 under the heading " General Tax Benefits Available to the Resident Shareholders" will equally apply to the non-resident shareholders.
- b) In terms of the first proviso to section 48 of the IT Act, in case of a non-resident, while computing the capital gains (in cases not covered under section 10(38) and not subject to section 111A of the IT Act) arising from transfer of shares in or debentures of the Company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into same foreign currency which was utilized in the purchase of shares.

3. Business Income

In case the shareholders are engaged in business of trading in shares, the income on transfer of shares would be taxed as business income or loss in accordance with and subject to the provisions of the Act.

General Tax Benefits Available to Non Resident Indian Shareholders

- 1. In addition to the benefits/implications mentioned under “General Tax Benefits Available to the Non-Resident /Foreign Company”, the following benefits are applicable to non-resident Indian¹ shareholders:
- 2. Non-Resident Indian (NRI) have the option of being governed by the provisions of Chapter XII-A of the Act which *inter alia* entitles them to the following benefits in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreign exchange.
 - a) Under section 115E of the IT Act, where shares in a Company are subscribed for in convertible foreign exchange by a non-resident Indian, capital gains arising to such non-resident Indian on transfer of shares held for a period exceeding 12 months shall (in case not covered under section 10(38) of the IT Act) be taxed at a flat rate of 10% (plus applicable educational cess) without indexation benefit, but with protection against foreign exchange fluctuation under the first proviso to section 48 of the IT Act.
 - b) Under section 115F of the Act, and subject to the conditions and to the extent specified therein, long- term capital gains arising to NRIs from transfer of shares of the Company acquired out of convertible foreign exchange other than those exempt under section 10(38) of the Act shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer of the asset in any specified asset or in any saving certificates referred to in clause (4B) of section 10 of the Act. In case the whole of the net consideration is not so invested, the exemption shall be allowed on a pro rata basis.
 - c) In accordance with the provisions of section 115G of the Act, NRIs are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
 - d) In accordance with the provisions of section 115H of the Act, when NRIs become assessable as resident in India, they may furnish a declaration in writing to the Assessing Officer along with their return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to them in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are transferred or converted into money.
 - e) As per the provisions of section 115-I of the Act, NRIs may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing their return of income for that year under section 139 of the Act,

¹ Non-Resident Indian (NRI) means a citizen of India or a person of Indian origin who is not a resident. Person is deemed to be of Indian origin if he, or either of his parents or any of his grand -parents, were born in undivided India.

declaring therein that the provisions of Chapter XII-A shall not apply to them for that assessment year and accordingly their total income for that assessment year will be computed in accordance with the other provisions of the Act. The said Chapter inter alia entitles NRIs to the benefits stated there under in respect of income from shares of an Indian company acquired, purchased or subscribed in convertible foreign exchange.

General Tax Benefits Available To Foreign Institutional Investors ('FIIs')

1. The tax benefits / implications referred to in paragraphs 1(a), 5(b) and 5(c) under the heading "General tax benefits to the Company" will equally apply to the FIIs.
2. Further, as per provisions of section 115AD of the IT Act, income (other than income by way of dividends referred to in section 115-O of the IT Act or capital gains referred to in section 10(38) and 111A of the IT Act) of FIIs arising from securities (other than the units purchased in foreign currency referred to section 115AB of the IT Act) would be taxed at concessional rates, as follows:

Nature of Income	Rate of Tax (%)
Dividends Income	20
Long Term Capital Gains	10
Short term capital gains	30

However, the above tax rates would be increased by the applicable surcharge and education cess. Also, the benefits of indexation and foreign currency fluctuation protection as provided under Section 48 of the IT Act are not available.

However, as per the Finance Bill 2018, consequent to the proposal to withdraw the exemption under clause (38) of section 10, the provisions of section 115AD are proposed to be amended to provide that long term capital gains in the hands of Foreign Institutional Investor (FII), arising from transfer of long term capital asset being equity shares of a company or a unit of equity oriented fund or a unit of business trusts exceeding one lakh rupees, will become taxable at the rate of 10%.

3. As per proviso to section 196D (1) of the IT Act, no deduction of tax at source will be made in respect of income by way of dividend on securities referred to in section 115AD.
4. As per section 196D (2) of the IT Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.
5. As per section 90(2) of the IT Act, provisions of the DTAA between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent the DTAA provisions are more beneficial to the FIIs.

Any person desires to claim benefits under any such DTAA will not be able to claim any benefits unless a Tax Resident Certificate, containing such particulars as prescribed by the Central Board of Direct Taxes, is obtained by the non-resident from the Government of the country in which such person is a resident.

General Tax Benefits Available To Venture Capital Companies/ Funds

1. Under section 10(23FB) of the IT Act, any income of Venture Capital Funds, registered with the Securities and Exchange Board of India, from investment in a venture capital undertaking would be exempt from income tax, subject to fulfilment of prescribed conditions.
2. As per section 115U of the IT Act, any income accruing or arising to or received by a person from his investment in venture capital funds would be taxable in his hands in the same manner as if it were the income accruing/ arising/ received by such person had directly made the investments.

General Tax Benefits Available To Investment Funds

1. Under section 10(23FBA) of the IT Act, any income except for income under the head "Profits and Gains of Business/ Profession" of Investment Fund would be exempt from income tax, subject to conditions specified therein.
2. As per section 115UB of the IT Act, any income accruing or arising to or received by a person from his investment in investment funds would be taxable in his hands in the same manner as if it were the income accruing/ arising/ received by such person had directly made the investments.

General Tax Benefits Available to Share Holders being Mutual Funds

1. As per section 10(23D) of the IT Act, any income of Mutual Funds registered under the Securities and Exchange Board

of India Act, 1992 or regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf. However, the Mutual Funds would be required to pay tax on distributed income to unit holders as per the provisions of Section 115R of the IT Act.

However, as per the recently introduced Finance Bill, 2018, in the wake of new capital gains tax regime for unit holders of equity oriented funds, it is proposed to amend the section 115R to provide that any distribution of income by equity oriented Mutual Fund, shall be subject to additional income-tax at the rate of ten per cent, payable by such mutual fund. For this purpose, equity oriented fund will have the same meaning assigned to it in the new section 112A of the Act.

Notes:

- a) *The above statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.*
- b) *The statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:*
 - *the Company or its shareholders will continue to obtain these benefits in future;*
 - *the conditions prescribed for availing the benefits have been/ would be met with; and*
 - *the Revenue authorities/courts will concur with the view expressed herein.*
- c) *The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. Legislation, its judicial interpretations and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above. Unless specifically requested, we have no responsibility to carry out any review of our comments for changes in laws or regulations occurring after the date of issue of this note.*
- d) *This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.*
- e) *In respect of non-residents, the tax rates and the consequent taxation mentioned above shall further be subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.*
- f) *The statement of possible tax benefits enumerated above is as per the IT Act as amended by the Finance Act, 2017 and Finance Bill, 2018 passed by the Lok Sabha on March 14, 2018.*
- g) *As per Finance Bill 2018, Education cess currently applicable has been abolished and new Cess as Health and education cess has been introduced and shall be levied @ 4% for Fiscal Year 2019.*

U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax considerations relevant to persons acquiring, holding and disposing of Equity Shares. This summary is based on the U.S. Internal Revenue Code of 1986 (the "**Code**"), final, temporary and proposed U.S. Treasury regulations and administrative and judicial interpretations, all of which are subject to change, possibly with retroactive effect, as well as on the income tax treaty between the United States and India as currently in force (the "**Treaty**").

This summary does not discuss all aspects of U.S. federal income taxation that may be relevant to investors in light of their particular circumstances, such as investors subject to special tax rules (including, without limitation: (i) financial institutions; (ii) insurance companies; (iii) traders or dealers in stocks, securities, or currencies or notional principal contracts; (iv) regulated investment companies; (v) real estate investment trusts; tax-exempt organisations; (vii) entities that are treated as partnerships or pass-through entities for U.S. federal income tax purposes, or persons that hold Equity Shares through such entities; (viii) holders that own (directly, indirectly or constructively) 10% or more of the voting stock of the Company; (ix) investors that hold Equity Shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes; (x) U.S. Holders (as defined below) that have a functional currency other than the U.S. dollar and (xi) U.S. expatriates and former long-term residents of the United States), all of whom may be subject to tax rules that differ significantly from those summarised below. This summary does not address tax consequences applicable to holders of equity interests in a holder of the Equity Shares, U.S. federal estate, gift, Medicare contribution or alternative minimum tax considerations, or non-U.S., state or local tax considerations. This summary only addresses investors that will acquire Equity Shares in the Issue, and it assumes that investors will hold their Equity Shares as capital assets (generally, property held for investment).

For the purposes of this summary, a "U.S. Holder" is a beneficial owner of Equity Shares that is for U.S. federal income tax purposes (i) an individual who is a citizen or resident of the United States, (ii) a corporation created in, or organised under the laws of, the United States or any state thereof, including the District of Columbia, (iii) an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source or (iv) a trust subject to the control of one or more U.S. persons and the primary supervision of a U.S. court or that has validly elected to be treated as a U.S. person. A "Non-U.S. Holder" is a beneficial owner of Equity Shares that is neither a partnership nor a U.S. Holder.

If a partnership holds Equity Shares, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. Any such partner or partnership should consult their tax advisers as to the U.S. federal income tax consequences to them of the acquisition, ownership and disposition of Equity Shares.

Dividends

Subject to the passive foreign investment company ("**PFIC**") rules discussed below, a distribution made by the Company on the Equity Shares (including amounts withheld in respect of foreign income tax, if any) will be treated as a dividend includible in the gross income of a U.S. Holder as ordinary income to the extent of the Company's current and accumulated earnings and profits as determined under U.S. federal income tax principles. To the extent the amount of such distribution exceeds the Company's current and accumulated earnings and profits as so computed, the distribution will be treated first as a non-taxable return of capital to the extent of such U.S. Holder's adjusted tax basis in the Equity Shares and, to the extent the amount of such distribution exceeds such adjusted tax basis, will be treated as gain from the sale of such Equity Shares. The Company does not expect to maintain calculations of earnings and profits for U.S. federal income tax purposes. Therefore, a U.S. Holder should expect that such distribution will generally be treated as a dividend. Such dividends will not be eligible for the dividends received deduction allowed to corporations.

"Qualified dividend income" received by individual and certain other non-corporate U.S. Holders is currently subject to reduced rates applicable to long-term capital gain if (i) the Company is a "qualified foreign corporation" (as defined below) and (ii) such dividend is paid on Equity Shares that have been held by such U.S. Holder for at least 61 days during the 121-day period beginning 60 days before the ex-dividend date. The Company generally will be a "qualified foreign corporation" if (1) it is eligible for the benefits of the Treaty and (2) it is not a PFIC in the taxable year of the distribution or the immediately preceding taxable year. The Company expects to be eligible for the benefits of the Treaty; however, no assurance can be given that the Company will be eligible for the benefits of the Treaty. In addition, as discussed below under "Passive Foreign Investment Company Rules", the Company does not believe it was a PFIC for the taxable year ending March 31, 2017 and does not expect to be a PFIC for the current year or for any future years.

Dividends on the Equity Shares generally will constitute income from sources outside the United States for foreign tax credit limitation purposes, and generally will constitute passive category income. The amount of any distribution of property other than cash will be the fair market value of the property on the date of the distribution. A U.S. Holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any foreign withholding taxes imposed on dividends received on the Equity Shares. A U.S. Holder who does not elect to claim a foreign tax credit for foreign tax withheld may instead claim a deduction for U.S. federal income tax purposes, in respect of such withholdings, but only for a year in which such U.S. Holder elects to do so for all creditable foreign income taxes.

The U.S. dollar value of any distribution made by the Company in a currency other than U.S. dollars (a “**foreign currency**”) must be calculated by reference to the exchange rate in effect on the date of receipt of such distribution by the U.S. Holder, regardless of whether the foreign currency is in fact converted into U.S. dollars. If the foreign currency so received is converted into U.S. dollars on the date of receipt, such U.S. Holder generally will not recognise foreign currency gain or loss on such conversion. If the foreign currency so received is not converted into U.S. dollars on the date of receipt, such U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any gain or loss on a subsequent conversion or other disposition of the foreign currency generally will be treated as ordinary income or loss to such U.S. Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. The rules governing foreign tax credits are complex; U.S. Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances.

Sale or other disposition

Subject to the PFIC rules discussed below, a U.S. Holder generally will recognise gain or loss for U.S. federal income tax purposes upon a sale or other disposition of its Equity Shares in an amount equal to the difference between the amount realised from such sale or disposition and the U.S. Holder's adjusted tax basis in such Equity Shares, as determined in U.S. dollars. Such gain or loss generally will be capital gain or loss and will be long-term capital gain (taxable at a reduced rate for non-corporate U.S. Holders, such as individuals) or loss if, on the date of sale or disposition, such Equity Shares were held by such U.S. Holder for more than one year. The deductibility of capital loss is subject to significant limitations. Such gain or loss realised generally will be treated as derived by a U.S. Holder from U.S. sources.

A U.S. Holder that receives foreign currency from a sale or disposition of Equity Shares generally will realise an amount equal to the U.S. dollar value of the foreign currency on the date of sale or disposition or, if such U.S. Holder is a cash basis or electing accrual basis taxpayer and the Equity Shares are treated as being traded on an “established securities market” for this purpose, the settlement date. If the Equity Shares are so treated and the foreign currency received is converted into U.S. dollars on the settlement date, a cash basis or electing accrual basis U.S. Holder will not recognise foreign currency gain or loss on the conversion. If the foreign currency received is not converted into U.S. dollars on the settlement date, the U.S. Holder will have a basis in the foreign currency equal to the U.S. dollar value on the settlement date. Any gain or loss on a subsequent conversion or other disposition of the foreign currency generally will be treated as ordinary income or loss to such U.S. Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. The rules governing foreign tax credits are complex; U.S. Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances.

Passive foreign investment company rules

In general, a corporation organised or incorporated outside the United States is a PFIC in any taxable year in which, after taking into account the income and assets of certain subsidiaries, either (i) at least 75% of its gross income is classified as “passive income” or (ii) at least 50% of the average quarterly value attributable to its assets produce or are held for the production of passive income. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions.

Based on the present nature of its activities, including the planned Issue, and the present composition of its assets and sources of income, the Company believes that it was not a PFIC for the year ending on March 31, 2017 and does not expect to become a PFIC for the current year or for any future taxable year. There can be no assurances, however, that the Company will not be considered to be a PFIC for any particular year because PFIC status is factual in nature, generally cannot be determined until the close of the taxable year in question, and is determined annually. If the Company is classified as a PFIC in any year that a U.S. Holder is a shareholder, the Company generally will continue to be treated as a PFIC for that U.S. Holder in all succeeding years, regardless of whether the Company continues to meet the income or asset test described above. If the Company were a PFIC in any taxable year, materially adverse U.S. federal income tax consequences could result for U.S. Holders.

If the Company is considered a PFIC at any time that a U.S. Holder holds the Company's Equity Shares, any gain recognized by the U.S. Holder on a sale or other disposition of the Equity Shares, as well as the amount of an “excess distribution” (defined below) received by such holder, would be allocated ratably over the U.S. Holder's holding period for the Equity Shares. The amounts allocated to the taxable year of the sale or other disposition (or the taxable year of receipt, in the case of an excess distribution) and to any year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed. For purposes of these rules, an excess distribution is the amount by which any distribution received by a U.S. Holder on its Equity Shares in a taxable year exceeds 125% of the average of the annual distributions on the Equity Shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter. Certain elections may be available that would result in alternative treatments of the Equity Shares. In particular, if the Issuer were a PFIC and its Equity Shares constitute “marketable stock,” a U.S. Holder may elect to be taxed annually on a mark-to-market basis with respect to its Equity Shares and mitigate the adverse tax consequences. U.S. Holders should consult their tax advisers as to the availability and consequences of a mark-to-market election with respect to their Equity Shares.

A U.S. Holder subject to the PFIC rules discussed above or below is required to file U.S. Internal Revenue Service ("IRS") Form 8621 with respect to its investment in the Equity Shares.

Non-U.S. Holders

A Non-U.S. Holder generally should not be subject to U.S. federal income or withholding tax on any payments on the Equity Shares or gain from the sale, redemption or other disposition of the Equity Shares unless: (i) that payment and/or gain is effectively connected with the conduct by that Non-U.S. Holder of a trade or business in the United States; or (ii) in the case of any gain realised on the sale or exchange of an Equity Share by an individual Non-U.S. Holder, that Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

U.S. information reporting and backup withholding tax

A U.S. Holder may be subject to information reporting unless it establishes that payments to it are exempt from these rules. For example, payments to corporations generally are exempt from information reporting and backup withholding. Payments that are subject to information reporting may be subject to backup withholding if a U.S. Holder does not provide its taxpayer identification number and otherwise comply with the backup withholding rules. Non-U.S. Holders may be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules are available to be credited against a U.S. Holder's U.S. federal income tax liability and may be refunded to the extent they exceed such liability, provided the required information is timely provided to the IRS.

Under U.S. federal income tax law and regulations, certain categories of U.S. persons must file information returns with respect to their investment in the equity interests of a foreign corporation. A U.S. person that purchases for cash Equity Shares will be required to file IRS Form 926 or similar form if the transfer, when aggregated with all transfers made by such person (or any related person) within the preceding 12 month period, exceeds USD 100,000.0. In the event a U.S. Holder fails to file any such required form, the U.S. Holder could be required to pay a penalty equal to 10% of the gross amount paid for such Equity Shares up to a maximum penalty of USD 100,000.0.

Certain U.S. Holders that own "specified foreign financial assets" that meet certain U.S. dollar value thresholds generally are required to file an information report with respect to such assets with their tax returns. The Equity Shares generally will constitute specified foreign financial assets subject to these reporting requirements unless the Equity Shares are held in an account at certain financial institutions. U.S. Holders are urged to consult their tax advisers regarding the application of these disclosure requirements to their ownership of the Equity Shares.

The foregoing does not purport to be a complete analysis of the potential tax considerations relating to the Issue, and is not tax advice. Prospective investors should consult their own tax advisors as to the particular tax considerations applicable to them relating to the purchase, ownership and disposition of the Equity Shares, including the applicability of the U.S. federal, state and local tax laws or non-tax laws, foreign tax laws, and any changes in applicable tax laws and any pending or proposed legislation or regulations.

LEGAL PROCEEDINGS

Our Company and our Subsidiaries are subject to various legal proceedings from time to time, mostly arising in the ordinary course of their businesses including civil proceedings, tax proceedings and criminal matters under section 138 of the Negotiable Instruments Act, 1881. Except as disclosed below, our Company and our Subsidiaries are not involved in any pending legal proceedings: (i) individually, which are quantifiable and exceed or are expected by our Company to exceed ₹ 1,000.0 million which is less than 0.5% of our consolidated total income for the Fiscal Year 2017; (ii) which our Company believes could have a material adverse effect on the business, financial condition, profitability or results of operations of our Company on a consolidated basis; or (iii) which are criminal proceedings, other than criminal proceedings under section 138 of the Negotiable Instruments Act, 1881. In addition to the matters disclosed in this chapter, we have received certain notices filed against our Company under the provisions of the Insolvency and Bankruptcy Code, 2016. However, our Company does not consider these matters to be material.

Further, except as disclosed below, there is no: (i) litigation or legal action pending or taken by any ministry or department of the Government or statutory authority against our Promoters during the last three years immediately preceding the year of circulation of this Preliminary Placement Document; (ii) inquiry, inspection or investigation initiated or conducted under the Companies Act or any previous company law against our Company or our Subsidiaries in the last three years immediately preceding the year of this Preliminary Placement Document; (iii) prosecution filed, fine imposed, or compounding of offences by or against our Company or our Subsidiaries in the last three years immediately preceding the year of this Preliminary Placement Document; or (iv) material frauds committed against our Company in the last three years.

Additionally, except as disclosed in this section our Company has no outstanding defaults in relation to statutory dues payable, dues payable to holders of any debentures and interest thereon, in respect of deposits and interest thereon, or defaults in repayment of loans from any bank or financial institution and interest thereon.

I. Litigation involving our Company

Actions by regulatory and statutory authorities against our Company

- (i) Our Company received a notice dated September 26, 2017 (“**Show Cause Notice**”) issued by the Deputy Director of Mines, Koira Circle in relation to undertaking production of iron ore from the Tantra-Raikela-Bandhal mines in excess of the lower of the approved limits of the production under the mining plan and consent to operate during the years 2000-01 to 2010-11, who subsequently issued a demand notice dated October 24, 2017 (“**Notice**”) to our Company in this regard, directing our Company to pay a compensation of ₹ 36.5 million. Our Company filed a revision petition dated December 29, 2017 before the Ministry of Mines, New Delhi seeking that the Notice be set aside, and that the State of Odisha be restrained from implementing or giving effect to the Notice. The matter is currently pending.
- (ii) Chattisgarh State Power Distribution Company Limited (“**Appellant**”) has filed an appeal dated January 21, 2016 against JPL and our Company, among others, challenging the order dated December 9, 2015 (“**Impugned Order**”) passed by the Central Electricity Regulatory Commission (“**CERC**”) before the Appellate Tribunal of Electricity. In the Impugned Order, the CERC upheld the validity of the transmission license dated May 9, 2011 granted in favour of JPL for certain transmission assets, a transmission line and a switchyard located in Tamnar by upholding that JPL was granted a license upon the CERC being satisfied that it had constructed the transmission line from its generating station to the interconnection point, intending to use the same as a dedicated transmission line and as a part of the inter-state transmission system, and that it was eligible to a transmission license in accordance with the CERC (Procedure, Terms and Conditions for grant of transmission licence and other related matters), Regulations, 2009. The Appellant appealed against the Impugned Order praying the Impugned Order be set aside. The matter is currently pending.

Civil cases filed by our Company

- (i) Our Company purchased run-of-the-mines iron ore from Sarda Mines Private Limited (“**SMPL**”) on an ex-mines basis which was processed at our Company’s facility, which is situated within SMPL’s leasehold premises, and then dispatched to our Company’s plants located in Deojhar and Raigarh. The Deputy Director of Mines, Joda (“**DDM**”), vide letter dated March 31, 2014 (“**Stoppage Order**”) directed SMPL to stop all mining activities with effect from April 1, 2014, stating that its environmental clearance dated October 28, 2008 had expired on March 31, 2014. Further, the DDM refused to grant our Company a ‘transit permit’ for transportation of the processed stock to our plants. Subsequently, our Company made several representations to the Government of Orissa, requesting permission to transport iron ore that our Company had already purchased and paid for, which the Government of Orissa, vide orders dated June 23, 2014 and June 26, 2014 (the “**Impugned Orders**”) declined. Subsequently, our Company filed a WP challenging the Impugned Orders before the High Court of Orissa, which passed an order dated April 8, 2016 (“**Grant Order**”), directing the Government of Orissa to grant permission to our Company to transport the entire processed ore that was already stacked at a dispatch point within SMPL leasehold premises, and quashing the Stoppage Order and the Impugned Orders. The Government of Orissa filed a SLP before the Supreme Court challenging the order of the Grant Order. An application for intervention was filed by the State Bank of India (“**SBI**”) in the subject SLP, requesting that the amount realized from said iron ore stock be utilized for the purpose of repaying the working capital facilities

granted by the SBI consortium to our Company. The matter is currently pending. Further, Chitta Ranjan Sahu filed a SLP before the Supreme Court against the Grant Order, in relation to the grant of permission to our Company to transport the entire processed ore stacked at dispatch point within SMPL leasehold premises, and Stoppage Order issued by DDM and the Impugned Orders issued by the Government of Orissa. Chitta Ranjan Sahu was not a party to the proceedings before the High Court of Orissa. The Supreme Court, vide its order dated September 9, 2016 admitted the SLP and stayed the operation of the Grant Order. The matter is currently pending.

- (ii) Our Company has filed a WP before the High Court of Delhi, challenging notices issued by the Ministry of Coal (“**MoC**”) dated February 17, 2014 and August 4, 2015, wherein the MoC had decided to deduct/ forfeit an amount of ₹ 1,039.4 million from a total bank guarantee of ₹ 2,535.0 million given by our Company to the MoC on May 19, 2009, pursuant to the joint allocation of the Ramchandi Promotional coal block (the “**Coal Block**”) to our Company and other parties vide an allocation letter dated February 27, 2009. The Court, vide its order dated August 18, 2015, granted interim protection to our Company, in terms of the undertaking by the MoC, directing that no coercive action be taken against our Company, subject to the condition that our Company shall keep the bank guarantee alive till the next date of hearing. The matter is currently pending.
- (iii) Our Company, along with several others, had filed two WPs before the High Court of Delhi, *inter alia* challenging the constitutional validity of section 16 of the Coal Mines (Special Provisions) Ordinance, 2014 read with rule 14 of the Coal Mines (Special Provisions) Rules, 2014 (collectively the “**Impugned Provisions**”), which respectively provide for the quantum and manner of determination of compensation for land and mining infrastructure in relation to cancellation of previously allocated coal blocks and valuation of coal blocks subsequently arrived at by the government. By virtue of a judgement dated August 25, 2014 and an order dated September 24, 2014 of the Supreme Court, the allocations of various coal blocks to existing allottees had been cancelled, including the allocation of Gare Palma IV/1 coal block and Jitpur coal blocks (the “**Coal Blocks**”) to our Company. The Impugned Provisions govern the compensation granted to such allottees for losses of land and mining infrastructure, pursuant to such cancellation. While the Government estimated the value of land and mine infrastructure of the Gare Palma IV/1 coal block as ₹ 138.0 million and ₹ 18.1 million, respectively, and of the Jitpur coal block as ₹ 86.5 million and ₹ 1.6 million, respectively, our Company claimed an aggregate amount of ₹ 2,450.0 million and ₹ 55.4 million as the cost of land for the Coal Blocks under the Land Acquisition, Rehabilitation and Resettlement Act, 2013 and mine infrastructure, respectively for the Gare Palma IV/1 coal block, and for the Jitpur coal block our Company computed an aggregate amount of ₹ 447.0 million as per the Land Acquisition, Rehabilitation and Resettlement Act, 2013 and ₹ 927.4 million as cost of mine infrastructure.

The High Court of Delhi (“**HC**”), in its common judgment dated March 9, 2017 (“**Impugned Judgement**”) upheld the constitutional validity of the Impugned Provisions and disposed of all WPs challenging the Impugned Judgement in terms of the directions passed therein. Subsequently, our Company, had filed an application for review of the Impugned Judgment, on limited issues, before the HC, which was dismissed by the HC on May 19, 2017 (“**Dismissal Order**”). Our Company thereafter filed a SLP before the Supreme Court against the Impugned Judgement and the Dismissal Order. The Supreme Court vide its order dated August 18, 2017 granted leave in the aforesaid SLP. The matter is currently pending.

- (iv) Our Company had entered into several PPAs with Chhattisgarh State Power Distribution Company Limited (“**CSPDCL**”) for supply of power to CSPDCL during FY 2011-12 and 2012-13. Accordingly, CSPDCL paid at an average rate of ₹ 2.42 per unit in FY 2011-12 and at an average of ₹ 2.66 per unit in FY 2012-13. Subsequently, CSPDCL filed a truing up petition before the Chhattisgarh State Electricity Regulatory Commission (“**CSERC**”) for its tariff on consumers. *Vide* an order dated June 12, 2014 (the “**Tariff Order**”), CSERC restricted the power purchase rate at ₹ 1.50 per unit and disallowed short term power purchase cost by CSPDCL from our Company in FY 2011-12 and 2012-13. On August 4, 2014, CSPDCL approached the CSERC for review of the Tariff Order, *inter alia* claiming that CSERC had erred in not allowing such short term power purchase cost. The CSERC *vide* its order dated December 8, 2014 (“**Review Order**”), upheld its findings in the Tariff Order. CSPDCL filed an appeal against the Review Order before the Appellate Tribunal of Electricity (“**APTEL**”), *inter alia*, on the issue of disallowing of short term power purchase from our Company, which was dismissed by APTEL vide its order dated May 26, 2016 (the “**APTEL Order**”). On July 1, 2016, our Company approached Chhattisgarh State Power Transmission Company Limited (“**CSPTCL**”) for allocation of short term open access for supply to the Indian Energy Exchange (“**IEX**”) between August 1, 2016 to August 31, 2016. Additionally, our Company approached CSPDCL on July 01, 2016 for a no objection certificate for the same. In the meanwhile, CSPDCL issued a notice dated July 7, 2016 (“**Demand Notice**”) to our Company, for a sum of ₹ 1535.5 million, along with interest, in terms of the Tariff Order. In light of these alleged dues, CSPDCL *vide* its letter dated July 21, 2016, rejected our Company’s request for a no objection certificate (“**NOC Letter**”). Subsequently, CSPTCL *vide* its rejection letter dated July 25, 2017 (“**Rejection Letter**”), dismissed JSPL’s application for grant of open access to IEX, on the ground that our Company had failed to obtain a no objection certificate from CSPDCL. Subsequently, a writ petition has been filed by our Company before the High Court of Chhattisgarh *inter alia* challenging (i) the Demand Notice; (ii) the NOC Letter; (iii) the APTEL Order; and (iv) the Rejection Letter. On August 10, 2016, the High Court of Chhattisgarh granted a stay on the Demand Notice. Further, the High Court of Chhattisgarh directed the CSPTCL to not deny open access for supplying power to IEX by our

Company on grounds of non-payment of the amount demanded in the Demand Notice (“**Stay Order**”). CSPDCL has filed an application for vacation of the Stay Order before the High Court of Chhattisgarh on August 29, 2016. The matters are currently pending.

- (v) Our Company, in relation to electricity supplied by us to various industrial units situated in Jindal Industrial Park (the “**Park**”), had filed a tariff petition before the Chhattisgarh State Electricity Regulatory Commission (“**CSERC**”) for the determination of tariff for FY 2014-15 along with revised estimates of multi year annual revenue requirement for the licensed distribution business for the control period from FY 2013-14 to FY 2015-16, and truing up of its annual revenue requirement for FY 2012-13. The CSERC, *vide* its order dated December 23, 2014 (the “**Tariff Order**”) held *inter alia* that (i) our Company was obligated to supply surplus power from our captive power plants in Raigarh and Dongamahua; and (ii) pending the filing of segregated audited accounts by our Company of our distribution business, the tariff to be charged by our Company would be reduced to ₹ 2.5 per unit with effect from January 1, 2015, which would be retrospectively amended upon truing up, once data was provided by our Company. Aggrieved by the Tariff Order, our Company filed a review petition before the CSERC along with segregated accounts, which was dismissed *vide* its order dated October 1, 2015 for our failure to provide the cost of generation at our Company’s captive power plants (“**Review Order**”). Thereafter, our Company filed an appeal against the CSERC and another before the Appellate Tribunal for Electricity *inter alia* seeking that the Tariff Order and the Review Orders be set aside, and for a declaration that our captive power plant in Raigarh does not have surplus power to supply to the Park. The matter is currently pending.
- (vi) In terms of a letter dated June 20, 1996 issued by the Union of India, our Company was allocated the coal block Gare Palma-IV/1 (the “**Coal Block**”), the use of which was linked to our sponge iron/ steel plant and captive power plant, in Raigarh, Chhattisgarh. Pursuant to an order of the Supreme Court dated September 24, 2014, and the provisions of Coal Mines (Special Provisions) Ordinance, 2014 and the provisions of Coal Mines (Special Provisions) Act, 2015, allocations of coal blocks were cancelled, in order to be auctioned or allocated afresh. In various letters to the Union of India, our Company conveyed its intention to retain an area of 298.913 hectares in the Coal Block (the “**Disputed Area**”), containing certain facilities and coal stocks in the Coal Block which were integral to the operation of our captive power plants, as well as certain mined-out areas that we would back-fill with fly ash generated from our captive power plant in Raigarh. However, in terms of an order dated March 26, 2015 by the nominated authority of the MoC, our Company was directed to vacate our coal stocks in the Disputed Area (the “**Vacation Order**”). In addition, South Eastern Coalfields Limited (“**SECL**”), an entity deputed by Coal India Limited (“**CIL**”), the designated custodian over the Coal Block, to exercise power over the same, rejected our request to retain the Disputed Area for disposal of fly ash (the “**SECL Letter**”).

Subsequently, our Company filed a WP before the High Court of Delhi against the Vacation Order and the SECL Letter respectively. In terms of an interim order dated April 13, 2015 (“**First Interim Order**”), our Company was permitted to continue back filling in mined-out areas with fly ash and use the coal stocks in the Disputed Area for its captive power plant. Our Company had also filed a WP against the order of Directorate General of Mines Safety (“**DGMS**”) refusing to renew the permission for backfilling of fly ash in the Coal Block area. Our Company had also challenged the letter issued by the Ministry of Environment & Forest (“**MoEF**”) whereby it modified/ exempted the conditions of environment clearance issued for operating the Coal Block. However, *vide* its judgment dated January 24, 2017 (“**Judgement**”), the High Court of Delhi disposed of both the WPs, holding that our Company does not have any right over the Disputed Area. In addition, the High Court of Delhi held that the First Interim Order interfered with the mining operations therein and was detrimental to the rights of SECL and CIL. Accordingly, CIL and SECL were granted the liberty to make a claim, if so desired, for any loss suffered by them, by filing an application within three months from the date of the Judgement. Subsequently, CIL and SECL filed an application claiming an amount of ₹14.1 million. The said application is currently pending.

A letters patent appeal was filed by our Company before the High Court of Delhi against the Judgement. In terms of its interim order dated February 7, 2017, the High Court of Delhi permitted the First Interim Order to continue to remain in force. The matter is currently pending.

- (vii) Our Company and others (the “**Producers**”) had filed separate WPs against the State of Chhattisgarh and others (collectively the “**Respondents**”), challenging *inter alia* the constitutional validity of section 3 (1-a) of the Chhattisgarh Upkar (Sanshodhan) Adhiniyam, 2008 (the “**Impugned Provision**”), which provides for imposition of energy development cess at the rate of 10 paise per unit on sale or supply of electricity upon producers of electricity, *inter alia* through a captive power plant, before the High Court of Chhattisgarh. The High Court of Chhattisgarh, through its common judgement dated December 15, 2006 (“**Judgement**”), struck down the Impugned Provision as being unconstitutional, forebode the Respondents from levying any amounts under the Impugned Provision, and quashed all notices for recovery of cess issued thereunder. The Respondents filed SLPs before the Supreme Court against each of the aforementioned WPs, seeking leave to challenge the Judgement, and an *ad interim ex parte* injunction against its operation. The SLP was admitted by the Supreme Court, and *vide* an order dated November 2, 2007, the Supreme Court permitted the Respondents to raise bills against the Producers, pending hearing and final disposal of the matter, provided that no coercive steps be taken for recovery of dues. The matter is currently pending.

Civil cases filed against our Company

- (i) Pursuant to the findings of a Commission of Inquiry headed by Justice M. B. Shah on the alleged contraventions of various environmental laws in the mining of iron ore and manganese ore, Common Cause and others have filed writ petitions before the Supreme Court of India, seeking *inter alia* the issuance of writs of mandamus for termination of leases of entities involved in mining in contravention of applicable laws, directions to the Union of India and the State of Odisha to take action against such entities and direction to the Central Empowered Committee (the “**CEC**”) to submit a report in this regard. The Supreme Court, *vide* orders dated September 16, 2013, January 13, 2014 and May 16, 2014 directed the CEC to prepare a final report on the issue of iron ore and manganese mining in Odisha, and *vide* a subsequent order dated January 13, 2014 restricted the scope of the CEC’s enquiry to forest and environment issues. The CEC submitted its final report on October 16, 2014 (“**CEC Report**”), highlighting instances of mining in absence of or in contravention of the terms of environmental clearances, and violations of *inter alia* the Mines and Minerals (Development and Regulation) Act, 1957 (“**MMDR Act**”), the Forest (Conservation) Act, 1980, other legislations and certain environmental impact assessments on part of several entities conducting mining operations. While adjudicating objections to the CEC Report by several affected entities, the Supreme Court *vide* its judgement dated August 2, 2017 (“**Judgement**”) *inter alia* directed such entities to pay compensation for mining without an environment clearance and/ or forest clearance. Pursuant to the Judgement, our Company received a demand notice dated September 2, 2017 (“**Demand Notice**”) issued by the Deputy Director of Mines, Koira Circle in relation to excess production of iron ore from the Tantra-Raikela-Bandhal iron mines, pursuant to which our Company was directed to pay a compensation of ₹ 1,378.2 million.

In addition, the CEC Report indicated that our Company held accrued interest in the mines operated by Sarda Mines Private Limited (“**SMPL**”), potentially resulting in a violation of section 6 of the MMDR Act. Further, CEC alleged violation of rule 37 of Mineral Concession Rules, 1960 by SMPL on account of arrangements with our Company. The Supreme Court, in terms of the Judgment, constituted a committee (the “**Committee**”) for examining similar violations by several entities. The Committee issued notices dated January 18, 2018 and January 27, 2018 to our Company for filing our responses. The matter is currently pending.

Criminal cases filed against our Company

- (i) A case was registered by the CBI, New Delhi on June 10, 2013 against our Company, Naveen Jindal, and 13 others (collectively the “**Accused**”) pursuant to a preliminary enquiry initiated by CBI on a reference by the CVC *vide* its letter dated April 13, 2012. After its investigation, the CBI filed a charge sheet on April 29, 2016, against each of the Accused for offences under sections 120-B, read with section 420 of the Indian Penal Code, 1860 and section 13(2) read with section 13(1)(d) of the Prevention of Corruption Act, 1988 in relation to certain alleged irregularities in the allocation of the Amarkonda Murgadangal Coal Block. Thereafter, the Special Judge, New Delhi District on April 29, 2016 framed charges against each of the Accused under section 120-B, read with sections 409 and 420 of the Indian Penal Code, 1860 and section 13(1)(c) read with sections 13(1)(d) of the Prevention of Corruption Act, 1988, and subsequently, *vide* an order dated May 20, 2016 ordered further investigation. Pursuant to the order dated May 20, 2016, CBI filed supplementary charge sheet on April 23, 2017 naming five additional accused in the matter. The matter is currently pending.
- (ii) The Assistant Director, Enforcement Directorate, Ministry of Finance issued two summons dated January 8, 2015 to a director of our Company and a director of Jindal Realty Limited for the production of information and documents, in relation to investigation being made under the provisions of the Prevention of Money Laundering Act, 2002 with respect to Amarkonda Murgadangal coal block. The matter is currently pending.
- (iii) A case was registered against our Company, Naveen Jindal and certain other officers of our Company by the CBI, New Delhi on April 22, 2015, pursuant to a preliminary enquiry initiated by the CBI on a reference by the Central Vigilance Commission. After investigation, CBI filed a charge sheet on March 20, 2017 against our Company, Naveen Jindal and others for offences under sections 120-B and 420 of the Indian Penal Code, 1860, alleging misrepresentation by our Company in our application for allocation of the Urtan North Coal Block. The matter is currently pending.
- (iv) The Assistant Director, Enforcement Directorate, Ministry of Finance issued a summons dated June 23, 2016 to a director of our Company for the production of information and documents, in relation to investigation being made under the provisions of the Prevention of Money Laundering Act, 2002 with respect to Urtan North Coal block. The matter is currently pending.
- (v) Samir Ahluwalia, editor and business head of the Zee Business Channel (“**Complainant**”) filed a criminal complaint on January 3, 2013 before the Metropolitan Magistrate, Patiala House Courts, New Delhi (the “**Magistrate**”) and such complaint “**Criminal Complaint**”). The Criminal Complaint was filed under Section 499, 500, 501, 34 and 109 of the Indian Penal Code, 1860 against our Company and its Board at the time (“**Accused**”), for making a false and defamatory statement during a press conference held on October 25, 2012. The Magistrate, *vide* its order dated March 10, 2014 (“**Magistrate Order**”), summoned the Accused. Naveen Jindal and some of the Accused filed a criminal

revision petition before the Additional Sessions Judge, Patiala House Courts (the “**ASJ**”), challenging the Magistrate Order. The ASJ remanded the matter to the Magistrate for considering the matter afresh *vide* an order dated July 21, 2016 (“**Remand Order**”). The Magistrate, *vide* order dated July 11, 2017 had summoned Naveen Jindal and the other accused persons. To this, a revision petition was filed by Naveen Jindal in the High Court of Delhi, challenging the Remand Order and all proceedings pursuant to the same. Consequently, Naveen Jindal has been exempted from personally appearing before the High Court of Delhi. In addition, Samir Ahluwalia has filed a petition before the High Court of Delhi seeking that the Remand Order be set aside. Both the matters, in respect of the revision petition and the Criminal Complaint are currently pending.

- (vi) A case was registered by the CBI, New Delhi against Jindal Strips Limited (the relevant units of which were subsequently merged with our Company) and others pursuant to a preliminary enquiry initiated by CBI on directions by the CVC *vide* its office memoranda dated September 19, 2012 and September 21, 2012, under sections 120 (b) read with 409 and 420 of the Indian Penal Code, 1860 and sections 13 (1) (c) read with 13(1) (d) of Prevention of Corruption Act, 1988 in connection with irregularities in the allotment a mining lease in the Gare Palma IV/1 coal block, subsequent excess mining and irregularities in supply of raw coal. The matter is currently pending.
- (vii) The Assistant Director, Enforcement Directorate, Ministry of Finance issued a summons dated June 23, 2016 to a director of our Company for the production of information and documents, in relation to investigation being made under the provisions of the Prevention of Money Laundering Act, 2002 with respect to Gare Palma IV/1 Coal block. The matter is currently pending.

Criminal cases filed by our Company

- (i) Our Company filed a criminal complaint against Zee News Limited and others (collectively the “**Accused**”) in 2013, before the Chief Judicial Magistrate, District Court at Godda, Jharkhand (the “**Godda Magistrate**”) under section 200 of the Code of Criminal Procedure Act, 1973 for commission of offences under sections 499 and 500 read with section 120 (b)/ 34 of the Indian Penal Code , 1860, alleging that the Accused had run a malicious campaign against our Company and its officials by telecasting false and defamatory stories against them. *Vide* its order dated April 21, 2014 (the “**Summons Order**”), the Godda Magistrate issued summons to Naveen Jindal for giving evidence. Our Company has filed a criminal petition before the High Court of Jharkhand (“**HC**”), seeking that the Summons Order be quashed, and pending disposal of the same, its operation be stayed by way of an interim order. The HC, has, *vide* its order dated May 15, 2014, stayed the Summons Order. The matters are currently pending.
- (ii) Our Company (“**Complainant**”) filed a criminal complaint against Zee Media Corporation Limited (“**ZMCL**”) for offences committed under sections 500, 501 and 506 of the Indian Penal Code, 1860 (“**IPC**”) read with section 34 and 120 B of the IPC for defaming and criminally intimidating the Complainant and its management by making, false, malicious and per-se defamatory allegations/ imputations and causing harm to the name, image, goodwill, reputation, business and trade of the Complainant and its management in the eyes of its business associates, members of the fraternity and many known and unknown persons by airing certain programs. ZMCL filed an application before the Metropolitan Magistrate, Patiala House Courts (“**Magistrate**”) under section 210 of the Code of Criminal Procedure, 1973 (“**CrPC**”) for the stay of proceedings of the Complainant (“**Application**”). The Magistrate *vide* order dated December 12, 2017 dismissed the Application. Subsequently, ZMCL filed a revision petition before the District and Sessions Judge, Patiala House Courts, New Delhi challenging the dismissal of the Application. The matter is currently pending.
- (iii) Our Company filed a FIR with the Police Station, Crime Branch, New Delhi against Zee Media Corporation Limited, its Chairman and several of its officials (collectively the “**Accused**”) for offences under sections 201, 120 B, 384, 420 and 511 of the Indian Penal Code, 1860 (“**IPC**”), alleging that the Accused were responsible for, *inter alia*, airing false stories on their television channels and acting in pursuance of a conspiracy to extort money from the Company in exchange for not airing such stories. The matter is currently pending.
- (iv) Our Company filed a FIR before the Police Station, Crime Branch, New Delhi against Zee Media Corporation Limited’s Chairman and several of its officials (collectively the “**Accused**”) for offences under sections 466, 468, 469, 471 and 120 B of the Indian Penal Code, 1860, alleging that the Accused were responsible for, *inter alia* airing false, manipulative and misleading stories on their television channels. The matter is currently pending.
- (v) Our Company had filed a criminal complaint (“**Complaint**”) before the Chief Metropolitan Magistrate, Patiala House Courts against Zee Media Corporation Limited (“**ZMCL**”), its Chairman and several of its officials (collectively the “**Accused**”) for offences punishable under sections 500 and 503 of the Indian Penal Code, 1860, alleging that the Accused had made false and defamatory statements against our Company and Naveen Jindal to a live audience, which were further aired on several news channels owned and operated by them. Subsequently, ZMCL filed an application (“**Application**”) before the Metropolitan Magistrate, Patiala House Courts (the “**Magistrate**”) alleging that our Company had filed the Complaint on false averments and misrepresentations, and had willfully concealed relevant information in this regard, *inter alia* including the existence of a separate criminal complaint filed by our Company

against the Accused before the Additional Chief Judicial Magistrate, Patiala House Courts (please see paragraph (v) above). ZMCL prayed *inter alia* that criminal proceedings be initiated against our Company for giving false and fabricated evidence and making false claims in court, as well as for directing that the Complaint be taken up with such criminal complaint (please see paragraph (v) above). Further, ZMCL filed an application (“**Stay Application**”) before the Magistrate for stay of proceedings pursuant to the Complaint, alleging that a separate FIR lodged by the Company before the Police Station, Crime Branch, New Delhi (please see paragraph (iii) above) was substantially on the same grounds. The Magistrate *vide* order dated February 4, 2016 (“**Order**”) allowed all the applications of the Accused. Our Company filed a WP before the High Court of Delhi challenging the Order. The Magistrate, *vide* an order dated April 4, 2016 (“**Locus Standi Order**”), held that ZMCL did not have *locus standi* to file the Application and the Stay Application prior to receiving summons.

Aggrieved by the Locus Standi Order insofar as it related to the Application, ZMCL filed an appeal before the Additional Sessions Judge, Patiala House Courts (“**ASJ**”), which upheld the Locus Standi Order *vide* an order dated April 25, 2016 (“**Upholding Order**”). Thereafter, ZMCL filed a petition before the High Court of Delhi seeking *inter alia* (a) that the Upholding Order and the Locus Standi Order be set aside, and (b) directions to the Magistrate for consideration of the Application. In addition, ZMCL filed a criminal revision petition (“**Petition**”) before the ASJ, challenging the Locus Standi Order in relation to the Stay Application. *Vide* an order dated August 3, 2016, the ASJ dismissed the Petition (“**Dismissal Order**”). Subsequently, ZMCL has filed a petition before the High Court of Delhi, seeking that the Dismissal Order and the Locus Standi Order be set aside.

In addition, ZMCL has filed a transfer petition before the District and Sessions Judge, Patiala House Courts, seeking that proceedings in relation to the aforementioned criminal complaint (please see paragraph (v) above), the Complaint and the FIR (please see paragraph (iv) above) be transferred to the same court for joint inquiry and trial. The matters are currently pending.

Tax proceedings

Direct Taxes

- (i) A demand of ₹ 1,240.2 million was raised by the Assistant Commissioner of Income Tax, Gurgaon (“**ACIT**”) for the assessment year 2005-06 pursuant to its demand notice and assessment order dated March 30, 2016, wherein the ACIT contended, *inter alia*, that separate books of accounts were not maintained in conventional form for the eligible undertaking under section 80IA and 80IB of the Income Tax Act, 1961 and had disallowed certain deductions of profits under section 80IA and 80IB of the Income Tax Act, 1961. The Company filed an appeal before the Income Tax Appellate Tribunal (“**ITAT**”) seeking stay in relation to the assessment proceedings, which was granted. The matter is currently pending before the ITAT.
- (ii) A demand of ₹ 2,775.7 million was raised by the Assistant Commissioner of Income Tax, Gurgaon (“**ACIT**”) for the assessment year 2008-09 pursuant to its demand notice and assessment order dated March 31, 2016 (“**Reassessment Order**”), which comprised of the following issues:
 - a. The ACIT contended, *inter alia*, that separate books of accounts were not maintained in conventional form for the eligible undertaking under section 80IA and 80IB of the Income Tax Act, 1961. The matter on this issue is currently pending before the Income Tax Appellate Tribunal (“**ITAT**”).
 - b. The tax authorities contended, *inter alia*, that additions were made on account of capital subsidy on sales tax, additional depreciation on computer software and provision for gratuity under section 43B of the Income Tax Act, 1961. The matter on this issue is currently pending before the Punjab and Haryana High Court.
 - c. The ACIT contended, *inter alia*, that additions were made on account of capital subsidy of entry tax and electricity duty, and had disallowed certain deductions under section 80IA and 80IB of the Income Tax Act, 1961 and other disallowances. The Company filed an appeal before the ITAT against the demand in the Reassessment Order and the ITAT granted a stay on the payment of the outstanding demand amount, subject to deposit of ₹ 391.6 million, which was subsequently paid by our Company. The matter on these issues is currently pending before the ITAT.
- (iii) A demand of ₹ 3,221.3 million was raised by the Deputy Commissioner of Income Tax, Gurgaon (“**DCIT**”) for the assessment year 2009-10 pursuant to demand notice and assessment order dated December 30, 2016 (“**AO**”), which comprised of the following issues:
 - a. The DCIT contended, *inter alia*, that separate books of accounts were not maintained in conventional form for the eligible undertaking under section 80IA and 80IB of the Income Tax Act, 1961 (“**IT Act**”). The matter on

the issue of reopening under section 147 and 148 of the IT Act is currently pending before the Punjab and Haryana High Court.

- b. The DCIT contended, inter alia, that additions were made on account of capital subsidy of entry tax, electricity duty and sales tax, transfer pricing, sections 14A of the Income Tax Act, 1961 (“**IT Act**”), disallowed certain deductions made under section 80IA and 80IB of the IT Act and other disallowances. The Income Tax Appellate Tribunal (“**ITAT**”) directed our Company to deposit an amount of ₹ 880.0 million which was subsequently deposited by the Company. The matter on these issues is currently pending before the Income Tax Appellate Tribunal.

Further, pursuant to the AO, our Company received a penalty order dated June 30, 2017 for payment of ₹ 900.2 million. Our Company challenged the same at the Punjab and Haryana High Court and was subsequently granted a stay in their favor. The matter is currently pending.

- (iv) A demand of ₹ 2,475.5 million was raised by the Assistant Commissioner of Income Tax, Gurgaon (“**ACIT**”) pursuant to demand notice and assessment order dated December 28, 2017 for the assessment year 2010-11 (“**AO**”), which comprised of the following issues:
 - a. The ACIT reopened the assessment under section 147 and 148 of the Income Tax Act, 1961 (“**IT Act**”) and contended, inter alia, that separate books of account were not maintained in conventional form for the eligible undertaking under section 80IA and 80IB of the IT Act, and disallowed deductions under section 80IA and 80IB of the IT Act. Our Company filed an appeal before the Punjab and Haryana High Court (“**HC**”) to stay the penalty proceedings and the same was awarded to our Company. The matter on the issue of reopening under section 147 and 148 of the IT Act is currently pending before the HC.
 - b. The tax authorities contended, inter alia, that additions were made on account of capital subsidy on entry tax, electricity duty and sales tax, transfer pricing, sections 14A of the Income Tax Act, 1961 (“**IT Act**”), excess deduction under section 80IA and 80IB of the IIT Act and other disallowances. Our Company was directed by the Income Tax Appellate Tribunal, New Delhi (“**ITAT**”) to pay an amount of ₹ 996.2 million, which was subsequently paid by the Company and stay was awarded for the balance amount. The matter on these issues is currently pending before the ITAT.
- (v) A demand of ₹ 1,308.9 million was raised by the Assistant Commissioner of Income Tax, Gurgaon for the assessment year 2011-12, wherein the tax authorities, inter alia, that disallowed certain expenses and deductions claimed by the Company. Our Company filed a stay petition seeking stay of demand which was subsequently awarded to our Company. The matter is currently pending before the Income Tax Appellate Tribunal.
- (vi) A demand of ₹ 4,789.53 million was raised by the Assistant Commissioner of Income Tax, Gurgaon for the assessment year 2012-13, wherein the tax authorities, inter alia, disallowed certain expenses and deductions claimed by the Company. Our Company filed a stay application against the order dated September 28, 2017 before the Income Tax Appellate Tribunal, Delhi bench (“**ITAT**”), which was subsequently awarded to our Company on the conditions that the demand amount be adjusted against refund outstanding for assessment year 2014-15 and that our Company shall not dispose of/ de-alienate/ assign/ transfer assets worth ₹ 30,000 million. The matter is currently pending before the ITAT.

Indirect Taxes

- (i) The office of the Commissioner, Central Excise Customs and Service Tax, Bhubaneswar issued a demand-cum-show cause notice dated December 11, 2014 (“**Notice**”) to our Company’s Barbil unit for contravention of section 4 of the Central Excise Act, 1944, read with rules 4, 9 and 11 of the Central Excise Valuation (Determination of Price of Excisable Goods) Rules, 2000 (“**Valuation Rules**”) for non-payment/ short payment of duty amounting to ₹ 3,332.2 million during the period between January, 2010 and November, 2013, on the ground that our Barbil Unit has undervalued iron ore pellets (“**Excisable Goods**”) cleared to the Raigarh and Angul units of our Company by valuing the Excisable Goods as per rule 8 of the Valuation Rules as against rules 9 and 10 of the Valuation Rules. Subsequently, the office of the Commissioner, Central Tax, Rourkela passed an order-in-original dated November 29, 2017 (the “**Order**”) directing our Company to pay the duty along with penalty on the premise that the Company had undervalued the Excisable Goods when they were being cleared to related parties. Our Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal, challenging the Order. The matter is currently pending.

Material frauds committed against our Company in the last three years, and the action taken by our Company
Nil.

Details of default in repayment of (i) statutory dues; (ii) debentures and interest thereon; (iii) deposits and interest thereon; (iv) loan from any bank or financial institution and interest thereon

Our Company has no outstanding defaults in relation to undisputed outstanding statutory dues payable as on March 9, 2018 except as below:

Particulars	Amount (in ₹ million)	Period of Default
Goods and service tax	2,034.8	From December, 2017 onwards
Electricity duty	813.2	From August, 2017 onwards
Royalty payable others	11.0	From November, 2014 onwards
Professional tax	1.1	For Angul and Barbil from November 2017 onwards ₹ 1.01 million and for Tensa from January 2018 ₹ 0.10 million
Total	2,860.1	

The undisputed statutory dues payable for a period of more than six months from the date they became payable as at the end of respective financial years ended March 31, 2017, March 31, 2016 and March 31, 2015, are as below:

a. FY 2016-17:

S. No.	Nature of default	Amount involved (in ₹ million)	Current status
1	Electricity duty/ cess	16.5	Since resolved
2	Central sales tax	46.6	Since resolved
3	Value added tax	59.3	Since resolved
4	Royalty	8.6	Still payable
5	Tax deducted at source/ tax collected at source	10.4	Since resolved
6	Development and environment tax	7.8	Since resolved
7	Service tax	2.1	Since resolved
8	Excise duty	1.2	Since resolved
9	Professional tax	0.1	Since resolved

b. FY 2015-16

S. No.	Nature of default	Amount involved (in ₹ million)	Current status
1	Tax deducted at source	7.3	Since resolved

c. FY 2014-15

Nil.

As on the date of this Preliminary Placement Document, our Company has no outstanding defaults in relation to dues payable to holders of any debentures and interest thereon or re-payment of loans and interest thereon from any bank or financial institution or in relation to deposits and interest thereon. Further, based on audit reports of auditors on audited financial statements of the Company for Fiscal Years 2017, 2016 and 2015, we confirm the lender-wise details of amount of default at respective year-ends as follows:

a. FY 2016-17

S. No.	Bank Name	Amount involved (in ₹ million)	Duration of default	Current status
1	Andhra Bank	38.0	Less than 90 days	no default
2	Axis Bank	443.2	Less than 90 days	no default
3	Bank of America	21.2	Less than 90 days	no default
4	Bank of Baroda	4.0	Less than 90 days	no default

S. No.	Bank Name	Amount involved (in ₹ million)	Duration of default	Current status
5	Bank of India	8.7	Less than 90 days	no default
6	Bank of Maharashtra	106.5	Less than 90 days	no default
7	Canara Bank	113.0	Less than 90 days	no default
8	Central Bank of India	46.9	Less than 90 days	no default
9	Corporation Bank	93.4	Less than 90 days	no default
10	Credit Agricole	90.5	Less than 90 days	no default
11	DBS	1.9	Less than 90 days	no default
12	Deutsche Bank	78.5	Less than 90 days	no default
13	Exim Bank	69.3	Less than 90 days	no default
14	Franklin Templeton Asset Management (India) Private Limited	278.1	Less than 90 days	no default
15	HDFC Bank	116.5	Less than 90 days	no default
16	ICICI Bank	547.3	Less than 90 days	no default
17	ICICI Bank (Hong Kong)	368.0	Less than 90 days	no default
18	IDBI Bank Limited	13.2	Less than 90 days	no default
19	IDFC Limited	187.8	Less than 90 days	no default
20	Indian Bank	95.9	Less than 90 days	no default
21	L&T Infra	53.0	Less than 90 days	no default
22	LIC of India	368.0	Less than 90 days	no default
23	Mizuho Bank Limited	326.0	Less than 90 days	no default
24	Punjab & Sindh Bank	72.2	Less than 90 days	no default
25	Punjab National Bank	184.1	Less than 90 days	no default
26	Standard Chartered Bank	29.6	Less than 90 days	no default
27	State Bank of Bikaner & Jaipur	110.3	Less than 90 days	no default
28	State Bank of Hyderabad	81.9	Less than 90 days	no default
29	State Bank of India	139.0	Less than 90 days	no default
30	State Bank of Mysore	62.7	Less than 90 days	no default
31	State Bank of Patiala	430.4	Less than 90 days	no default
32	State Bank of Travancore	75.8	Less than 90 days	no default
33	Syndicate Bank	355.9	Less than 90 days	no default
34	UCO Bank	98.9	Less than 90 days	no default
35	Union Bank of India	198.0	Less than 90 days	no default
36	Vijaya Bank	136.2	Less than 90 days	no default
	Grand Total	5,443.9		

Note: Above includes outstanding defaults aggregating to ₹ 646.1 million in relation to dues payable to holders of any debentures and interest thereon and NIL in relation to deposits and interest thereon.

b. FY 2015-16

S. No.	Bank Name	Amount involved (in ₹ million)	Duration of default	Current status
1	Andhra Bank	164.0	Less than 90 days	no default
2	Axis Bank Limited	232.6	Less than 90 days	no default
3	Bank Of America	1,119.9	Less than 90 days	no default
4	Bank of Baroda	49.6	Less than 90 days	no default
5	Bank of India	82.0	Less than 90 days	no default
6	Bank of Maharashtra	53.1	Less than 90 days	no default
7	Central Bank of India	25.9	Less than 90 days	no default
8	Deutsche Bank	60.8	Less than 90 days	no default
9	EXIM Bank	72.8	Less than 90 days	no default
10	ICICI Bank Limited	275.5	Less than 90 days	no default
11	IDBI Bank Limited	3.9	Less than 90 days	no default
12	IDFC Bank	176.7	Less than 90 days	no default
13	Indian Bank	184.0	Less than 90 days	no default
14	Punjab & Sind Bank	23.3	Less than 90 days	no default
15	Punjab National Bank	290.5	Less than 90 days	no default
16	Standard Chartered Bank	4,000.0	Less than 90 days	no default
17	State Bank of Hyderabad	354.4	Less than 90 days	no default
18	State Bank of India	901.1	Less than 90 days	no default

S. No.	Bank Name	Amount involved (in ₹ million)	Duration of default	Current status
19	State Bank of Mysore	46.7	Less than 90 days	no default
20	State Bank of Patiala	64.2	Less than 90 days	no default
21	State Bank of Travancore	155.2	Less than 90 days	no default
22	Syndicate Bank	273.4	Less than 90 days	no default
23	UCO Bank	244.3	Less than 90 days	no default
24	Union Bank of India	279.0	Less than 90 days	no default
25	Vijaya Bank	325.5	Less than 90 days	no default
26	Others	-	-	no default
27	L&T Infrastructure	38.5	Less than 90 days	no default
	Grand Total	9,496.9		

Note: Above includes outstanding defaults aggregating to NIL in relation to dues payable to holders of any debentures and interest thereon and Nil in relation to deposits and interest thereon.

- c. FY 2014-15
Nil.

II. *Litigations involving our Subsidiaries*

Cases filed by JPL

- (i) JPL has filed a WP before the High Court of Delhi, *inter alia*, challenging the sections 3(1)(a), 4(4), 5(2), 14(5), 16(4) and 22 of the Coal Mines (Special Provisions) Act, 2015 and Rule 18 of the Coal Mines (Special Provisions) Rules, 2014 (“**Impugned Provisions**”), demand notices issued by the MoC on May 12, 2015 and December 18, 2015 (the “**Demand Notices**”) as well as the report No. 7 of 2012-13 of the Comptroller and Auditor General of India, tabled before the parliament on August 17, 2012, (the “**CAG Report**”), limited to the computation of net gain of ₹ 295.0 per tonne as also the estimated financial gain to the prior private allottees of coal blocks. In pursuance of findings in the CAG Report, the Supreme Court, *vide* its order dated September 24, 2014 had cancelled all previous allocation of coal blocks to most allottees, and had imposed an ‘additional levy’ computed at the rate of ₹ 295.0 per tonne on such allottees. The Impugned Provisions, promulgated subsequently, made deposit of such additional levy a pre-condition for allotment of coal blocks in their subsequent auction. In accordance with the Demand Notices, JPL has deposited an aggregate amount of ₹ 11,852 million under protest. The matter is currently pending.
- (ii) In accordance with exemption applications dated January 17, 2008 and January 25, 2008 made to the General Manager, District Industrial Center and the Commissioner of Industries of the Government of Chhattisgarh respectively (the “**Applications**”), JPL sought to avail an exemption from the payment of electricity duty for a period of 15 years in relation to its 1,000 MW power plant set up by it, in terms of the Industrial Policy 2001-2006 and Industrial Policy 2004-2009 issued by the Department of Commerce and Industries, Government of Chhattisgarh, and various notifications in this regard. The Applications were rejected *vide* a letter dated December 14, 2008 (“**Letter**”). JPL filed a WP before the High Court of Chhattisgarh challenging the Letter. *Vide* an order dated April 10, 2013, the High Court of Chhattisgarh disposed of the petition, directing JPL to file a fresh representation before the Government of Chhattisgarh (the “**State Government**”). During the pendency of such representation, the State Government released a notification dated September 30, 2013 (“**Notification**”), in terms of which it excluded ‘very large industries’, i.e. industries with a capital investment of more than ₹ 10,000.0 million, from being entitled to an exemption from the payment of electricity duty, with retrospective effect from November 1, 2004. JPL filed a WP before the High Court of Chhattisgarh, *inter alia* challenging the Notification, contending that the State Government may not take away its right to such an exemption, the same having already accrued in favour of JPL. The matter is currently pending.
- (iii) JPL has filed a special leave petition before the Supreme Court, challenging the dismissal order of the High Court of Delhi (“**Delhi HC**”) on May 19, 2017, whereby the Delhi HC dismissed a review petition filed by JPL challenging the judgment dated March 9, 2017 on limited issues. The said judgment dated March 9, 2017 was a common judgement passed by the Delhi HC in relation to several writ petitions filed by JPL and other companies before the Delhi HC, *inter alia* challenging the valuation made by the Union of India of the land/ surface rights purchased by JPL with respect to the Gare Palma IV/2 & IV/3 Coal Blocks (“**Coal Blocks**”) as well as that of the mine infrastructure therein, and the constitutional validity of section 16 of the Coal Mines (Special Provisions) Ordinance, 2014 read with rule 14 of the Coal Mines (Special Provisions) Rules, 2014 (collectively the “**Impugned Provisions**”), which respectively provide for the quantum and manner of determination of compensation for land and mining infrastructure in relation to cancellation of previously allocated coal blocks. The High Court *vide* its judgment dated March 9, 2017 upheld the constitutional validity of the Impugned Provisions and held that the same are to be interpreted and worked out in the manner as specified therein. For the Coal Blocks, while the Government through the MoC approved a value of ₹ 61.6 million and ₹ 218.4 million for the land and mine infrastructure, JPL has claimed an aggregate amount of ₹ 4,940.1 million as the cost of land under Land Acquisition, Rehabilitation and Resettlement Act, 2013 and ₹ 1,000.7 million

as the cost of mine infrastructure. The Supreme Court, *vide* its order dated September 1, 2017 granted leave in the said special leave petition and the same is currently pending.

- (iv) JPL had filed two WPs before the High Court of Delhi, *inter alia* challenging two orders, both dated March 20, 2015, by the Nominated Authority, Ministry of Coal (“**MoC**”), annulling the auction process for Gare Palma IV/2 & IV/3 coal mine and the Tara coal mine and refusing to declare JPL as successful bidder for Gare Palma IV/2 & IV/3 coal mines and Tara coal mine despite it being the highest bidder, on the ground that the bid made by JPL did not reflect the fair value. In addition to the above, JPL had, also challenged a notification issued by the MoC, relaxing provisions of the Coal Mines (Special Provisions) Rules, 2014 regarding the allotment of schedule I coal mines to a central Government company or corporation, and the subsequent office memorandum dated March 23, 2015 (“**Gare Palma Allotment Order**”) whereby MoC had allotted Gare Palma IV/2 & IV/3 coal mine to Coal India Limited (“**CIL**”). *Vide* a judgment dated March 9, 2017 (“**Judgement**”), the High Court of Delhi refused to declare JPL as successful bidder for Gare Palma IV/2 & IV/3 coal mine and Tara coal mine and dismissed the said WPs accordingly. Further, although the High Court of Delhi quashed the Gare Palma Allotment Order to CIL, it left it open for the MoC to allot the Gare Palma IV/2 & IV/3 coal mine to CIL or any other public sector corporation. Aggrieved by the Judgement, JPL filed a special leave petition before the Supreme Court. *Vide* order dated April 7, 2017, the Supreme Court passed a direction that status quo be maintained. The matter is currently pending.
- (v) JPL filed an appeal against the order dated December 18, 2015 (“**Final Tariff Order**”) of the Central Electricity Regulatory Commission (“**CERC**”) and order dated February 8, 2017 passed in a review petition (“**Review Order**”) before the Appellate Tribunal of Electricity. JPL filed the appeal against CERC, Power Grid Corporation of India Limited and others, challenging the Final Tariff Order and the Review Order, *inter alia*, on the principal ground of unlawful disallowance of interest on loan as a component of transmission charges of JPL for the FY 2011-12 to FY 2013-14 by CERC and that the relevant regulations which permit treatment of excessive normative equity to be considered as normative loan had not been considered appropriately. JPL has sought that the CERC should treat the ‘interest on loan’ as forming part of the transmission charges for FY 2011-12 to FY 2013-14. The financial implication of the same was accounted at ₹ 2000.0 million as per JPL in its review petition which was disallowed after the CERC passed the Review Order. The matter is currently pending.
- (vi) JPL filed an appeal and stay application against the order dated December 15, 2017 (“**Impugned Order**”) passed by the Central Electricity Regulatory Commission (“**CERC**”) before the Appellate Tribunal of Electricity. JPL has challenged the Impugned Order wherein the CERC, *inter alia*, disallowed return on equity while truing up the tariff determined for FY 2009-14 and FY 2014-19 and failed to consider audited segregated accounts for truing up the tariff determined for FY 2011-14 and FY 2014-19. JPL filed the appeal on the principal grounds, *inter alia*, that transmission system is capital intensive and resultantly reasonable return on its investments cannot be denied, reasonable return and cost reflective tariff are legitimate expectation and repayment of loan through internal funds is a matter of fact and cannot be denied. The matter is currently pending.

Cases filed against JPL

- (i) Chattisgarh State Power Distribution Company Limited (“**Appellant**”) has filed an appeal dated January 21, 2016 against JPL and our Company, among others, challenging the order dated December 9, 2015 (“**Impugned Order**”) passed by the Central Electricity Regulatory Commission (“**CERC**”) before the Appellate Tribunal of Electricity. In the Impugned Order, the CERC upheld the validity of the transmission license dated May 9, 2011 granted in favour of JPL for certain transmission assets, a transmission line and a switchyard located in Tamnar by upholding that JPL was granted a license upon the CERC being satisfied that it had constructed the transmission line from its generating station to the interconnection point, intending to use the same as a dedicated transmission line and as a part of the inter-state transmission system, and that it was eligible to a transmission license in accordance with the CERC (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters), Regulations, 2009. The Appellant appealed against the Impugned Order praying the Impugned Order be set aside. The matter is currently pending.

Cases filed against JSPML

- (i) Standard Chartered Bank (“**SCB**”), as an agent of a lenders’ consortium, has issued a statutory demand notice (the **Notice**) for the repayment of loan facilities of USD 150.0 million granted as per Facility Agreement dated April 16, 2012 executed with SCB, together with interest due on October 17, 2016. In this respect, JSPML filed an application in order to set aside the demand within 14 days of the Notice on October 28, 2016 before the Bankruptcy Division of the Supreme Court of Mauritius. On December 16, 2016, SCB filed a submission in response to the application made by JSPML to set aside the Notice. JSPML filed a rejoinder to the submission made by SCB on January 26, 2017. On February 28, 2018, the parties informed the court of the standstill arrangement being arrived at between the parties. The matter is currently pending.

Cases filed by JSB

- (i) In terms of a joint venture contract dated July 18, 2007 (the “**Contract**”) between JSB and Empresa Siderúrgic A Del Mutún (“**ESM**”), a Government of Bolivia entity, JSB was required to set up an integrated steel plant in Bolivia, while ESM was required to provide land for the project and guarantee the supply of natural gas for the same. However, ESM was unable to ensure adequate gas supply or the handover of land for the project. Further, ESM insisted on JSB making investments for the setting up of the integrated steel plant in accordance with the schedule specified in the Contract, and thereafter encashed the first of two bank guarantees for USD 18.0 million deposited with it by JSB (the “**First Guarantee**”). Accordingly, JSB filed an arbitration petition before the International Chamber of Commerce (the “**ICC**”) against ESM, challenging the encashment of the First Guarantee and alleging failure on the part of ESM in providing appropriate lands for completion of the project. *Vide* an award dated August 6, 2014 (the “**Award**”), the ICC, inter alia, awarded a sum of USD 22.5 million to JSB. Subsequently, JSB filed a petition for the execution of the Award before the New York Supreme Court. Further, ESM has filed motion to dismiss the execution proceedings before the United States District Court for the District of Columbia.

Additionally, *vide* a notice dated March 9, 2012, JSB informed ESM that unless it met its obligations under the Contract, the Contract would be terminated. Subsequently, ESM encashed the second bank guarantee of USD 18.0 million deposited with it. JSB terminated the Contract on February 27, 2014 and filed a second request for arbitration (the “**Second Arbitration**”) before the ICC. In terms of a joint application, the proceedings were kept in abeyance on the request of parties, in view of pending settlement talks. However, upon failure of settlement talks between the parties, JSB re-initiated the Second Arbitration. The matters are currently pending.

Cases involving Jindal Realty Limited

For details of a matter involving Jindal Realty Limited, please refer to “– I. Litigation involving our Company – Criminal cases filed against our Company” above.

III. *Inquiries, inspections, investigations, prosecutions, fines imposed or compounding of offences under the Companies Act, 2013 or any previous company law in the last three years in the case of our Company and our Subsidiaries.*

There are no inquiries, inspections, investigations, prosecutions, fines imposed or compounding of offences under the Companies Act, 2013 or any previous company law in the last three years in the case of our Company and our Subsidiaries.

IV. *Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoters during the last three years immediately preceding the year of the circulation of this Preliminary Placement Document and directions issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.*

- (i) A case was registered by the CBI, New Delhi on June 10, 2013 against our Company, Naveen Jindal, and 13 others (collectively the “**Accused**”) pursuant to a preliminary enquiry initiated by CBI on a reference by the CVC *vide* its letter dated April 13, 2012. After its investigation, the CBI filed a charge sheet on April 29, 2016, against each of the Accused for offences under sections 120-B, read with section 420 of the Indian Penal Code, 1860 and section 13(2) read with section 13(1)(d) of the Prevention of Corruption Act, 1988 in relation to certain alleged irregularities in the allocation of the Amarkonda Murgadangal Coal Block. Thereafter, the Special Judge, New Delhi District on April 29, 2016 framed charges against each of the Accused under section 120-B, read with sections 409 and 420 of the Indian Penal Code, 1860 and section 13(1)(c) read with sections 13(1)(d) of the Prevention of Corruption Act, 1988, and subsequently, *vide* an order dated May 20, 2016 ordered further investigation. Pursuant to the order dated May 20, 2016, CBI filed supplementary charge sheet on April 23, 2017 naming five additional accused in the matter. The matter is currently pending.
- (ii) A FIR was registered against our Company, Naveen Jindal and certain other of our Company by the CBI, New Delhi on April 22, 2015, pursuant to a preliminary enquiry initiated by the CBI. After investigation, CBI filed a charge sheet on March 20, 2017 against Naveen Jindal, the Company and others under sections 120 -B and 420 of the Indian Penal Code, 1860, in connection with certain irregularities in the allotment of Urtan North coal mine to the Company. The matter is currently pending.
- (iii) Samir Ahluwalia, editor and business head of the Zee Business Channel (“**Complainant**”) filed a criminal complaint on January 3, 2013 before the Metropolitan Magistrate, Patiala House Courts, New Delhi (the “**Magistrate**” and such complaint “**Criminal Complaint**”). The Criminal Complaint was filed under Section 499, 500, 501, 34 and 109 of the Indian Penal Code, 1860 against our Company and its Board at the time (“**Accused**”), for making a false and defamatory statement during a press conference held on October 25, 2012. The Magistrate, *vide* its order dated March 10, 2014 (“**Magistrate Order**”), summoned the Accused. Naveen Jindal and some of the Accused filed a criminal

revision petition before the Additional Sessions Judge, Patiala House Courts (the “**ASJ**”), challenging the Magistrate Order. The ASJ remanded the matter to the Magistrate for considering the matter afresh *vide* an order dated July 21, 2016 (“**Remand Order**”). The Magistrate, *vide* order dated July 11, 2017 had summoned Naveen Jindal and the other accused persons. To this, a revision petition was filed by Naveen Jindal in the High Court of Delhi, challenging the Remand Order and all proceedings pursuant to the same. Consequently, Naveen Jindal has been exempted from personally appearing before the High Court of Delhi. In addition, Samir Ahluwalia has filed a petition before the High Court of Delhi seeking that the Remand Order be set aside. Both the matters, in respect of the revision petition and the Criminal Complaint are currently pending.

- (iv) Zee News Limited (“**Complainant**”) filed a criminal complaint on July 8, 2013 before the Metropolitan Magistrate, Patiala House Courts, New Delhi (“**Metropolitan Magistrate**”) and such complaint the “**Criminal Complaint**”). The Criminal Complaint was filed for offences under Sections 499, 500, 501, 109 and 34 of the Indian Penal Code, 1860 against Naveen Jindal, for making false and defamatory statements during a press conference held on October 25, 2012. The Metropolitan Magistrate, *vide* order dated April 16, 2014 had summoned Naveen Jindal and the other accused persons (the “**Summons Order**”). A revision petition challenging the Summons Order, was filed by Naveen Jindal before the Additional Sessions Judge, Patiala House Courts, New Delhi, which *vide* its order dated July 21, 2016 (the “**Remand Order**”), remanded the matter to the Metropolitan Magistrate. The Metropolitan Magistrate, *vide* an order dated July 11, 2017 (“**Magistrate Order**”) issued summons to Naveen Jindal. Subsequently, Naveen Jindal filed a criminal petition before the High Court of Delhi (“**HC**”), against Zee News Limited, *inter alia* seeking that the Criminal Complaint, the Remand Order and the Magistrate Order be quashed. The matter is currently pending.
- (v) Sudhir Chaudhary, editor and business Head of the Zee Business Channel (“**Complainant**”) filed a criminal complaint on December 20, 2012 before the Additional Chief Metropolitan Magistrate, Patiala House Courts, New Delhi (the “**Magistrate**”) and such complaint the “**Criminal Complaint**”). The Criminal Complaint was filed against Naveen Jindal and certain others, for making false accusations in a FIR lodged and for making a false and defamatory statement during a press conference held on October 25, 2012. Naveen Jindal was booked for committing offences under section 66A of the Information Technology Act, 2000, forgery under Indian Penal Code, 1860 and criminal conspiracy. The Magistrate dismissed the Criminal Complaint *vide* an order dated March 18, 2014 (“**Dismissal Order**”). Sudhir Choudhary subsequently filed a criminal revision petition challenging the Dismissal Order before the Additional Sessions Judge, Patiala House Courts (the “**ASJ**”). *Vide* its order dated July 21, 2016, the ASJ set aside the Dismissal Order and remanded the matter to the Magistrate for considering the matter afresh (“**Remand Order**”). The Metropolitan Magistrate, *vide* order dated July 11, 2017 had summoned Naveen Jindal and the other accused persons. To this, a revision petition was filed by Naveen Jindal in the High Court of Delhi challenging the Remand Order and all proceedings in relation to the same. Consequently, Naveen Jindal has been exempted from personally appearing before the High Court of Delhi. Both the matters, in respect of the revision petition and the Criminal Complaint are currently pending.
- (vi) Samir Ahluwalia (“**Complainant**”) filed a criminal complaint before the Chief Metropolitan Magistrate, Patiala House Courts, New Delhi (the “**Magistrate**”), and such complaint the “**Criminal Complaint**”), along with an application for the lodging of a first information report. The Criminal Complaint was filed for offences under Section 66A of the Information Technology Act, 2000 against Naveen Jindal and others (the “**Accused**”) for posting tweets on the social networking site Twitter, along with a forged and fabricated cover page of the “**TIME**” Magazine with the caption “**Extortion Time**” containing a picture of Sudhir Chaudhary, the Complainant and Subhash Chandra, each of whom are officials of Zee Media Corporation Limited. *Vide* its order dated September 8, 2015, the Magistrate directed the police station, Chanakya Puri to file a first information report, and accordingly, a first information report was lodged against the Accused on November 19, 2015. The investigating official assigned to the matter filed a final report dated May 30, 2016 (“**Final Report**”) with the Magistrate, stating that it was unable to trace the Twitter handle from which the offending tweets were made and accordingly, closing the matter. The Complainant subsequently filed a protest petition against the Final Report before the Magistrate. In addition, the Complainant has filed an application before the Magistrate, seeking that a first information report be registered against unknown police officials for submitting false information to the Magistrate, by way of the Final Report. The matters are currently pending.

INDEPENDENT STATUTORY AUDITORS

Lodha & Co., Chartered Accountants, are independent auditors with respect to our Company as required by the Companies Act 2013 and in accordance with the guidelines prescribed by ICAI, and have been appointed as the statutory auditors of our Company, pursuant to the approval of the shareholders of our Company at the 37th AGM held on August 1, 2016, with effect from the conclusion of the 37th AGM till the conclusion of the 42nd AGM of the Company, subject to ratification by the members at every AGM.

Our (i) audited consolidated financial statements for the Fiscal Year 2017 prepared in accordance with the Ind AS and Companies Act, 2013 together with the report issued by Lodha & Co., Chartered Accountants; (ii) special purpose Ind AS consolidated financial statements for the Fiscal Year 2016 together with the report issued by Lodha & Co., Chartered Accountants; (iii) audited consolidated financial statements for the Fiscal Year 2016, prepared in accordance with Indian GAAP and the Companies Act, 2013 together with the report issued by S. R. Batliboi & Co. LLP, Chartered Accountants; and (iv) audited consolidated financial statements for the Fiscal Year 2015, prepared in accordance with Indian GAAP and the Companies Act, 2013 together with the report issued by S. R. Batliboi & Co. LLP, Chartered Accountants, have been included in this Preliminary Placement Document.

Further, unaudited special purpose interim condensed consolidated financial statements for the nine months ended December 31, 2017 along with the notes thereto, prepared in accordance with the Ind AS and Companies Act, 2013, together with the review report by Lodha & Co., Chartered Accountants, have been included in this Preliminary Placement Document.

GENERAL INFORMATION

- Our Company was incorporated on September 28, 1979 as a private limited company under the Companies Act, 1956 with the name Orbit Strips Private Limited. Our Company converted into a public company and its name changed to Orbit Strips Limited and a fresh certificate of incorporation consequent upon the change of name on conversion to public limited company was issued on May 21, 1998. Further, the name of our Company was changed to Jindal Steel & Power Limited and a fresh certificate of incorporation consequent upon change of name was issued on June 12, 1998.
- Our Registered Office is located at O.P. Jindal Marg, Hisar, Haryana- 125 005 and our corporate office is located at Jindal Centre, 12, Bhikaji Cama Place, New Delhi -110 066.
- The CIN of the Company is L27105HR1979PLC009913.
- The Equity Shares are listed on BSE and NSE.
- The Issue was authorised and approved by our Board pursuant to a resolution dated August 8, 2017 and March 16, 2018, and by the shareholders of our Company pursuant to a special resolution passed on September 22, 2017.
- Our Company has received in-principle approvals under Regulation 28(1) of the SEBI Listing Regulations to list the Equity Shares to be issued pursuant to the Issue, on BSE and NSE, on March 20, 2018 and March 20, 2018, respectively.
- Copies of our Memorandum of Association and Articles of Association will be available for inspection between 9:30 am to 5:30 pm on any weekday (except Saturdays and public holidays) at our Registered Office.
- Our Company has obtained all consents, approvals and authorisations required in connection with the Issue.
- There has been no material change in the financial or trading position of our Company since December 31, 2017, the date of the latest audited financial statements prepared in accordance with applicable accounting standards included in this Preliminary Placement Document, except as disclosed herein.
- Except as disclosed in this Preliminary Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see “Legal Proceedings” on page 504.
- Our Company confirms that it is in compliance with the minimum public shareholding requirements as specified in the SCRR and the SEBI Listing Regulations.
- The Floor Price is ₹ 227.15 per Equity Share, calculated in accordance with the provisions of Chapter VIII of the SEBI Regulations, as certified by Lodha & Co., Chartered Accountants. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with Regulation 85 of the SEBI Regulations.
- Jagadish Patra is the Company Secretary and Compliance Officer of our Company. His details are as follows:

Jagadish Patra

Designation: Company Secretary and Compliance Officer

Tel: +91 11 41462131

E-mail: jagdish.patra@jindalsteel.com

Address: 12, Bhikaji Cama Place, New Delhi- 110066

DECLARATION

Our Company certifies that all relevant provisions of Chapter VIII read with Schedule XVIII of the SEBI Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VIII and Schedule XVIII of the SEBI Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct as of the date hereof.

Signed by:

Rajeev Rupendra Bhaduria
Wholetime Director

Date: March 20, 2018

Place: New Delhi

DECLARATION

We, the Directors of the Company, certify that:

- (i) the Company has complied with the provisions of the Companies Act 2013 and the rules made thereunder;
- (ii) the compliance with the Companies Act 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- (iii) the monies received under the offer shall be used only for the purposes and objects indicated in the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

Rajeev Rupendra Bhaduria
Wholetime Director

I am authorized by the Corporate Management Committee, a committee of the Board of the Company, vide resolution dated March 20, 2018 to sign this form and declare that all the requirements of Companies Act 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed:

Rajeev Rupendra Bhaduria
Wholetime Director

Deepak Sogani
Chief Financial Officer

Date: March 20, 2018

Place: New Delhi

JINDAL STEEL & POWER LIMITED

Registered Office:

O.P. Jindal Marg, Hisar
Haryana 125 005

Corporate Office:

Jindal Centre
12, Bhikaji Cama Place
New Delhi 110 066

Tel: +91 1662 222471-84 | **Facsimile:** +91 1662 220476
Email: info@jindalsteel.com **Website:** www.jindalsteelpower.com
CIN: L27105HR1979PLC009913

Contact Person:

Jagdish Patra

Designation: Company Secretary and Compliance Officer

Tel: +91 11 41462131

E-mail: jagdish.patra@jindalsteel.com

Address: 12, Bhikaji Cama Place, New Delhi 110 066

BOOK RUNNING LEAD MANAGERS

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025

Axis Capital Limited
1st Floor, Axis House
C-2, Wadia
International Centre
P.B. Marg, Worli
Mumbai 400 025

ICICI Securities Limited
ICICI Centre
H.T. Parekh Marg
Churchgate
Mumbai 400 020

SBI Capital Markets Limited
202, Maker
Tower E
Cuffe Parade
Mumbai 400 005

ADVISORS TO OUR COMPANY

PL Capital Markets Private Limited
3rd Floor, Sadhana House
570, Pandurang Budhkar Marg, Worli
Mumbai 400 018
SEBI registration number: INM00001123

Avista Corporate Finance Advisory Private Limited
51-52, Maker Chambers VI
Nariman Point
Mumbai 400 021
SEBI registration number: INM00012060

STATUTORY AUDITORS OF OUR COMPANY

Lodha & Co., Chartered Accountants
12, Bhagat Singh Marg
New Delhi 110 001

LEGAL COUNSEL TO OUR COMPANY

As to Indian law

Cyril Amarchand Mangaldas
4th Floor, Prius Platinum
D-3, District Centre
Saket, New Delhi 110 017

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

As to Indian law

Khaitan & Co.
Ashoka Estate, 12th Floor
24 Barakhamba Road
New Delhi 110 001

As to United States law

Milbank, Tweed, Hadley & McCloy LLP
30/F, Alexandra House
18 Chater Road, Central
Hong Kong