IMPORTANT NOTICE

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Confirmation of your representation: In order to be eligible to view the following Offering Memorandum or make an investment decision with respect to the securities described herein, investors must be persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act ("**Regulation S**"). By accepting the e-mail and accessing the following Offering Memorandum, you shall be deemed to have represented to us that (1) you and any customers you represent are not located in the United States and that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions or other areas subject to its jurisdiction and (2) you consent to the delivery of such Offering Memorandum and any amendments or supplements thereto by electronic transmission.

You are reminded that the following Offering Memorandum has been delivered to you on the basis that you are a person into whose possession the following Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located, and you may not, nor are you authorized to, deliver or disclose the contents of the following Offering Memorandum to any other person. If this is not the case you must return this Offering Memorandum to us immediately.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers (as defined below) or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of JSW Steel Limited (the "**Company**") in such jurisdiction.

The attached document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Company and Deutsche Bank AG, Singapore Branch, Australia and New Zealand Banking Group Limited, BNP Paribas, Citigroup Global Markets Limited, Credit Suisse (Hong Kong) Limited, First Abu Dhabi Bank PJSC, J.P. Morgan Securities plc, Mizuho Securities Asia Limited, SBICAP (Singapore) Limited and Standard Chartered Bank (together, the "**Joint Lead Managers**") or any of their respective directors, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. The Company will provide a hard copy version to you upon request.

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JSW Steel Limited

U.S.$500,000,000 5.950 per cent. Notes Due 2024

(originally incorporated with limited liability in the Republic of India under the Companies Act, 1956)

JSW Steel Limited, a public limited company incorporated under the laws of India (the "**Company**" or the "**Issuer**"), is offering U.S.$500,000,000 aggregate principal amount of its 5.950 per cent. Notes due 2024 (the "**Notes**"). The Notes will bear interest at a rate of 5.950 per cent. per annum and will mature on April 18, 2024. We will pay interest on the Notes semi-annually on April 18 and October 18 of each year, commencing October 18, 2019.

The Notes will be our unsecured and unsubordinated obligations and will rank *pari passu* in right of payment with all of our existing and future unsecured and unsubordinated obligations and will be effectively subordinated to our secured obligations. See "*Terms and Conditions of the Notes*." The Notes will be effectively subordinated to all existing and future indebtedness and other liabilities (including trade payables) of our subsidiaries to the extent they do not guarantee the Notes. We will have the option to redeem all or a portion of the Notes at any time at the redemption price set forth in this Offering Memorandum. Subject to applicable law, we may also redeem the notes at any time in the event of certain changes in withholding tax law. Upon the occurrence of a Change of Control Triggering Event, subject to applicable law, we will offer to repurchase the Notes at a price equal to 101 per cent. of their principal amount plus accrued interest. The Notes will be issued only in registered form in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. For a more detailed terms and conditions of the Notes, see "*The Offering*" beginning on page 37 and "*Terms and Conditions of the Notes*" beginning on page 187.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of and quotation of the Notes. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Notes to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer the Group, their subsidiaries, their associated companies or the Notes.

Investing in the Notes involves a high degree of risk. See "Risk Factors" beginning on page 42.

Price: 100 per cent.

The Notes are expected to be assigned a rating of Ba2 by Moody's and BB by Fitch. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time. A suspension, reduction or withdrawal of the rating assigned to the Notes may adversely affect the market price of the Notes. See "*Risk Factors—Risks Relating to the Notes—Credit ratings assigned to the Company or the Notes may not reflect all the risks associated with an investment in the Notes and ratings and outlook of the Notes and the Company may be downgraded or withdrawn.*"

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any other jurisdiction, 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 U.S. Securities Act. This offering is being made in offshore transactions outside the United States in reliance on Regulation S under the U.S. Securities Act. For further details about eligible offerees and resale restrictions, see "Plan of Distribution" and "Selling Restrictions."

Delivery of the Notes is expected to be made to investors in book-entry form through Euroclear Bank SA/NV ("**Euroclear**"), and Clearstream Banking, S.A ("**Clearstream**") on or about April 18, 2019 (the "**Closing Date**").

Joint Lead Managers and Joint Bookrunners

Deutsche Bank	**ANZ**	**BNP PARIBAS**	**Citigroup**	**Credit Suisse**	**First Abu Dhabi Bank**	**J.P. Morgan**	**Mizuho Securities**	**SBICAP**	**Standard Chartered Bank**

The date of this Offering Memorandum is April 10, 2019

In making your investment decision, you should rely only on the information contained in this Offering Memorandum. We and Deutsche Bank AG, Singapore Branch, Australia and New Zealand Banking Group Limited, BNP Paribas, Citigroup Global Markets Limited, Credit Suisse (Hong Kong) Limited, First Abu Dhabi Bank PJSC, J.P. Morgan Securities plc, Mizuho Securities Asia Limited, SBICAP (Singapore) Limited and Standard Chartered Bank (collectively, the "Joint Lead Managers") have not authorized anyone to provide you with any other information. If you receive any other information, you should not rely on it. We and the Joint Lead Managers are offering to sell the Notes only in places where offers and sales are permitted. You should not assume that the information contained in this Offering Memorandum is accurate as of any date other than the date on the front cover of this Offering Memorandum. Our business or financial condition and other information in this Offering Memorandum may change after that date.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

IMPORTANT INFORMATION ABOUT THIS OFFERING MEMORANDUM

This Offering Memorandum is a confidential document that we are providing only to prospective purchasers of the Notes. You should read this Offering Memorandum before making a decision whether to purchase any Notes. You must not:

- use this Offering Memorandum for any other purpose;
- make copies of any part of this Offering Memorandum or give a copy of it to any other person; or
- disclose any information in this Offering Memorandum to any other person, other than a person retained to advise you in connection with the purchase of the Notes.

We have prepared this Offering Memorandum based on information we have or have obtained from sources we believe to be reliable. Summaries of documents contained in this Offering Memorandum may not be complete. We will make copies of actual documents available to you upon request. Neither we nor the Joint Lead Managers nor the Trustee or any Agent (each as defined in the "*The Offering*") are providing you with any legal, investment, business, tax or other advice in this Offering Memorandum. You should consult with your own counsel, accountants and other advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to purchase the Notes.

This Offering Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Notes may not be offered or sold, directly or indirectly, and this Offering Memorandum may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the Notes or possess or distribute this Offering Memorandum, and you must obtain all applicable consents and approvals; neither we nor the Joint Lead Managers nor the Trustee or any Agent shall have any responsibility for any of the foregoing legal requirements.

We are offering the Notes in a transaction pursuant to Regulation S that is not subject to the registration requirements of the U.S. Securities Act. The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the U.S. Securities Act and applicable securities laws of any other jurisdiction pursuant to registration or exemption therefrom. You may be required to bear the financial risk of an investment in the Notes for an indefinite period. Neither we nor the Joint Lead Managers are making an offer to sell the Notes in any jurisdiction where the offer and sale of the Notes is prohibited. Neither we nor the Joint Lead Managers nor the Trustee or any Agent are making any representation to you that the Notes are a legal investment for you.

In terms of the ECB Guidelines, each prospective purchaser must be a recognized lender (as defined in the ECB Guidelines) and accordingly, should be a resident of a FATF or IOSCO compliant country, including as on the date and upon transfer of such ECBs. However, the following shall also be considered as recognized lenders (as defined in the ECB Guidelines): (i) Multilateral and Regional Financial Institutions where India is a member country; (ii) Individuals, if they are foreign equity holders or for subscription to bonds/debentures listed abroad; and (iii) Foreign branches/subsidiaries of Indian banks.

Each prospective purchaser of the Notes must comply with all applicable laws and rules and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and neither we nor the Joint Lead Managers nor the Trustee or any Agent shall have any responsibility therefor.

Neither the U.S. Securities and Exchange Commission (the "**SEC**"), any U.S. state securities commission nor any non-U.S. securities authority nor other authority has approved or disapproved of the Notes or determined if this Offering Memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

We accept responsibility for the information contained in this Offering Memorandum. We have made all reasonable inquiries and confirm to the best of our knowledge, information and belief that the information contained in this Offering Memorandum with regard to us and our subsidiaries and affiliates and the Notes is true and accurate in all material respects, that the opinions and intentions expressed in this Offering Memorandum are honestly held and that we are not aware of any other facts, the omission of which would make this Offering Memorandum or any statement contained herein misleading in any material respect.

Neither the Joint Lead Managers nor the Trustee or any Agent makes any representation or warranty, express or implied, as to, and assume no responsibility for, the accuracy or completeness of the information contained in this Offering Memorandum. Nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Joint Lead Managers as to the past, the present or the future.

The Joint Lead Managers, Trustee and Agent accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which any of them might otherwise have in respect of this Offering Memorandum or any such statement.

We reserve the right to withdraw this offering at any time. We and the Joint Lead Managers may reject any offer to purchase the Notes in whole or in part for any reason or no reason, sell less than the entire principal amount of the Notes offered hereby or allocate to any purchaser less than all of the Notes for which it has subscribed. The Joint Lead Managers and certain of their respective related entities may acquire, for their own accounts, a portion of the Notes.

The information set out in relation to sections of this Offering Memorandum describing clearing and settlement arrangements, including in the "*Terms and Conditions of the Notes*" is subject to a change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream currently in effect. While we accept responsibility for accurately summarizing the information concerning Euroclear or Clearstream, we accept no further responsibility in respect of such information.

IN CONNECTION WITH THIS OFFERING, DEUTSCHE BANK AG, SINGAPORE BRANCH (THE "STABILIZING MANAGER") (OR PERSONS ACTING ON ITS BEHALF) MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL OTHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, NO ASSURANCE CAN BE GIVEN THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON ITS BEHALF) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THIS OFFERING IS MADE AND, IF BEGUN, MAY BE DISCONTINUED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ORIGINAL ISSUE DATE AND 60 CALENDAR DAYS AFTER THE DATE OF THE

ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON ITS BEHALF) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "PLAN OF DISTRIBUTION".

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II (ii) a customer within the meaning of Directive 2016/97/EC (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

ENFORCEABILITY OF CIVIL LIABILITIES

The Company is a public limited company incorporated under the laws of India. Most of its directors and key management personnel named herein reside in India and a substantial portion of the assets of the Company and such directors and key management personnel are located in India. As a result, it may not be possible for investors to effect service of process on the Company or such persons in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under the Code of Civil Procedure, 1908 (the "**Civil Code**") on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) 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 recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India which the Government of India (the "**Government**") has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees, which are not amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalty, and does not apply to an arbitration award, even if such award is enforceable as a decree or judgment.

The United Kingdom has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A judgment of a court in a country which is not a reciprocating territory may be enforced in India only by a fresh suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court would if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with Indian public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the Reserve Bank of India ("**RBI**") to repatriate outside India any amount recovered pursuant to such a judgment and any such amount may be subject to income tax in accordance with applicable laws. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. We cannot predict whether a suit in India will be disposed of in a timely manner or be subject to considerable delay.

PRESENTATION OF FINANCIAL INFORMATION

Financial Data

In this Offering Memorandum, unless otherwise specified, all financial information is of the Group on a consolidated basis.

The annual audited consolidated financial statements of the Group as at and for the year ended March 31, 2016 have been prepared in accordance with generally accepted accounting principles in the Republic of India and Accounting Standards notified under the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended ("**Indian GAAP**"). With effect from April 1, 2016, companies in India having a certain threshold net worth, including the Company, are required to prepare financial statements in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**IND-AS**"). IND-AS converge with the International Financial Reporting Standards ("**IFRS**"). Accordingly, the annual audited consolidated financial statements of the Group as at and for the years ended March 31, 2017 and 2018 and the unaudited condensed consolidated interim financial statements of the Group as at and for the nine months ended December 31, 2018 have each been prepared in accordance with IND-AS. The Group's audited consolidated financial statements prepared under Indian GAAP for the year ended March 31, 2016 have been restated to comply with IND-AS for the purposes of comparison with the audited consolidated financial statements of the Group for the year ended March 31, 2017. The annual audited consolidated financial statements of the Group as at and for the years ended March 31, 2017 and 2018 are herein referred to as the "**Consolidated Financial Statements**". The unaudited condensed consolidated interim financial statements of the Group as at and for the nine months period ended December 31, 2018 are herein referred to as the "**Condensed Consolidated Interim Financial Statements**" and, together with the Consolidated Financial Statements, the "Group Consolidated Financial Statements".

The annual audited standalone financial statements of the Company as at and for the years ended March 31, 2016 have been prepared in accordance with Indian GAAP. The annual audited standalone financial statements of the Company as at and for the years ended March 31, 2017 and 2018 and the unaudited condensed standalone interim financial statements of the Company as at and for the nine months ended December 31, 2018 have been prepared in accordance with IND-AS.

The standalone financial statements of the Company as at and for the year ended March 31, 2016 prepared under Indian GAAP have been restated to comply with IND-AS for the purposes of comparison with the standalone financial statements of the Company as at and for the year ended March 31, 2017. The annual audited standalone financial statements of the Company as at and for the years ended March 31, 2017 and 2018 are herein referred to as the "**Standalone Financial Statements**". The unaudited condensed standalone interim financial statements of the Company as at and for the nine months ended December 31, 2018 are herein referred to as the "**Condensed Standalone Interim Financial Statements**" and, together with the Standalone Financial Statements, the "**Company Standalone Financial Statements**".

In making an investment decision, investors must rely on their own examination of the Group, the terms of the offering and the financial information contained in this Offering Memorandum. Potential investors should consult their own professional advisers for an understanding of the differences between IFRS and IND-AS, and how these differences might affect their understanding of the financial information contained herein.

Information in the Consolidated Financial Statements and the Standalone Financial Statements is, unless otherwise stated therein, stated in Indian Rupees in "crore" or "lac". Unless otherwise specified, financial information that is presented in the rest of the Offering Memorandum has been

(i) translated from Indian Rupees in "crore" or "lac" in the Consolidated Financial Statements and the Standalone Financial Statements to Indian Rupees in millions; and (ii) rounded to the nearest million Indian Rupees. One crore is equal to 10 million Rupees and 10 lacs is equal to one million Rupees.

The annual audited consolidated financial statements of the Group and the annual audited standalone financial statements of the Company as at and for the years ended March 31, 2016 and 2017 have each been audited by Deloitte Haskins & Sells LLP, Chartered Accountants. The Group's audited consolidated financial statements and the Company's audited standalone financial statements prepared under Indian GAAP for the year ended March 31, 2016 have been restated to comply with IND-AS for the purposes of comparison with the audited consolidated financial statements of the Group for the year ended March 31, 2017, as set forth in their audit report included herein.

The annual audited consolidated financial statements of the Group and the annual audited standalone financial statements of the Company as at and for the year ended March 31, 2018 have been audited by S R B C & CO LLP, Chartered Accountants, as set forth in their audit reports included herein. The unaudited condensed consolidated interim financial statements of the Group and the unaudited condensed standalone interim financial statements of the Company as at and for the nine months ended December 31, 2018, have each been reviewed by S R B C & CO LLP, Chartered Accountants, as set forth in their review report included herein.

In addition, S R B C & CO LLP have also reviewed unaudited condensed consolidated interim financial statements of the Group and unaudited condensed standalone interim financial statements of the Company for the nine months ended and as of December 31, 2017 prepared in accordance with IND-AS. The review reports of S R B C & CO LLP are not included herein.

Non-GAAP Financial Measures

As used in this Offering Memorandum, a non-GAAP financial measure is one that purports to measure historical financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable IFRS measures. From time to time, reference is made in this Offering Memorandum to such "non-GAAP financial measures", including EBITDA, or (unless otherwise specified) total profit before other income and finance costs, taxation, depreciation, amortization and exceptional items and share of results of associates/joint ventures (net), and net debt, or (unless otherwise specified) non-current borrowings plus current borrowings plus current maturities of long term borrowings plus current maturities of finance lease obligations minus cash and cash equivalents, bank balances other than cash and cash equivalents and current investments. The Group's management believes that EBIT, EBITDA, EBITDA/revenue from operations, profit before tax/revenue from operations, Net debt, Net Worth, Net debt to equity ratio, Net debt gearing, Average net worth, Return on average net worth, Return on average capital employed and other non-GAAP financial measures provide investors with additional information about the Group's performance, as well as ability to incur and service debt and fund capital expenditure, and are measures commonly used by investors. For more detailed information, see "*Summary Financial and Operating Data*". The non-GAAP financial measures described herein are not a substitute for IFRS measures of earnings and may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated.

Comparability of financials

As a result of changes in accounting policies on the adoption of Ind AS 115 Revenue from Contracts with Customers, a new accounting standard which replaced the existing revenue recognition standards and became mandatory for reporting periods beginning on or after April 1, 2018. The Company has applied the full retrospective approach and has accordingly disclosed impact of this standard on certain account balances of the Group and the Company as at and for the year ended March 31, 2018 in the Condensed Consolidated Interim Financial Statements and Condensed Standalone Interim Financial Statements, respectively. Further, certain account balances of the Group and the Company as at and for the nine months ended December 31, 2017 have been restated as comparative in

Condensed Consolidated Interim Financial Statements and Condensed Standalone Interim Financial Statements, respectively, to include the impact of change in the accounting standard in accordance with the aforesaid accounting standard. This had no impact on profit or loss for the year ended March 31, 2018.

In addition, the Company had carried out certain reclassifications during the year ended March 31, 2018 in relation to the comparative financial statements as at and for the year ended March 31, 2017. Such restatements on account of adoption of the new accounting standard and reclassifications described above have not been carried out for the audited financial statements of the Company and the Group as at and for the year ended March 31, 2017 or the comparatives as disclosed in the financial statements as at and for the year ended March 31, 2017, that were adopted by board on May 17, 2017.

Accordingly, the annual financial statements as at and for the year ended March 31, 2016 have not been restated or reclassified for the purposes of the above changes and are therefore not directly comparable to the rest of the periods presented in this Offering Memorandum.

While the Group believes that these changes are presentational in nature and does not impact the Group's net profits, free cash flow or net debt, the changes impacts certain of the Group's disclosed financial metrics, including revenue from operations and EBITDA as a percentage of revenue from operations, amongst others.

Unless the context otherwise requires, all financial information provided as at or for the fiscal year ended March 31, 2017 and 2018 contained in this Offering Memorandum has been extracted from the financial statements for the year ended March 31, 2018, except for "Revenue from Operations" and "Other expenses" as restated for the year ended March 31, 2018 which have been extracted from the condensed interim financial statements for the nine months ended December 31, 2018 of the Company and Group. Further, unless otherwise specified, all financial information provided as at or for the nine months ended December 31, 2017 has been extracted from the financial statements for the nine months ended December 31, 2018.

Rounding

Certain amounts and percentages included in this Offering Memorandum have been rounded. Accordingly, in certain instances, the sum of the numbers in a column may not equal the total figure for that column.

CERTAIN DEFINITIONS

In this Offering Memorandum, unless otherwise specified, all financial statements and financial data are of the Group on a consolidated basis. In this Offering Memorandum, unless otherwise specified or the context otherwise requires, references to "$", "U.S.$" or "U.S. Dollars" are to United States dollars, references to "Rs.", "rupee", "rupees" or "Indian Rupees" are to the legal currency of India, references to "Japanese Yen" and "JPY" are to the official currency of Japan, references to "the Euro", "EUR" or "€" are to the common currency of the Eurozone countries and references to "S$" are to the official currency of Singapore. References to a particular "fiscal year" are to the year ended March 31 of such year. In this Offering Memorandum, references to "U.S." or "United States" are to the United States of America, its territories and its possessions. References to "India" are to the Republic of India.

EXCHANGE RATE INFORMATION

The following table sets forth, for the periods indicated, certain information concerning the exchange rates between Indian Rupees and U.S. Dollars. The exchange rates reflect the rates as reported by the RBI.

Period[1]	Period end	Average	High	Low
2013	54.28	54.43	57.33	50.52
2014	59.89	60.47	68.85	53.67
2015	62.50	61.15	63.68	58.46
2016	66.25	65.45	68.71	62.19
2017	64.84	67.09	68.72	64.84
2018	65.04	64.45	65.76	63.35
January	71.03	70.72	71.38	69.48
February	71.22	71.22	71.75	70.55
March	69.17	69.48	70.97	69.58
April (through April 4, 2019)	68.84	68.81	69.12	68.49

Note:

(1) Represents the financial year ended March 31 of the year indicated.

The exchange rate on December 31, 2018 was Rs.69.7923 per U.S.$1.00.

Although certain Indian Rupee amounts in this Offering Memorandum have been translated into U.S. Dollars for convenience, this does not mean that the Indian Rupee amounts referred to could have been, or could be, converted into U.S. Dollars at any particular rate, the rates stated above, or at all. Except as otherwise stated, Indian Rupee amounts as at and for the nine months ended December 31, 2018 were converted to U.S. Dollars at the exchange rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

FORWARD-LOOKING STATEMENTS AND ASSOCIATED RISKS

Certain statements in this Offering Memorandum are not historical facts and are forward-looking statements. This Offering Memorandum may contain words such as "believe", "could", "may", "will", "target", "estimate", "project", "predict", "forecast", "guideline", "should", "plan", "expect" and "anticipate" and similar expressions that are intended to identify forward-looking statements, but are not the exclusive means of identifying these statements. All statements regarding the Group's expected financial condition and results of operations and business plans and prospects are forward-looking statements. In particular, "*Summary*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Business*" contain forward-looking statements, including relating to market trends, capital expenditure and other factors affecting the Group that are not historical facts.

Forward-looking statements are subject to certain risks and uncertainties, including, but not limited to:

- changes in global economic, political and social conditions;
- changes in economic and political conditions and increases in regulatory burdens in India and other countries in which the Group operates, transacts business or has interests;
- the Group's substantial indebtedness and ability to meet its debt service obligations;
- the risk of a potential fall in steel prices or of price volatility;
- accidents and natural disasters in India or in other countries in which the Group operates or globally, including specifically India's neighboring countries;
- the Group's business and operating strategies and its ability to implement such strategies;
- the Group's ability to successfully implement its growth and expansion plans, technological changes, exposure to market risks and foreign exchange risks that have an impact on business activities;
- the Group's ability to ensure continuity of senior management and ability to attract and retain key personnel;
- the implementation of new projects, including future acquisitions and financings;
- the availability and terms of external financing;
- the Group's ability to meet its capital expenditure requirements or increases in capital expenditure requirements;
- the Group's inability to successfully compete with other steel manufacturers;
- cost overruns or delays in commencement of production from the Group's new projects;
- changes in the Group's relationship with the Government and the governments of the countries in which the Group operates;
- changes in exchange controls, import controls or import duties, levies or taxes, either in international markets or in India;
- changes in laws, regulations, taxation or accounting standards or practices that affect the Group;
- changes in prices or demand for the products produced by the Group both in India and in international markets;

- changes in the value of the Indian Rupee against major global currencies and other currency changes;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- any adverse outcome in legal proceedings in which the Group is or may become involved including with respect to product liability claims;
- acquisitions and divestitures which the Group may undertake;
- changes in interest rates;
- significant fluctuations of the prices of raw materials, including iron ore and coal; and
- other factors, including those discussed in "*Risk Factors*".

Forward-looking statements involve inherent risks and uncertainties. If one or more of these or other uncertainties or risks materialize, actual results may vary materially from those estimated, anticipated or projected. Specifically, but without limitation, capital costs could increase, projects could be delayed, and anticipated improvements in capacity, performance or profit levels might not be fully realized. Although the Group believes that the expectations of its management as reflected by such forward-looking statements are reasonable based on information currently available to it, no assurances can be given that such expectations will prove to have been correct. Accordingly, you are cautioned not to place undue reliance on the forward-looking statements, which speak only as at the date they are made. The Group does not undertake any obligation to update or revise any of them, whether as a result of new information, future developments or otherwise.

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DEFINITIONS AND GLOSSARY

In addition to the terms that are otherwise defined in this Offering Memorandum, the following sets out the definitions of certain terms used in this Offering Memorandum.

AD Bank	Designated authorized dealer category I bank appointed in accordance with the ECB Guidelines
Amended Act	The Mines and Mineral Development and Regulation Amendment Act 2015, as amended
API	American Petroleum Institute
Audit Committee	Audit committee of the Board of Directors described in the section "Management"
Bankruptcy Code	The Insolvency and Bankruptcy Code, 2016, as amended
BIS	Bureau of Indian Standards
BIS Act	The Bureau of Indian Standards Act, 2016, as amended
Board or Board of Directors	Board of directors of the Company, unless otherwise specified
BOF	Basic oxygen furnace
Brownfield expansion	The expansion or upgrade of sites currently occupied by existing industrial or commercial facilities
BSE	BSE Limited
CAGR	Compounded annual growth rate
CBI	Central Bureau of Investigation
CCI	Competition Commission of India constituted under The Competition Act, 2002
CEC	Central Empowered Committee
CESTAT	Custom Excise and Service Tax Appellate Tribunal
CIA	Central Intelligence Agency
CIRP	Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016
CIT	Commissioner of income tax
CMSP	Coal Mines (Special Provisions) Act, 2015, as amended
COC	Committee of Creditors
Company	JSW Steel Limited (on a standalone basis)
Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	Erstwhile Companies Act, 1956, as the context requires

Companies Act, 2013	Companies Act, 2013 and the rules and clarifications thereunder, to the extent notified
Competition Act	Competition Act, 2002, as amended
Crude steel	Cast, solidified steel before further treatment
Directors	Directors of the Company
Downstream	Further processing of crude steel to produce finished steel products
DRI	Direct reduced iron
DTAA	Double Taxation Avoidance Agreement
EAF	Electric arc furnace method
EBITDA	Total profit before other income and finance costs, taxation, depreciation, amortization and exceptional items and share of results of associates/joint ventures (net). It is not an IFRS or GAAP measure
ECB	External commercial borrowing raised in accordance with the ECB Guidelines
ECB Guidelines	Foreign Exchange Management (Borrowing and Lending) Regulations 2018 and the circulars issued thereunder by the RBI, Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 ("**New ECB Master Directions**") and the Master Directions on Reporting under the Foreign Exchange Management Act, 1999 dated January 1, 2016, as amended from time to time.
EIU	Economist Intelligence Unit
EPA	Environment (Protection) Act, 1986, as amended
Eurozone	The members of the European Union that have adopted the Euro as their common currency
FATF	Financial Action Task Force
FEMA	Foreign Exchange Management Act, 1999, as amended, together with rules and regulations thereunder, as amended
finished product	Steel ready for construction or manufacturing use
FDT	Forest development tax
FDF	Forest development fee
Forest Amendment Act	Karnataka Forest (Amendment) Act, 2016, as amended
GAAR	General Anti-Avoidance Rules

GAAP	Generally Accepted Accounting Practices
GDP	gross domestic product
Government	Government of India
greenfield project	a project on new land that has not been previously developed for industrial or commercial use
Group	JSW Steel Limited, its consolidated subsidiaries jointly controlled entities and associates
GST	goods and services tax
Hazardous Wastes Rules	The Hazardous Waste (Management and Handling) Rules, 1989 as amended, and as superseded by the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 and the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989, as amended
IBC, 2016	Insolvency and Bankruptcy Code, 2016, as amended
I D Act	Industrial Disputes Act, 1947, as amended
IOSCO	International Organisation of Securities Commissions
Issuer	JSW Steel Limited (on a standalone basis)
IT Act	Income Tax Act, 1961, as amended, together with rules and regulations thereunder
IBEF	India Brand Equity Foundation
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IND-AS	Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Practices in the Republic of India and Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended
INR/Rupees	Indian Rupees
JFE	JFE Steel Corporation
Jindal Family	Mr P.R. Jindal, Mr Sajjan Jindal, Mr Ratan Jindal and Mr Naveen Jindal, and their wives and children, and Mrs Savitri Devi Jindal
JSSL	JSW Severfield Structures Limited

JSW Group	JSW Steel Limited, JSW Energy Limited, JSW Infrastructure Limited, JSW Cement Limited and Jsoft Solutions Limited, their respective subsidiaries and holding companies, for the time being
KISMA	Karnataka Iron and Steel Manufacturers Association
km	kilometers
kt	1,000 tons
(one) lac	0.1 million
LIBOR	London Interbank Offered Rate
LRN	Loan registration number in terms of the ECB Guidelines
MC Rules	Mineral Concession Rules, 1960, as amended
MCA	Ministry of Corporate Affairs, Government of India
MCD Rules	Mineral Conservation and Development Rules, 1988, as amended
MCLR	Marginal cost of funds based lending rate
Minimum Wages Act	Minimum Wages Act, 1948, as amended
MMDR Act	Mines and Minerals (Development and Regulations) Act, 1957, as amended
mntpa	million net tons per annum
MoEF	Ministry of Environment and Forests
mt	million tons
mtpa	million tons per annum
MW	Megawatt
NCDs	non-convertible debentures
NCLAT	National Company Law Appellate Tribunal
NCLT	National Company Law Tribunal
New Land Acquisition Act	Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, as amended
NMDC	National Mineral Development Corporation
NMP	National Mineral Policy, 2008, as amended
NVGs	National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by the Ministry of Corporate Affairs

OECD	Organisation for Economic Cooperation and Development
RBI	Reserve Bank of India
Rs.	Indian Rupees
Scheme	The scheme for the promotion of research and development in the iron and steel sector
SCI	Supreme Court of India
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI LODR	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended
SGX-ST	Singapore Exchange Securities Trading Limited
Statutory Auditors	Present statutory auditors of the Company, being S R B C & CO LLP, Chartered Accountants
tCO^2e	Tons of carbon dioxide equivalent
ton	metric ton or 1,000 kilograms
tpa	tons per annum
tpd	tons per day
tph	tons per hour
Upstream	processing of raw materials and production of crude steel
VAT	Value added tax
WSA	World Steel Association

SUMMARY

This overview highlights certain information contained in this Offering Memorandum. This overview does not contain all the information you should consider before investing in the Notes. You should read this entire Offering Memorandum carefully, including the sections entitled "Forward-Looking Statements and Associated Risks", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" included elsewhere in this Offering Memorandum and the financial information and the notes thereto set forth herein. To understand the terms of the Notes, you should carefully read the sections of this Offering Memorandum entitled "Terms and Conditions of the Notes".

Overview

JSW Steel Limited, the flagship company of the diversified U.S.$13 billion JSW Group and part of the O.P. Jindal Group, is an integrated manufacturer of a diverse range of steel products with an export footprint in more than 100 countries. The JSW Group has diversified interests in mining, carbon steel, power, industrial gases, port facilities and cement. The Group offers an extensive portfolio of flat and long products, including hot rolled coils, sheets and plates, cold rolled coils and sheets, galvanized and galvalume products, electrical steel, pre-painted galvanized and galvalume products, thermo-mechanically treated ("**TMT**") bars, wire rods, rails, grinding balls and special steel bars, rounds and blooms, plates and pipes of various sizes and cold rolled non-grain oriented products. The Group is also one of the largest producers and exporters of coated flat steel products in India. The Group believes that it has one of the lowest conversion costs in the industry, primarily due to its efficient operations, high manpower productivity and the strategic location of its state-of-the-art manufacturing facilities. The Group's operations in India currently have an installed crude steel capacity of approximately 18.0 mtpa, which comprises 12.5 mtpa (approximately 70 per cent. of the capacity) of flat products and 5.5 mtpa (approximately 30 per cent. of the capacity) of long products. Since the Group's incorporation in 1994, the Group revenue from operations have grown to Rs.732,110 million for the year ended March 31, 2018 and to Rs.623,895 million (U.S.$8,939 million) for the nine months ended December 31, 2018.

In 2018, the Group was ranked eighth amongst top 35 world class steelmakers according to World Steel Dynamics, based on a variety of factors. In particular, the Group achieved the highest rating (10 out of 10) on the following criteria: conversion costs; yields, expanding capacity, location in high-growth markets and labor costs. This ranking puts the Group ahead of all other steelmakers based in India and ranked third amongst Asian steelmakers.

The Group has significantly expanded its steelmaking capacity at its Indian operations, which has increased from 1.6 mtpa in 2002 to 2.5 mtpa in 2006, 3.8 mtpa in 2007, 7.8 mtpa in 2010, 11.0 mtpa in 2012 and to 18.0 mtpa in May 2018, through organic and inorganic growth. The Group's manufacturing facilities in India consist of Vijaynagar Works in Karnataka (12.0 mtpa), Dolvi Works in Maharashtra (5.0 mtpa) and Salem Works in Tamil Nadu (1.0 mtpa) in addition to downstream facilities for its coated products division at Vasind, Tarapur and Kalmeshwar Works in Maharashtra. The Group's major facilities in India are strategically located near raw material sources and are well connected via ports and railways, thus helping the Group to maintain a low cost structure. The Group's overseas manufacturing facilities comprise a plate/pipe mill in Baytown, Texas, U.S., a steel making facility at Ohio, U.S., and a long product mill in Italy. The Baytown facility has a 1.2 mntpa plate mill and a 0.55 mntpa pipe mill. The facility is located near a port and in close proximity to key customers in the oil and gas industry. The Ohio facility is a hot rolling mill with a 3.0 mntpa capacity. It is partially backward integrated with a 1.5 mntpa EAF furnace that became operational in December 2018 after commencement of operations by the Group. The facility in Italy was acquired by the Group in July 2018 and produces long products — railway lines, bars, wire rods and grinding balls — with aggregate capacity of 1.3 mtpa. The Group plans to expand its steel capacity to 40.0 mtpa in the next decade through a combination of organic and inorganic growth.

For fiscal year 2018 and for the nine months ended December 31, 2018, revenue from operations within India represents 76.1 per cent. and 83.5 per cent., respectively, of the Group's revenue from operations which were through the Group's widespread sales and distribution network that sells its products directly to customers, wholesale traders and stock points. The Group's sales presence is particularly strong in South and West India, where a large number of automotive manufacturers are located. The Group is mainly focused on retail sales through its exclusive and non-exclusive retail outlets. As at December 31, 2018, the Group had more than 9,500 retail outlets located throughout India. For fiscal year 2018 and the nine months ended December 31, 2018, revenue from operations outside India represents 23.9 per cent. and 16.5 per cent. of the Group's revenue from operations respectively. The Group has an export footprint in more than 100 countries across five continents. The Group uses a combination of direct sales to customers and sales to international trading houses for its international sales.

Competitive Strengths

The Group believes that the following competitive strengths can be leveraged to allow it to further enhance its position as a leading steel producer.

Source: Company data

Leading player in the Indian steel market

The Group is a leading player in the Indian steel market with significant domestic and international exposure. The Group has continuously sustained its market leadership with its core strengths of agile operations, rich product mix, best-in-class technology, excellence in project execution, sustainable sourcing and consistent focus on employee engagement. With the long-term growth potential for steel consumption in the Indian domestic market, the Group has introduced additional capital expenditure program to expand its capacities at its plants, and also to modernize and expand capacities of its downstream business. These expansions will enable the Group to be in a strategic position to capture market opportunities and develop its market share.

Strong business profile diversified by markets and products

The Group has a wide range of product offerings that cater to diversified end markets across geographies. The Group has significantly expanded its product portfolio through a mix of acquisitions, downstream capacity expansions and joint ventures with other leading steel companies. The Group offers an extensive portfolio of flat and long products, including hot rolled coils, sheets and plates, cold rolled coils and sheets, galvanized and galvalume products, pre-painted galvanized and galvalume, tin plates, wire rods and special steel bars, rounds and blooms, rails, steel balls, plates and

pipes, cold rolled electrical steel of various sizes. The Group believes that the breadth of the Group's product range gives it the flexibility to adapt its product mix to market demands and enables it to sustain its business and operations through adverse economic conditions. As a result, the Company was able to strategically reduce its share of export from 16.8 per cent. of revenue from operations in fiscal year 2018 to 8.4 per cent. during the nine months ended December 31, 2018, as global steel consumption declined. Inspite of this, revenue from operations for the nine months ended December 31, 2018 increased by Rs. 103,769 million from revenue from operations for the nine months ended December 31, 2017.

The Group is focused on value-added steel products. The strategic collaboration with JFE allows the Group to produce high-end value-added steel products for the automotive, electrical appliance and construction industries. Moreover, the Group manufactures a wide range of value-added flat steel products, such as medium to high carbon steel, high tensile and high strength low-alloy steel grades for the automotive sector, API grade steel for the oil and gas sector, cold rolled close annealed coils, Customized galvanized and galvalume products for solar sector galvanized products and color coated products in the flat product segment and rebars, wire rods and structural steel in the long product segment. The Group currently has one of the largest galvanizing and galvalume and color coating production capacities in India and it is also one of the largest Indian exporters of coated flat steel products, with an export footprint in more than 100 countries across five continents.

Prior to 2014, the Group ventured into the high value-added product of vinyl coated metal, which at the time was only being imported into India. Similarly, in 2016, the Group set up an electrical steel facility at Vijaynagar Works with a capacity of 200,000 tons per annum to further enhance its product offerings in the sector of manufacturing of motors, pumps and small transformers. Further, the Group also set up a 0.25 mtpa tinplate line in 2018 (currently undergoing trial run) to meet demand from the packaging industry.

Acquisitions and strategic joint ventures

The Group has entered into strategic joint ventures as well as acquired equity interests in various entities which have enabled it to add more value-added products, enhance its global footprint, secure raw materials and increase its technological know-how. The Company has also pursued unique opportunities in stressed assets in niche markets.

The Group entered into a 50:50 joint venture with UK-based Severfield UK PLC which operates a 55,000 mtpa structural steel plant at Vijaynagar Works. The Group has further widened its product diversity into cutting edge flooring technology with composite metal decking through a joint venture with Structural Metal Decks Limited, UK. The Group also has a 49.0 per cent. equity interest in Geo Steel LLC, which has a steel rolling facility with 175,000 tpa capacity designed to produce rebars through the hot rolling mill process by using steel billets. The Group also entered into a joint venture with Marubeni-Itochu Steel (JSW MI Steel Service Center) to set up steel service centers in north and west India for just-in-time solutions to the automotive, white goods and construction sectors. In April 2014, the Group acquired a 50.0 per cent. equity interest in Vallabh Tinplate Private Limited, which had a capacity of 60,000 tpa (since increased to 100,000 tpa at present), marking the Group's entry into the growing tinplate business in India. In October 2014 and May 2017, the Group acquired 99.85 per cent. and 0.15 per cent. equity interests, respectively, in Welspun Maxsteel. The acquisition of Welspun Maxsteel reduced the Group's cost of production by providing DRI to Dolvi Works while the Group's subsidiary, Amba River Coke Limited, will supply surplus pellets. In August 2016, the Group executed a share purchase agreement with Praxair India Private Limited to acquire their entire shareholding of 74.00 per cent. in Jindal Praxair Oxygen Private Limited (now renamed as JSW Industrial Gases Private Limited (JIGPL)). JIGPL is engaged in the business of production and sale of industrial gases such as oxygen, nitrogen and argon and has two air separation plants, each with a capacity of 2,500 tons per day, at Toranagallu, Bellary District, Karnataka. The Group currently sources industrial gases from JIGPL among others at prices based on long-term contracts. The Group believes the strategic acquisition of JIGPL will provide the Company with the benefit of backward integration.

In May 2018, the Company entered into a sale and purchase agreement with Cevitaly S.r.l for the acquisition of 100.0 per cent. of the shares of Aferpi S.p.A ("**Aferpi**") and Piombino Logistics S.p.A ("**PL**") and 69.27 per cent. of the shares of GSI Lucchini S.p.A ("**GSI**"). Aferpi makes special long steel product in Piombino, Italy. PL manages the logistic infrastructure of the Piombino port area while GSI is a producer of forged steel balls. The acquisition allows the Group to establish its presence in Italy and access the European specialty steel long products market. The acquisition was completed on July 24, 2018.

In June 2018, the Company acquired 100 per cent. of the shares of Acero Junction Holdings Inc. ("**Acero**"). The total enterprise value of the transaction is U.S.$182.41 million, with equity value of U.S.$80.85 million and liabilities of U.S.$101.56 million. Acero is the 100 per cent. holding company of Acero Junction Inc (since renamed as JSW Steel USA Ohio Inc), an electric arc furnace based steel manufacturing mill in Ohio. The Company expects that the acquisition will allow it to gain increased access to the North American steel market.

In July 2018, the NCLT approved the resolution plan submitted by a consortium comprising of the Company and AION Investments Private II Limited for the acquisition of Monnet Ispat and Energy Limited ("**MIEL**"). MIEL owns a 1.5 MT integrated steel plant, along with a 0.8 MT sponge iron plant, 2 MT pellet plant, a 0.96 MT sinter plant and a 230 MW captive power plant in Chattisgarh. The acquisition was completed on August 31, 2018 and the Company currently holds 23.1 per cent. of the shares of MIEL.

The resolution plan submitted by the Company for VIL was approved with some modification, by the NCLT New Delhi, by its order dated December 19, 2018 under Section 31 of the IBC. The Company has filed an application before the NCLT seeking certain clarifications and modifications to the NCLT order dated December 19, 2018. The NCLT, by its order dated January 7, 2019 has deferred the implementation of the resolution plan until clarifications are processed by the regular bench of the NTCL. The hearing on the clarification application was concluded on January 28, 2019 and it was reserved for orders. While reserving the order on application for clarification of the NCLT's order approving the resolution plan, the NCLT has stayed implementation of the resolution plan. As of the date of this Offering Circular, the Company has not taken control of VIL.

On February 13, 2019, the Company accepted a Letter of Intent issued by the Committee of Creditors of BPSL, a company currently undergoing insolvency resolution process under the provisions of the Bankruptcy Code. The completion of the acquisition of BPSL is subject to the necessary approval from the NCLAT and satisfaction of conditions precedent under the resolution plan. While reserving the order on application for clarification of the NCLT's order approving the resolution plan, the NCLT has stayed implementation of the resolution plan.

Strategically located manufacturing facilities

The Group's strategically located facilities in South and West India provide the Group access to key automotive manufacturers in these regions as well as easy access to ports on both eastern and western coasts of India. All of the Group's facilities are well connected to rail and road networks. As a result of the facilities' strategic locations, the Group enjoys a substantial market share in South and West India. Vijaynagar Works, India's first single location 12 mtpa steel plant, is located close to the rich iron ore belt of the Bellary-Hospet region in Karnataka and is well connected to the Group's dedicated port facilities at South West Port Limited in Goa and other port locations. Dolvi Works, with its strategic presence in Western India near Mumbai, has a captive jetty along with rail, road and seaport connections. Salem Works, India's leading producer of long special steel products, is located near the automotive manufacturing hub in Southern India. The Group's strategically located facilities enable a reliable and cost efficient supply of raw materials and efficient delivery of finished steel products to the market. In addition, the Group believes it has cost advantage in delivering finished steel products to customers in South and West India due to its proximity to that region.

Strong focus on technology driving raw material efficiency and increased productivity

The Group believes it is a pioneer in introducing leading technologies in India. In order to maintain quality while lowering the cost of production, the Group has adopted a combination of industry leading technologies, including non-recovery coke ovens, blast furnace, DRI, twin shell Conarc, Corex and galvalume technology, in addition to other well established steelmaking methods.

The Corex process is used in combination with blast furnace technology at Vijaynagar Works. Dolvi Works is the first facility in India to adopt a combination of Conarc technology for steelmaking and Compact Strip Production for producing hot rolled coils. In addition, the Group's beneficiation plant at Vijaynagar is able to convert low grade iron ore to higher grade variants, thus allowing the Group to utilize lower grade iron ore and achieve significant cost savings. The adoption of various advanced technologies gives the Group the flexibility to blend coking coal of different quality for the manufacture of coke, produce pellets and sinter in the iron ore agglomeration (pelletization and beneficiation plants) process, make use of coal fines, utilize waste heat for power generation and produce galvalume products, each of which generates cost efficiencies for the Group. These advanced technologies also provide the Group with flexibility in the choice of raw materials and enable the Group to take advantage of market variances in the availability and price of raw materials.

In order to effectively enhance its operational capabilities, expertise and technology, the Group entered into a strategic collaboration with JFE Steel of Japan to acquire energy reduction and environmental-friendly technologies, which will help the Group produce high-end value-added steel products for the automotive and construction industries as well as optimize its cost. The collaboration seeks to leverage the strength of JFE in its well-established manufacturing technology for advanced high strength steel for automotive. JFE had also taken a 14.99 per cent. equity interest in the Company by an equity infusion of Rs.54,100 million in 2010. The collaboration between the Group and JFE includes a general technology assistance agreement, which encompasses all facets of steelmaking and processing from raw material handling to rolling mills including energy control and savings; a technical assistance agreement encompassing the Group's new cold rolling mill; and a foreign collaboration agreement focusing on the manufacture of high-end auto-grade steel that was being imported into India. Under this collaboration, the Company has also implemented a 0.2 mtpa state-of-the art annealing and coating line for production of fully-processed non-grain oriented electrical steel grades.

In 2017, the Company won the "Golden Peacock Innovative Product Award — 2016" in the steel sector and also won the "Steelie Award 2016", an award in the innovation category, by the World Steel Association, recognizing the Company's development of advanced high strength automotive steel with speed and innovation.

Integrated and efficient operations

The Group is an integrated manufacturer of a diverse range of products, utilizing various industry leading technologies. The Group believes that it has one of the lowest conversion costs in the industry, primarily due to its efficient operations, high manpower productivity, the strategic location of its facilities and its state-of-the-art manufacturing facilities. The Group's integrated operations span from raw material processing units, such as beneficiation plants, pelletization and sinter plants, to downstream value addition capabilities, such as production of cold rolled, galvanized and color-coated products. The facilities are well connected to rail, road and port for logistics support, which provides natural competitive advantages in terms of reliable and cost efficient supply of raw materials and delivery of finished steel products to the market. Most of the Group's domestic production facilities are serviced by captive power plants: Vijaynagar Works by captive power generation of 854 MW; Dolvi Works by a 67 MW captive power generation and long-term power purchase arrangement with JSW Energy Limited; and Salem Works by a 60 MW captive power generation. Moreover, of the aggregate capacity of 981 MW generated by the Group's captive power plants, 411 MW is generated

through waste gases and heat generated from operations, an environmentally friendly and cost efficient source. The Group also has tie-ups for utilities and industrial gases with its wholly owned subsidiary JSW Industrial Gases Private Limited (previously known as Jindal Praxair Oxygen Company Private Limited), among others.

The Group continues to focus on backward integration by investing in its resource base to secure critical raw materials. The Group has acquired coking coal mines in West Virginia, U.S. and has also acquired coal mining concessions in Mozambique as well as iron ore mining concessions in Chile. The Group believes that securing critical raw materials, either for sale in the global market or for direct use in its production, will help protect the Group from variations in raw material prices. The new MMDR Act passed in 2016, has called for a level playing field for industry players with a transparent allocation process of raw materials through competitive bidding. The Group has focused on this opportunity to enhance its raw material security and won six iron ore mines in auctions in Karnataka. Three of these mines are operational and the remaining three are expected to be operational during the fiscal year 2020. The production from all six iron ore mines is expected to be approximately 4.5 to 5.1 mtpa iron ore in total. The Group also secured the 'Moitra' coking coal block located in Jharkhand via an auction process in April 2015, which has a total extractable coal reserve of approximately 30 mt. This is expected to further enhance the raw material security of the Group and lead to integrated and efficient operations.

The Group's high level of integration has reduced product development costs and production time, which in turn has enabled the Group to offer a shorter and more reliable delivery cycle to its customers.

In 2017, the Company was accredited with level 5 (Highest in the Category) Total Cost Management ("**TCM**") Maturity Model Assessment by the TCM division of the Confederation of Indian Industry.

In November 2018, the Company's Vijaynagar Works was awarded the Deming Prize, which is considered globally as the highest award for quality management and is equivalent to the Nobel Prize in the field of quality. It recognizes contributions to the field of total quality management and businesses that have successfully implemented total quality management.

Strong project execution capabilities

The Group believes it has a track record of successful project implementation by its in-house team as opposed to awarding turnkey contracts, resulting in cost savings, faster implementation and better quality control. The Group has a highly experienced project management team supported by a cross functional team with demonstrated experience of several expansion projects completed within the planned timelines and cost. The Group leverages its long-term relationships with key domestic and international suppliers, which enables it to achieve timely delivery at a competitive cost, thus ensuring smooth project implementation. The Group's strong project execution capabilities have been recognized by several significant awards, including the Prime Ministry's Trophy for Excellence in Performance in fiscal year 2013 for Vijaynagar Works, the "Best Integrated Steel Plant in India and the Steel Minister's Trophy" for fiscal year 2014. In 2015, the Group won the "Industry Leadership Award" at Platts Global Metals Awards for its achievements in steel, metals and mining.

Skilled workforce led by an experienced management team

The Group's senior management team comprises members with diverse skills in manufacturing, sales and marketing, finance and supply chain management in the steel industry. Their extensive experience and understanding of the steel business has been instrumental in building a sustainable global operation. In order to create an environment conducive to retaining talent, a clear goal setting agenda is in place to create a leadership pipeline. To encourage employees to think beyond their individual targets, the Group has institutionalized innovation projects, creating an innovation portal to allow

employees to generate and apply ideas that enable the Group to operate effectively. The Group continuously invests in building and enhancing its competencies and encourages employees to participate in sponsored learning programs. The Group believes that the mix of experience and diversity of its management team gives it the ability to successfully execute its business strategy.

Strategy

The Group aims to enhance its position as a leading global steel producer through the following strategies.

Selective growth through brownfield expansion and greenfield projects as well as inorganic growth

The Group intends to leverage its proximity to iron ore reserves and its existing logistics infrastructure to expand its production capacity at a low investment cost per ton. The Group's strategy is to maintain and grow its share of steel production in India, while locating the production of its finished products close to the markets in which they will be sold, in particular the Group's value-added products. The Group intends to maintain its domestic and international market share through selective inorganic and organic growth. In the domestic market, the Group will continue to undertake brownfield expansions, which can be accomplished at a low specific investment cost per ton, as well as consider inorganic growth opportunities that are value accretive.

In 2016, the Group completed its brownfield expansions at Vijaynagar Works and Dolvi Works, increasing capacity from 10.0 mtpa to 12.0 mtpa and 3.3 mtpa to 5.0 mtpa, respectively, providing the Group with an overall capacity of 18.0 mtpa. The capacity at Vijayanagar Works is being expanded from 12.0 to 13.0 mtpa and the capacity of Dolvi Works is being expanded from 5.0 mtpa to 10.0 mtpa, thereby bringing the overall capacity to 24.0 mtpa by 2020.

In addition, the Group has been exploring opportunities internationally. In the United States, recent changes to tariffs have been implemented on steel imports in order to incentivize domestic steel production to make local domestic markets in the U.S. attractive from demand and pricing perspective. JSW Steel (USA) Inc., a subsidiary of the Company, is presently modernizing and backward integrating its existing facilities at Baytown, Texas at a cost of up to U.S.$500 million. The project will be undertaken in a phased manner and is expected to be operational during fiscal year 2022. It includes revamping of the existing plate mill in the first phase and setting up a melt and manufacture steel making facility in the second phase.

At the Ohio facility, which was acquired in June 2018, the Company is proposing a two-phased expansion and modernization plan. The first phase of revamping and restarting the existing electric arc furnace (EAF) was completed in December 2018. In the second phase and subject to economic viability, prevailing economic conditions and subject to necessary approvals, the possibility of adding another EAF as well as additional manufacturing equipment at the hot strip mill to make the Ohio facility a fully integrated unit with 3.0 mntpa capacity will be considered. The Ohio facility presently comprises of a 1.5 mntpa EAF, 35 mva Ladle metallurgy furnace (LMF), 2.80 mntpa slab caster and a 3 mtpa hot strip mill (HSM).

In May 2018, the Company through its subsidiary JSW Steel Italy SRL entered into a sale and purchase agreement with Cevitaly S.r.l for the acquisition of 100.0 per cent. of the shares of Aferpi S.p.A, Piombino Logistics S.p.A and 69.27 per cent. of the share capital of GSI Lucchini S.p.A. The acquisition was completed on July 24, 2018. Aferpi has a 1.32 mtpa capacity and manufactures rails, bars and wire rods. Piombino Logistics manages the infrastructure at the port of Piombino and the rail lines inside the Aferpi plant. GSI Lucchini has a facility for manufacture of forged steel balls used in grinding mills. JSW Steel proposes to utilize the competitive advantages of the port and rail infrastructure, Lucchini brand name to gain strength its presence in the European markets. In the future, it is proposed to backward integrate the facility by setting up an Electric arc furnace, subject to feasibility studies and economic viability.

Further diversification of the Group's product profile and customer base

Rising consumer aspirations and the inevitable growth in infrastructure spending are significant macro trends in India. The Group believes that these trends will lead to an increase in demand for steel. The Group has moved quickly to create a portfolio of relevant value-added products in anticipation of this change. The Group further intends to increase its proportion of high margin value-added products in its product mix so as to better withstand steel price volatility, to offer a broad-based suite of products to meet the growing requirements of customers and facilitate import substitution. The share of value-added and special product ("**VASP**") sale increased to 58 per cent. during fiscal year 2018, which contributed to the increase in the Group's margins. The total sale of VASP product stood at approximately 9 million tons, representing a 13 per cent. year-on-year growth.

The Group intends to increase its focus on the production of medium and high carbon steel, high tensile and high strength low alloy steel for the automotive sector, and API grade steel for the oil and gas sector. Aligned with this strategy, the Group completed the establishment of a new 2.3 mtpa cold rolling mill and a 0.2 mtpa non-grain oriented electrical steel facility at Vijaynagar Works in 2015. The Group believes these expansions allow it to address domestic requirements for high-grade electrical steel, which is primarily imported at present. The Group is further strengthening its position in the long product segment to address the growth in the domestic infrastructure and construction sectors with an additional 1.4 mtpa of Bar Rod mill at Dolvi Works in addition to the extra 1.2 mtpa added at Vijaynagar Works in fiscal year 2016. The Group has also diversified into the tinplate business in India with its acquisition of a 50.0 per cent. equity interest in Vallabh Tinplate Private Limited in April 2014 and further, the Group is setting up two tin plate mills of total capacity of 0.50 mtpa and related facilities at its Tarapur Works to cater to the increasing demand for tinplate. The trial run for the first phase of tinplate mill with 0.25 mtpa capacity is currently underway.

The Group intends to further diversify its customer base, both within India and abroad. In India, the Group will continue to focus on developing the rural market, which the Group believes is less susceptible to economic cycles. To support this rural focus, the Group intends to further expand its rural distribution network by opening additional JSW Shoppe Connect outlets in rural parts of India. The Group also intends to expand its international sales outreach through inorganic growth opportunities. As at December 31, 2018, the Group had over 9,500 retail outlets across India.

Focus on operational efficiency

The Group is a leader in using sustainable and eco-friendly technologies to drive growth, as well as reducing cost and increasing energy efficiency. The Group will continue to invest in new technologies to enhance its operational productivity and efficiency and shall continuously review and assess new technologies, such as improvements to the Corex process, replacing natural gas with coke oven gas for its DRI plant at Dolvi Works and the use of galvalume technology. Strategic initiatives include a new water reservoir at Vijaynagar commissioned in the third quarter of 2019, a pipe conveyor for transporting iron ore from yards to the Vijaynagar plant and a coke oven battery of 1.5 mtpa at the Dolvi plant. The initial phases of the pipe conveyor are undergoing trial runs. Half of the coke oven battery is operational and the other half is undergoing trial runs. Advanced technologies will continue to be adopted across the Group's operations, ranging from power generation from waste gases and heat generated from its operations, non-recovery based coke making, using the beneficiation process to convert low grade iron ore and blending different varieties of coking coal for coke making, each of which improve operational efficiencies and reduce costs. The Group also attempts to minimize fresh water consumption by maximizing reutilization of treated waste water. The Group will continue its focus on reducing raw materials consumed per unit of steel produced by replacing virgin raw materials and recycling of waste.

Strengthening backward and forward integration

Backward integration and raw material security are key components of the Group's future strategy. The Group believes that securing critical raw materials, either for sale on the global market or for direct use at its facilities, will help protect the Group from variations in raw material prices. To this end, the Group has acquired coal and iron ore mines in Chile, the U.S. and Mozambique. This also enables the Group to explore backward integration opportunities of hot end slab manufacturing for the plate and pipe mill facilities in Baytown, Texas given the attractive industry outlook.

The Group will continue to evaluate additional raw material assets that fit within its strategic criteria and intend to look for further opportunities in India and abroad to secure key raw material supplies and to reduce its cost of production by targeting strategic tie-ups and investments in new technologies to achieve further backward integration. Pursuant to the auction conducted by the Government, the Group won the Moitra coking coal mine, located in Jharkhand state in April 2015, five iron ore mines in the auction conducted by the Karnataka State Government in October 2016 and an additional iron ore mine in the auction conducted by the Karnataka State Government in October 2018. The Group believes this will further enhance the raw material security of the Group and lead to integrated and efficient operations. The Group intends to strengthen its forward integration by expanding its retail outlets to sell higher value-added products, both within India and abroad.

The forward integration initiatives include setting up of 0.5 mtpa tinplate mill at Tarapur, 2.44 mtpa CRM/PLTCM mills at Vijaynagar and Vasind/Tarapur. The Group believes that higher margin value added products business improves profitability, helps deliver relatively stable spreads through the cycle and ensures better retention of customers with scope for import substitution. The acquisitions of Aferpi S.p.A, Piombino Logistics S.p.A and GSI Lucchini S.p.A formed part of the Group's strategy in this direction. These entities are engaged in the manufacture of rail lines, hot rolled bars and wire rods. The Group believes that the acquisitions will give it an opportunity to strengthen its presence in Italy and other European markets.

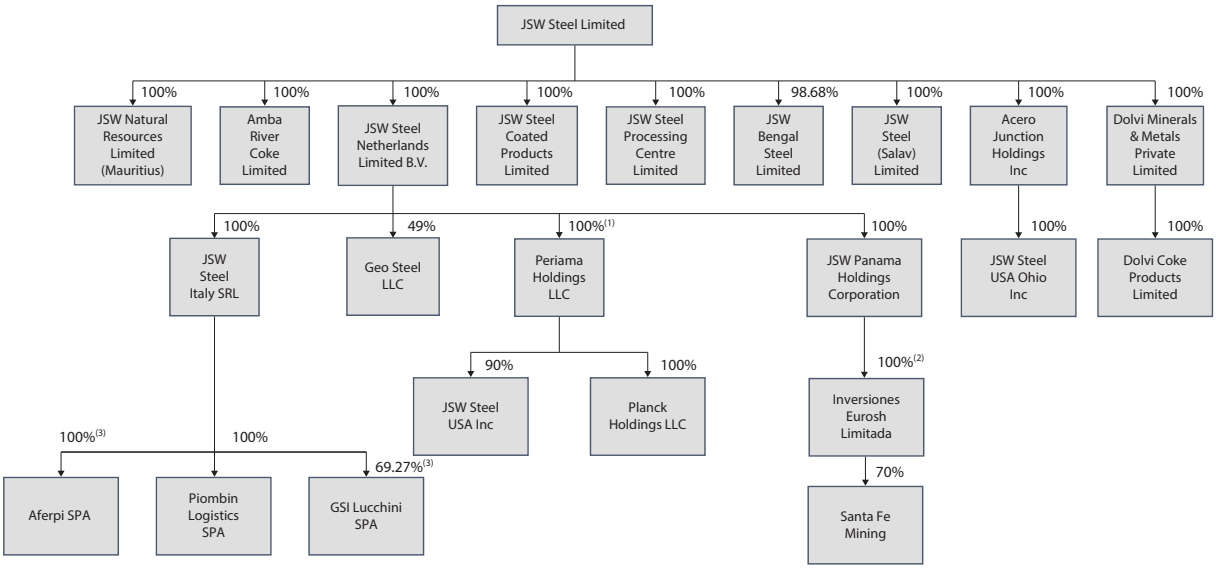
Robust financial discipline and focus on return profile

The Group operates in a capital intensive industry with a history of volatile prices. The Group therefore continuously seeks to improve its financial profile as it believes a strong financial position will be critical to support its future growth. The Group maintains a strong focus on cost management and prudent investment in new projects. The Group has developed robust financial principles and business criteria to assess potential acquisitions and expansions. The Group intends to manage its capacity expansion, improve its debt maturity profile, and diversify its funding sources so as to capture market opportunities without taking on excessive risk.

For fiscal year 2018, the Group recorded revenue from operations of Rs.732,110 million and profit for the year (i.e. profit after taxes and share of profit of associate and joint ventures) of Rs.61,130 million. For the nine months ended December 31, 2018, the Group recorded revenue from operations of Rs.623,895 million (U.S.$8,939 million) and profit (i.e., profits after taxes and share of profit of joint ventures) of Rs.60,283 million (U.S.$864 million). The Group had property, plant and equipment (including capital work in progress) of Rs.704,690 million (U.S.$10,097 million) and a net debt to equity ratio of 1.40 as at December 31, 2018.

Corporate Structure

The chart below shows a summary of the Group's corporate structure as at December 31, 2018. This is a summary chart only and does not show all of the Group's subsidiaries. For further details of the subsidiaries of the Group, see note 1 to the Group's Annual Financial Statements.



Notes:

(1) Periama Holdings, LLC is held 99.9 per cent. by JSW Steel Netherlands B.V. and 0.1 per cent. by the Company.

(2) Inversiones Eurosh Limitada is held 94.9 per cent. by JSW Panama Holdings Corporation, 0.1 per cent. by JSW Steel Netherlands B.V. and 5.0 per cent. by the Company.

(3) Aferpi SPA and GSI Lucchini SPA are each held 0.1 per cent. by the Company.

(4) Dolvi Minerals & Metals Private Limited, Dolvi Coke Products Limited, JSW Steel (Salav) Limited and JSW Steel Processing Centres Limited are proposed to be merged with the Company effective April 1, 2019.

Recent Developments

Resolution plan for Vardhman Industries Limited

In an order dated December 19, 2018, the resolution plan submitted by the Company for Vardhman Industries Limited ("**VIL**") was approved with some modifications by the NCLT. The Company filed an application with the NCLT seeking certain clarifications/modifications to such order. The NCLT, by its order dated January 7, 2019, had deferred the implementation of the resolution plan until the processing of clarifications by the Regular Bench was complete. The hearing on the clarification application was concluded on January 28, 2019 and is reserved for orders. While reserving the order on application for clarification of the NCLT's order approving the resolution plan, the NCLT has stayed implementation of the resolution plan. As of the date of this Offering Circular, the Company has not taken control of VIL.

Acquisition of Bhushan Power and Steel Limited

The Company submitted a resolution plan in respect of BPSL, a company currently undergoing insolvency resolution process under the provisions of the Bankruptcy Code. The Company's ability to submit a revised resolution plan for BPSL was challenged before the NCLAT. However, by its order dated February 4, 2019, the NCLAT struck down the challenge. Further, on February 13, 2019, the Company accepted a Letter of Intent issued by the Committee of Creditors of BPSL. The completion of a potential acquisition of BPSL by the Company is subject to obtaining the necessary approval from

the NCLT and satisfaction of conditions precedent under the resolution plan. As of the date of this Offering Memorandum, hearings in respect of the NCLT's approval remain ongoing and the exact timing of the BPSL acquisition remains uncertain. The Group expects any acquisition of BPSL to be material.

The Company's resolution plan includes an upfront payment towards BPSL's debt resolution, additional capital injection to support BPSL's operational improvements and a performance guarantee in connection with the execution of the resolution plan. While the specific details of the Company's resolution plan are subject to confidentiality restrictions, the Company's financial commitments in connection with resolution plan are material. In addition, the Company has secured additional financing in connection with financial commitments under the resolution plan.

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

The Group intends not to consolidate BPSL's business into its own and is currently in advanced negotiations with various investors to invest in a special purpose vehicle that is intended to hold BPSL's business. The Group intends to structure the acquisition in such a manner that while it continues to maintain joint control of BPSL its exposure to the debt of BPSL would be significantly reduced. However, there can be no assurance that the Group will be able to find a required partner or to successfully complete a proposed reorganization of the capital structure subsequent to the completion of the acquisition.

Please see "*Risk Factors — Risks Relating to the Group — The Group has undertaken, and may undertake in the future, strategic acquisitions, which may be difficult to integrate, and may end up being unsuccessful. There can be no assurance that such acquisitions will be successful or will result in a positive outcome or be profitable for the Group.*" and "*Risk Factors — Risks Relating to the Group — The Group's acquisition of BPSL is expected to subject the Group to various risks.*" for further information on risks associated with the Group's acquisition of BPSL.

Merger of wholly-owned subsidiaries

In a meeting held on October 25, 2018, the board of directors of the Company approved the merger of wholly-owned subsidiaries Dolvi Minerals & Metals Private Limited ("**DMMPL**"), Dolvi Coke Products Limited ("**DCPL**"), JSW Steel (Salav) Limited ("**JSW Salav**") and JSW Steel Processing Centres Limited ("**JSPC**") with itself. DMMPL is a wholly-owned subsidiary of the Company and in turn holds 100% of the equity of DCPL, a company that was set up to own and operate a 3.0 mtpa coke oven plant at Dolvi. JSPCL owns and operates a processing center at Vijaynagar and JSW Salav owns a 0.9 mtpa DRI plant at Salav near Dolvi. The merger is expected to be effective on April 1, 2019, subject to regulatory approvals.

On October 23, 2018, the Company had acquired the shareholding of other shareholders of DMMPL aggregating to 60.004% for a consideration of Rs.1.09 billion.

Rights issue

In a meeting held on October 25, 2018, the board of directors of the Company approved the issue of equity shares on rights basis for an amount of up to Rs.50 billion in accordance with provisions of the Companies Act, 2013 and other applicable rules and regulations. The finance committee of the board has been authorized to finalize the terms of issue including, among others, the entitlement ratio, record date, price and timing of issue.

Issuance of non-convertible debentures

In a meeting held on July 25, 2018, the board of directors of the Company approved issue of secured and unsecured redeemable non-convertible debentures on private placement basis and/or public issue for an amount of up to Rs.100 billion in one or more tranches in the domestic market. The specified use of proceeds included replacement of short-term loans, long-term working capital, normal/approved capital expenditure, reimbursement of capital expenditure already incurred and/or general corporate purposes. The board authorized the finance committee to finalize the terms of issue.

Advance Payment and Supply Agreement with Duferco S.A.

The Company entered into a five-year Advance Payment and Supply Agreement (the "**APSA**") agreement on February 27, 2019 with Duferco S.A. ("**DSA**") for the supply of steel products. Under the terms of the APSA, DSA, as the purchaser, has provided an interest-bearing advance amount of U.S.$700 million.

Acquisition of Acero

In June 2018, the Company acquired 100 per cent. of the shares of Acero Junction Holdings Inc. ("**Acero**"). The total enterprise value of the transaction is U.S.$182.41 million, with equity value of U.S.$80.85 million and liabilities of U.S.$101.56 million. Acero is the 100 per cent. holding company of Acero Junction Inc (since renamed as JSW Steel USA Ohio Inc), an electric arc furnace based steel manufacturing mill in Ohio. The Company expects that the acquisition of the 1.5 mntpa fully integrated steel facility with excess hot strip mill rolling capacity of 1.5 mntpa will allow it to gain increased access to the North American steel market.

Acquisition of Monnet Ispat & Energy Limited

On April 12, 2018, the Company announced that it had submitted a bid for the acquisition of MIEL along-with AION Investments Private II Limited ("**AION**") (together as a consortium), under the corporate insolvency resolution process of the Bankruptcy Code. This consortium was declared as the successful resolution applicant by the Committee of Creditors of MIEL on April 10, 2018. The consortium has accepted the terms of the letter of intent. In July 2018, the NCLT approved the resolution plan submitted by the consortium. The consortium completed the acquisition of MIEL through their jointly controlled entity Creixent Special Steels Limited ("**CSSL**") on August 31, 2018. The Company made an investment of Rs.3.75 billion through equity and redeemable preference shares in CSSL to acquire joint control in MIEL and have an effective shareholding of 23.1% in MIEL.

Acquisition of Aferpi

In May 2018, the Group entered into a sale and purchase agreement with Cevitaly S.r.l for the acquisition of 100.0 per cent. of the shares of Aferpi S.p.A, Piombinio Logistics S.p.A and 69.27 per cent. of the share capital of GSI Lucchini S.p.A. The acquisition was completed on July 24, 2018.

Baytown Mill Modernization

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

SUMMARY FINANCIAL AND OPERATING DATA

The summary consolidated financial data for the Group and the Company as at and for each of the years ended March 31, 2016, 2017, 2018 and the nine months ended December 31, 2017 and 2018 set forth below have been derived or calculated from the Group Consolidated Financial Statements and the Company Standalone Financial Statements included elsewhere in this Offering Memorandum unless stated otherwise, except for 'Revenue from operations' and 'Other expenses' for the year ended March 31, 2018 and for the nine months ended December 31, 2017 which have been restated and extracted from the condensed interim financial statements for the nine months ended December 31, 2018 of the Company and the Group and except for amounts as at and for the year ended March 31, 2017 which have been reclassified in and extracted from the financial statements as at and for the year ended March 31, 2018 for the Company and the Group. This financial information should be read in conjunction with "Presentation of Financial Information", "Selected Financial Data" and "Index to Financial Statements" in this Offering Memorandum. Our results of operations for the nine months ended December 31, 2018 are not necessarily indicative of our results for the year ending March 31, 2019, and historical results presented in this Offering Memorandum in general do not necessarily indicate results expected for any future period.

Financial Information of the Group

Summary of Consolidated Statement of Profit and Loss of the Group

		Year ended March 31,		
		2016	**2017**	**2018**
		(Rs. in millions)		
I.	**REVENUE FROM OPERATIONS**	459,767	605,363	732,110
II.	**OTHER INCOME**	1,805	1,521	1,669
III.	**TOTAL INCOME (I + II)**	**461,572**	**606,884**	**733,779**
IV.	**EXPENSES:**			
	Cost of materials consumed	211,266	297,486	387,785
	Purchases of stock-in-trade	544	—	20
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	13,658	(14,859)	2,438
	Employee benefits expense	15,187	16,996	18,426
	Finance costs	36,012	37,681	37,014
	Depreciation and amortization expense	33,226	34,299	33,873
	Excise duty expense	44,306	49,317	12,780
	Other expenses	110,797	134,681	162,718
	Total expenses	**464,996**	**555,601**	**655,054**
V.	**PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)**	(3,424)	51,283	78,725
VI.	**EXCEPTIONAL ITEMS**	21,254	—	2,635
VII.	**PROFIT/(LOSS) BEFORE TAX (V-VI)**	(24,678)	51,283	76,090
VIII.	**TAX EXPENSE/(BENEFIT):**			
	Current tax	867	1,518	18,262
	Deferred tax	(20,529)	15,225	(2,877)
		(19,662)	**16,743**	**15,385**
IX.	**PROFIT/(LOSS) FOR THE YEAR (VII-VIII)**	**(5,016)**	**34,540**	**60,705**
X.	**SHARE OF (LOSS)/PROFIT FROM AN ASSOCIATE**	217	(89)	—
XI.	**SHARE OF PROFIT/(LOSS) FROM JOINT VENTURES (NET)**	(9)	221	425
XII.	**TOTAL PROFIT/(LOSS) FOR THE YEAR (IX+X+XI)**	**(4,808)**	**34,672**	**61,130**

			Year ended March 31,		
			2016	2017	2018
			(Rs. in millions)		
XIII.	**OTHER COMPREHENSIVE INCOME/(LOSS)**				
A	(i)	Items that will not be reclassified to profit or loss			
		a) Remeasurement losses of the defined benefit plans	(61)	(197)	(47)
		b) Equity instruments through other comprehensive income	(5,051)	(683)	915
	(ii)	Income tax relating to items that will not be reclassified to profit or loss	21	68	19
	Total (A)		**(5,091)**	**(812)**	**887**
B	(i)	Items that will be reclassified to profit or loss			
		a) The effective portion of gain/(loss) on hedging instruments	453	3,471	(4,010)
		b) Changes in Foreign currency monetary item translation difference account (FCMITDA)	(1,584)	2,974	(328)
		c) Foreign currency translation reserve (FCTR)	(2,884)	296	87
	(ii)	Income tax relating to items that will be reclassified to profit or loss	391	(2,231)	1,502
	Total (B)		**(3,624)**	**4,510**	**(2,749)**
	Total other comprehensive income/(loss) (A+B)		**(8,715)**	**3,698**	**(1,862)**
XIV.	**TOTAL COMPREHENSIVE INCOME/(LOSS) (XII+XIII)**		**(13,523)**	**38,370**	**59,268**
	Total Profit/(loss) for the year attributable to:				
	— Owners of the Company		(3,356)	35,231	62,137
	— Non-controlling interests		(1,452)	(559)	(1,007)
			(4,808)	**34,672**	**61,130**
	Other comprehensive income/(loss) for the year attributable to:				
	— Owners of the Company		(8,681)	3,648	(1,844)
	— Non-controlling interests		(34)	50	(18)
			(8,715)	**3,698**	**(1,862)**
	Total comprehensive income/(loss) for the year attributable to:				
	— Owners of the Company		(12,037)	38,879	60,293
	— Non-controlling interests		(1,486)	(509)	(1,025)
			(13,523)	**38,370**	**59,268**
XV.	**EARNINGS PER EQUITY SHARE OF RE 1 EACH**				
	Basic (in Rs.)		(1.40)	14.66	25.85
	Diluted (in Rs.)		(1.40)	14.58	25.71

Summary of Condensed Consolidated Interim Statement of Profit and Loss of the Group

		Nine months ended December 31,		
		2017	2018	2018
		(Rs. in millions)		(U.S.$ in millions)[1]
I.	**REVENUE FROM OPERATIONS**	520,126	623,895	8,939
II.	**OTHER INCOME**	1,220	1,507	22
III.	**TOTAL INCOME (I + II)**	**521,346**	**625,402**	**8,961**
IV.	**EXPENSES:**			
	Cost of materials consumed	280,178	333,404	4,777
	Purchases of stock-in-trade	20	2,436	35
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,870	(22,841)	(327)
	Employee benefits expense	13,719	17,882	256
	Finance costs	28,183	28,714	411
	Depreciation and amortization expense	25,218	29,566	424
	Excise duty expense	12,780	—	—
	Other expenses	115,152	147,898	2,119
	Total expenses	**477,120**	**537,059**	**7,695**
V.	**PROFIT BEFORE TAX (III-IV)**	**44,226**	**88,343**	**1,266**
VI.	**EXCEPTIONAL ITEMS**	2,635	—	—
VII.	**PROFIT BEFORE TAX (V-VI)**	**41,591**	**88,343**	**1,266**
VIII.	**TAX EXPENSE/(BENEFIT):**			
	Current tax	8,939	20,328	291
	Deferred tax	(638)	7,759	111
		8,301	**28,087**	**402**
IX.	**PROFIT FOR THE PERIOD (VII-VIII)**	**33,290**	**60,256**	**863**
X.	**SHARE OF PROFIT FROM JOINT VENTURES (NET)**	350	27	—
XI.	**TOTAL PROFIT FOR THE PERIOD (IX+X)**	**33,640**	**60,283**	**864**
XII.	**OTHER COMPREHENSIVE INCOME/(LOSS)**			
A.	(i) Items that will not be reclassified to profit or loss			
	a) Remeasurements losses of the defined benefit plans	(88)	(146)	(2)
	b) Equity instruments through other comprehensive income	3,018	(424)	(6)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	31	49	1
	Total (A)	**2,961**	**(521)**	**(7)**
B.	(i) Items that will be reclassified to profit or loss			
	a) The effective portion of loss on hedging instruments	(2,017)	1,650	24
	b) Changes in Foreign currency monetary item translation difference account (FCMITDA)	473	(1,575)	(23)
	c) Foreign currency translation reserve (FCTR)	207	(827)	(12)
	(ii) Income tax relating to items that will be reclassified to profit or loss	535	(26)	—
	Total (B)	**(802)**	**(778)**	**(11)**
	Total other comprehensive income/(loss) (A+B)	**2,159**	**(1,299)**	**(19)**
XIII.	**TOTAL COMPREHENSIVE INCOME (XI+XII)**	35,799	58,984	845
	Earnings per equity share of Re 1 each (not annualized)			
	Basic (in Rs.)	13.93	25.43	0.40
	Diluted (in Rs.)	13.85	25.30	0.40

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

Summary of Consolidated Balance Sheet of the Group

		As at March 31,			As at December 31,	
		2016	2017	2018	2018	2018
		(Rs. in millions)			(Rs. in millions)	(U.S.$ in millions)[1]
I.	**ASSETS**					
(1)	**NON-CURRENT ASSETS**					
(a)	Property, plant and equipment	550,991	577,865	570,544	604,094	8,656
(b)	Capital work-in-progress	70,351	40,814	56,285	100,596	1,441
(c)	Goodwill	9,549	8,717	7,071	8,819	126
(d)	Other Intangible assets	855	719	868	1,148	16
(e)	Intangible assets under development	2,358	2,817	3,206	4,281	61
(f)	Investments in associates and joint ventures	3,180	2,530	3,605	6,280	90
(g)	Financial assets					
	(i) Investments	8,766	8,141	7,961	11,303	162
	(ii) Loans	932	1,208	3,782	5,049	72
	(iii) Other financial assets	2,566	1,854	2,930	2,394	34
(h)	Income tax assets (net)	2,193	3,046	2,706	2,435	35
(i)	Deferred tax assets (net)	5,582	844	481	819	12
(j)	Other non-current assets	19,956	19,581	28,808	35,555	509
	Total non-current assets	**677,279**	**668,136**	**688,247**	**782,773**	**11,216**
(2)	**CURRENT ASSETS**					
(a)	Inventories	83,212	113,950	125,944	169,060	2,422
(b)	Financial assets					
	(i) Investments	—	3,001	3,120	1,847	26
	(ii) Trade receivables	27,274	41,494	47,040	67,152	962
	(iii) Cash and cash equivalents	8,333	9,175	5,816	9,134	131
	(iv) Bank balances other than (iii) above	1,871	5,676	4,809	4,152	59
	(v) Loans	1,667	1,737	2,298	1,423	20
	(vi) Derivative Assets	2,428	4,910	1,515	2,443	35
	(vii) Other financial assets	278	3,511	5,299	7,235	104
(c)	Current tax assets (net)	6	177	56	46	1
(d)	Other current assets	22,304	29,021	35,992	43,818	628
(e)	Assets classified as held for sale	—	107	30	72	1
	Total current assets	**147,373**	**212,759**	**231,919**	**306,382**	**4,390**
	TOTAL - ASSETS	**824,652**	**880,895**	**920,166**	**1,089,155**	**15,606**
II.	**EQUITY AND LIABILITIES**					
(1)	**EQUITY**					
(a)	Equity share capital	3,009	3,013	3,017	3,012	43
(b)	Other equity	186,646	223,463	276,957	328,925	4,713
	Equity attributable to owners of the Company	**189,655**	**226,476**	**279,974**	**331,937**	**4,756**
	Non-controlling interest	(1,948)	(2,457)	(4,641)	(4,130)	(59)
	Total equity	**187,707**	**224,019**	**275,333**	**327,807**	**4,697**
	LIABILITIES					
(2)	**Non-current liabilities**					
(a)	Financial liabilities					
	(i) Borrowings	354,686	324,158	317,229	305,066	4,371
	(ii) Other financial liabilities	7,840	4,859	9,194	3,316	48
(b)	Provisions	946	971	1,377	2,463	35
(c)	Deferred tax liabilities (net)	17,969	30,736	26,043	35,196	504
(d)	Other non-current liabilities	641	553	1,361	1,295	19
	Total non-current liabilities	**382,082**	**361,277**	**355,204**	**347,336**	**4,977**

	As at March 31,			As at December 31,	
	2016	2017	2018	2018	2018
	(Rs. in millions)			(Rs. in millions)	(U.S.$ in millions)[1]
(3) Current liabilities					
(a) Financial liabilities					
(i) Borrowings	23,428	48,807	21,771	74,974	1,074
(ii) Trade payables	127,576	133,481	159,437	169,574	2,430
(iii) Derivative Liabilities	—	4,184	964	4,162	60
(iv) Other financial liabilities	91,586	94,570	86,127	139,637	2,001
(b) Other current liabilities	10,437	12,087	15,645	20,037	287
(c) Provisions	1,709	2,023	1,841	1,371	20
(d) Current tax liabilities (net)	127	447	3,844	4,257	61
Total current liabilities	**254,863**	**295,599**	**289,629**	**414,012**	**5,932**
Total liabilities	**636,945**	**656,876**	**644,833**	**761,348**	**10,909**
TOTAL — EQUITY AND LIABILITIES	**824,652**	**880,895**	**920,166**	**1,089,155**	**15,606**

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts as at December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

Summary of Consolidated Cash Flow Statement of the Group

	Year ended March 31,		
	2016	**2017**	**2018**
	(Rs. in millions)		
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) before tax	**(24,678)**	**51,283**	**76,090**
Adjustments for:			
Depreciation and amortization expense	33,226	34,299	33,873
Loss on sale of property, plant and equipment	213	1,342	1,217
Gain on sale of current investment designated as FVTPL	(27)	(57)	(193)
Export obligation deferred income amortization	—	(819)	(680)
Fair value gain on deferral sales tax / VAT Loan	—	—	(525)
Interest income	(486)	(964)	(1,199)
Dividend income	(203)	(203)	(51)
Interest expense	30,753	35,683	34,999
Unrealized exchange gains/(loss)	8,722	(1,190)	309
Net gain/(loss) arising of financial instruments designated as FVTPL	(119)	—	—
Fair value gain on financial instruments designated as FVTPL	—	(149)	(32)
Fair value loss on financial instruments designated as FVTPL	—	—	1,115
Share based payment expense	—	129	282
Allowances for doubtful receivable and advances	—	10	1,356
Impairment of property plant and equipment, goodwill and investments	18,735	797	2,635
	90,814	**68,878**	**73,106**
Operating profit before working capital changes	**66,136**	**120,161**	**149,196**
Adjustments for:			
(Increase)/decrease in inventories	25,781	(30,651)	(11,995)
Increase in trade receivables	(2,943)	(13,518)	(6,403)
(Increase)/decrease in other assets	3,217	(10,266)	(17,926)
Increase/(decrease) in trade payable and other liabilities	(21,434)	15,614	25,140
Increase in provisions	290	134	174
	4,911	**(38,687)**	**(11,010)**
Cash flow from operations	**71,047**	**81,474**	**138,186**
Income taxes paid (net of refund received)	(2,074)	(2,366)	(14,404)
Net cash generated/(used in) from operating activities	**68,973**	**79,108**	**123,782**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment and intangibles (including capital advances)	(51,660)	(44,351)	(47,360)
Proceeds from sale of property, plant and equipment	42	453	601
Net cash outflow for acquisition of a subsidiary/acquisition of NCI	—	(1,104)	(3,151)
Investment in joint ventures and associates	(92)	(368)	(460)
Sale/(purchase) of other non-current investments (net)	(28)	—	—
Sale/(purchase) of current investments (net)	30	—	—
Purchase of current investments	—	(27,844)	(81,111)
Sale of current investments	—	24,900	81,202
Bank deposits not considered as cash and cash equivalents (net)	12,551	(3,805)	3,726
Interest received	409	977	1,213
Dividend received	203	203	51
Net cash used in investing activities	**(38,545)**	**(50,939)**	**(45,289)**

	Year ended March 31,		
	2016	2017	2018
	(Rs. in millions)		
C. CASH FLOW FROM FINANCING ACTIVITIES			
Net proceeds of purchase/sale of treasury shares (including dividend there on)	531	—	—
Proceeds from sale of treasury shares	—	557	493
Payments for purchase of treasury shares	—	(551)	(762)
Proceeds from issue of non-convertible preference share capital	35	500	—
Proceeds from non-current borrowings	61,013	45,599	62,091
Repayment of non-current borrowings	(68,728)	(58,897)	(72,984)
Proceeds from/repayment of current borrowings (net)	11,965	25,411	(27,034)
Repayment of finance lease obligations	(1,872)	(1,864)	(1,994)
Interest paid	(31,250)	(35,905)	(35,114)
Dividend paid (including corporate dividend tax)	(3,200)	(2,182)	(6,546)
Net cash used in financing activities	**(31,506)**	**(27,332)**	**(81,850)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(1,078)**	**837**	**(3,357)**
Cash and cash equivalents at the beginning of year	**9,440**	**8,333**	**9,175**
Add: Translation adjustment in cash and cash equivalents	**(29)**	**5**	**(2)**
Cash and cash equivalents at the end of year	**8,333**	**9,175**	**5,816**

Summary of Condensed Consolidated Interim Cash Flow Statement of the Group

	For the nine months ended December 31,		
	2017	**2018**	**2018**
	(Rs. in millions)		**(U.S.$ in millions)[1]**
Net cash generated from operating activities	54,180	60,811	871
Net cash used in investing activities	(30,838)	(85,793)	(1,229)
Net cash (used in)/generated from financing activities	(26,094)	27,711	397
Net increase/(decrease) in cash and cash equivalents	**(2,752)**	**2,729**	**39**
Cash and cash equivalents — at the start of the period	9,175	5,816	83
Add: Translation adjustment in cash and cash equivalent	(1)	10	—
Add: Cash and cash equivalents upon addition of subsidiaries	–	579	8
Cash and cash equivalents — at the end of the period	**6,422**	**9,134**	**131**

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

Financial Information of the Company

Summary of Standalone Statement of Profit and Loss of the Company

		Year ended March 31,		
		2016	2017	2018
		(Rs. in millions)		
I.	**REVENUE FROM OPERATIONS**	408,590	569,133	677,231
II.	**OTHER INCOME**	3,183	2,555	2,129
III.	**TOTAL INCOME (I + II)**	**411,773**	**571,688**	**679,360**
IV.	**EXPENSES:**			
	Cost of materials consumed	187,633	283,999	359,954
	Purchases of stock-in-trade	1,527	9,447	10,634
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	10,836	(13,896)	4,119
	Employee benefits expense	9,533	11,676	12,597
	Finance costs	32,187	36,428	35,906
	Depreciation and amortization expense	28,472	30,246	30,539
	Excise duty expense	41,520	46,231	12,588
	Other expenses	93,853	116,244	139,934
	TOTAL EXPENSES	**405,561**	**520,375**	**606,271**
V.	**PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)**	**6,212**	**51,313**	**73,089**
VI.	**EXCEPTIONAL ITEMS**	58,605	—	2,336
VII.	**PROFIT/(LOSS) BEFORE TAX (V-VI)**	**(52,393)**	**51,313**	**70,753**
VIII.	**TAX EXPENSE/(BENEFIT):**			
	Current tax	67	(531)	15,780
	Deferred tax	(17,163)	16,073	8,719
		(17,096)	**15,542**	**24,499**
IX.	**PROFIT/(LOSS) FOR THE YEAR (VII-VIII)**	**(35,297)**	**35,771**	**46,254**
X.	**OTHER COMPREHENSIVE INCOME**			
A	i) Items that will not be reclassified to profit or loss			
	a) Re-measurements of the defined benefit plans	(32)	(162)	(26)
	b) Equity instruments through Other Comprehensive Income	(4,541)	(627)	815
	ii) Income tax relating to items that will not be reclassified to profit or loss	11	56	9
	Total (A)	**(4,562)**	**(733)**	**798**
B	i) Items that will be reclassified to profit or loss			
	a) The effective portion of gains and loss on hedging instruments	468	2,997	(3,413)
	b) Changes in Foreign Currency Monetary Item Translation Difference account (FCMITDA)	(1,584)	2,974	(328)
	ii) Income tax relating to items that will be reclassified to profit or loss	386	(2,067)	1,299
	Total (B)	**(730)**	**3,904**	**(2,442)**
	Total Other comprehensive income/(loss) (A+B)	**(5,292)**	**3,171**	**(1,644)**
XI.	**Total comprehensive income/(loss) (IX + X)**	**(40,589)**	**38,942**	**44,610**
XII.	**EARNINGS PER EQUITY SHARE OF RE 1 EACH**			
	Basic (in Rs.)	(14.75)	14.89	19.24
	Diluted (in Rs.)	(14.75)	14.80	19.14

Summary of Condensed Standalone Interim Statement of Profit and Loss of the Company

		Nine months ended December 31,		
		2017	2018	2018
		(Rs. in millions)		(U.S.$ in millions)[1]
I.	**REVENUE FROM OPERATIONS**	477,126	570,264	8,171
II.	**OTHER INCOME**	1,401	4,363	63
III.	**TOTAL INCOME (I +II)**	**478,527**	**574,627**	**8,233**
IV.	**EXPENSES:**			
	Cost or materials consumed	258,378	305,325	4,375
	Purchases of stock-in-trade	7,353	4,040	58
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	2,041	(16,140)	(231)
	Employee benefits expense	9,393	10,529	151
	Finance costs	27,179	27,524	394
	Depreciation and amortization expense	22,731	25,323	363
	Excise duty expense	12,588	—	—
	Other expenses	98,998	125,886	1,804
	TOTAL EXPENSES	**438,661**	**482,487**	**6,913**
V.	**PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)**	**39,866**	**92,140**	**1,320**
VI.	**EXCEPTIONAL ITEMS**	2,336	—	—
VII.	**PROFIT BEFORE TAX (V-VI)**	**37,530**	**92,140**	**1,320**
VIII.	**TAX EXPENSES:**			
	Current tax	7,288	19,299	277
	Deferred tax	5,024	7,699	110
	Total	**12,312**	**26,998**	**387**
IX.	**PROFIT FOR THE PERIOD (VII-VIII)**	**25,218**	**65,142**	**933**
X.	**Other Comprehensive Income/(loss)**			
A	(i) Items that will not be reclassified to profit or loss			
	a) Remeasurement losses of the defined benefit plans	(40)	(129)	(2)
	b) Equity instruments through other comprehensive income	2,717	(297)	(4)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	14	45	1
	Total (A)	**2,691**	**(381)**	**(5)**
B	(i) Items that will be reclassified to profit or loss			
	a) The effective portion of gains and loss on hedging instruments	(1,756)	1,193	17
	b) Changes in Foreign Currency Monetary item translation difference account (FCMITDA)	473	(1,575)	(23)
	(ii) Income tax relating to items that will be reclassified to profit or loss	444	134	2
	Total (B)	**(839)**	**(248)**	**(4)**
	Total other comprehensive income/(loss) (A+B)	**1,852**	**(629)**	**(9)**
XI.	**Total comprehensive income (IX+X)**	**27,070**	**64,513**	**924**
XII.	**EARNINGS PER EQUITY SHARE OF RE. 1 EACH (not annualized)**			
	Basic (in Rs.)	10.49	27.09	0.40
	Diluted (in Rs.)	10.43	26.95	0.40

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

Summary of Standalone Balance Sheet of the Company

	As at March 31,			As at December 31,	
	2016	2017	2018	2018	2018
	(Rs. in millions)			(Rs. in millions)	(U.S.$ in millions)[1]
I ASSETS					
(1) Non-current assets					
(a) Property, plant and equipment	464,981	502,151	495,029	497,720	7,131
(b) Capital work-in-progress	62,035	27,454	30,709	69,126	990
(c) Intangible assets	618	511	653	880	13
(d) Intangible assets under development	2,358	2,817	3,206	4,244	61
(e) Investments in subsidiaries, associates and joint ventures	33,884	37,715	38,481	48,114	689
(f) Financial assets					
(i) Investments	13,757	9,782	10,299	13,183	189
(ii) Loans	2,418	27,707	51,649	74,628	1,069
(iii) Other financial assets	1,393	6,475	7,461	826	12
(g) Current Tax Assets (Net)	1,931	3,035	2,500	1,881	27
(h) Deferred tax assets (Net)	4,795	—	—	—	—
(i) Other non-current assets	12,272	13,959	22,994	28,935	415
Total non-current assets	**600,442**	**631,606**	**662,981**	**739,537**	**10,596**
(2) Current assets					
(a) Inventories	67,417	92,703	100,825	125,240	1,794
(b) Financial assets					
(i) Investments	—	3,001	—	1,039	15
(ii) Trade receivables	25,107	39,480	46,920	65,989	946
(iii) Cash and cash equivalents	4,651	7,120	4,507	3,816	55
(iv) Bank balances other than (iii) above	1,335	3,150	1,502	1,543	22
(v) Loans	13,253	1,211	1,578	1,294	19
(vi) Derivative Assets	2,428	4,340	1,466	2,018	29
(vii) Other financial assets	99	3,282	5,030	12,467	179
(c) Other current assets	20,346	23,701	30,701	32,340	463
Total current assets	**134,636**	**177,988**	**192,529**	**245,746**	**3,521**
Total assets	**735,078**	**809,594**	**855,510**	**985,283**	**14,117**
II EQUITY AND LIABILITIES					
(1) Equity					
(a) Equity share capital	3,009	3,013	3,017	3,012	43
(b) Other equity	201,094	237,968	276,049	330,564	4,736
Total equity	**204,103**	**240,981**	**279,066**	**333,576**	**4,780**
(2) Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	301,448	283,578	295,512	277,324	3,974
(ii) Other financial liabilities	1,339	9,686	6,985	7,623	109
(b) Provisions	10,174	745	1,149	2,100	30
(c) Deferred tax liabilities (Net)	—	13,293	20,706	28,227	404
(d) Other non-current liabilities	26	27	37	33	—
Total non-current liabilities	**312,987**	**307,329**	**324,389**	**315,307**	**4,518**

	As at March 31,			As at December 31,	
	2016	2017	2018	2018	2018
	(Rs. in millions)			(Rs. in millions)	(U.S.$ in millions)[1]
(3) Current liabilities					
(a) Financial liabilities					
(i) Borrowings	20,699	48,754	21,718	63,840	915
(ii) Trade payables	110,113	116,045	139,885	136,011	1,949
(iii) Derivative Liabilities	—	3,815	901	3,724	53
(iv) Other financial liabilities	75,911	81,121	71,113	111,829	1,602
(b) Provisions	1,057	1,321	1,106	569	8
(c) Other current liabilities	10,208	9,886	13,812	16,227	233
(d) Current tax liabilities (net)	—	342	3,520	4,200	60
Total current liabilities	**217,988**	**261,284**	**252,055**	**336,400**	**4,820**
Total liabilities	**530,975**	**568,613**	**576,444**	**651,707**	**9,338**
Total equity and liabilities	**735,078**	**809,594**	**855,510**	**985,283**	**14,117**

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts as at December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

Summary of Standalone Cash Flow Statement of the Company

		Year ended March 31,		
		2016	2017	2018
		(Rs. in millions)		
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	NET PROFIT/(LOSS) BEFORE TAX	**(52,393)**	**51,313**	**70,753**
	ADJUSTMENTS FOR:			
	Depreciation and amortization expenses	28,472	30,246	30,539
	Loss on sale of property, plant & equipment (net)	3	1,338	1,242
	Gain on sale of financial investments designated as FVTPL	(27)	(57)	(163)
	Interest income	(2,484)	(2,163)	(1,766)
	Net gain/(loss) arising on financial instruments designated as FVPTL	(60)	—	—
	Gain on financial instruments designated as FVTPL	—	(90)	(87)
	Loss on financial instruments designated as FVTPL	—	—	301
	Dividend income	(183)	(183)	(46)
	Interest expense	27,917	35,216	34,418
	Shares based payment expenses	—	129	282
	Export obligation deferred income amortization	—	(613)	(666)
	Unrealized exchange loss/(gain)	3,296	(756)	436
	Government grant income (Fair value gain on deferred government loan)	—	—	(525)
	Allowance for doubtful debts, loans and advances	58,606	368	3,805
		115,540	**63,435**	**67,770**
	Operating profit before working capital changes	**63,147**	**114,748**	**138,523**
	ADJUSTMENTS FOR:			
	(Increase)/decrease in inventories	18,308	(25,288)	(8,122)
	Increase in trade receivables	(4,839)	(14,373)	(6,610)
	Decrease/(increase) in loans and advances	250	(5,889)	(13,390)
	(Decrease)/increase in trade payable and other liabilities	(18,786)	16,394	23,245
	Increase in provisions	154	251	164
		(4,913)	**(28,905)**	**(4,713)**
	CASH FLOW FROM OPERATIONS	**58,234**	**85,843**	**133,810**
	Income taxes paid (net of refund received)	(1,539)	(231)	(12,067)
	NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**56,695**	**85,612**	**121,743**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of property, plant & equipment, intangible assets including under development	(39,068)	(39,525)	(37,762)
	Proceeds from sale of property, plant & equipment	16	255	71
	Investment in subsidiaries and joint ventures including advances	(12,835)	(5,240)	(1,753)
	Sale/(Purchase) of other long term investments (net)	3	—	—
	Sale/(Purchase) of current investments (net)	27	—	—
	Purchase of current investments	—	(27,840)	(78,038)
	Sale of current investments	—	24,896	81,202
	Bank deposits not considered as cash and cash equivalents (net)	8,520	(1,836)	1,693
	Loans to related parties	(7,909)	(14,942)	(28,577)
	Loans repaid by related parties	143	—	—
	Interest received	592	1,210	1,776
	Dividend received	183	183	46
	NET CASH USED IN INVESTING ACTIVITIES (B)	**(50,328)**	**(62,839)**	**(61,342)**

	Year ended March 31,		
	2016	2017	2018
	(Rs. in millions)		
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Issue of Equity Share Capital/Share Warrants	532	—	—
Proceeds from sale of treasury shares	—	567	493
Payments for purchase of treasury shares	—	(551)	(762)
Proceeds from non current borrowings	58,631	39,945	55,709
Repayment of non current borrowings	(53,433)	(48,015)	(47,740)
Proceeds from/repayment of current borrowings (net)	18,056	28,094	(27,034)
Repayment of finance lease liabilities	(2,342)	(3,223)	(2,964)
Interest paid	(28,059)	(34,939)	(34,170)
Dividend paid (including corporate dividend tax)	(3,200)	(2,182)	(6,546)
NET CASH USED IN FINANCING ACTIVITIES (C)	**(9,815)**	**(20,304)**	**(63,014)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(3,448)**	**2,469**	**(2,613)**
CASH AND CASH EQUIVALENTS — OPENING BALANCES	**8,099**	**4,651**	**7,120**
CASH AND CASH EQUIVALENTS — CLOSING BALANCES	**4,651**	**7,120**	**4,507**

Summary of Condensed Standalone Interim Cash Flow Statement of the Company

	Nine months ended December 31,		
	2017	**2018**	**2018**
	(Rs. in millions)		**(U.S.$ in millions)[1]**
A. NET CASH GENERATED FROM OPERATING ACTIVITIES	53,426	72,775	1,043
B. NET CASH USED IN INVESTING ACTIVITIES	(51,956)	(82,029)	(1,175)
C. NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	(6,355)	8,563	123
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(4,885)**	**(691)**	**(10)**
CASH AND CASH EQUIVALENTS — OPENING BALANCES	**7,120**	**4,507**	**65**
CASH AND CASH EQUIVALENTS — CLOSING BALANCES	**2,235**	**3,816**	**55**

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

The Group's Key Operating and Financial Information

This disclosure is intended to assist in understanding the trends in the operating and financial information of the Group included in this Offering Memorandum.

	Year ended March 31,		Nine months ended December 31,		
	2017	2018	2017	2018	2018
	(Rs. in millions)		(Rs. in millions)		(U.S.$ in millions except percentages)[6]
Revenue from operations (Rs. in millions)[5]	605,363	732,110	520,126	623,895	8,939
EBITDA (Rs. in millions)[1][5]	121,742	147,943	96,407	145,116	2,079
Payments for property, plant and equipments and intangibles (including capital advances) (Rs. in millions)	44,351	47,360	31,812	73,926	1,059
Profit before tax (Rs. in millions)	51,283	76,090	41,591	88,343	1,266
Total profit for the period/year (Rs. in millions)	34,672	61,130	33,640	60,283	864
EBITDA/Revenue from operations (per cent.)	20.1	20.2	18.5	23.3	23.3
Profit before tax/revenue from operations (per cent.)	8.5	10.4	8.0	14.2	14.2

	Year ended March 31,		Nine months ended December 31,	
	2017	2018	2018	2018
	(Rs. in millions)		(Rs. in millions)	(U.S.$ in millions except percentages and ratio)[6]
Net debt to equity ratio (times)[2]	1.85	1.38	1.40	1.40
Return on average net worth[3][5] (per cent.)	16.8	24.5	20.0	20.0
Return on average capital employed[4][5] (per cent.)	13.4	16.5	15.1	15.1

Notes:

(1) EBITDA: total profit /(loss) for the year/period +(–) share of profit/ loss from associate + (–) share of profit / loss from joint ventures (net) +(–) taxes/(benefit) + exceptional items + depreciation and amortization expense + finance costs – other income.

(2) Net debt to equity/net debt gearing ratio: net debt/net worth (Net debt: Non-current Borrowings + current borrowings + current maturities of long-term borrowings + current maturities of finance lease obligations – cash and cash equivalents – bank balances other than cash and cash equivalents – current investments) (Net worth: Equity attributable to Owner's of the Company + Non-controlling interests). Net debt excludes acceptances.

(3) Return on average net worth: total profit /(loss) for the year/period/average net worth (Net worth: Equity attributable to Owner's of the Company + Non-controlling interests) (Average net worth: (net worth as at the beginning of the year/period + net worth as at the closing of the year/period)/2).

(4) Return on average capital employed: EBIT/average capital employed (Capital employed: net worth + Non-current borrowings + Current borrowings + current maturities of long-term borrowings + current maturities of finance lease obligations + deferred tax liabilities (net) + deferred tax assets (net)) (EBIT: EBITDA – depreciation and amortization expenses) (Average capital employed: (capital employed as at the beginning of the year/period + capital employed as at the closing of the year/period)/2).

(5) As used in this Offering Memorandum, a non-GAAP financial measure is one that purports to measure historical financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable IFRS measures. From time to time, reference is made in this Offering Memorandum to such "non-GAAP financial measures", primarily EBITDA, or (unless otherwise specified) total profit before other income and finance costs, taxation, depreciation, amortization and exceptional items and share of results of associates / joint-ventures (net), and net debt, or (unless otherwise specified) non-current borrowings plus current borrowings plus current maturities of long term borrowings plus current maturities of finance lease obligations minus cash and cash equivalents, bank balances other than cash and cash equivalents, and current investments. The Group's management believes that EBIT, EBITDA, EBITDA/Revenue from operations, profit before tax/Revenue from operations, Net Debt, Net Worth, Net debt to equity ratio, Net debt gearing, Average net worth, Return on average net worth, Return on average capital employed and other non-GAAP financial measures provide investors with additional information about the Group's performance, as well as ability to incur and service debt and make capital expenditures, and are measures commonly used by investors. The non-GAAP financial measures described herein are not a substitute for IFRS measures of earnings and may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated.

(6) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

Non-GAAP Financial Measures

The following table reconciles the Group's profit after tax for the years ended March 31, 2017 and 2018 and for the nine months ended December 31, 2017 and 2018 to the Group's definition of EBITDA, Net debt to equity/net debt gearing ratio, return on average networth and return on average capital employed for the periods indicated:

	Year ended March 31,		**Nine months ended December 31,**		
	2017	**2018**	**2017**	**2018**	**2018**
	(Rs. in millions)		**(Rs. in millions)**		**(U.S.$ in millions except percentages)[1]**
Total profit for the period/year (A)	**34,672**	**61,130**	**33,640**	**60,283**	**864**
Adjustments					
Other income	1,521	1,669	1,220	1,507	22
Finance costs	(37,681)	(37,014)	(28,183)	(28,714)	(411)
Exceptional Items	—	(2,635)	(2,635)	—	—
Tax expenses					
Current tax	(1,518)	(18,262)	(8,939)	(20,328)	(291)
Deferred tax	(15,225)	2,877	638	(7,759)	(111)
Share of loss from an associate	(89)	—	—	—	—
Share of profit from joint ventures (net)	221	425	350	27	—
Total adjustments (B)	**(52,771)**	**(52,940)**	**(37,549)**	**(55,267)**	**(792)**
EBIT (C) = (A) - (B)	**87,443**	**114,070**	**71,189**	**115,550**	**1,656**
Adjustments (D)					
Depreciation and amortization expense	(34,299)	(33,873)	(25,218)	(29,566)	(424)
EBITDA (E) = (C) - (D)	**121,742**	**147,943**	**96,407**	**145,116**	**2,079**
Revenue from operations (F)	605,363	732,110	520,126	623,895	8,939
Profit before tax (G)	51,283	76,090	44,226	88,343	1,266
EBITDA/Revenue from operations (per cent.) (H) = (E/F)	20.1	20.2	18.5	23.3	23.3
Profit before tax/revenue from operations (per cent.) (G/F)	8.5	10.4	8.0	14.2	14.2

Notes:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

(2) EBITDA: total profit /(loss) for the year/period +(–) share of profit/ loss from associate + (–) share of profit / loss from joint ventures (net) +(–) taxes/(benefit) + exceptional items + depreciation and amortization expense + finance costs – other income.

	Year ended March 31,		Nine months ended December 31,	
	2017	2018	2018	2018
	(Rs. million)			(U.S.$ in millions except percentages and ratios)[1]
Non-current borrowings	324,158	317,229	305,066	4,371
Current borrowings	48,807	21,771	74,974	1,074
Current maturities of long-term borrowings	58,376	52,715	92,860	1,331
Current maturities of finance lease obligations	2,000	2,213	2,531	36
Total outstanding borrowings	433,341	393,928	475,431	6,812
Less: Cash and cash equivalents	(9,175)	(5,816)	(9,134)	(131)
Less: Bank balance other than cash and cash equivalents	(5,676)	(4,809)	(4,152)	(59)
Less: Current Investment	(3,001)	(3,120)	(1,847)	(26)
Net Debt	**415,489**	**380,183**	**460,298**	**6,595**
Equity attributable to Owners of the Company	226,476	279,974	331,937	4,756
Non-controlling interests	(2,457)	(4,641)	(4,130)	(59)
Net worth	**224,019**	**275,333**	**327,807**	**4,697**
Net debt to equity ratio (times)/ net debt gearing ratio	**1.85**	**1.38**	**1.40**	**1.40**
Net worth as at beginning of the year / period	187,707	224,019	275,333	3,945
Net worth as at closing of the year / period	224,019	275,333	327,807	4,697
Average Net worth	**205,863**	**249,676**	**301,570**	**4,321**
Return on average net worth (Profit/(loss) for the year/period/ average net worth) (per cent.)	**16.8**	**24.5**	**20.0**	**20.0**
Net worth	224,019	275,333	327,807	4,697
Non-current borrowings	324,158	317,229	305,066	4,371
Current borrowings	48,807	21,771	74,974	1,074
Current maturities of long-term borrowings	58,376	52,715	92,860	1,331
Current maturities of finance lease obligations	2,000	2,213	2,531	36
Deferred tax liabilities (net)	30,736	26,043	35,196	504
Deferred tax assets (net)	(844)	(481)	(819)	(12)
Capital employed	**687,252**	**694,823**	**837,615**	**12,002**
Capital employed as at beginning of the year / period	622,134	687,252	694,823	9,956
Capital employed as at closing of the year / period	687,252	694,823	837,615	12,002
Average Capital employed	**654,693**	**691,038**	**766,219**	**10,979**
Return on average capital employed (EBIT/Average Capital employed) (per cent.)	13.4	16.5	15.1	15.1

Notes:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

(2) Net debt to equity/net debt gearing ratio: net debt/net worth (Net debt: Non-current Borrowings + current borrowings + current maturities of long-term borrowings + current maturities of finance lease obligations – cash and cash equivalents – bank balances other than cash and cash equivalents – current investments) (Net worth: Equity attributable to Owner's of the Company + Non-controlling interests). Net debt excludes acceptances.

(3) Return on average net worth: total profit /(loss) for the year/period/average net worth (Net worth: Equity attributable to Owner's of the Company + Non-controlling interests) (Average net worth: (net worth as at the beginning of the year/period + net worth as at the closing of the year/period)/2).

(4) Return on average capital employed: EBIT/average capital employed (Capital employed: net worth + Non-current borrowings + Current borrowings + current maturities of long-term borrowings + current maturities of finance lease obligations + deferred tax liabilities (net) + deferred tax assets (net)) (EBIT: EBITDA – depreciation and amortization expenses) (Average capital employed: (capital employed as at the beginning of the year/period + capital employed as at the closing of the year/period)/2).

(5) As used in this Offering Memorandum, a non-GAAP financial measure is one that purports to measure historical financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable IFRS measures. From time to time, reference is made in this Offering Memorandum to such "non-GAAP financial measures", primarily EBITDA, or (unless otherwise specified) total profit before other income and finance costs, taxation, depreciation, amortization and exceptional items and share of results of associates / joint-ventures (net), and net debt, or (unless otherwise specified) non-current borrowings plus current borrowings plus current maturities of long term borrowings plus current maturities of finance lease obligations minus cash and cash equivalents, bank balances other than cash and cash equivalents, and current investments. The Group's management believes that EBIT, EBITDA, EBITDA/Revenue from operations, profit before tax/Revenue from operations, Net Debt, Net Worth, Net debt to equity ratio, Net debt gearing, Average net worth, Return on average net worth, Return on average capital employed and other non-GAAP financial measures provide investors with additional information about the Group's performance, as well as ability to incur and service debt and make capital expenditures, and are measures commonly used by investors. The non-GAAP financial measures described herein are not a substitute for IFRS measures of earnings and may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated.

THE OFFERING

The following is a brief summary of the terms of this offering and is qualified in its entirety by the remainder of this Offering Memorandum. This summary is derived from, and should be read in conjunction with, the full text of the "Terms and Conditions of the Notes" and other information included in this Offering Memorandum.

Company	JSW Steel Limited (the "Company")
Notes Offered	U.S.$500,000,000 5.950 per cent. Notes due 2024 (the "Notes")
Joint Lead Managers	Deutsche Bank AG, Singapore Branch Australia and New Zealand Banking Group Limited BNP Paribas Citigroup Global Markets Limited Credit Suisse (Hong Kong) Limited First Abu Dhabi Bank PJSC J.P. Morgan Securities plc Mizuho Securities Asia Limited SBICAP (Singapore) Limited Standard Chartered Bank
Issue Price	100 per cent.
Maturity Date	April 18, 2024.
Interest	The Notes will bear interest from, and including April 18, 2019 (the "Issue Date") at the rate of 5.950 per cent. per annum from, and including, the Issue Date to, but excluding April 18, 2024 payable semi-annually in arrear on April 18 and October 18 of each year. The first interest payment will be made on October 18, 2019 in the amount of U.S.$14,875,000.
Trustee	DB Trustees (Hong Kong) Limited
Principal Paying Agent, Registrar, and Transfer Agent	Deutsche Bank AG, Hong Kong Branch
Status of the Notes	The Notes constitute (subject to Condition 4.2 (*Covenants*)) direct, general, unsecured and unsubordinated obligations of the Company and will rank at all times *pari passu* without any preference among themselves and at least equally with all other present and future outstanding unsecured and unsubordinated obligations of the Company but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.
Form and Denomination of the Notes	The Notes will be issued in fully registered form and in the denomination of U.S.$200,000 each and integral multiples of U.S.$1,000 in excess thereof. Upon issue, the Bonds will be represented by the Unrestricted Global Certificate in registered form. On the Closing Date, the Unrestricted Global Certificate will be deposited with a custodian for, and registered in the name of a nominee of Euroclear and Clearstream.

Redemption for Tax Reasons	The Notes may be redeemed at the option of the Company in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption), if: (a) the Company has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction (as defined in Condition 8 (*Taxation*)) or any change in the official application or interpretation of such laws or regulations; and (b) such obligation cannot be avoided by the Company taking reasonable measures available to it, *provided* that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional amounts were a payment in respect of the Notes then due. See "*Terms and Conditions of the Notes — Redemption and Purchase — Redemption for taxation reasons*". ECB Guidelines at the time of such redemption may require the Company to obtain the prior approval of RBI or the AD Bank before effecting a redemption of the Notes prior to their stated maturity date and such approval may not be forthcoming. See "*Risk Factors — Risks Related to the Notes — Early redemption of Notes prior to their stated average maturity may require the prior approval of RBI or the AD Bank in accordance with the ECB Guidelines*".
Redemption for a Change of Control Triggering Event	If a Change of Control Triggering Event (as defined below) occurs with respect to the Company, each Noteholder shall have the right at such Noteholder's option, to require the Company to redeem all of such Noteholder's Note in whole but not in part at 101.0 per cent. of their principal amount plus accrued and unpaid interest, if any, to and including the date of purchase, in accordance with the Conditions. See "*Terms and Conditions of the Notes — Redemption for a Change of Control Triggering Event.*" ECB Guidelines at the time of such redemption may require the Company to obtain the prior approval of RBI or the AD Bank before effecting a redemption of the Notes prior to their stated maturity date and such approval may not be forthcoming. See "*Risk Factors — Risks Related to the Notes — Early redemption of Notes prior to their stated average maturity may require the prior approval of RBI or the AD Bank in accordance with the ECB Guidelines*".
Events of Default.	For a description of events that would permit acceleration of repayment of principal and interest of the Notes see "*Terms and Conditions of the Notes — Events of Default*".

	ECB Guidelines at the time of such redemption in the case of an Event of Default, may require the Company to obtain the prior approval of RBI or the AD Bank in accordance with ECB Guidelines before effecting a redemption of the Notes prior to their stated maturity date and such approval may not be forthcoming. See "*Risk Factors — Risks Related to the Notes — Early redemption of Notes prior to their stated average maturity may require the prior approval of RBI or the AD Bank in accordance with the ECB Guidelines*".
Covenants	The Company has agreed in the Trust Deed constituting the Notes and the Conditions related thereto to observe certain covenants, including, among other things, limitation on indebtedness, negative pledge, limitation on asset sales, consolidation and merger and reporting covenants. For details see "*Terms and Conditions of the Notes — Covenants*".
Suspension of Covenants	If, on any date following the date of the Trust Deed, the Notes are rated Investment Grade from both of the Rating Agencies and no Default or Event of Default has occurred and is continuing (a "Suspension Event"), then, beginning on that day and continuing until such time, if any, (i) at which the Notes cease to be rated Investment Grade from either of the Rating Agencies or (ii) an Event of Default occurs and is continuing, Condition 4.1 (*Limitation on Indebtedness*) and Condition 4.3 (*Limitation on Asset Sales*) will not apply to the Notes. Such Conditions will be reinstituted and apply according to their terms as at and from the first day on which a Suspension Event ceases to be in effect. Such Conditions will not, however, be of any effect with regard to actions of the Company properly taken in compliance with the provisions of the Trust Deed during the continuance of the Suspension Event, and no Default will be deemed to have occurred as a result of a failure to comply with such covenants during such period. See "*Terms and Conditions of the Notes — Covenants —Suspension of Covenants*".
Meetings of Noteholders	The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Withholding Tax and Additional Amounts	The Company will pay such additional amounts as may be necessary in order that the net payment received by each Noteholder in respect of the Notes, after withholding for any taxes imposed by tax authorities in an Relevant Jurisdiction upon payments made by or on behalf of the Company in respect of the Notes, will equal the amount which would have been received in the absence of any such withholding taxes, subject to the customary exceptions, as described in "*Terms and Conditions of the Notes — Taxation*". The payments to be made by the Company have to be within the 'all-in cost' ceiling prescribed by the RBI in the ECB Guidelines. However, the withholding tax payable in INR shall not be a part of such 'all-in cost' ceiling. The Company shall seek the approval of the RBI for making any payments in excess of the 'all-in cost' ceiling prescribed in the ECB Guidelines and such approval may not be forthcoming.
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Notes in, among others, (the European Economic Area, the United Kingdom, Singapore, the Republic of Italy, India, Hong Kong, Japan and Switzerland). Any sale, resale or other transfer not made in compliance with the restrictions described herein shall be null and void ab initio and will not be honored by the Issuer. See "*Selling Restrictions*".
Global Certificate	ISIN: XS1981202861. Common Code: 198120286.
Book-Entry Only	The Notes will be issued in book-entry form for the accounts of Euroclear and Clearstream.
Delivery of the Notes	The Issuer expects to make delivery of the Notes, against payment in same-day funds, on or about April 18, 2019, which the Issuer expects will be the fifth business day following the date of this Offering Memorandum, referred to as "T+5." You should note that initial trading of the Notes may be affected by the T+5 settlement.
Governing Law	The Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and shall be construed in accordance, with English law.
Risk Factors	For a discussion of certain factors that should be considered in evaluating an investment in the Notes, see "*Risk Factors*".

Listing	Approval in-principle has been received from the SGX-ST for listing of and quotation for the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.
Use of Proceeds	The Company intends to use the gross proceeds of the Notes to repay external commercial borrowing loans, for capital expenditure or any other purpose in accordance with the ECB Guidelines.

This Offering Memorandum contains forward-looking statements that involve risks and uncertainties. Prospective investors should carefully consider the risks and uncertainties described below and the information contained elsewhere in this Offering Memorandum before making an investment in the Notes. In making an investment decision, each investor must rely on its own examination of the Group and the terms of the offering of the Notes. The risks described below are not the only ones faced by the Group or investments in India in general that may adversely affect the Group's ability to make payment on the Notes. The Group's business, prospects, financial condition, cash flows and results of operations could be materially and adversely affected by any of these risks. Additional risks not currently known to the Group or that the Group currently deems immaterial may also impair the business, prospects, financial condition, cash flows and results of operations of the Group.

The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

This Offering Memorandum also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Offering Memorandum. For details, please see "Forward-Looking Statements" on page xi of this Offering Memorandum.

Risks Relating to the Group

The steel industry is cyclical in nature and the Group's performance, including operating margin, is affected by a variety of factors, including demand and supply of steel products and domestic and global economic conditions.

The steel industry, like most capital intensive commodity industries, is cyclical in nature. Global steel prices have fluctuated significantly in recent years depending on a number of factors, such as the availability and cost of raw materials, fluctuations in both international and domestic steel demand, production capacity addition, imports/exports, transportation costs, trade measures and various social and political factors in the economies in which the steel producers sell their products. Steel prices are also 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 the Group's 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, the Group's steel products.

The Group's operating margins are substantially affected by variations in the realized sales prices of the Group's 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 the Group's operating margins.

The Group sells the majority of its products to the domestic market. The Group's revenue from operations within India amounted to Rs.556,997 million and Rs.520,885 million for the year ended March 31, 2018 and the nine months ended December 31, 2018, respectively. The Group may be

affected by significant downturns and disruptions in the Indian as well as the global market for a sustained period, which may be reflected in steep and sustained reductions in the price of steel in India. For example, the Group's profitability in fiscal year 2016 was adversely impacted due to such reduction in the price of steel. In 2016, global steel consumption increased by 1 per cent., while consumption in India increased by 4.2 per cent. In 2017 global steel consumption increased by 4.7 per cent. while in India consumption increased by 4.3 per cent. (source: WSA). 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 the Group's business, financial condition and results of operations.

The steel industry is characterized by heavy reliance on and volatility in the prices of raw materials, including mismatches between trends in prices for raw materials as well as limitations on or disruptions in the supply of raw materials, which could adversely affect the Group's profitability.

The primary raw materials that the Group uses in the production of steel are iron ore and coal. In addition, the Group's operations require substantial amounts of other raw materials and utilities, including various types of limestone, alloys, refractories, oxygen, fuel and gas. The cost of materials consumed accounted for the single largest component of the Group's cost base and amounted to 53.0 per cent. and 53.4 per cent. of consolidated revenue from operations for the year ended March 31, 2018 and the nine months ended December 31, 2018, respectively. The price and availability of raw materials may be adversely affected by a number of factors that are beyond the Group's control, including interruptions in production by suppliers, demand for raw materials, supplier allocation to other purchasers, price fluctuations and transport costs, among others. In the event that the Group is unable to procure raw materials in sufficient quantities, at acceptable prices, in a timely manner, or at all, the Group's operations may be disrupted, resulting in a reduction of production volumes or complete cessation of production. Any such disruption may adversely impact the Group's business, financial condition and results of operations.

In the past, iron ore mining activities in the state of Karnataka which houses the Group's major facilities were suspended due to certain environmental violations by miners. Any such suspensions could affect the quantity and quality of iron ore available to the Group. While the Group's technological competence to convert low grade iron ore to higher grade has helped it in meeting the Group's raw material requirements in the past, there can be no assurance that any future suspensions would not have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may be at a comparative disadvantage to more integrated competitors who have secure or more diversified sources of key raw materials. Any shortage or termination in supply of raw materials may lead to partial or full closure of the Group's facilities, thereby adversely impacting its production schedules and output. Further, any disruption in the Group's suppliers' operations may result in unavailability of raw materials to the Group and a disruption to its 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. Any prolonged interruption in the supply of raw materials or coal, or failure to obtain adequate supplies of raw materials or coal at reasonable prices or at all, or increases in costs which the Group cannot pass on to its customers, could have a material adverse effect on its business, financial condition, results of operations or prospects.

The Group is also susceptible to sustained upward movements in the cost of key raw materials and any significant increase in the prices of raw materials would increase the Group's manufacturing costs and adversely affect its business, financial condition and results of operations. For example, the price of iron ore (Platts 62-Fe CFR China) fluctuated between U.S.$63.0/ton and U.S.$77/ton during the nine months ended December 31, 2018 while the spot price of hard coking coal (Platts premium LV — FOB Australia) fluctuated between U.S.$172/ton and U.S.$236/ton during the same period.

Overcapacity and oversupply in the global steel industry may adversely affect the Group's profitability.

The Group's competitiveness and long-term profitability are, to a significant degree, dependent upon its 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, overcapacity increases due to weaker demand for steel. Global steelmaking capacity 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. A lower utilization rate would also affect the Group's fixed costs, which cannot be fully reduced in line with production volumes, leading to a higher per unit cost. A decrease in the Group's utilization rate could have a material adverse effect on its business, financial condition and results of operations.

If industry-wide steel inventory levels are high, customers may draw from inventory rather than purchase new products, which would adversely affect the Group's revenue and profitability.

Above-normal industry inventory levels can cause a decrease in demand for the Group's products and thereby adversely impact its 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.

The Group may not be able to successfully implement, sustain or manage its organic growth strategy.

The Group's organic growth strategy includes completion of brownfield expansion projects, capacity enhancement through the establishment of new greenfield projects, such as in the state of Jharkhand and Orissa, increasing focus on forward and backward integration, diversifying its product profile, prudent management of its financial position and investing in technology to improve cost efficiency and reduce wastage. However, there can be no assurance that the Group will be able to implement, sustain or manage this strategy successfully or that it will be able to expand further successfully.

If the Group grows its business too rapidly or fails to make proper assessments of credit risks associated with acquisitions or its investments in other companies, it may become significantly exposed to debt incurred for the purpose of the acquisitions or investments, which would have a negative impact on the Group's financial condition.

While the Group has been expanding its steelmaking capacity at Vijaynagar Works in Karnataka, Dolvi Works in Maharashtra and other facilities, this increased production capacity, combined with weakening demand primarily due to the protracted slowdown of the global economy, may result in production overcapacity in the global and domestic steel industry. Overcapacity in the global steel

industry may intensify if global economy goes into a recession or if demand from developing countries does not meet the growth in production capacity. If the Group is unable to achieve optimal capacity utilization with its new or expanded or existing facilities, there could be a material adverse effect on its business, financial condition and results of operations.

The Group may need additional capital for pursuing other growth or acquisition opportunities.

The Group may pursue opportunities for further growth identified by the Group. Such acquisition of new assets may be dependent upon the Group's ability to obtain suitable financing. 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 the Group succeeds in raising the required resources, such an effort may materially alter the risk profile of the Group and in turn have an adverse effect on its business, financial condition and results of operations.

The Company may reorganize its subsidiaries from time to time.

The Company has multiple subsidiaries both domestic and overseas and in accordance with customary business practice, the Company has reorganized its subsidiaries by way of share or asset sales. Any similar reorganization in future may affect its business, financial condition and results of operations. For further information please see "*Business — Restructuring*".

The Group's expansion plans require significant expenditure and, if it is unable to obtain the necessary funds for expansion, the Group's business may be adversely affected.

The Group has already invested and proposes to continue to make significant investments towards improving and increasing its existing capacity at certain of its facilities. For further details of the Group's expansion plans, see "*Business — Facilities*". The Group will need significant additional capital to finance its expansion plans. To the extent that the Group's capital expenditure requirements exceed its available resources, the Group will be required to seek additional debt or equity financing. Additional debt financing could increase the Group's interest costs and require it to comply with additional restrictive covenants in its financing agreements.

The Group's ability to finance its capital expenditure plans is subject to a number of risks, contingencies and other factors, some of which are beyond its control, including tariff regulations, borrowing or lending restrictions, if any, imposed by the RBI or other regulatory or government organizations and general economic and capital markets conditions. Furthermore, adverse developments in the Indian and international credit markets may significantly increase the Group's debt service costs and its overall costs of funds. Even though a substantial portion of the required debt is already committed for the expansion projects, there can be no assurance that the Group will be able to raise additional financing on acceptable terms in a timely manner or at all. The Group's failure to renew existing funding or to obtain additional financing on acceptable terms in a timely manner could materially and adversely impact the Group's planned capital expenditure, business and profitability.

In the event of adverse market conditions, or if actual expenditure exceeds planned expenditure, the Group's external financing activities and internal sources of liquidity may not be sufficient to support current and future expansion plans, and the Group may be forced to, or may choose to, delay or terminate the expansion of the capacity of certain of its facilities, the construction of new facilities or the acquisition of new businesses. The Group's ability to arrange external financing and the cost of such financing, as well as the Group's ability to raise additional funds through the issuance of equity, equity-related or debt instruments in the future, is dependent on numerous factors. These factors include general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in the Group, the success of the Group, provisions of tax and securities laws that may be applicable to the Group's efforts to raise capital, the political and economic conditions in the geographic locations in which the Group operates, the amount of capital that other entities may seek to raise in the capital markets, the liquidity of the capital markets and the Group's business, financial condition and results of operations.

Further, any debt the Group may raise may be required to be rated by credit rating agencies on an ongoing basis. Any fall in ratings for existing debt may impact the Group's ability to raise additional financing or may increase the cost of servicing debt due to renegotiation of lending terms by the Group's lenders. Further, the Group may not be able to receive adequate debt funding on commercially reasonable terms in India and may be required to seek funding internationally, which may result in exposure to higher interest rates and may have a material adverse impact on the Group's business, financial condition and results of operations.

There can also be no assurance that the actual costs incurred, the production capacity added or time taken for implementation of the Group's expansion plans will not vary from the estimated parameters. In the event of any significant cost overruns, the Group may need to incur additional indebtedness or may need to raise capital through other sources, which may have a material adverse impact on its business, financial condition and results of operations.

The Group is subject to comprehensive federal, state, local and other laws and regulations that could increase the cost and alter the manner or feasibility of carrying the Group's business.

The Group's operations are regulated extensively at the federal, state and local levels in India as well as in other countries where it operates. Such regulations are significantly different to those of the Group generally and require a different compliance regime. Environmental and other governmental laws and regulations have increased the Group's costs to plan, design, install and operate its facilities. Under such laws and regulations, the Group 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 the Group's operations and subject it 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 towards a stricter carbon emission regulation regime, the impact of which may be adverse to the Group's business and operations.

Part of the regulatory environment in which the Group operates includes, in some cases, legal requirements for obtaining environmental assessments, environmental impact studies and/or plans of development before commencing production activities. Any expiration or delay of approvals could prevent our Group from carrying out certain aspects of its operations, which may be adverse to our Group's business and results of operations. In addition, the Group's activities are subject to regulations regarding conservation practices and protection of correlative rights. These regulations may affect the Group's operations. The construction and operation of our Group's facilities have previously faced opposition from local communities where these projects are located and from special interest groups due to the perceived negative impact they may have on the natural and cultural heritage. Any actions taken by them in response to such concerns could compromise the Group's profitability or, in extreme cases, the viability of an operation or the development of new activities in the relevant region. There are certain cases filed against our Group alleging violation of environmental laws. Even if no orders are passed against the Group, it may have to bear the expense of various litigations and if any order is passed against it, it could have an impact on continuation of its business operations and reputation. It may have to pay the penalty and related charges, and its financial condition and results of operations could be adversely affected.

The Group has incurred significant indebtedness and may incur further debt. The Group's substantial indebtedness and the conditions and restrictions imposed by the Group's lenders and the terms of any future debt obligations may restrict the Group's ability to conduct its business and operations.

As at December 31, 2018, the Group had total outstanding borrowings (non-current borrowings plus current borrowings plus current maturities of long term borrowings plus current maturities of finance lease obligation) of Rs.475,431 million (U.S.$6,812 million), a net debt gearing ratio of 1.40. Any unfavorable change in these ratios may adversely impact the Group's ability to raise further resources. In addition, the Group may incur additional indebtedness in the future.

The Group's substantial indebtedness could have several important consequences. For example, it could:

- increase the Group's vulnerability to general adverse economic and industry conditions;
- require the Group to dedicate a substantial portion of its cash flow from operations to payments on its indebtedness, thereby reducing the availability of its cash flows to fund working capital, capital expenditures, acquisitions, joint ventures and other general corporate purposes;
- limit the Group's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates;
- place the Group at a competitive disadvantage compared to its competitors that have less debt;
- impair the Group's ability to pay dividends in the future; and
- limit the Group's 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.

Many of the existing agreements with the Group's lenders contain restrictive covenants that require it to obtain the prior consent of its 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 the Group's financing arrangements include covenants to maintain certain debt to EBITDA ratios, debt to equity ratios, debt coverage ratios and certain other liquidity ratios, and there can be no assurance that such financial covenants will not hinder business development and growth. The Group has, in the past, sought waivers for certain of these covenants from some of its lenders and it may need to do so again in the future, with no assurance that any such waiver will be granted. Any 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 indebtedness, which may adversely affect the Group's business, financial condition and results of operations.

As at December 31, 2018, the Group had total contingent liabilities of Rs.49,839 million (U.S.$714 million) as per IND-AS 37 — "Provisions, contingent liabilities and contingent assets". These included contingent liabilities on account of guarantees, disputed claims and levies. If these contingent liabilities fully, or substantially, materialize, the Group's business, financial condition and results of operations may be adversely affected.

The Group faces substantial competition, both from Indian and international steel producers, which may affect its prospects.

The Indian steel industry is highly competitive. As an integrated steel manufacturer in India, the Group competes 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, the Group also competes with certain non-integrated steel producers, which manufacture value-added steel products as well as long steel products.

In the past, competing domestic steel producers have increased their manufacturing capacity which at times intensified domestic competition with the ramping up of new facilities by these competitors. Some of the Group's domestic competitors may possess an advantage over the Group 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 the Group's market share will depend on effective marketing

initiatives and the Group's ability to anticipate and respond to various competitive factors affecting the industry, including the Group's ability to improve its manufacturing process and techniques, introduce new products, respond to pricing strategies of its competitors, and adapt to changes in technology and changes in customer preferences. Failure by the Group to compete effectively could have a material adverse effect on its business, financial condition and results of operations.

The Group also expects increasing competition from international steel producers due to the increasing consolidation in the steel industry worldwide. A number of the Group's international competitors may have greater financial and other resources and some have announced plans to establish manufacturing operations in India. The Group may also face competition from new companies that are emerging which may attempt to obtain a share in the Group's 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 the Group will be able to compete successfully in the future against its existing or potential competitors or that increased competition with respect to its activities may not have an adverse effect on the Group's business, financial condition and results of operations.

Further, in the past, India has 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 the Group. 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 the Group's products relatively more expensive.

The Group has undertaken, and may undertake in the future, strategic acquisitions, including the acquisition of BPSL, which may require the incurrence of material indebtedness, may be difficult to integrate, and may end up being unsuccessful. There can be no assurance that such acquisitions will be successful, will result in a positive outcome or, in certain instances, will not result in a material adverse effect on the Group's financial position or results of operations.

- in August 2016, the Group executed a share purchase agreement with Praxair India Private Limited to acquire their entire shareholding of 74 per cent. in JSW Praxair Oxygen Private Limited (now renamed as JSW Industrial Gases Private Limited);

- in October 2016, the Group won five iron ore mines in Karnataka, India, in an auction conducted by the Government of Karnataka (the "**Karnataka State Government**"). The Group won an additional mine in an auction conducted by the Karnataka State Government in October 2018. Three of the aforementioned six mines have commenced operations, and the remaining three are expected to be operational during the fiscal year 2020. Further, in April 2015, the Group also won a coal mine in Jharkhand in the auction conducted by the central government;

- in May 2018, the Group entered into a sale and purchase agreement with Cevitaly S.r.l for the acquisition of 100 per cent. of the shares of Aferpi S.p.A, Piombinio Logistics S.p.A and 69.27 per cent. of the share capital of GSI Lucchini S.p.A. The acquisition was completed on July 24, 2018;

- in June 2018, the Company completed the acquisition of 100 per cent. of the shares of Acero Junction Holdings Inc. for a total enterprise value of U.S.$182.41 million, with equity value of U.S.$80.85 million and liabilities of U.S.$101.56 million;

- in July 2018, the NCLT approved the resolution plan submitted by the Group and AION Investments Private II Limited for the acquisition of Monnet Ispat and Energy Limited and in August 2018, the consortium completed the acquisition;

- in a meeting held on October 25, 2018, the board of directors of the Company approved the merger of wholly-owned subsidiaries DMMPL, DCPL, JSW Salav and JSPCL with itself. DMMPL is a wholly-owned subsidiary of the Company and in turn holds 100% of the equity of

DCPL, a company that was set up to own and operate a 3.0 mtpa coke oven plant at Dolvi. JSPCL owns and operates a processing center at Vijaynagar and JSW Salav owns a 0.9 mtpa DRI plant at Salav near Dolvi. The merger is expected to be effective on April 1, 2019, subject to regulatory approvals;

- on October 23, 2018, the Company had acquired the shareholding of other shareholders of DMMPL aggregating to 60.004% for a consideration of Rs.1.09 billion;

- in an order dated December 19, 2018, the resolution plan submitted by the Company for Vardhman Industries Limited ("**VIL**") was approved with some modifications by the NCLT. The Company filed an application with the NCLT seeking certain clarifications/modifications to such order. The NCLT, by its order dated January 7, 2019, had deferred the implementation of the resolution plan until the processing of clarifications by the Regular Bench was complete. The hearing on the clarification application was concluded on January 28, 2019 and it is reserved for orders. While reserving the order on application for clarification of the NCLT's order approving the resolution plan, the NCLT has stayed implementation of the resolution plan. As of the date of this Offering Circular, the Company has not taken control of VIL; and

- on February 13, 2019, the Company accepted a Letter of Intent issued by the Committee of Creditors of BPSL, a company currently undergoing insolvency resolution process under the provisions of the Bankruptcy Code. The completion of the acquisition of BPSL is subject to approval from the NCLT and satisfaction of certain conditions precedent under the Company's resolution plan for BPSL (the "**BPSL Resolution Plan**").

The Group may not be able to successfully complete its planned acquisitions and, even if it succeeds at acquiring any businesses, the Group's ability to achieve the benefits it anticipates from future acquisitions will depend in large part upon whether it is able to integrate the acquired businesses into the rest of the Group in an efficient and effective manner. The integration of acquired businesses and the achievement of synergies require, among other things, coordination of business development and procurement efforts, manufacturing improvements and employee retention, hiring and training policies, as well as the alignment of products, sales and marketing operations, compliance and control procedures, research and development activities and information and software systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings than 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 business.

In addition, the Group may make further acquisitions which may require the Group to incur or assume substantial new debt, expose it to future funding obligations and expose it to integration risks, and the Group cannot assure prospective investors that such acquisitions will contribute to its profitability. The failure to successfully integrate an acquired business or the inability to realize the anticipated benefits of such acquisitions could materially and adversely affect the Group's business, financial condition and results of operations.

The Group's acquisition of BPSL is expected to subject the Group to various risks.

The completion of the acquisition of BPSL is subject to approval from the NCLT and satisfaction of certain conditions precedent under the BPSL Resolution Plan. As of the date of this Offering Memorandum, hearings in respect of the NCLT's approval remains ongoing. In addition, the Group's acquisition of BPSL remains subject to challenge by third parties. As a result of the foregoing, the exact timing of the Group's acquisition of BPSL remains uncertain.

Due to the material size of BPSL (as per the last publicly available figure for total assets as at March 31, 2017 being over 20% of the Group's total assets), the Group expects to incur significant indebtedness for some duration in connection with its acquisition of BPSL. The incurrence of such

significant indebtedness is expected to result in significant additional financing costs. There is no guarantee that the Group will be able to service such additional indebtedness in a timely manner, or at all, which would have a material adverse effect on the Group's business, financial condition and results of operations.

While the Group does not currently intend to consolidate BPSL's business into its own and is currently in advanced negotiations with various investors to invest in a special purpose vehicle that is intended to hold BPSL's business there can be no assurance that the Group will be able to find a required partner or to successfully complete a proposed reorganization of the capital structure subsequent to the completion of the acquisition. Any inability to find a required partner would result in the Group bearing full responsibility for BPSL, meaning that the Group would be required to (i) book the full amount of debt incurred to acquire BPSL, (ii) bear full responsibility for servicing debt incurred to acquire BPSL, (iii) bear responsibility and risk for the operational turnaround of BPSL and (iv) pay amounts owed to operational creditors of BPSL, as ultimately decided through NCLT proceedings. All or any of the above may materially and adversely affect the Group's business, financial condition and results of operations. While the Group believes it has sufficient resources to absorb such responsibility, it has not mobilized internal resources in such a manner to prepare for such absorption given its present intent to not consolidate BPSL's business, and there is no guarantee that such absorption will not materially and adversely affect the Group's business, financial condition and results of operations. Furthermore, if a partner were found, the Group's operation of BPSL may encounter risks relating to strategic alignment, potential discord and deadlock.

Furthermore, there are significant financial risks associated with the Group's acquisition of BPSL. There are various uncertainties and risks in respect of the Group's exposure to BPSL due to, among other things: (i) whether a partner will be present (and whether a joint venture will be entered into); (ii) if a partner is present, the exact split of partnership equity and debt; and (iii) the nature of any debt financing of any such joint venture. Variation in any of the above may materially and adversely affect the Group's business, financial condition and results of operations.

In addition, the implementation of the BPSL Resolution Plan would subject the Group to various risks. The turnaround of BPSL to further improve operational profitability is large-scale and ambitious, and thus capital expenditure in excess of budgeted amounts, delays and difficulties in achieving commercial objectives therefore cannot be ruled out. The risks in this respect are compounded to an extent by the fact that BPSL is emerging from bankruptcy (meaning, among other things, that maintenance capital expenditures were deferred). Any inability to effectively implement the BPSL Resolution Plan may materially and adversely affect the Group's business, financial condition and results of operations.

Please see "*Business — Recent Developments — Acquisition of Bhushan Power and Steel Limited*" for further details.

The Group may, from time to time, evaluate strategic acquisitions, which may be in various stages and the final outcome of which is inherently uncertain.

As part of its acquisition strategy, the Group may from time to time evaluate strategic transactions which may be in various stages, including the submission of bids (including binding bids) for a particular target company or asset and the negotiation of contracts and other items with respect thereto. The Group currently has binding bids outstanding, the outcomes of which are uncertain. Although the Group conducts business, financial and legal due diligence in connection with the evaluation of future business or acquisition opportunities, there can be no assurance such due diligence investigations will identify every matter that could have a material adverse effect on the Group should the acquisition take place. Due to the nature of binding bids in particular, the Group in such circumstances is making a commitment upfront despite certain uncertainties in the event the bid is accepted. These include the possibility that the acquired business or asset does not perform as expected, the possibility that the price paid for the acquisition is more than the value that can be

derived from such acquisition and the risk of less cash available for operations and the incurrence of additional indebtedness to finance the acquisition as well as that of the target entity, among others. Any of these factors could materially and adversely affect the Group's business, financial condition and results of operations.

The Group operates a global business and its financial condition and results of operations are affected by the local conditions impacting countries where it operates.

The Group operates a global business and has facilities and/or interests in India, the United States, Italy, Chile and Mozambique, among others. As a result, the Group's financial condition and results of operations are affected by political and economic conditions impacting countries where it operates.

The Group faces a number of risks associated with its 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 labor, 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 the Group operates its business, in particular India but also Chile and Mozambique, is less developed than that of many developed nations and problems with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt the Group's normal business activities.

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

Failure to secure power at competitive prices could increase the cost of production and any shortage of power supply or water may prevent the Group from operating its production facilities.

The Group's continuing production processes require, and the proposed expansions will require, a stable supply of electricity in large quantities. The entire production process may cease if there is insufficient power or a suspension in the power supply. Currently, substantially all of the Group's electricity requirements at Vijaynagar Works are met from its captive power plants, with any remainder being sourced from JSW Energy Limited, an affiliated company. The Group's electricity requirements at Vasind, Tarapur and Kalmeshwar Works are largely sourced from JSW Energy Limited, with the remainder being sourced from the Maharashtra State Electricity Board. At Salem Works, the power requirements are largely met from captive power plants and the balance from Tamil Nadu Electricity Board. At Dolvi Works, the power requirements are met from its captive power plant and a long-term power purchase agreement with JSW Energy Limited. The Group also has arrangements in place to source power from JSW Energy Limited, an affiliated company, and the power grid to help supply additional power, if required.

In the event that there is any disruption to the electricity supply due to events beyond the Group's control, such as natural calamities or sabotage, the Group's operations will be adversely affected. The Group also relies on water supplied from the Tungabhadra Dam, the Almatti Dam, the Mettur Dam and the Amba River to operate the cooling systems at its facilities. If the sources supplying these facilities dry up or if a drought occurs, the Group may suffer from water supply shortages and the production facilities may be forced to cease operations. Lower monsoon rainfall in parts of South India in 2017 resulted in acute water scarcity in several parts of India and future reduced rainfall monsoons may contribute to water supply shortages.

Although there has not been any major shortage of electricity or water supply, there can be no assurance that the level of supply required by the Group can be maintained at a low cost or at all. Any significant increase in utilities cost or any interruption in utility supply will not only increase the Group's cost of production, but will also prevent the Group from producing and delivering products to customers as scheduled or at all, which may adversely affect the Group's business, financial position and results of operations.

The Group's steelmaking 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 the Group could suffer material liabilities, loss of revenues and increased expenses.

The Group's steelmaking operations are subject to various risks associated with the inherently hazardous production of steel. Hazards associated with the Group's steelmaking 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. These hazards may cause severe damage to and destruction of property and equipment, environmental damage and personal injury or even fatalities among the Group's personnel, which may result in temporary or lengthy interruptions of operations, damage to the Group's business reputation and corporate image and the imposition of civil and criminal liabilities.

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

The Group may not be able to complete land acquisition and related formalities for its planned or any future expansion plans in a timely and cost efficient manner. Further, if the Group becomes involved in any land related disputes in the future, for any reason, the resolution of such disputes may take considerable time and expense.

Uncertainty of, or imperfection in, title to land may impede the processes of any future acquisition, verification and transfer of title to land by the Group. As registration of land title in India is not centralized and has not been fully computerized as yet, title to land may be defective as a result of a failure on the part of a present holder or on the part of a prior transferee to obtain necessary consents or to duly complete stamping and registration requirements. The Group may also be exposed to risks associated with the acquisition and ownership of land based on inaccurate, incomplete, dated or illegible information in local land records. However, any disputes in respect of land title that the Group may become party to in the future may take several years and considerable expense to resolve if they become the subject of court proceedings and may thereby adversely affect the Group's business, financial condition and results of operations.

Further, the Government has enacted the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (the "**New Land Acquisition Act**"), which has replaced the Land Acquisition Act, 1894. Some of the significant provisions of the New Land Acquisition Act include a requirement of obtaining the consent of up to 80 per cent of affected families, including those whose land is acquired for projects by the private companies and consent of

70 per cent of the affected families in the case of public private partnership projects. It also provides for compensation, which is calculated basis the market value of the land and which may be significantly higher than then existing practice in rural and urban areas. The New Land Acquisition Act may make it difficult for the Group to obtain land for its expansion and new projects, in a timely manner or at an estimated cost, which may adversely affect the Group's business, financial condition and results of operations.

Certain portion of land where the Company's plant at Vijaynagar is situated and which was allotted by the Government of Karnataka by way of lease with sale deeds executed with the Government of Karnataka. The Company cannot assure you that the permanent transfer of title, in respect of such portion of the land, in its favor, as required under the lease with sale deeds, will be completed in a timely manner.

The Company set up the Vijaynagar plant in 1994 pursuant to obtaining the necessary approvals from the Government of Karnataka. The Company executed a lease-with-sale deed with the Government of Karnataka, in 2006 ("**2006 Agreement**") for a parcel of land of 2,000.58 acres ("**2006 Parcel**"), which forms part of the land on which the Vijaynagar plant is situated. Subsequently, with a view to expanding the facilities, the Company executed another lease-with-sale deed in 2007 ("**2007 Agreement**") for a parcel of land of 1,700 acres. The 2006 Agreement stipulated that, subject to the Company complying with the terms of the agreement, the Government of Karnataka would be obliged to execute a sale deed in favor of the Company on the commissioning of the industrial unit set up on the 2006 Parcel. Similarly, the 2007 Agreement stipulated that, subject to the Company complying with terms of the agreement, the Government of Karnataka would be obliged to execute a sale deed in favor of the Company ten years from the date of the 2007 Agreement. The Company has complied with all terms of both agreements and has made attempts to initiate the process of the transfer of the title. However, the title of such land parcels has not been transferred to the Company as of the date of this Offering Memorandum. The Company cannot assure you that such transfer will take place in a timely manner or at all. Such uncertainty of, or imperfection in, title to land may impede the processes of any verification and transfer of title to land by the Company. The Company may be exposed to unexpected risks with respect to the land parcels. Further, any disputes in respect of such land title may take several years and considerable expense to resolve if they become the subject of court proceedings and may thereby adversely affect the Group's business, financial condition and results of operations.

The Group's business is dependent on its manufacturing facilities and the loss, or shutdown, of operations at any of its manufacturing facilities or strikes, work stoppages or increased wage demands by its employees may have an adverse effect on the Group's business, financial condition and results of operations.

The Group's 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, labor disputes, natural disasters, industrial accidents and the need to comply with new directives of the relevant government authorities. The Group is required to carry out planned shutdowns of its various plants for routine maintenance, statutory inspections and testing. The Group also needs to shut down its various plants, from time to time, for capacity expansions and equipment upgrades. Any disruptions in the operations of the Group's manufacturing facilities may have a material adverse impact on its business, financial condition and results of operations.

While the Group takes precautions to minimize the risk of any significant operational problems at its manufacturing facilities, there can be no assurance that the Group's business, financial condition and results of operations will not be adversely affected by disruptions caused by operational problems at its manufacturing facilities.

As at December 31, 2018, the Company had 12,550 full-time employees. It has also employed contract laborers at various locations. The number of employees may increase as the Group's proposed expansion plans are implemented. Currently, employees at most of the Group's locations are not

represented by labor unions. While the Group considers its current labor relations to be good, there can be no assurance that it will not experience future disruptions in its operations due to disputes or other problems with its employees, which may adversely affect the Group's business and results of operations.

The Group's ability to meet future business challenges depends on its ability to attract and recruit talented, skilled and professionally qualified personnel, which may be affected by strong competition and increasing wage demands to recruit and retain such personnel. The loss of key personnel or any inability to manage the attrition levels in different employee categories may materially and adversely impact the Group's business, its ability to grow and its control over various business functions.

The Group relies on contractors for the implementation of various aspects of its regular as well as expansion activities, and is therefore exposed to execution risks, including in relation to the timing or quality of their services, equipment or supplies.

The Group relies on the availability of skilled and experienced contractors for certain portions of its regular semi-skilled and unskilled workforce at its steel processing facilities. The execution risks the Group faces include the following:

- contractors hired by the Group may not be able to complete construction and installation on time, and within budgeted costs or to the agreed specifications and standards;

- as the Group expands, it may have to use contractors with whom it is 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; and

- the Group's regular labor contractors may engage contract laborers and although the Group does not engage such laborers directly, it may be held responsible under applicable Indian laws for wage payments to such laborers should the Group's contractors default on wage payments.

Further, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, in the event that the contractor fails to make such payment or provide the prescribed amenities, the Group may be required to pay wages to or provide certain amenities to such contract laborers, as prescribed under the statute. Any requirement to fund such payments and any such order from a court or any other regulatory authority may adversely affect the Group's business and results of operations.

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. The Group cannot be certain that such skilled and experienced contractors and agencies will continue to be available to it at reasonable rates in the future. Any deterioration in the Group's relationships with its identified suppliers and customers or its failure to negotiate acceptable terms may result in the Group incurring substantial additional costs, beyond its budgeted expenditure, in identifying and entering into alternative arrangements with other suppliers.

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

If the Group does not continue to invest in new technologies and equipment, its technologies and equipment may become obsolete and its cost of processing may increase relative to its competitors, which may have an adverse impact on the Group's business, results of operations and financial condition.

The Group's profitability and competitiveness depend in large part on its ability to maintain a low cost of operations, including its ability to process and supply sufficient quantities of its products as per the agreed specifications. While the Group believes that it has a strong focus on research and development and has achieved significant technological advancements, if it is unable to respond or adapt to changing trends and standards in technologies and equipment, or otherwise adapt its technologies and equipment to changes in market conditions or requirements, in a timely manner and at a reasonable cost, the Group may not be able to compete effectively and its business, financial condition and results of operations may be adversely affected.

The Group faces risks relating to its joint ventures.

The Group has also entered into, and may from time to time in the future enter into, joint venture agreements, including for raw material projects. The Group may have limited control of these projects and therefore may be unable to require that its joint ventures sell assets, return invested capital, make additional capital contributions or take any other action. If there is a disagreement between the Group and its partners in a joint venture regarding the business and operations of the project, there can be no assurance that it will be able to resolve such disagreement in a manner that will be in the Group's best interests. Certain major decisions, such as selling an equity interest in the joint project, may require the consent of all other partners. These limitations may adversely affect the Group's ability to obtain the economic and other benefits it seeks from participating in these projects. In addition, the Group's joint venture partners may have economic or business interests or goals that are inconsistent with the Group; take actions contrary to the Group's instructions, requests, policies or objectives; be unable or unwilling to fulfill their obligations; withdraw technology licenses provided to the Group; have financial difficulties; or have disputes as to their rights, responsibilities and obligations. Joint venture partners of the Group may also enter into business partnerships with competitors of the Group after the expiry of applicable non-compete periods, if any. Any of these and other factors may have a material adverse effect on the Group's joint venture projects, which may in turn materially and adversely affect the Group's business, financial condition and results of operations.

Some of the Group's overseas operations are currently operating at low production levels, such as those in the U.S., and have been making losses and there can be no assurance that these operations will provide desirable returns in the near future.

The Group has made significant investments in the plate and pipe mill and coal mining assets in the U.S. During the year ended March 31, 2018 and the nine months ended December 31, 2018, the performance of the U.S. plate and pipe mill business showed some improvement. However, overall it continues to be subdued due to low capacity utilization. For fiscal year 2018, 248,444 net tons of plates and 50,301 net tons of pipes were produced from the Group's U.S. units with capacity utilization of 26 per cent. and 9 per cent., respectively. For the nine months ended December 31, 2018, 252,201 net tons of plates and 50,264 net tons of pipes were produced from the U.S. units with capacity utilization of 36 per cent. and 12 per cent., respectively.

The Group in its financial statements for the year ended March 31, 2016 made a provision of: (i) Rs.6,133 million relating to the carrying amount of fixed assets relating to steel operations in the U.S.; (ii) Rs.6,370 million and Rs.4,075 million relating to the carrying amounts of goodwill and mining development and projects, respectively, relating to iron ore mines at Chile; and (iii) Rs.628 million, Rs.789 million and Rs.301 million relating to the carrying amount of goodwill, mining development and projects, and other related assets, respectively, relating to coal mines at West Virginia, U.S., which provisions were recognized based on estimates of 'recoverable amounts' of the operations or assets by independent external valuers based on the cash flow projections. Deloitte Haskins & Sells LLP in their audit report for the year ended March 31, 2017 included an emphasis of matter relating to the above provisions and recoverability of assets.

In fiscal year 2018, the Group surrendered one of its iron ore mines in Chile after taking into consideration its economic viability. Accordingly, the Company reassessed the recoverability of the

carrying amounts of property, plant and equipment, goodwill and advances in relation to the said iron ore mine, and recognized an impairment provision of Rs.2,635 million for the year ended March 31, 2018. For more information and discussion of provisioning, please see the Group's consolidated financial statements included elsewhere in this Offering Memorandum.

There can be no assurance that the Group's U.S. operations will reach full production or that they will become profitable in the near future. The inability of certain of the Group's overseas operations to return to profitability may adversely affect its business, financial condition and results of operations.

The Group is currently developing mining operations in various parts of India, Chile, the U.S. and Mozambique and there can be no assurance that these operations will result in meaningful reserves or the expected quality of the mined materials.

The Group is presently undertaking and plans to undertake mining activities in various parts of India and other countries. In the U.S., the Group has a 100 per cent. equity interest in coal mining concessions in West Virginia, U.S. Further, the Group has also invested in iron ore mining concessions in Chile. The iron ore mines are currently under care and maintenance shut down and the commencement of operations might be further delayed based on prevailing market conditions. In Mozambique, JSW Natural Resources Mozambique Lda, a subsidiary of the Group, has completed its exploration activities in Mutarara, Tete. In an auction conducted by the Government of India in April 2015, the Group won the Moitra coking coal mine located in Jharkhand. The Group also secured five iron ore mines in the auction conducted by the Karnataka State Government in October 2016 and another iron ore mine in the auction conducted by the Karnataka State Government in October 2018. Three of these mines are operational and the remaining three are expected to be operational during the fiscal year 2020.

The Group's 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.

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

The Group's 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, some or all of which may not be covered by insurance, could delay production, increase production costs and result in death or injury to persons, or damage to property and liability for the Group, as well as substantially harm the Group's 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 has also increased due to the perceived negative impact they have on the environment. Public protests over the Group's mining operations could cause operations to slow down, damage the Group's reputation and goodwill with the governments or public in the countries and communities in which it operates, or cause damage to its facilities.

The Group faces foreign exchange risks, which may adversely affect its 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 Japanese Yen and other major foreign currencies. To the extent that the Group incurs costs in one currency and generates sales in another, its profit margins may be affected by changes in the exchange rates between the two currencies.

During the years ended March 31, 2018 and March 31, 2017, earning in foreign currency by the Company aggregated to Rs.109,379 million and Rs.101,496 million, respectively, and C.I.F. value of imports and expenditure in foreign currency by the Company aggregated to Rs.226,162 million and Rs.175,944 million, respectively.

The Group is exposed to the risks arising from timing and quantum mismatches of inflows and outflows in foreign currency. While the Group enters into derivative financial instruments to manage its exposure to interest rates and foreign exchange risks, changes in exchange rates may still have a material adverse effect on the Group's results of operations and financial condition and there can be no assurance that the use of derivative financial instruments would fully protect the Group from foreign exchange risks. Further, hedging contracts may, at times, restrict the Group from realizing the full potential of a favorable 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 the Group's ability to adequately hedge its foreign currency exposure. Changes in exchange rates could materially and adversely affect the Group's cash flow, business, financial condition and results of operations.

The Group has in the past entered into related party transactions and may continue to do so in the future.

The Group has entered into certain transactions with related parties, including the promoters, directors, subsidiaries, group companies, joint ventures and associates of the Group as well as members of the O.P. Jindal Organization. Although regulations in India do require disclosure of related party transactions in a listed company's financial statements, such regulations only require board of directors' approval and shareholders' approval in certain circumstances and do not require an independent assessment of connected or related party transactions. As a result, there is no requirement for independent verification with respect to the terms of such transactions. All related party transactions of the Group require approval from the Audit Committee, which is headed by an Independent Non-Executive Director, as well as approval from the Board of Directors. While the Group believes that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, there can be no assurance that the Group could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that the Group will enter into related party transactions in the future. For further details, see "*Related Party Transactions*".

Product liability claims could adversely affect the Group's operations.

The Group sells its products to major manufacturers who are engaged to sell a wide range of end products. Furthermore, the Group's products are also sold to, and used in, certain safety-critical applications. If the quality of the Group's 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. The Group has a limited amount of product liability insurance coverage, and a major claim for damages related to products sold could leave it uninsured against a portion or the entire award and, as a result, materially harm the Group's business, financial condition and results of operations.

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

The Group's businesses are subject to numerous laws, regulations and contractual commitments relating to the environment in the countries in which it operates and the Group's 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 the Group's business. Facilities currently or formerly owned or operated by the Group, 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 the Group's 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. The Group had in the past incurred remedial cost in respect of alleged environmental pollution and contamination from its plants. 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 the Group's operations or past contamination, could prevent or restrict some of the Group's operations, require the expenditure of significant funds to bring the Group 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 the Group's business, financial condition or results of operations. In the event that production at one of the Group's facilities is partially or wholly disrupted due to this type of sanction, the Group's business could suffer significantly and its financial condition and results of operations could be materially and adversely affected.

In addition, the Group's current and future operations may be located in areas where communities may regard its 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 the Group's profitability or, in extreme cases, the viability of an operation or the development of new activities in the relevant region or country. Further, there are certain cases filed against the Company alleging violation of environmental laws and causing pollution to the environment. Even though no orders may have been passed against the Company, the Company may have to bear the expense of various litigations and if any order is passed against the Company, it could have an impact on the reputation of the Company. The Company may have to pay the penalty and related charges, and its financial condition and results of operations could be materially and adversely affected.

Laws and regulations restricting emissions of greenhouse gases could force the Group to incur increased capital and operating costs and could have a material adverse effect on the Group's results of operations and financial condition.

Compliance with new and more stringent environmental obligations relating to greenhouse gas emissions may require additional capital expenditures or modifications in operating practices, as well as additional reporting obligations. The integrated steel process involves carbon and creates carbon dioxide ("**CO2**"), which distinguishes integrated steel producers from mini-mills and many other industries where CO2 generation is primarily linked to energy use.

The United States required reporting of greenhouse gas emissions from certain large sources beginning in 2011 and has begun adopting and implementing regulations to restrict emissions of greenhouse gases under existing provisions of the Clean Air Act. Further measures, in the United States and many other countries, may be enacted in the future.

In particular, in December 2015, the 195 countries participating in the United National Framework Convention on Climate Change reached an international agreement, the Paris Agreement. The 21st Conference of the Parties meeting ("**COP21**") has confirmed the risk of climate change and the urgent need to address it. The Paris Agreement aims to implement the necessary drivers to achieve drastic reductions of carbon emissions. The Group takes this message seriously and investigates its possibilities to contribute to this by developing research and development programs, investigating its technical possibilities to reduce emissions and following the state of knowledge on climate change closely. Such obligations, whether in the form of a national or international cap-and-trade emissions permit system, a carbon tax, emissions controls, reporting requirements, or other regulatory initiatives, could have a negative effect on the Group's production levels, income and cash flows. Such regulations could also have a negative effect on the Group suppliers and customers, which could result in higher costs and lower sales. Moreover, the EU Commission's decision to further reduce the allocation of CO2 emission rights to companies could negatively impact the global industry, as the amount of such rights is currently at the edge of covering technically achievable operating conditions.

The Group faces numerous protective trade restrictions, including anti-dumping laws, countervailing duties and tariffs, which could adversely affect its 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 the Group's export markets could adversely affect the Group's sales. Anti-dumping duty proceedings or any resulting penalties or any other form of import restrictions may limit the Group's access to export markets for its products, and in the future additional markets could be closed to the Group as a result of similar proceedings, thereby adversely impacting its sales or limiting its opportunities for growth.

Tariffs are often driven by local political pressure in a particular country. For example, in 2018, the United States announced its decision to levy import tariffs on steel and aluminum. Such protective trade restrictions that are imposed on the Group or any of the Group companies could result in the decline of its exports. There can be no assurance that other quotas or tariffs will not be imposed on the Group in the future as the imposition of such trade barriers may in turn affect the exports of the Group. 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 the Group's 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 the Group's business, financial condition and results of operations.

The Group's business is dependent on its key customers and the loss of any major customer may adversely affect its business and financial condition.

The loss of a number of major customers would have a material adverse effect on the Group's business and financial condition. Demand for the Group's products is sensitive to general economic conditions in India and globally, which are driven by factors beyond its control. There can be no assurance that the Group will be able to maintain historical levels of business from these major customers or that it will be able to replace these major customers in the event that they cease to purchase products from the Group.

New materials, products or technologies could reduce the demand for the Group's steel products.

In many applications, steel as a product competes with other materials that may be used as substitutes, such as aluminum (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 the Group's 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 the Group's steel products may change from time to time due to improved technologies or product enhancements. These changes may require the Group to develop new products and enhancements for its existing products to keep pace with evolving industry standards and changing customer requirements. In addition, some of the Group's machinery may become out dated and, if it is not able to upgrade them or keep up with industry standards, then the Group's operations may suffer. If the Group 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 the Group's products would decrease and thereby have a material adverse effect on the Group's business, financial condition and results of operations.

The steel industry involves fixed costs and is subject to long gestation periods, which exposes the Group's 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 the Group has taken steps to reduce operating costs, it 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.

The Group may not have sufficient insurance coverage for all possible economic losses.

The Group's operations are subject to inherent risks such as fire, strikes, loss-in-transit of the Group's 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 the Group's properties and may result in suspension of operations and the imposition of civil or criminal penalties.

As part of its risk management, the Group maintains insurance policies that may provide some insurance cover for mechanical failures, power interruptions, natural calamities or other problems at the Group's facilities. Notwithstanding the insurance coverage that the Group carries, 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 the Group's business, financial condition and results of operations.

While the Group believes that it maintains adequate insurance coverage amounts for its business and operations, the Group's insurance policies do not cover all risks and are subject to exclusions and deductibles. If any or all of the Group's facilities are damaged in whole or in part, the Group's operations, totally or partially, may be interrupted for a temporary period.

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

Members of the Jindal family are the Group's principal shareholders and may have conflicting interests.

As at December 31, 2018, Mrs. Savitri Devi Jindal and the sons of the late Mr. O.P. Jindal namely, Mr. P.R. Jindal, Mr. Sajjan Jindal, Mr. Ratan Jindal and Mr. Naveen Jindal, and their wives and children (together, the "**Jindal Family**"), through personal ownership, associates, investment companies and holding companies, owned 42.55 per cent. of the Group's equity shares. The Jindal Family has significant ability to control the Group's business including matters relating to any sale of all or substantially all of its assets, the timing and distribution of dividends and the election or termination of appointment of its officers and directors. This control could delay, defer or prevent a change in control of the Group, impede a merger, consolidation, takeover or other business combination involving the Group, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Group. In addition, for so long as the Jindal Family continues to exercise significant control over the Group, it may influence the material policies of the Group in a manner that may conflict with the interests of other security holders. The Jindal Family has interests that may be conflicting with the interests of other security holders, and may take positions with which the Group or other security holders may not agree.

The Group is involved in litigation, investigations and other proceedings and cannot assure Noteholders that it will prevail in these actions.

There are several outstanding litigations and other proceedings against the Group. In the ordinary course of business, there have been various criminal proceedings filed against the Group, its directors or its employees, which are pending before various authorities, tribunals and courts and are at various stages of adjudication. Legal and regulatory authorities have initiated, and may initiate in the future, investigations and proceedings against the Group, its senior management or its employees in relation to non-compliance of statutes which are incidental to its business and operations which are pending at different levels of adjudication before various courts, agencies and tribunals in different jurisdictions. There is no assurance that similar legal and regulatory investigations and proceedings will not be initiated against the Group in the future. No assurance can be given that these legal and regulatory proceedings will be decided in favor of the Group, its senior management or its employees.

Should any of these proceedings be decided adversely against the Group, its senior management or its employees or any new developments, such as a change in Indian law or rulings against the Group by appellate courts or tribunals, arise, the Group, among other things, may be required to make provisions in its financial statements, become subject to penalties, lose regulatory approvals or licenses, and such member of senior management or employee may become subject to imprisonment, any of which could have a material adverse effect on the Group's business, financial condition and results of operations and which could increase the Group's expenses and liabilities. See "*Business — Legal Proceedings*".

The Group's success depends in large part upon its senior management and key personnel and its ability to attract and retain them.

The Group is highly dependent on its senior management and other key personnel. Their extensive experience in the steel industry and in-depth knowledge of various aspects of the Group's business operations are critical to the continued success of the Group and the future performance of the Group will depend upon the continued services of these persons. Competition for senior management in the steel industry is intense, and the Group may not be able to retain its senior management personnel or attract and retain new senior management personnel in future. The loss of any of these key personnel may adversely affect the Group's business and results of operations.

Any future reduction in import duties or trade remedial measures on steel products in India may lead to increased competition from foreign companies, reduce the Group's market share and reduce margins on its steel products.

The basic customs duty payable on the import of prime hot rolled, cold rolled, galvanized and color coated steel products currently is 12.5 per cent. However, the customs duty is nil for imports from countries with whom India has free trade agreements; such as Japan and South Korea. The import duty, along with lower freight costs and, in some countries, higher labor costs, have allowed domestic manufacturers to enjoy a 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 or trade remedial measures may assert downward pressure on the Group's 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 the Group's business, financial condition and results of operations.

The trade disputes arising from tariffs and other protectionist measures announced by the United States on imports from China and other countries continue to pose risk to global growth outlook. Uncertainty around the resolution of the ongoing trade disputes may also test the strength of domestic demand in these countries. Such measures from the United States were followed by similar trade actions from other countries such as the EU nations and Turkey. India being the third largest steel consumer with the highest growth rate among major consumers would be a key target for exports that were made earlier to these markets. This may affect the Company's ability to compete effectively with international exporters in the Indian market.

Risks Relating to India

A prolonged slowdown in the economic growth in India or financial instability in other countries could cause the Group's business to suffer.

The growth rate of India's GDP according to the RBI, was 7.6 per cent and 7.1 per cent and 6.7 per cent. in the years ended March 31, 2016, 2017 and 2018, respectively. Notwithstanding the RBI's policy initiatives, the course of market interest rates continues to be uncertain due to factors such as inflation, fiscal deficit and the Government borrowing program. Any increase in inflation in the future, because of increases in prices of commodities such as crude oil or otherwise, may result in a tightening of monetary policy. The uncertainty regarding liquidity and interest rates and any increase in interest rates or reduction in liquidity could materially and adversely impact the Group's business.

In addition, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly those of emerging market countries in Asia. Investors' reactions to developments in one country may have adverse effects on the economies of other countries, including the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems

of other emerging markets may cause increased volatility in the Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm the Group's business and its future financial performance.

In Europe, (i) the on-going exit of the United Kingdom from the European Union; (ii) the possible exit of Scotland, Wales or Northern Ireland from the United Kingdom; (iii) the possibility that other European Union countries could hold similar referendums to the one held in the United Kingdom and/or call into question their membership of the European Union; (iv) the possibility that one or more countries that adopted the Euro as their national currency might decide, in the long term, to adopt an alternative currency; or (v) prolonged periods of uncertainty connected to these eventualities could have significant negative impacts on international markets. These could include greater volatility of foreign exchange and financial markets in general due to the increased uncertainty.

These and other related events have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States, Europe and global credit and financial markets. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any announcement by the United States Federal Reserve to increase interest rates may lead to an increase in the borrowing costs in the United States and may impact borrowing globally as well. Further, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressures for protectionism are building up and such developments could have the potential to affect exports from India.

In the event that the global credit markets worsen or if there is any significant financial disruption, this could have an adverse effect on the Group's ability to borrow, as well as its profitability or growth of its business, which could have a material adverse effect on the Group's business, future financial performance, financial condition and results of operations.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could influence the Indian economy and could have a material adverse effect on the Group's business, financial condition and results of operations.

Changes in the policies of, or changes in, the Government, could adversely affect economic conditions in India, and thereby adversely impact the Group's business, financial condition and results of operations.

India remains the Group's largest market. Revenue from operations within India represents 76.1 per cent. and 83.5 per cent. of the Group's revenue from operations for the year ended March 31, 2018 and the nine months ended December 31, 2018, respectively. In addition, a significant portion of the Group's facilities are located in India. Consequently, the Group may be affected by changes to Government policies, changes in the Government itself, or any other political instability in India. For example, the imposition of foreign exchange controls, rising interest rates, increases in taxation or the creation of new regulations could have a detrimental effect on the Indian economy generally and the Group in particular. Further, the Group's businesses and the performance and liquidity of the Notes may be adversely affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

The Government has sought to implement a number of economic reforms in recent years, including a new and dynamic steel policy, and the Government also plans to create independent regulators for the steel and mining sectors and to establish a new scheme for the promotion of research and development in the iron and steel sector (the "**Scheme**"). The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. However,

the roles of the Government and the state governments in the Indian economy as producers, consumers and regulators have remained significant. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India generally which may have an adverse effect on the Group's business, financial condition and results of operations.

The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. A significant change in India's economic liberalization and deregulation policies, and in particular, those relating to the business in which the Group operates, could disrupt the business and economic conditions in India generally and the Group's business in particular.

Current macroeconomic situations and global conditions might lead to a gradual departure from an accommodative fiscal and monetary policy, which would affect exchange rates and interest rates. Such events could also affect India's debt rating, the Group's business, its future financial performance and the trading price of the Notes.

If terrorist attacks or social unrest in India increases, the Group's business could be adversely affected.

India has from time to time experienced instances of civil unrest, terrorist attacks, war and conflicts. Some of India's neighboring countries have also experienced or are currently experiencing internal unrests. These events could lead to political or economic instability in India and may adversely affect the Indian economy, the Group's business, financial condition and results of operations. India has also experienced social unrest, Naxalite violence and communal disturbances in some parts of the country.

If such tensions occur in places where the Group operates or in other parts of the country, leading to overall political and economic instability, it could adversely affect the Group's business, financial condition and results of operations. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult, and such tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and the Group's revenue, operating results and cash flows. The impact of these events on the volatility of global financial markets could increase the volatility of the market price of the Notes.

Volatility in India's financial markets could materially and adversely affect the Group's financial condition.

Stock exchanges have, in the past, experienced substantial fluctuations in the prices of listed securities. In the past, uncertainties relating to the Eurozone sovereign debt crisis and a decrease in the rate of economic growth in emerging markets have led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil. The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. As the Group has significant operations in India and accesses the Indian markets for debt financing, this uncertainty and volatility in the Indian financial markets could have a material and adverse effect on the Group's financial condition.

The Group's business may be exposed to rising interest rates.

The expected increase in the interest rates across key economies across the globe including the U.S. could result in slowdown in foreign currency inflows into the country. This could in turn affect the value of the domestic currency and interest rates. As the Group has significant operations in India and accesses the Indian markets for debt financing, the rising interest rates could adversely impact our ability to secure financing on favorable terms.

If inflation rises in India, the Group may not be able to increase the prices of the Group's products in order to pass costs on to the Group's customers and its profits may decline.

Inflation rates in India have been volatile in recent years and such volatility may continue. Increasing inflation in India could cause a rise in the price of transportation, wages, raw materials and other expenses, and the Group may be unable to reduce costs or pass the increased costs on to its customers by increasing prices, and the Group's business, prospects, financial condition and results of operations may therefore be adversely affected.

The extent and reliability of Indian infrastructure could adversely affect the Group's results of operations, financial condition and cash flows.

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption in its transportation networks, electricity grid, communication systems or any other public facility could disrupt the Group's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies and add costs to doing business in India. These problems could interrupt the Group's business operations, which could have an adverse effect on the Group's results of operations, financial condition and cash flows.

Companies operating in India are subject to a variety of central and state government taxes and surcharges.

Tax and other levies imposed by the central and state governments in India that affect the Group's tax liability include central and state taxes and other levies, income tax, goods and services tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. See "*Risk Factors — Risks Relating to India — Changing laws, rules and regulations and legal uncertainties may adversely affect the Group's business and financial performance*". The statutory corporate income tax in India in the case of a domestic company, which includes a surcharge on the tax and a health and education cess on the tax and the surcharge, may range up to 34.94 per cent. inclusive of surcharge and health and education cess. The central government may in the future further increase the corporate income tax it imposes For instance, in addition to the corporate income tax imposed on companies, domestic companies in India are also required to pay a dividend distribution tax at an effective rate of 20.56% (inclusive of surcharge and health and education cess), on the dividends distributed. Further, if the tax payable by a company, under the normal provisions of the IT Act is ranging up to 21.55% (inclusive of surcharge and health and education cess) of the book profits of the company (computed in accordance with section 115JB of the IT Act), then such company would be required to pay minimum alternate tax ranging up to 21.55% (inclusive of surcharge and health and education cess) of the book profits (computed in accordance with section 115JB of the IT Act) of the company. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect the Group's business and results of operations.

If natural disasters occur in India, the Group's business, financial condition and results of operations could be adversely affected.

India has experienced floods, earthquakes, tsunamis, cyclones and droughts in recent years. Such natural catastrophes could disrupt the Group's operations, production capabilities or distribution chains or damage its facilities located in India, including its production facilities and mines. While the Group's facilities were not damaged in the past, a significant portion of its facilities and employees are located in India where they are exposed to such natural disasters. Potential effects may include the

damage to infrastructure and the loss of business continuity and business information. In the event that the Group's facilities are affected by any of these factors, the Group's operations may be significantly interrupted, which may materially and adversely affect business, financial condition, results of operations, cash flows and prospects.

Additionally, in the event of a drought, the state governments in which the Group's facilities are located could cut or limit the supply of water to the Group's facilities, thus adversely affecting the Group's production capabilities by reducing the volume of products the Group can manufacture and consequently reducing its revenues. In the event of any of the foregoing natural disasters, the ability of the Group to produce and distribute steel may be adversely affected. There can be no assurance that such events will not occur in the future, or that its business, financial condition and results of operations will not be adversely affected.

The Group's ability to raise foreign capital may be constrained by Indian law.

As an Indian company, the Group is subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit the Group's financing sources and hence could constrain its ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, there can be no assurance that the required approvals will be granted to it on favorable terms or at all. Limitations on raising foreign debt may have an adverse effect on the Group's business, financial condition and results of operations.

Any downgrading of India's debt rating by an international rating agency could have a negative impact on the Group's business.

Any adverse revisions to India's sovereign rating or credit ratings for domestic and international debt by international rating agencies may adversely impact the Group's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on the Group's business and future financial performance, the Group's ability to obtain financing for capital expenditures, and the trading price of the Notes.

The Group may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect its business.

The Competition Act, 2002, as amended (the "**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly: (i) involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services; (ii) shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market; or (iii) directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. The Competition Commission of India (the "**CCI**"), has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, the Group cannot predict the impact of the provisions of the Competition Act on the agreements entered into by it at this stage. The Group is not currently party to any outstanding proceedings, however, if the Group is affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect the Group's business, financial condition and results of operations.

Increased volatility or inflation of commodity prices in India could adversely affect the Group's business.

In recent months, consumer and wholesale prices in India have stabilized; however, such prices have exhibited inflationary trends in the past and may continue to do so in the future. The Government's Wholesale Price Index stood at approximately 3.80 per cent. (provisional) and the Consumer Price Index stood at approximately 2.19 per cent. (provisional) for the month of December 2018, respectively. Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Any increase in the volatility or rate of inflation of global commodity prices, in particular oil and steel prices, could adversely affect the Group's customers and contractual counterparties. Although the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. Increasing inflation in India could cause a rise in the price of transportation, wages, raw materials and other expenses, and the Group may be unable to reduce the costs or pass the increased costs on to its customers by increasing the price that the Group charges for its services, and the Group's financial condition, cash flows and results of operations may therefore be adversely affected.

Trade deficits could have a negative effect on the Group's business.

India's trade relationships with other countries can influence Indian economic conditions. In the year ended March 31, 2018, the merchandise trade deficit was approximately U.S.$157 billion compared to approximately U.S.$109 billion in the year ended March 31, 2017. This large merchandise trade deficit neutralizes the surpluses in India's invisibles in the current account, resulting in a current account deficit. If India's trade deficits increase or become unmanageable, the Indian economy, and therefore the Group's business, financial condition, results of operations could be adversely affected.

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could have an adverse impact on the Group. A rapid decrease in reserves would also create a risk of higher interest rates and a consequent slowdown in growth.

India's foreign exchange reserves were approximately U.S.$393 billion as at December 28, 2018 and approximately U.S.$423 billion as at March 31, 2018. A decline in these reserves could result in reduced liquidity and higher interest rates in the Indian economy. On the other hand, increased foreign capital inflows could add excess liquidity into the system, leading to policy interventions by the RBI and a consequential slowdown in economic growth. Either way, an increase in interest rates in the economy following a decline in foreign exchange reserves could adversely affect the Group's business, financial condition, results of operations and the trading price of the Notes.

Investors may have difficulty enforcing judgments against the Company or its respective management in the Indian courts.

The enforcement by investors of civil liabilities, including the ability to affect service of process and to enforce judgments obtained in courts outside of India may be affected adversely by the fact that the Company is incorporated under the laws of India. The majority of the Company's directors and executive officers currently reside in India, and a substantial portion of the assets of the Company and its directors and executive officers are located in India. As a result, it may be difficult to affect service of process upon the Company or to enforce judgments obtained against the Company and these persons. The recognition and enforcement of foreign judgments in India is governed by Sections 13 and 44A of the Civil Procedure Code, which provide that a suit must be brought in India within three years from the date of the judgment sought to be enforced. Generally, there are considerable delays in the disposal of suits by Indian courts. 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 under the Foreign Exchange Management Act, 1999,

as amended ("**FEMA**") to repatriate any amount recovered. See "*Enforceability of Civil Liabilities*". Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

There may be less company information available in the Indian securities market than in securities markets in other more developed countries.

There is a lower level of regulation and monitoring of the Indian securities market and the activities of investors, brokers and other participants than in certain Organisation for Economic Cooperation and Development ("**OECD**") countries.

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities markets and the activities of investors, brokers and other participants, and that of markets and market participants in the United States and other more developed economies. The SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. The SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies and OECDs in more developed economies, which could adversely affect the market for the Notes.

As a result, investors may have access to less information about the business, results of operations and financial condition of the Group and its competitors that are listed on stock exchanges in India than companies subject to reporting requirements of other more developed countries.

We may not be successful in acquiring assets under the Insolvency and Bankruptcy Code, 2016

We have submitted the resolution plan in respect of Bhushan Power & Steel Limited, a company currently undergoing insolvency resolution process under the provisions of the Bankruptcy Code.

The Bankruptcy Code is a recent legislation which, among others, consolidates the law relating to reorganization and insolvency resolution of corporate entities. Under the Bankruptcy Code, a confidential information memorandum is provided to prospective applicants who satisfy the eligibility criteria with information about the corporate debtor including the liquidation value, the latest annual financial statements and the assets and liabilities. The applicant is required to submit a resolution plan within the prescribed period providing for, among others, payment of insolvency resolution process costs (including amount of any interim finance provided for the corporate debtor), repayment of the creditors as prescribed in the Bankruptcy Code and the details of management and control of the corporate debtor during the term of the resolution plan. The resolution plan is required to be approved by 75% of the committee of creditors and thereafter by the NCLT. The corporate insolvency resolution process under the Bankruptcy Code (the "**Bankruptcy Code Process**") is new and relatively untested.

We may not be able to submit our resolution plan in a timely manner or at all, or the resolution plan we submit may not be approved by the committee of creditors or the NCLT. Further, while the Bankruptcy Code has prescribed a maximum period for the Bankruptcy Code Process, as it is relatively untested, we cannot assure you that it will be completed in a timely manner or at all.

The Bankruptcy Code Process may be challenged in court and we may be made a party to such litigation as a bidder or otherwise. Any such litigation could be time-consuming and expensive.

We cannot assure you that we will successfully acquire any entity in respect of which we have or choose to submit a resolution plan. Participation in the Bankruptcy Code Process may distract management attention from our business operations and lead us to incur significant costs, which may have a material adverse effect on our business, reputation and results of operation.

Changing laws, rules and regulations and legal uncertainties may adversely affect the Group's business and financial performance.

The Group's business and operations are governed by various laws and regulations. The Group's business and financial performance could be adversely affected by any change in laws or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to the business.

For instance, the Government has enacted the Central Goods and Services Act, 2017 and state specific GST Acts to lay the framework for a comprehensive national GST regime that combines taxes and levies by the central and state governments into a unified rate structure. Any future increases in taxes or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions. In addition, there are uncertainties and ambiguities in relation the existing tax incentive regime. Any adverse changes to the incentive scheme may have a material adverse effect on our Group's business, prospects, financial condition and results of operations.

For instance, the Government Resolution No. PSI 2018/CR-117/IND-8 was issued by the Government of Maharashtra (the "GOM") on December 20, 2018. In terms of the said resolution, the benefit of Industrial Promotion Subsidy (the "**IPS**") allowed to eligible manufacturing units covered under PSI-2001, PSI-2007 and PSI-2013, was not made available on transactions between the related parties, as defined there under. Based on the legal advice obtained, the Company made representation to GOM and detailed note was given in the unaudited condensed consolidated interim financial statement of the Group and the un-audited condensed standalone interim financial statements of the Company as at and for the nine months ended December 31, 2018. S R B C & CO LLP also included an emphasis of matter in their review report dated February 28, 2019 on the unaudited condensed consolidated interim financial statement of the Group and the un-audited condensed standalone interim financial statements of the Company as at and for the nine months ended December 31, 2018, which is included in this offer document.

However, the above position has been changed subsequently after the Government issued an amendment circular on March 8, 2019, wherein it clarified that the restrictions will apply only to related parties that are not to manufacturing entities. As per the amended circular, the Company's eligibility for the incentives on related party transaction will continue under the IPS.

The General Anti-Avoidance Rules ("**GAAR**") came into effect on April 1, 2017. In the absence of any precedents on the subject, the impact of these provisions is uncertain and could result in denial of benefits amongst other consequences.

Furthermore, SEBI further amended the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by way of its Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 dated May 9, 2018 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2018 dated November 16, 2018 (collectively, the "**LODR Amendments**"). The LODR Amendments have introduced certain additional corporate governance requirements for listed companies, which include among others, requirements with respect to constitution of the board of directors, secretarial audits to be conducted and disclosures to be made in the annual report. The Group may face challenges in interpreting and complying with such provisions. Further, to ensure compliance with the requirements of the SEBI LODR Amendments, the Group may need to allocate additional resources, which may increase the Group's regulatory compliance costs and divert management attention.

There can be no assurance that the Government or state governments will not implement new regulations and policies, which will require the Group to obtain approvals and licenses from the Government, state government or other regulatory bodies or which will impose onerous requirements and conditions on the Group's operations. Any such changes and related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on the Group's business, financial condition, cash flows and results of operations.

Significant differences exist between IND-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with IND-AS contained in this Offering Memorandum.

The Group's consolidated financial statements for the years ended March 31, 2017 and 2018 (including comparatives for the year ended March 31, 2016) and the unaudited condensed consolidated interim financial statements for the nine months ended December 31, 2018 (including comparatives for the nine months ended December 31, 2017) presented in this Offering Memorandum are prepared and presented in accordance with Ind AS. IND-AS differ from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between IND-AS, U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with IND-AS contained in this Offering Memorandum. Accordingly, the degree to which the financial information included in this Offering Memorandum will provide meaningful information is dependent on the Investor's familiarity with IND-AS and the Companies Act. Any reliance by persons not familiar with IND-AS on the financial disclosures presented in this Offering Memorandum should accordingly be limited.

The Government has issued a set of Income Computation and Disclosure Standards effective April 1, 2016, and the impact of any future changes in the standards on the Group's tax burden is uncertain.

Furthermore, the Government has issued a set of Income Computation and Disclosure Standards ("**ICDS**") that is applicable in computing taxable income and payment of income taxes thereon, effective from April 1, 2016. ICDS applies 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. The Group has given the impact on account of ICDS on its tax liability in the past, wherever applicable. However, the impact of any future changes in the ICDS on the tax liability of the Group cannot be determined.

Risks Relating to the Notes

The Company may not be able to meet its obligations to pay or redeem the Notes.

In certain circumstances, Noteholders may require the Company to redeem all or a portion of the Notes and the Company would be required to pay all amounts then due under the Notes. In particular, upon a change of control of the Company, Noteholders may require the Company to redeem such Noteholders' Notes and following an acceleration of the Notes upon an event of default, the Company would be required to pay all amounts then due under the Notes which the Company may not be able to meet. The Company may not be able to make required payments in connection with the Notes if the requisite regulatory approval is not received or if the Company does not have sufficient cash flows for those payments.

The Company may not be able to redeem the Notes in whole at a redemption price equal to 100 per cent. of the principal amount plus accrued and unpaid interest in the event the Company is required to pay additional amounts.

As per the "*Terms and Conditions of the Notes*", in the event the Company is required to pay additional amounts as a result of changes in tax law, including changes in an existing official position or the stating of an official position, the Company may redeem the Notes in whole at a redemption price

equal to 100 per cent. of the principal amount plus accrued and unpaid interest. Payments in respect of the Notes are subject to applicable rates for deduction of tax at source (plus applicable surcharge, health and education cess). If the Indian withholding rate were to exceed 5 per cent. (plus applicable surcharge, health and education cess) as a result of a change in law or interpretation described above, the Company may redeem the Notes at a redemption price equal to 100 per cent. of the principal amount plus accrued and unpaid interest.

The Notes are unsecured obligations of the Company and will be effectively subordinated to all of the Company's present and future secured indebtedness to the extent of the value of the collateral securing such obligations. In addition, the Notes will rank subordinate to certain liabilities preferred by law, such as claims of the Government on account of taxes and certain liabilities incurred in the ordinary course of the Company's business, trading or banking transactions. In particular, in the event of bankruptcy, liquidation or winding-up, the Company's assets will be available to pay obligations on the Notes only after all of the above liabilities that rank senior to these Notes have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Notes.

Early redemption of Notes prior to their stated average maturity may require the prior approval of the RBI or the AD Bank in accordance with the ECB Guidelines.

An early redemption of the Notes prior to three years (whether due to certain tax events, redemption upon change of control or due to an Event of Default) will be subject to limitations on the ability of the Company to redeem the Notes prior to the Maturity Date, including obtaining the prior written approval of the RBI or the AD Bank, and compliance with any conditions that the RBI or the AD Bank may impose in accordance with ECB Guidelines at the time of such approval. There can be no assurance that RBI or the AD Bank will provide such approval in a timely manner or at all.

Remittances of funds outside India pursuant to indemnification by the Company in relation to the Notes require prior RBI approval.

Remittance of funds outside India by the Company pursuant to indemnity clauses under the terms and conditions of the Notes, Trust Deed or any other agreements in relation to the Notes requires prior RBI approval. Any approval, if and when required, for the remittance of funds outside India is at the discretion of the RBI and the Company can give no assurance that it will be able to obtain such approval.

The Company may not be able to repurchase the Notes upon the occurrence of a Change of Control Triggering Event.

The Company may be forced to purchase the Notes upon the occurrence of a Change of Control Triggering Event, at a purchase price equal to 101 per cent. of the principal amount plus accrued and unpaid interest. See "*Terms and Conditions of the Notes*".

The source of funds for any such purchase would be available through cash or third party financing. However, the Company may not have or be able to obtain sufficient available funds at the time of the occurrence of any Change of Control Triggering Event to make purchases of outstanding Notes. The Company's failure to make the offer to purchase or to purchase the outstanding Notes would constitute an Event of Default under the Notes. The Event of Default may, in turn, constitute an event of default under other indebtedness, any of which could cause the related debt to be accelerated after any applicable notice or grace periods. If the Company's other debt were to be accelerated, it may not have sufficient funds to purchase the Notes and repay the debt.

The Terms and Conditions of the Notes contain covenants limiting the Company's financial and operating flexibility.

The Terms and Conditions of the Notes contain covenants that will restrict the Company's ability to, among other things: (i) create liens; (ii) incur additional indebtedness; (iii) pay dividends on capital stock; (iv) sell assets; and (v) enter into new business. These limitations are subject to certain, exceptions and qualifications described in "*Terms and Conditions of the Notes*".

These covenants could limit the Company's ability to pursue growth plans, restrict the Company's flexibility in planning for, or reacting to, changes in its business and industry and increase the Company's vulnerability to general adverse economic and industry conditions.

Any default under the covenants contained in the Terms and Conditions of the Notes may lead to an event of default under the Notes and may lead to acceleration under the Company's other indebtedness. The Company may not be able to pay any amounts due to holders of the Notes in the event of any such default and any such default may significantly impair its ability to satisfy its obligations under the Notes.

The Terms and Conditions of the Notes provide that the Trustee may, without the consent of Noteholders, agree to modification, waivers and substitution under certain conditions.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to: (i) any modification of, or the waiver or authorization of any breach or proposed breach of, any of the provisions of the Terms and Conditions or of the Transaction Documents; or (ii) determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such; or (iii) the substitution of another company as principal debtor under any Notes in place of the Company, in all cases in the circumstances described in the Terms and Conditions (as applicable).

A holder who holds less than the minimum specified denomination in its account may not receive a definitive Note in respect of such holding.

In relation to these Notes, which have denominations consisting of a minimum specified denomination plus one or more higher integral multiples of another smaller amount, it is possible that these Notes may be traded in amounts that are not integral multiples of such minimum specified denomination. In such a case, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum specified denomination in its account with the relevant clearing system at the relevant time, may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a specified denomination.

The Notes may not be a suitable investment for all investors.

Each prospective investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Memorandum or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Holders of Notes held through Euroclear and Clearstream must rely on procedures of those clearing systems to effect transfers of Notes, receive payments in respect of Notes and vote at meetings of Noteholders.

The Notes will be represented on issue by one or more Global Certificates that may be deposited with a common depositary for Euroclear and Clearstream. Except in the circumstances described in each Global Certificate, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Certificate held through it. While the Notes are represented by a Global Certificate, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Certificates, the Company will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Company has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Certificate. Holders of beneficial interests in a Global Certificate will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies. If definitive Notes are issued, holders should be aware that definitive Notes that have a denomination that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.

The Trustee may request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances, the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of the Noteholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may have an impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed or in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such actions directly.

Modifications of, any waivers under, the Trust Deed and the Bonds could be adverse to the interests of Noteholders.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of the Terms and Conditions of the Notes or any of the provisions of the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorization of any breach or proposed breach, of any of the Terms and Conditions of the Notes or any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders.

The Trust Deed also contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders, to the substitution of any other company in place of the Company, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes; provided, however, that immediately after such substitution, the Company must deliver to the Trustee an opinion of counsel

of recognized standing with respect to U.S. federal income tax matters that the beneficial owners of the Notes will not recognize gain or loss for U.S. federal income tax purposes as a result of such substitution and will be subject to the same U.S. federal income tax consequences as if such substitution did not occur.

There may be interest rate risks on an investment in the Notes.

Investment in fixed rate instruments involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate instruments.

The price of the Notes following the offering may be volatile.

The price and trading volume of the Notes may be highly volatile. Factors such as variations in the Company's revenues, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions and interest rates, could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the volume and price at which the Notes will trade. There can be no assurance that these developments will not occur in the future.

Rupees may not be freely convertible to other currencies.

The convertibility of Rupees is dependent, inter alia, on international and domestic political and economic factors, and on measures taken by governments and central banks, including the Government and the RBI. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by revaluation of a currency, or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates and the availability of Rupees and vice versa. The taking of any one or more of such measures could adversely affect the value of the Notes as well as any amount which may be payable upon redemption of the Notes.

Risks Relating to the Market Generally

An active trading market may not develop for the Notes, in which case the ability to transfer the Notes will be more limited.

The Notes are new securities for which there is currently no existing trading market. Prior to this offering there has been no trading market in the Notes. The liquidity of any market for the Notes will depend on a number of factors, including general economic conditions and the Company's own financial condition, performance and prospects, as well as recommendations of securities analysts. The Company has been informed by the Joint Lead Managers that they may make a market in the Notes after the Company has completed this offering. However, they are not obligated to do so and may discontinue such market-making activity at any time without notice. In addition, market-making activity by the Joint Lead Managers' affiliates may be subject to limits imposed by applicable law. As a result, the Group cannot make any assurance that any market in the Notes will develop or, if it does develop, it will be maintained. If an active market in the Notes fails to develop or be sustained, Noteholders may not be able to sell the Notes or may have to sell them at a lower price.

Developments in other markets may adversely affect the market price of the Notes.

The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for Indian securities is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including India. Since the sub-prime mortgage crisis in 2008, the international financial markets have experienced significant volatility. The global financial crisis, including the sovereign debt crisis in Europe, concerns over recession, inflation or deflation, energy costs, geopolitical issues, commodity prices

and the availability and cost of credit, has contributed to unprecedented levels of market volatility and diminished expectations for the global economy and the capital and credit markets. If similar developments occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

An investment in the Notes may subject investors to foreign exchange risks.

The Notes are denominated and payable in U.S. Dollars. If investors measure their investment returns by reference to a currency other than U.S. Dollars, an investment in the Notes entails foreign exchange-related risks, including possible significant changes in the value of the U.S. Dollar relative to the currency by reference to which investors measure their investment returns, due to, among other things, economic, political and other factors over which the Group has no control. Depreciation of the Dollar against the currency by reference to which investors measure their investment returns could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to investors when the return on the Notes is translated into the currency by reference to which they measure their investment returns. In addition, there may be tax consequences for investors as a result of any foreign exchange gains resulting from any investment in the Notes.

Further, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Company to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings assigned to the Company or the Notes may not reflect all the risks associated with an investment in the Notes and ratings and outlook of the Notes and the Company may be downgraded or withdrawn.

The Notes are expected to be rated Ba2 by Moody's and BB by Fitch. The ratings and outlook represent the opinions of the rating agencies and their assessment of the ability of the Company to perform its obligations under the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating or outlook is not a recommendation to buy, sell or hold securities. The ratings or outlook can be lowered or withdrawn at any time. The Company is not obligated to inform Noteholders if the ratings or outlook are lowered or withdrawn. A reduction or withdrawal of the ratings may adversely affect the market price and liquidity of the Notes and the Company's ability to access the debt capital markets. One or more independent credit rating agencies may assign credit ratings to the Company or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisors to determine whether and to what extent: (1) the Notes are legal investments for it; (2) the Notes can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The information in this section is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Offering Memorandum, including the information contained in "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" "Presentation of Financial Information" and "Index to Financial Statements". All financial information for the Group and the Company as at and for the years ended March 31, 2016, 2017 and 2018 and for the nine months ended December 31, 2017 and 2018 have been derived from the Group Consolidated Financial Statements and the Company Standalone Financial Statements, unless stated otherwise except for 'Revenue from operations' and 'Other expenses' for the year ended March 31, 2018 and nine months ended December 31, 2017 which have been restated and extracted from the condensed interim financial statements for the nine months ended December 31, 2018 of the Company and the Group and except for amounts as at and for the year ended March 31, 2017 which have been reclassified in and extracted from the financial statements as at and for the year ended March 31, 2018 for the Company and the Group. See "Presentation of Financial Information".

Overview

JSW Steel Limited, the flagship company of the diversified U.S.$13 billion JSW Group and part of the O.P. Jindal Group, is an integrated manufacturer of a diverse range of steel products with an export footprint in more than 100 countries. The JSW Group has diversified interests in mining, carbon steel, power, industrial gases, port facilities and cement. The Group offers an extensive portfolio of flat and long products, including hot rolled coils, sheets and plates, cold rolled coils and sheets, galvanized and galvalume products, electrical steel, pre-painted galvanized and galvalume products, thermo-mechanically treated ("**TMT**") bars, wire rods, rails, grinding balls and special steel bars, rounds and blooms, plates and pipes of various sizes and cold rolled non-grain oriented products. The Group is also one of the largest producers and exporters of coated flat steel products in India. The Group believes that it has one of the lowest conversion costs in the industry, primarily due to its efficient operations, high manpower productivity and the strategic location of its state-of-the-art manufacturing facilities. The Group's operations in India currently have an installed crude steel capacity of approximately 18.0 mtpa, which comprises 12.5 mtpa (approximately 70 per cent. of the capacity) of flat products and 5.5 mtpa (approximately 30 per cent. of the capacity) of long products. Since the Group's incorporation in 1994, the Group revenue from operations have grown to Rs.732,110 million for the year ended March 31, 2018 and to Rs.623,895 million (U.S.$8,939 million) for the nine months ended December 31, 2018.

In 2018, the Group was ranked eighth amongst top 35 world class steelmakers according to World Steel Dynamics, based on a variety of factors. In particular, the Group achieved the highest rating (10 out of 10) on the following criteria: conversion costs; yields, expanding capacity, location in high-growth markets and labor costs. This ranking puts the Group ahead of all other steelmakers based in India and ranked third amongst Asian steelmakers.

The Group has significantly expanded its steelmaking capacity at its Indian operations, which has increased from 1.6 mtpa in 2002 to 2.5 mtpa in 2006, 3.8 mtpa in 2007, 7.8 mtpa in 2010, 11.0 mtpa in 2012 and to 18.0 mtpa in May 2018, through organic and inorganic growth. The Group's manufacturing facilities in India consist of Vijaynagar Works in Karnataka (12.0 mtpa), Dolvi Works in Maharashtra (5.0 mtpa) and Salem Works in Tamil Nadu (1.0 mtpa) in addition to downstream facilities for its coated products division at Vasind, Tarapur and Kalmeshwar Works in Maharashtra. The Group's major facilities in India are strategically located near raw material sources and are well connected via ports and railways, thus helping the Group to maintain a low cost structure. The Group's overseas manufacturing facilities comprise a plate/pipe mill in Baytown, Texas, U.S., a steel making facility at Ohio, U.S., and a long product mill in Italy. The Baytown facility has a 1.2 mntpa plate mill and a 0.55 mntpa pipe mill. The facility is located near a port and in close proximity to key customers in the oil and gas industry. The Ohio facility is a hot rolling mill with a 3.0 mntpa capacity. It is partially backward integrated with a 1.5 mntpa EAF furnace that became operational in December 2018 after commencement of operations by the Group. The facility in Italy was acquired by the Group in July 2018 and produces long products — railway lines, bars, wire rods and grinding balls — with aggregate capacity of 1.3 mtpa. The Group plans to expand its steel capacity to 40.0 mtpa in the next decade through a combination of organic and inorganic growth.

For fiscal year 2018 and for the nine months ended December 31, 2018, revenue from operations within India represents 76.1 per cent. and 83.5 per cent., respectively, of the Group's revenue from operations which were through the Group's widespread sales and distribution network that sells its products directly to customers, wholesale traders and stock points. The Group's sales presence is particularly strong in South and West India, where a large number of automotive manufacturers are located. The Group is mainly focused on retail sales through its exclusive and non-exclusive retail outlets. As at December 31, 2018, the Group had more than 9,500 retail outlets located throughout India. For fiscal year 2018 and the nine months ended December 31, 2018, revenue from operations outside India represents 23.9 per cent. and 16.5 per cent. of the Group's revenue from operations respectively. The Group has an export footprint in more than 100 countries across five continents. The Group uses a combination of direct sales to customers and sales to international trading houses for its international sales.

Competitive Strengths

The Group believes that the following competitive strengths can be leveraged to allow it to further enhance its position as a leading steel producer.

Source: Company data

Leading player in the Indian steel market

The Group is a leading player in the Indian steel market with significant domestic and international exposure. The Group has continuously sustained its market leadership with its core strengths of agile operations, rich product mix, best-in-class technology, excellence in project execution, sustainable sourcing and consistent focus on employee engagement. With the long-term growth potential for steel consumption in the Indian domestic market, the Group has introduced additional capital expenditure program to expand its capacities at its plants, and also to modernize and expand capacities of its downstream business. These expansions will enable the Group to be in a strategic position to capture market opportunities and develop its market share.

Strong business profile diversified by markets and products

The Group has a wide range of product offerings that cater to diversified end markets across geographies. The Group has significantly expanded its product portfolio through a mix of acquisitions, downstream capacity expansions and joint ventures with other leading steel companies. The Group offers an extensive portfolio of flat and long products, including hot rolled coils, sheets and plates, cold rolled coils and sheets, galvanized and galvalume products, pre-painted galvanized and galvalume, tin plates, wire rods and special steel bars, rounds and blooms, rails, steel balls, plates and pipes, cold rolled electrical steel of various sizes. The Group believes that the breadth of the Group's

product range gives it the flexibility to adapt its product mix to market demands and enables it to sustain its business and operations through adverse economic conditions. As a result, the Company was able to strategically reduce its share of export from 16.8 per cent. of revenue from operations in fiscal year 2018 to 8.4 per cent. during the nine months ended December 31, 2018, as global steel consumption declined. Inspite of this, revenue from operations for the nine months ended December 31, 2018 increased by Rs. 103,769 million from revenue from operations for the nine months ended December 31, 2017.

The Group is focused on value-added steel products. The strategic collaboration with JFE allows the Group to produce high-end value-added steel products for the automotive, electrical appliance and construction industries. Moreover, the Group manufactures a wide range of value-added flat steel products, such as medium to high carbon steel, high tensile and high strength low-alloy steel grades for the automotive sector, API grade steel for the oil and gas sector, cold rolled close annealed coils, Customized galvanized and galvalume products for solar sector galvanized products and color coated products in the flat product segment and rebars, wire rods and structural steel in the long product segment. The Group currently has one of the largest galvanizing and galvalume and color coating production capacities in India and it is also one of the largest Indian exporters of coated flat steel products, with an export footprint in more than 100 countries across five continents.

Prior to 2014, the Group ventured into the high value-added product of vinyl coated metal, which at the time was only being imported into India. Similarly, in 2016, the Group set up an electrical steel facility at Vijaynagar Works with a capacity of 200,000 tons per annum to further enhance its product offerings in the sector of manufacturing of motors, pumps and small transformers. Further, the Group also set up a 0.25 mtpa tinplate line in 2018 (currently undergoing trial run) to meet demand from the packaging industry.

Acquisitions and strategic joint ventures

The Group has entered into strategic joint ventures as well as acquired equity interests in various entities which have enabled it to add more value-added products, enhance its global footprint, secure raw materials and increase its technological know-how. The Company has also pursued unique opportunities in stressed assets in niche markets.

The Group entered into a 50:50 joint venture with UK-based Severfield UK PLC which operates a 55,000 mtpa structural steel plant at Vijaynagar Works. The Group has further widened its product diversity into cutting edge flooring technology with composite metal decking through a joint venture with Structural Metal Decks Limited, UK. The Group also has a 49.0 per cent. equity interest in Geo Steel LLC, which has a steel rolling facility with 175,000 tpa capacity designed to produce rebars through the hot rolling mill process by using steel billets. The Group also entered into a joint venture with Marubeni-Itochu Steel (JSW MI Steel Service Center) to set up steel service centers in north and west India for just-in-time solutions to the automotive, white goods and construction sectors. In April 2014, the Group acquired a 50.0 per cent. equity interest in Vallabh Tinplate Private Limited, which had a capacity of 60,000 tpa (since increased to 100,000 tpa at present), marking the Group's entry into the growing tinplate business in India. In October 2014 and May 2017, the Group acquired 99.85 per cent. and 0.15 per cent. equity interests, respectively, in Welspun Maxsteel. The acquisition of Welspun Maxsteel reduced the Group's cost of production by providing DRI to Dolvi Works while the Group's subsidiary, Amba River Coke Limited, will supply surplus pellets. In August 2016, the Group executed a share purchase agreement with Praxair India Private Limited to acquire their entire shareholding of 74.00 per cent. in Jindal Praxair Oxygen Private Limited (now renamed as JSW Industrial Gases Private Limited (JIGPL)). JIGPL is engaged in the business of production and sale of industrial gases such as oxygen, nitrogen and argon and has two air separation plants, each with a capacity of 2,500 tons per day, at Toranagallu, Bellary District, Karnataka. The Group currently sources industrial gases from JIGPL among others at prices based on long-term contracts. The Group believes the strategic acquisition of JIGPL will provide the Company with the benefit of backward integration.

In May 2018, the Company entered into a sale and purchase agreement with Cevitaly S.r.l for the acquisition of 100.0 per cent. of the shares of Aferpi S.p.A ("**Aferpi**") and Piombino Logistics S.p.A ("**PL**") and 69.27 per cent. of the shares of GSI Lucchini S.p.A ("**GSI**"). Aferpi makes special long steel product in Piombino, Italy. PL manages the logistic infrastructure of the Piombino port area while GSI is a producer of forged steel balls. The acquisition allows the Group to establish its presence in Italy and access the European specialty steel long products market. The acquisition was completed on July 24, 2018.

In June 2018, the Company acquired 100 per cent. of the shares of Acero Junction Holdings Inc. ("**Acero**"). The total enterprise value of the transaction is U.S.$182.41 million, with equity value of U.S.$80.85 million and liabilities of U.S.$101.56 million. Acero is the 100 per cent. holding company of Acero Junction Inc (since renamed as JSW Steel USA Ohio Inc), an electric arc furnace based steel manufacturing mill in Ohio. The Company expects that the acquisition will allow it to gain increased access to the North American steel market.

In July 2018, the NCLT approved the resolution plan submitted by a consortium comprising of the Company and AION Investments Private II Limited for the acquisition of Monnet Ispat and Energy Limited ("**MIEL**"). MIEL owns a 1.5 MT integrated steel plant, along with a 0.8 MT sponge iron plant, 2 MT pellet plant, a 0.96 MT sinter plant and a 230 MW captive power plant in Chattisgarh. The acquisition was completed on August 31, 2018 and the Company currently holds 23.1 per cent. of the shares of MIEL.

The resolution plan submitted by the Company for VIL was approved with some modification, by the NCLT New Delhi, by its order dated December 19, 2018 under Section 31 of the IBC. The Company has filed an application before the NCLT seeking certain clarifications and modifications to the NCLT order dated December 19, 2018. The NCLT, by its order dated January 7, 2019 has deferred the implementation of the resolution plan until clarifications are processed by the regular bench of the NTCL. The hearing on the clarification application was concluded on January 28, 2019 and it was reserved for orders. While reserving the order on application for clarification of the NCLT's order approving the resolution plan, the NCLT has stayed implementation of the resolution plan. As of the date of this Offering Circular, the Company has not taken control of VIL.

On February 13, 2019, the Company accepted a Letter of Intent issued by the Committee of Creditors of BPSL, a company currently undergoing insolvency resolution process under the provisions of the Bankruptcy Code. The completion of the acquisition of BPSL is subject to the necessary approval from the NCLAT and satisfaction of conditions precedent under the resolution plan. While reserving the order on application for clarification of the NCLT's order approving the resolution plan, the NCLT has stayed implementation of the resolution plan.

Strategically located manufacturing facilities

The Group's strategically located facilities in South and West India provide the Group access to key automotive manufacturers in these regions as well as easy access to ports on both eastern and western coasts of India. All of the Group's facilities are well connected to rail and road networks. As a result of the facilities' strategic locations, the Group enjoys a substantial market share in South and West India. Vijaynagar Works, India's first single location 12 mtpa steel plant, is located close to the rich iron ore belt of the Bellary-Hospet region in Karnataka and is well connected to the Group's dedicated port facilities at South West Port Limited in Goa and other port locations. Dolvi Works, with its strategic presence in Western India near Mumbai, has a captive jetty along with rail, road and seaport connections. Salem Works, India's leading producer of long special steel products, is located near the automotive manufacturing hub in Southern India. The Group's strategically located facilities enable a reliable and cost efficient supply of raw materials and efficient delivery of finished steel products to the market. In addition, the Group believes it has cost advantage in delivering finished steel products to customers in South and West India due to its proximity to that region.

Strong focus on technology driving raw material efficiency and increased productivity

The Group believes it is a pioneer in introducing leading technologies in India. In order to maintain quality while lowering the cost of production, the Group has adopted a combination of industry leading technologies, including non-recovery coke ovens, blast furnace, DRI, twin shell Conarc, Corex and galvalume technology, in addition to other well established steelmaking methods.

The Corex process is used in combination with blast furnace technology at Vijaynagar Works. Dolvi Works is the first facility in India to adopt a combination of Conarc technology for steelmaking and Compact Strip Production for producing hot rolled coils. In addition, the Group's beneficiation plant at Vijaynagar is able to convert low grade iron ore to higher grade variants, thus allowing the Group to utilize lower grade iron ore and achieve significant cost savings. The adoption of various advanced technologies gives the Group the flexibility to blend coking coal of different quality for the manufacture of coke, produce pellets and sinter in the iron ore agglomeration (pelletization and beneficiation plants) process, make use of coal fines, utilize waste heat for power generation and produce galvalume products, each of which generates cost efficiencies for the Group. These advanced technologies also provide the Group with flexibility in the choice of raw materials and enable the Group to take advantage of market variances in the availability and price of raw materials.

In order to effectively enhance its operational capabilities, expertise and technology, the Group entered into a strategic collaboration with JFE Steel of Japan to acquire energy reduction and environmental-friendly technologies, which will help the Group produce high-end value-added steel products for the automotive and construction industries as well as optimize its cost. The collaboration seeks to leverage the strength of JFE in its well-established manufacturing technology for advanced high strength steel for automotive. JFE had also taken a 14.99 per cent. equity interest in the Company by an equity infusion of Rs.54,100 million in 2010. The collaboration between the Group and JFE includes a general technology assistance agreement, which encompasses all facets of steelmaking and processing from raw material handling to rolling mills including energy control and savings; a technical assistance agreement encompassing the Group's new cold rolling mill; and a foreign collaboration agreement focusing on the manufacture of high-end auto-grade steel that was being imported into India. Under this collaboration, the Company has also implemented a 0.2 mtpa state-of-the art annealing and coating line for production of fully-processed non-grain oriented electrical steel grades.

In 2017, the Company won the "Golden Peacock Innovative Product Award — 2016" in the steel sector and also won the "Steelie Award 2016", an award in the innovation category, by the World Steel Association, recognizing the Company's development of advanced high strength automotive steel with speed and innovation.

Integrated and efficient operations

The Group is an integrated manufacturer of a diverse range of products, utilizing various industry leading technologies. The Group believes that it has one of the lowest conversion costs in the industry, primarily due to its efficient operations, high manpower productivity, the strategic location of its facilities and its state-of-the-art manufacturing facilities. The Group's integrated operations span from raw material processing units, such as beneficiation plants, pelletization and sinter plants, to downstream value addition capabilities, such as production of cold rolled, galvanized and color-coated products. The facilities are well connected to rail, road and port for logistics support, which provides natural competitive advantages in terms of reliable and cost efficient supply of raw materials and delivery of finished steel products to the market. Most of the Group's domestic production facilities are serviced by captive power plants: Vijaynagar Works by captive power generation of 854 MW; Dolvi Works by a 67 MW captive power generation and long-term power purchase arrangement with JSW Energy Limited; and Salem Works by a 60 MW captive power generation. Moreover, of the aggregate capacity of 981 MW generated by the Group's captive power plants, 411 MW is generated

through waste gases and heat generated from operations, an environmentally friendly and cost efficient source. The Group also has tie-ups for utilities and industrial gases with its wholly owned subsidiary JSW Industrial Gases Private Limited (previously known as Jindal Praxair Oxygen Company Private Limited), among others.

The Group continues to focus on backward integration by investing in its resource base to secure critical raw materials. The Group has acquired coking coal mines in West Virginia, U.S. and has also acquired coal mining concessions in Mozambique as well as iron ore mining concessions in Chile. The Group believes that securing critical raw materials, either for sale in the global market or for direct use in its production, will help protect the Group from variations in raw material prices. The new MMDR Act passed in 2016, has called for a level playing field for industry players with a transparent allocation process of raw materials through competitive bidding. The Group has focused on this opportunity to enhance its raw material security and won six iron ore mines in auctions in Karnataka. Three of these mines are operational and the remaining three are expected to be operational during the fiscal year 2020. The production from all six iron ore mines is expected to be approximately 4.5 to 5.1 mtpa iron ore in total. The Group also secured the 'Moitra' coking coal block located in Jharkhand via an auction process in April 2015, which has a total extractable coal reserve of approximately 30 mt. This is expected to further enhance the raw material security of the Group and lead to integrated and efficient operations.

The Group's high level of integration has reduced product development costs and production time, which in turn has enabled the Group to offer a shorter and more reliable delivery cycle to its customers.

In 2017, the Company was accredited with level 5 (Highest in the Category) Total Cost Management ("**TCM**") Maturity Model Assessment by the TCM division of the Confederation of Indian Industry.

In November 2018, the Company's Vijaynagar Works was awarded the Deming Prize, which is considered globally as the highest award for quality management and is equivalent to the Nobel Prize in the field of quality. It recognizes contributions to the field of total quality management and businesses that have successfully implemented total quality management.

Strong project execution capabilities

The Group believes it has a track record of successful project implementation by its in-house team as opposed to awarding turnkey contracts, resulting in cost savings, faster implementation and better quality control. The Group has a highly experienced project management team supported by a cross functional team with demonstrated experience of several expansion projects completed within the planned timelines and cost. The Group leverages its long-term relationships with key domestic and international suppliers, which enables it to achieve timely delivery at a competitive cost, thus ensuring smooth project implementation. The Group's strong project execution capabilities have been recognized by several significant awards, including the Prime Ministry's Trophy for Excellence in Performance in fiscal year 2013 for Vijaynagar Works, the "Best Integrated Steel Plant in India and the Steel Minister's Trophy" for fiscal year 2014. In 2015, the Group won the "Industry Leadership Award" at Platts Global Metals Awards for its achievements in steel, metals and mining.

Skilled workforce led by an experienced management team

The Group's senior management team comprises members with diverse skills in manufacturing, sales and marketing, finance and supply chain management in the steel industry. Their extensive experience and understanding of the steel business has been instrumental in building a sustainable global operation. In order to create an environment conducive to retaining talent, a clear goal setting agenda is in place to create a leadership pipeline. To encourage employees to think beyond their individual targets, the Group has institutionalized innovation projects, creating an innovation portal to allow

employees to generate and apply ideas that enable the Group to operate effectively. The Group continuously invests in building and enhancing its competencies and encourages employees to participate in sponsored learning programs. The Group believes that the mix of experience and diversity of its management team gives it the ability to successfully execute its business strategy.

Strategy

The Group aims to enhance its position as a leading global steel producer through the following strategies.

Selective growth through brownfield expansion and greenfield projects as well as inorganic growth

The Group intends to leverage its proximity to iron ore reserves and its existing logistics infrastructure to expand its production capacity at a low investment cost per ton. The Group's strategy is to maintain and grow its share of steel production in India, while locating the production of its finished products close to the markets in which they will be sold, in particular the Group's value-added products. The Group intends to maintain its domestic and international market share through selective inorganic and organic growth. In the domestic market, the Group will continue to undertake brownfield expansions, which can be accomplished at a low specific investment cost per ton, as well as consider inorganic growth opportunities that are value accretive.

In 2016, the Group completed its brownfield expansions at Vijaynagar Works and Dolvi Works, increasing capacity from 10.0 mtpa to 12.0 mtpa and 3.3 mtpa to 5.0 mtpa, respectively, providing the Group with an overall capacity of 18.0 mtpa. The capacity at Vijayanagar Works is being expanded from 12.0 to 13.0 mtpa and the capacity of Dolvi Works is being expanded from 5.0 mtpa to 10.0 mtpa, thereby bringing the overall capacity to 24.0 mtpa by 2020.

In addition, the Group has been exploring opportunities internationally. In the United States, recent changes to tariffs have been implemented on steel imports in order to incentivize domestic steel production to make local domestic markets in the U.S. attractive from demand and pricing perspective. JSW Steel (USA) Inc., a subsidiary of the Company, is presently modernizing and backward integrating its existing facilities at Baytown, Texas at a cost of up to U.S.$500 million. The project will be undertaken in a phased manner and is expected to be operational during fiscal year 2022. It includes revamping of the existing plate mill in the first phase and setting up a melt and manufacture steel making facility in the second phase.

At the Ohio facility, which was acquired in June 2018, the Company is proposing a two-phased expansion and modernization plan. The first phase of revamping and restarting the existing electric arc furnace (EAF) was completed in December 2018. In the second phase and subject to economic viability, prevailing economic conditions and subject to necessary approvals, the possibility of adding another EAF as well as additional manufacturing equipment at the hot strip mill to make the Ohio facility a fully integrated unit with 3.0 mntpa capacity will be considered. The Ohio facility presently comprises of a 1.5 mntpa EAF, 35 mva Ladle metallurgy furnace (LMF), 2.80 mntpa slab caster and a 3 mtpa hot strip mill (HSM).

In May 2018, the Company through its subsidiary JSW Steel Italy SRL entered into a sale and purchase agreement with Cevitaly S.r.l for the acquisition of 100.0 per cent. of the shares of Aferpi S.p.A, Piombino Logistics S.p.A and 69.27 per cent. of the share capital of GSI Lucchini S.p.A. The acquisition was completed on July 24, 2018. Aferpi has a 1.32 mtpa capacity and manufactures rails, bars and wire rods. Piombino Logistics manages the infrastructure at the port of Piombino and the rail lines inside the Aferpi plant. GSI Lucchini has a facility for manufacture of forged steel balls used in grinding mills. JSW Steel proposes to utilize the competitive advantages of the port and rail infrastructure, Lucchini brand name to gain strength its presence in the European markets. In the future, it is proposed to backward integrate the facility by setting up an Electric arc furnace, subject to feasibility studies and economic viability.

Further diversification of the Group's product profile and customer base

Rising consumer aspirations and the inevitable growth in infrastructure spending are significant macro trends in India. The Group believes that these trends will lead to an increase in demand for steel. The Group has moved quickly to create a portfolio of relevant value-added products in anticipation of this change. The Group further intends to increase its proportion of high margin value-added products in its product mix so as to better withstand steel price volatility, to offer a broad-based suite of products to meet the growing requirements of customers and facilitate import substitution. The share of value-added and special product ("**VASP**") sale increased to 58 per cent. during fiscal year 2018, which contributed to the increase in the Group's margins. The total sale of VASP product stood at approximately 9 million tons, representing a 13 per cent. year-on-year growth.

The Group intends to increase its focus on the production of medium and high carbon steel, high tensile and high strength low alloy steel for the automotive sector, and API grade steel for the oil and gas sector. Aligned with this strategy, the Group completed the establishment of a new 2.3 mtpa cold rolling mill and a 0.2 mtpa non-grain oriented electrical steel facility at Vijaynagar Works in 2015. The Group believes these expansions allow it to address domestic requirements for high-grade electrical steel, which is primarily imported at present. The Group is further strengthening its position in the long product segment to address the growth in the domestic infrastructure and construction sectors with an additional 1.4 mtpa of Bar Rod mill at Dolvi Works in addition to the extra 1.2 mtpa added at Vijaynagar Works in fiscal year 2016. The Group has also diversified into the tinplate business in India with its acquisition of a 50.0 per cent. equity interest in Vallabh Tinplate Private Limited in April 2014 and further, the Group is setting up two tin plate mills of total capacity of 0.50 mtpa and related facilities at its Tarapur Works to cater to the increasing demand for tinplate. The trial run for the first phase of tinplate mill with 0.25 mtpa capacity is currently underway.

The Group intends to further diversify its customer base, both within India and abroad. In India, the Group will continue to focus on developing the rural market, which the Group believes is less susceptible to economic cycles. To support this rural focus, the Group intends to further expand its rural distribution network by opening additional JSW Shoppe Connect outlets in rural parts of India. The Group also intends to expand its international sales outreach through inorganic growth opportunities. As at December 31, 2018, the Group had over 9,500 retail outlets across India.

Focus on operational efficiency

The Group is a leader in using sustainable and eco-friendly technologies to drive growth, as well as reducing cost and increasing energy efficiency. The Group will continue to invest in new technologies to enhance its operational productivity and efficiency and shall continuously review and assess new technologies, such as improvements to the Corex process, replacing natural gas with coke oven gas for its DRI plant at Dolvi Works and the use of galvalume technology. Strategic initiatives include a new water reservoir at Vijaynagar commissioned in the third quarter of 2019, a pipe conveyor for transporting iron ore from yards to the Vijaynagar plant and a coke oven battery of 1.5 mtpa at the Dolvi plant. The initial phases of the pipe conveyor are undergoing trial runs. Half of the coke oven battery is operational and the other half is undergoing trial runs. Advanced technologies will continue to be adopted across the Group's operations, ranging from power generation from waste gases and heat generated from its operations, non-recovery based coke making, using the beneficiation process to convert low grade iron ore and blending different varieties of coking coal for coke making, each of which improve operational efficiencies and reduce costs. The Group also attempts to minimize fresh water consumption by maximizing reutilization of treated waste water. The Group will continue its focus on reducing raw materials consumed per unit of steel produced by replacing virgin raw materials and recycling of waste.

Strengthening backward and forward integration

Backward integration and raw material security are key components of the Group's future strategy. The Group believes that securing critical raw materials, either for sale on the global market or for direct use at its facilities, will help protect the Group from variations in raw material prices. To this end, the Group has acquired coal and iron ore mines in Chile, the U.S. and Mozambique. This also enables the Group to explore backward integration opportunities of hot end slab manufacturing for the plate and pipe mill facilities in Baytown, Texas given the attractive industry outlook.

The Group will continue to evaluate additional raw material assets that fit within its strategic criteria and intend to look for further opportunities in India and abroad to secure key raw material supplies and to reduce its cost of production by targeting strategic tie-ups and investments in new technologies to achieve further backward integration. Pursuant to the auction conducted by the Government, the Group won the Moitra coking coal mine, located in Jharkhand state in April 2015, five iron ore mines in the auction conducted by the Karnataka State Government in October 2016 and an additional iron ore mine in the auction conducted by the Karnataka State Government in October 2018. The Group believes this will further enhance the raw material security of the Group and lead to integrated and efficient operations. The Group intends to strengthen its forward integration by expanding its retail outlets to sell higher value-added products, both within India and abroad.

The forward integration initiatives include setting up of 0.5 mtpa tinplate mill at Tarapur, 2.44 mtpa CRM/PLTCM mills at Vijaynagar and Vasind/Tarapur. The Group believes that higher margin value added products business improves profitability, helps deliver relatively stable spreads through the cycle and ensures better retention of customers with scope for import substitution. The acquisitions of Aferpi S.p.A, Piombino Logistics S.p.A and GSI Lucchini S.p.A formed part of the Group's strategy in this direction. These entities are engaged in the manufacture of rail lines, hot rolled bars and wire rods. The Group believes that the acquisitions will give it an opportunity to strengthen its presence in Italy and other European markets.

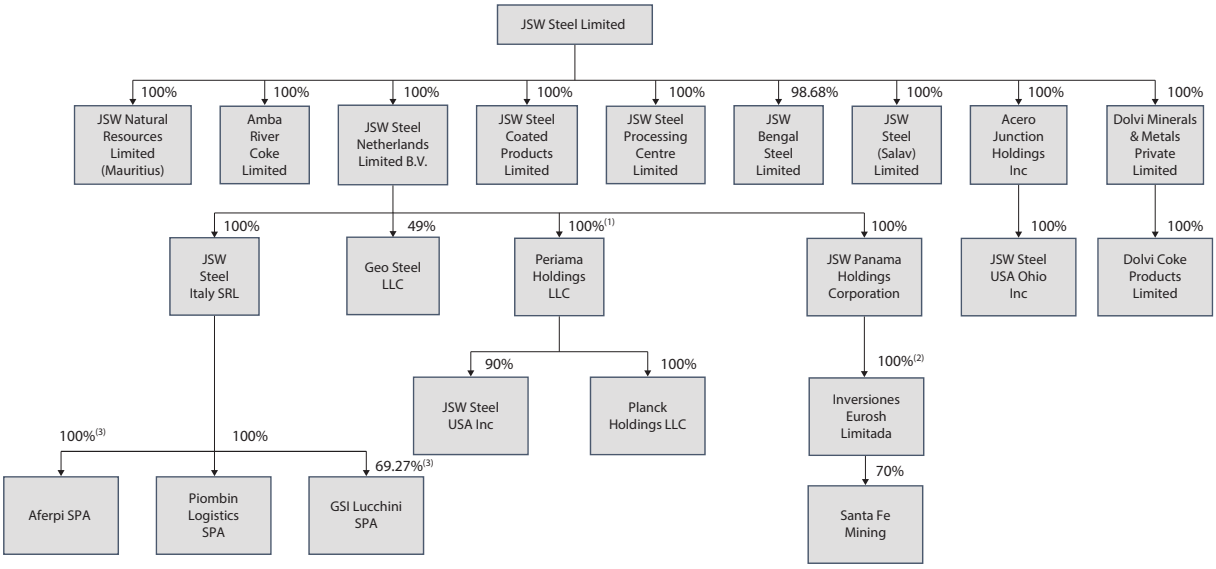
Robust financial discipline and focus on return profile

The Group operates in a capital intensive industry with a history of volatile prices. The Group therefore continuously seeks to improve its financial profile as it believes a strong financial position will be critical to support its future growth. The Group maintains a strong focus on cost management and prudent investment in new projects. The Group has developed robust financial principles and business criteria to assess potential acquisitions and expansions. The Group intends to manage its capacity expansion, improve its debt maturity profile, and diversify its funding sources so as to capture market opportunities without taking on excessive risk.

For fiscal year 2018, the Group recorded revenue from operations of Rs.732,110 million and profit for the year (i.e. profit after taxes and share of profit of associate and joint ventures) of Rs.61,130 million. For the nine months ended December 31, 2018, the Group recorded revenue from operations of Rs.623,895 million (U.S.$8,939 million) and profit (i.e., profits after taxes and share of profit of joint ventures) of Rs.60,283 million (U.S.$864 million). The Group had property, plant and equipment (including capital work in progress) of Rs.704,690 million (U.S.$10,097 million) and a net debt to equity ratio of 1.40 as at December 31, 2018.

Corporate Structure

The chart below shows a summary of the Group's corporate structure as at December 31, 2018. This is a summary chart only and does not show all of the Group's subsidiaries. For further details of the subsidiaries of the Group, see note 1 to the Group's Annual Financial Statements.



Notes:

(1) Periama Holdings, LLC is held 99.9 per cent. by JSW Steel Netherlands B.V. and 0.1 per cent. by the Company.

(2) Inversiones Eurosh Limitada is held 94.9 per cent. by JSW Panama Holdings Corporation, 0.1 per cent. by JSW Steel Netherlands B.V. and 5.0 per cent. by the Company.

(3) Aferpi SPA and GSI Lucchini SPA are each held 0.1 per cent. by the Company.

(4) Dolvi Minerals & Metals Private Limited, Dolvi Coke Products Limited, JSW Steel (Salav) Limited and JSW Steel Processing Centres Limited are proposed to be merged with the Company effective April 1, 2019.

Recent Developments

Resolution plan for Vardhman Industries Limited

In an order dated December 19, 2018, the resolution plan submitted by the Company for VIL was approved with some modifications by the NCLT. The Company filed an application with the NCLT seeking certain clarifications/modifications to such order. The NCLT, by its order dated January 7, 2019, had deferred the implementation of the resolution plan until the processing of clarifications by the Regular Bench was complete. The hearing on the clarification application was concluded on January 28, 2019 and is reserved for orders. While reserving the order on application for clarification of the NCLT's order approving the resolution plan, the NCLT has stayed implementation of the resolution plan. As of the date of this Offering Circular, the Company has not taken control of VIL.

Acquisition of Bhushan Power and Steel Limited

The Company submitted a resolution plan in respect of BPSL, a company currently undergoing insolvency resolution process under the provisions of the Bankruptcy Code. The Company's ability to submit a revised resolution plan for BPSL was challenged before the NCLAT. However, by its order dated February 4, 2019, the NCLAT struck down the challenge. Further, on February 13, 2019, the Company accepted a Letter of Intent issued by the Committee of Creditors of BPSL. The completion of a potential acquisition of BPSL by the Company is subject to obtaining the necessary approval from the NCLT and satisfaction of conditions precedent under the resolution plan. As of the date of this Offering Memorandum, hearings in respect of the NCLT's approval remain ongoing and the exact timing of the BPSL acquisition remains uncertain. The Group expects any acquisition of BPSL to be material.

The Company's resolution plan includes an upfront payment towards BPSL's debt resolution, additional capital injection to support BPSL's operational improvements and a performance guarantee in connection with the execution of the resolution plan. While the specific details of the Company's resolution plan are subject to confidentiality restrictions, the Company's financial commitments in connection with resolution plan are material. In addition, the Company has secured additional financing in connection with financial commitments under the resolution plan.

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

The Group intends not to consolidate BPSL's business into its own and is currently in advanced negotiations with various investors to invest in a special purpose vehicle that is intended to hold BPSL's business. The Group intends to structure the acquisition in such a manner that while it continues to maintain joint control of BPSL its exposure to the debt of BPSL would be significantly reduced. However, there can be no assurance that the Group will be able to find a required partner or to successfully complete a proposed reorganization of the capital structure subsequent to the completion of the acquisition.

Please see "*Risk Factors — Risks Relating to the Group — The Group has undertaken, and may undertake in the future, strategic acquisitions, which may be difficult to integrate, and may end up being unsuccessful. There can be no assurance that such acquisitions will be successful or will result in a positive outcome or be profitable for the Group.*" and "*Risk Factors — Risks Relating to the Group — The Group's acquisition of BPSL is expected to subject the Group to various risks.*" for further information on risks associated with the Group's acquisition of BPSL.

Merger of wholly-owned subsidiaries

In a meeting held on October 25, 2018, the board of directors of the Company approved the merger of wholly-owned subsidiaries DMMPL, DCPL, JSW Salav and JSPCL with itself. DMMPL is a wholly-owned subsidiary of the Company and in turn holds 100% of the equity of DCPL, a company that was set up to own and operate a 3.0 mtpa coke oven plant at Dolvi. JSPCL owns and operates a processing center at Vijaynagar and JSW Salav owns a 0.9 mtpa DRI plant at Salav near Dolvi. The merger is expected to be effective on April 1, 2019, subject to regulatory approvals.

On October 23, 2018, the Company had acquired the shareholding of other shareholders of DMMPL aggregating to 60.004% for a consideration of Rs.1.09 billion.

Rights issue

In a meeting held on October 25, 2018, the board of directors of the Company approved the issue of equity shares on rights basis for an amount of up to Rs.50 billion in accordance with provisions of the Companies Act, 2013 and other applicable rules and regulations. The finance committee of the board has been authorized to finalize the terms of issue including, among others, the entitlement ratio, record date, price and timing of issue.

Issuance of non-convertible debentures

In a meeting held on July 25, 2018, the board of directors of the Company approved issue of secured and unsecured redeemable non-convertible debentures on private placement basis and/or public issue for an amount of up to Rs.100 billion in one or more tranches in the domestic market. The specified use of proceeds included replacement of short-term loans, long-term working capital, normal/approved capital expenditure, reimbursement of capital expenditure already incurred and/or general corporate purposes. The board authorized the finance committee to finalize the terms of issue.

Advance Payment and Supply Agreement with Duferco S.A.

The Company entered into a five-year Advance Payment and Supply Agreement (the "**APSA**") agreement on February 27, 2019 with Duferco S.A. ("**DSA**") for the supply of steel products. Under the terms of the APSA, DSA, as the purchaser, has provided an interest-bearing advance amount of U.S.$700 million.

Acquisition of Acero

In June 2018, the Company acquired 100 per cent. of the shares of Acero Junction Holdings Inc. ("**Acero**"). The total enterprise value of the transaction is U.S.$182.41 million, with equity value of U.S.$80.85 million and liabilities of U.S.$101.56 million. Acero is the 100 per cent. holding company of Acero Junction Inc (since renamed as JSW Steel USA Ohio Inc), an electric arc furnace based steel manufacturing mill in Ohio. The Company expects that the acquisition of the 1.5 mntpa fully integrated steel facility with excess hot strip mill rolling capacity of 1.5 mntpa will allow it to gain increased access to the North American steel market.

Acquisition of Monnet Ispat & Energy Limited

On April 12, 2018, the Company announced that it had submitted a bid for the acquisition of MIEL along-with AION Investments Private II Limited ("**AION**") (together as a consortium), under the corporate insolvency resolution process of the Bankruptcy Code. This consortium was declared as the successful resolution applicant by the Committee of Creditors of MIEL on April 10, 2018. The consortium has accepted the terms of the letter of intent. In July 2018, the NCLT approved the resolution plan submitted by the consortium. The consortium completed the acquisition of MIEL through their jointly controlled entity Creixent Special Steels Limited ("**CSSL**") on August 31, 2018. The Company made an investment of Rs.3.75 billion through equity and redeemable preference shares in CSSL to acquire joint control in MIEL and have an effective shareholding of 23.1% in MIEL.

Acquisition of Aferpi

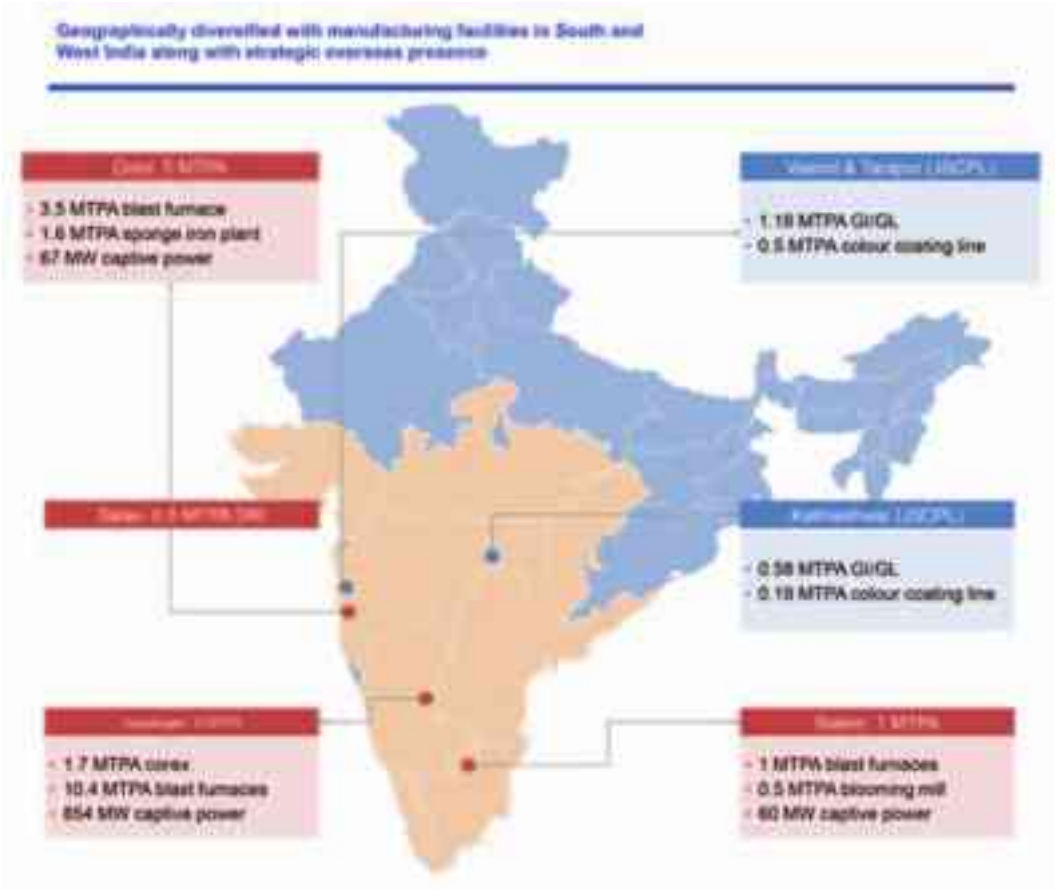
In May 2018, the Group entered into a sale and purchase agreement with Cevitaly S.r.l for the acquisition of 100.0 per cent. of the shares of Aferpi S.p.A, Piombinio Logistics S.p.A and 69.27 per cent. of the share capital of GSI Lucchini S.p.A. The acquisition was completed on July 24, 2018.

Baytown Mill Modernization

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

Facilities

The following maps show the locations of the Group's key operating facilities in India:



Vijaynagar Works

Vijaynagar Works is an integrated steel plant with 12 mtpa capacity. It is the Group's flagship plant and uses the Corex process, the first in India to do so as well as the conventional blast furnace route to achieve efficiency in conversion cost. Vijaynagar Works houses India's largest auto-grade steel facility with a capacity of 2.3 mtpa. It is also the only steel plant in India with pair cross technology and a twin-stand reversible cold rolling mill.

Raw material processing . . . . . .
- Beneficiation — 3,500 tph
- Pellet plant — 9.2 mtpa
- Sinter plant — 12.95 mtpa
- Coke oven plant — 4.62 mtpa

Iron and steel making . . . . . .
- Corex — 1.7 mtpa
- Blast furnace — 10.4 mtpa
- Slab caster — 9.0 mtpa
- Billet caster — 3.0 mtpa

Rolling and value addition. . . . .
- Hot strip mill — 8.2 mtpa
- Cold rolling mill — 3.13 mtpa
- Wire rod — 0.6 mtpa
- Rebar mill — 2.2 mtpa

Vijaynagar Works has captive power generation capacity of 854 MW capacity. It has a dedicated port and is well connected to the Goa and Chennai ports to facilitate the import of raw materials and export of finished products. It also has a lime calcination plant hosting eight kilns, each with 300 tpd capacity, and three kilns, each with 600 tpd capacity. In addition, Vijaynagar Works has tie-ups for utilities with Linde India Ltd., Bellary Oxygen Company Pvt Limited and wholly owned subsidiary JSW Industrial Gases Private Limited (previously known as Jindal Praxair Oxygen Company Private Limited) and Praxair India Pvt. Ltd.

Expansion and Development Projects

The following are the Group's key planned projects:

- revamp and upgrade of BF-3 at Vijayanagar from 3 mtpa to 4.5 mtpa, along with associated auxiliary units;
- capacity expansion of the CRM-1 complex at Vijayanagar from 0.85 mtpa to 1.8 mtpa;
- set up 0.3 mtpa colour coated line at CRM-1;
- set up of a pipe conveyor system with a capacity of 20 mtpa. This solution will be environment friendly and reduce transportation costs of iron ore. The initial phases of the project are presently undergoing trial runs;
- set up 8 mtpa pellet plant and 1.5 mtpa coke oven;
- enhance capacity of steel melt shop; and
- augment existing hot strip mill and wire rod mill to support enhanced BF-3.

Salem Works

Strategically located near Chennai, Salem Works has a steel production capacity of 1 mtpa. The unit is India's leading producer of special steel in the long products category, with major products including special grade steel used in gears, crank shafts and bearings for the automotive sector. Its products have received approvals from major Indian automotive original equipment manufacturers.

Raw material processing	• Sinter plant — 1. 26 mtpa
	• Coke oven — 0.51 mtpa
Iron and steelmaking	• Blast furnace — 1.0 mtpa
	• Billet/Blooms caster — 1.0 mtpa
Rolling and value addition.	• Bar rod/Blooming mill — 0.95 mtpa

Salem Works has a 60 MW captive power plant. It is well connected to the Chennai port. In addition, it has a captive oxygen gas plant.

Expansion and Development Projects

The Group plans the installation of CPP 3 of 30 MW to cater to power requirements.

Dolvi Works

Located on the western coast of India, Dolvi Works has a steel production capacity of 5.0 mtpa. The unit caters to customers in the automotive, industrial and consumer durables sectors. Dolvi Works is the first plant in India to adopt a combination of Conarc technology for steelmaking and compact strip production for producing hot rolled coils, providing the unit with flexibility to use a combination of solid charge and liquid hot metal.

Raw material processing	• Sinter plant — 5.3 mtpa
Iron and Steelmaking.....	• Blast furnace — 3.5 mtpa
	• Sponge iron plant — 1.6 mtpa
	• Twin Shell Conarc — 5.0 mtpa
Rolling and value addition.....	• Hot strip mill — 3.5 mtpa
	• Billet Caster — 1.5 mtpa
	• Bar rod mill — 1.4 mtpa

Dolvi Works has a 67 MW captive power plant and also has a long-term power purchase agreement with JSW Energy Limited, a Group company. It has a captive jetty as well as railway siding which connects the unit directly with India's railway network. Dolvi Works also has a lime calcination plants aggregating 1200 tpd capacity. In addition, Dolvi Works has a long-term agreement with JTPML, a Group company, for supply of industrial gases.

Expansion and Development Projects

The steelmaking capacity at Dolvi Works is being increased from existing 5.0 mtpa to 10.0 mtpa. The major facilities included in the project are:

- 4.5 mtpa Blast furnace with 5.0 mtpa Steel Melt Shop;
- 5.75 mtpa sinter plant, 4.0 mtpa pellet plant and 4 kilns of 600 TPD LCPs;
- 5.0 mtpa Hot Strip Mill; and
- 1.5 mtpa coke making capacity — Battery A with 0.75 mtpa capacity commenced operations on November 1, 2018. Battery B with the balance 0.75 mtpa capacity is under trial run. Further expansion to 3.0 mtpa has also been initiated along with a dry quenching unit.

Vasind Works, Tarapur Works and Kalmeshwar Works

JSW Steel Coated Products Limited, a wholly owned subsidiary of the Group, includes the manufacturing facilities of Vasind Works, Tarapur Works and Kalmeshwar Works, all in the state of Maharashtra. It is focused on manufacturing JSW branded value-added steel products and has the largest coated products production facilities in India. Its galvanized products are market leaders both domestically and abroad. Vasind Works was the first facility in India to commission a color coating line to cater to the fast growing appliance industry. Tarapur Works specializes in manufacturing ultra-thin coated products. Meanwhile, Kalmeshwar Works has a state-of-the-art hot rolled galvanizing line to cater to the pre-engineered building industry.

Processing. . . . . .

- Cold rolling mill — 1.76 mtpa
- Galvanizing/galvalume — 1.92 mtpa
- Color coating line — 0.71 mtpa

With respect to raw materials, JSW Steel Coated Products Limited obtains its hot rolling coils from the Group. Zinc, aluminum and silicon are either procured locally or imported from abroad. Paint is procured from leading paint producers in India. Further, the Group is setting up two tin plate mills of total capacity of 0.5 mtpa and related facilities at its Tarapur Works to cater to the increasing demand for tinplate.

Expansion and Development Projects

Modernization and capacity enhancement of downstream facilities. The modernization cum capacity enhancement projects recently announced includes:

- modernizing and enhancing capacity at Vasind & Tarapur by 1.5 mtpa by setting up PLTCM;
- installation of two tin plate line with total capacity of 0.5 mtpa at Tarapur; and
- enhancing capacity of pre-painted Galvalume Line (PPGL) at Kalmeshwar by 0.22 mtpa.

Baytown, Texas, U.S.A.

JSW Steel (USA) Inc.'s plate and pipe mill facility is located in Baytown, Texas, 30 miles east of Houston, on a 650 acre complex. The facility was acquired by the Group in November 2007.

Processing. . . . . .

- Plate mill — 1.2 mntpa
- Pipe mill — 0.55 mntpa

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

Ohio, U.S.A.

In June 2018, the Company acquired a steel making facility in Ohio, U.S.A. This facility includes a 1.5 mntpa fully integrated steel facility comprising 1.5 mntpa EAF, 35 mva LMF, 2.80 mntpa slab caster and a 3.0 mntpa HSM. The facility is expected to provide access to the North American steel market. JSW Steel USA Ohio Inc. is proposing a two-phased expansion and modernization plan. The first phase comprising of revamping and restarting the existing EAF was completed in December 2018.

In the second phase, subject to economic viability, prevailing economic conditions and the necessary approvals, the possibility of adding another EAF as well as additional manufacturing equipment at the hot strip mill to make the Ohio facility a fully integrated unit with 3.0 mntpa capacity will be considered at an expected cost of U.S.$250 million.

Facilities under development

The Group had announced a few greenfield projects in the states of West Bengal, Jharkhand and Odisha. The Group is not certain when they will become fully operational. See "*Risk Factors — Risks Relating to the Group — The Group may not be able to successfully implement, sustain or manage its organic growth strategy*".

JSW Bengal Steel Limited ("JSW Bengal Steel")

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

JSW Jharkhand Steel Limited

JSW Jharkhand Steel Limited was incorporated in relation to the setting up of a 10 million tons steel plant in Jharkhand. The Group is procuring the various approvals and clearances for the project.

JSW Utkal Steel Limited

JSW Utkal Steel Limited was formed for setting up an integrated steel plant of 12 mt steel capacity and a 900 mw captive power plant in Odisha. The Group is in the process of obtaining necessary approvals and licenses for the project.

Products

Steel products can be broadly classified into two basic types according to their shape: flat products and long products. The following table lists the various products of the Group, as well as their principal uses/markets:

Class of Products	Principal End Usage/Market Segments
MS Slabs	Hot Rolled Coils
Hot Rolled Coils/Sheets/Plates	Cold Rolling & Galvanizing Drawing & Press Forming Electrical Stampings & Forming Welded Tubes & Pipes Line Pipes Structural & General Engineering High Tensile Structural Applications Chequered Sheets & Plates for Structural Use HSLA Grade for Automobile LPG Cylinders Boiler Tubes & Pressure Vessels Medium Carbon Steel Corrosion Resistant Steel

Class of Products	Principal End Usage/Market Segments
Cold Rolled Coils/Sheets	Automobile White goods Cold rolled formed sections Drums & Barrels Furniture
Cold Rolled Electrical Steel	DG Set Alternators FHP Motors Fans Pump Motors Generators Auto Electricals and Small Transformers Hermetically Sealed Compressors Industrial Motors
Galvanized Product	**Structural Grades** Roofing & Cladding Ducting **Commercial, Forming and Drawing Grades** Boxes Coolers Furniture Heat Plates Solar Heating Panels Electrical and Light Fittings Agricultural Equipment Sandwich panels Automotive
Galvalume Products	**Structural Grades** Roofing & Cladding Ducting Commercial, Forming and Drawing Grades Boxes Coolers Furniture Heat Plates Solar Heating Panels Electrical and Light Fittings Agricultural Equipment Sandwich panels Automotive
Color Coated Product	Roofing & Cladding Consumer Goods Furniture Electrical and Light Fittings Agricultural Equipment Sandwich panels
Steel Billets and Bloom	Automobile
Long Rolled Products	General engineering Infrastructure & Construction Housing & Real Estate Cold drawing Cold forming Spring applications Welding Wire Ropes Tools Heat Treatment Machining Bearings

At present, the Group's Indian operations have an installed crude steel production capacity of approximately 18 mtpa, which comprises 12.5 mtpa (approximately 70 per cent. of the capacity) of flat products and 5.5 mtpa (approximately 30 per cent. of the capacity) of long products.

Sales and Marketing

The Group's diversified product range is supported by a widespread sales and distribution network throughout India. The Group distributes its products in the domestic market by selling directly to customers, wholesale traders and stock points. In the export markets, the Group uses a combination of direct sales to customers and sales to international trading houses. Some of the Group's key marketing initiatives in India include widening its product mix, substituting steel imports in India, focusing on retail and expanding its domestic reach in rural and semi-urban areas.

The Group has extended its marketing reach on a pan-India basis by adding to its existing dealer-base, expanding the number of JSW Shoppe outlets and entering new locations. While the JSW Shoppe outlets are primarily focused on urban and semi-urban areas, the Group has also launched JSW Explore outlets that cater to metro and urban areas. The Group has also conceptualized JSW Shoppe Connect outlets to cater to semi-urban and rural areas. Through JSW Shoppe, JSW Explore and JSW Shoppe Connect, the Group expects to effectively cater to all segments of the retail steel market in India. These JSW-branded outlets provide direct customer interaction and showcase the Group's products. The Group intends to continue expanding its domestic presence through the JSW Shoppe distribution channel. Each category of its retail outlets has been designed with specific delivery and service objectives as explained below, to increase customer focus and market presence:

JSW Explore

- *Target areas:* Metro and urban areas
- *Key features:* Just-in-time service solutions for customers with in-house profiling lines and value-added services; franchisee model
- *Service focus:* Multiple product service center for steel solutions

JSW Shoppe

- *Target areas:* Urban and semi-urban areas
- *Key features:* Retail steel distribution
- *Service focus:* Steel distribution, with emphasis on enhanced customer experience

As at December 31, 2018, the Group had approximately 415 JSW Shoppe outlets throughout India.

JSW Shoppe Connect

- *Target areas:* Semi-urban and rural areas
- *Key features:* Small retail format; linked to JSW Explore and JSW Shoppe
- *Service focus:* Focus on sales to end customers and medium and small enterprises, with a focus on rural areas

As at December 31, 2018, the Group had approximately 450 JSW Shoppe Connect outlets throughout India.

The Group has adopted the following service focused initiatives to maintain and improve its customer relationships and sales revenue:

- consistent product quality and timely deliveries enabling a long-term business relationship with customers, both in the domestic and international markets;
- positioning itself as a leading domestic supplier of flat and long steel products and a leading strategic exporter of coated products;
- leveraging its plants' geographical advantages to increase market share strategically in the Southern and Western regions of India; and
- appointing dedicated application engineers at key locations to help service client requirements and redress queries with speed.

Promotional Activities

To popularize steel consumption in India, the Group organizes training programs across the country. The Group's promotional activities also include interaction with retailers and meetings with distributors across the country recognizing high performers. The Group has focused on enhancing its domestic retail presence and undertook a number of marketing and branding initiatives.

Sales and marketing offices

The Group currently has sales and marketing offices in major cities in India, including Ahmedabad, Bangalore, Chennai, Hyderabad, Mumbai, New Delhi, Indore, Faridabad, Ludhiana, Jaipur, Kolkata, Pune, Guwahati, Patna, Coimbatore, Noida, Kanpur, Kochi, Nagpur and Rudrapur. The Group's sales and marketing offices are responsible for:

- exploring regional market potential in India and providing feedback to the head office in Mumbai for future business planning;
- translating potential customer demand into sales for the Group;
- co-ordinating production schedules to ensure timely sales order execution;
- ensuring timely receipt of payments from customers; and
- customer visits to provide after sales service.

Material Procurement

Material movement, both inbound and outbound, is critical for ensuring the timely receipt and delivery of raw materials and finished products. The majority of materials are transported by rail. Raw material inputs, such as iron ore, coal, limestone and dolomite, are primarily moved in rakes. The Group has a robust logistics management infrastructure in place to manage large volumes.

Raw material sourcing

Over the past few years, the Group has instituted a strategy of diversifying its raw material sources. As a result, the Group believes it can strike the right balance between sourcing key raw materials and optimizing input blend and cost.

With the pricing mechanism in world coking coal markets shifting from annual to quarterly to monthly to index, the Group has had to alter its buying pattern ratio of periodic and spot material to remain competitive. The Group now analyses market dynamics to maximize cost benefits without compromizing on technical specifications. Similar developments have been witnessed in sourcing thermal coal and other products. For example, new sources of thermal coal reduced single source dependency and unit cost of power generation.

Coal blend stabilization is achieved by rationalizing carbon bearing material and improving input quality in coke ovens. This leads to a reduction in the cost of production and decreases the overall consumption of coking coal. With the introduction of new sources of imported raw material, strategic sourcing has achieved goals such as uninterrupted production, controlled inventory levels, diversified risks, reduced costs and enhanced bargaining strength.

Iron ore procurement remains a key area of focus. Given the Group's upcoming capacity expansions, its requirement for iron ore is expected to grow. To this end, it developed sources in Odisha, establishing reliable infrastructure and iron ore sources for Dolvi Works and Salem Works. To address uncertainties in iron ore supply, the Group has relied on in-house beneficiation technology to transform low grade iron ore into higher grade usable inputs. In addition, the Group has also adopted a strategy of ensuring raw material supply security from various regions.

The Group incurs significant logistic costs to source the bulk raw materials. The Group has taken various initiatives across plants to optimize logistic costs. In 2017, the Group won the "National Award for Supply Chain and Logistics Excellence" under the steel industry category by the Confederation of Indian Industry.

Energy Management

Energy management plays an important role towards the successful functioning of plant operations for the Group. The Group's energy management procedures involve utilizing heat generated in its operations and processing gases to minimize fossil fuel consumption. Considering the volatility in fuel costs, the Group has introduced a comprehensive energy management program, encompassing strategies for steam, fuel, special gases and heat.

The Bureau of Energy Efficiency in India awarded the second prize in the National Energy Conservation Award 2016 to the Group's Vijaynagar Works in the Integrated Steel Sector and Kalmeshwar in the Steel Re-Rolling Mills Sector. Confederation of Indian Industry in National Award for Excellence in Energy Management 2017 awarded the Group's Vijaynagar Works in the Integrated Steel Sector and Tarapur Works as an Excellent Energy Efficient Unit.

Quality Control

The Group's quality assurance procedures focus on process controls as well as periodic inspections. The Group's quality assurance procedures have been designed to ensure that teams of qualified personnel monitor the various stages of the production process. These procedures include monitoring the quality of raw materials and quality control checking at each stage of the production process to ensure that finished steel products meet customer requirements.

The Group's manufacturing locations are also equipped with modern laboratory equipment to allow for regular analysis of samples from the production plants to check product composition and ensure product specifications. As a result of the Group's quality assurance monitoring, the Group is able to maintain a low level of non-conforming products and has been able to make continuous improvements in product quality. Each of Vijaynagar Works, Vasind and Tarapur Works and Salem Works has been granted ISO certification. In November 2018, Vijaynagar Works of the Company was awarded the Deming Prize, which is considered globally as the highest award for quality of management. It recognizes contributions to the field of total quality management and businesses that have successfully implemented total quality management.

Project Construction

The Group engages third-party contractors to provide various services, such as construction, building and plant and property fitting-out work and other ancillary services. Contractors are selected by way of a negotiated tender process, in which due consideration is given to previous track record, demonstrated expertise, pricing and completion schedules.

The construction contracts have various warranties from the construction companies regarding quality and timely completion of the construction. The contracts require the construction companies to comply with Indian laws and regulations on the quality of construction products as well as the standards and specifications stipulated in each contract. The contractors are also subject to the Group's quality control procedures, including examination of materials and supplies, on-site inspection and production of progress reports.

Contractors' fees are paid in installments according to construction progress. In the event of delay in construction or unsatisfactory quality of workmanship, the Group has the right under the contracts to withhold payments to contractors or require contractors to pay a penalty or provide for other remedies to recover losses.

The Group has not had any major disputes with any of its construction contractors in the past.

Research Development and Innovation

Research and development activities at the Group are focused mainly on process improvements, development of new processes and products, energy optimization, waste utilization and conservation of natural resources. Initiatives towards plant process improvements include beneficiation of iron ores and banded hematite quartz as well as agglomeration. The Group also developed new processes, such as mill scale briquetting and micro-pelletization, for recycling process wastes, including coal fines, mill scale and other iron bearing material. To enhance waste utilization, solutions for using granulated slag in road and building construction were also developed. During 2015, the Group's research and development team initiated the promotion of industry-academic partnership through collaborative projects with leading academic and research institutes in India such as CSIR-NML Jamshedpur, IIT Bombay, IIT Madras, IIT Kharagpur, IISc Bangalore, NIT Surathkal, NCCBM Ballabhgarh, CSIR-IMMT Bhubaneswar and BITS Pilani. In addition, the Group initiated an international collaborative research program with BASF, Germany to develop special purpose reagents for iron ore beneficiation.

As at January 31, 2019, the Group has also authored 165 technical papers in various journal publications relating to various aspects of steelmaking.

Intellectual Property

The "JSW" brand is owned by JSW Investment Private Ltd. ("**JSWIPL**"). The Group had entered into licensing agreements with JSWIPL for the use of the "JSW" brand in consideration for a brand royalty fee.

The table below shows the Group's intellectual property rights by location as at January 31, 2019:

Location	No. of Patents	No. of Copyrights
Vijaynagar	121	59
Salem	10	—
Dolvi	30	—
Total	161	59

Environmental Management

The Group's approach towards achieving environmental excellence is based on maximizing the positive impacts while minimizing the negative impacts that its operations have on the environment. Water is increasingly becoming a scarce resource, and it is one of the most vital ingredients for an integrated iron and steel plant, given the fact that significant quantities of water and steam are required for its operations. The Group's endeavor is to minimize freshwater consumption by increasing efficiency of the operations while maximizing the use of treated wastewater. The Group recycled and reused 26.35 per cent. (17,741,000 kl) of its water consumption during the fiscal year 2018. The Group has also upgraded existing sewage treatment plants and commissioned the world's largest ceramem water treatment facility (the first in India) at Vijayanagar Works to enable the treatment of wastewater. Minimization of waste generation and responsible disposal of generated waste are the basic requirements for all sites. The Group's operations further reduce the environmental burden by utilizing waste from external sources. Approximately 3.29 million tons of waste scrap were recycled during fiscal year 2018. Innovative technologies have been implemented to recover iron from the waste slime generated, thereby reducing consumption of iron ore.

In 2014, Vijayanagar Works introduced mill scale briquetting, an innovative technology which not only reduces iron ore consumption but also generates less waste. Products of this technology contain high iron content and can be used to replace an equivalent amount of iron ore. Further, there is a resultant reduction in the consumption of lime. The site has also developed a method to recover iron from the slime dump.

Various steel-making processes generate air pollutants. Periodic monitoring of stacks ensures they remain well within permissible limits. In fiscal year 2018, JSW Steel decreased its dust emissions by 7.5 per cent.

The Company's Dolvi works has been awarded the 18th Annual Greentech Environment Award 2018 in Gold Category in Metal & Mining Sector in June 2018.

Preservation of biodiversity is also an important objective of the Group. Precautions are taken to reduce negative impacts on the ecosystem. The Company has various initiatives where it engages with the local population and government bodies to preserve biodiversity in its operations, especially in the eco-sensitive areas. The Company was among the first to sign up and commit to the Indian Business and Biodiversity Initiative (IBBI), a pioneering effort by the Confederation of Indian Industry (CII) in partnership with India's Ministry of Environment, Forest & Climate Change. This has helped to learn from peers about their efforts to manage biological diversity at their sites and to demonstrate to stakeholders the Company's commitment and efforts towards a sustainable future.

The following are some highlights of the Company's achievements in its sustainability efforts:

- Waste gas utilization rate for fiscal year 2018: 96 per cent.
- Scrap recycled for fiscal year 2018: 3.29 million tons.
- Indirect GHG (CO_2) emissions from fiscal year 2016:
    - 2015-16: 0.66 million tons
    - 2016-17: 1.89 million tons
    - 2017-18: 0.63 million tons

- Specific energy consumption (million GJ / t of crude steel) from fiscal year 2016:
    - 2015-16: 32.27
    - 2016-17: 26.33
    - 2017-18: 27.57

All the production units are certified to ISO 9001, ISO 14001 and BS OHSAS 18001. Vijayanagar Works is also certified to SA 8000. The Company is also a life member of the UN Global Compact (Global Compact Society of India).

Mining Operations

The Group has mining assets in the United States, Chile, Mozambique and India.

United States

In May 2010, JSW Steel Holdings (USA) Inc. acquired a 100.0 per cent. equity interest in Periama Holdings, LLC ("**Periama**"), a West Virginia registered limited liability company, along with permits for coal mining. Periama through its subsidiary Caretta Minerals LLC also owns, permits for impoundment and a 500 tph coal handling and preparation plant and load out facility.

Chile

The Group and Compañía Minera Santa Fe formed a joint venture company, Santa Fe Mining ("**SFM**"), in Chile to develop iron ore deposits in the Atacama region of Chile. The Group holds a 70.0 per cent. equity interest in SFM.

SFM has developed the Bella Vista iron ore deposit, located 20 km from Copiapo, Chile. In 2010, SFM installed a 1 mtpa dry beneficiation plant.

These mines are currently under care and maintenance shut down and the commencement of operations might be further delayed based on prevailing market conditions.

Mozambique

JSW ADMS Carvao Lda, an indirect wholly owned subsidiary of the Group, has a coal mining exploration license in Zumbo, Tete, Mozambique. The Group has completed extensive exploration activities, including diamond drilling, large diameter drilling, geotechnical drilling and hydro-geological drilling, and the process of allotment of mining concession is in progress.

India

In the auction conducted by the Government in April 2015, the Group won the Moitra coking coal mine, located in Jharkhand state. Moitra coking coal mine has coking grade coal and is in advanced stage of development. It will be an opencast mine.

The Group has also won five iron ore mines in the auction conducted by the Karnataka State Government in October 2016 and another iron ore mine in the auction conducted by the Karnataka State Government in October 2018. These mines are located in close proximity to the Group's flagship steel plant in Vijaynagar, Karnataka. Three of these mines are now operational and the remaining three are expected to be operational during the fiscal year 2020. All six iron ore mines are expected to produce approximately 4.5 to 5.1 mtpa iron ore in total.

Restructuring

The Company has made investments in iron ore mines, coal mines and plate and pipe mill assets in the U.S., Chile and other overseas jurisdictions since 2007 through its subsidiary, JSW Steel Netherlands B.V. ("**Netherlands Co**"). The Company has further infused funds for the operational requirements, interest servicing and repayment obligations of its subsidiaries from time to time in the form of equity or preference capital or debt, either directly or through Netherlands Co.

As part of the Company's overall efforts to restructure and consolidate its global operations and holding structure, including the operations in the U.S., and Chile, in line with the current market dynamics, the Company implemented a reorganization plan which broadly entailed a capital reduction at the Netherlands Co level and liquidation of JSW Steel (USA) Inc. and transfer of the residual assets and liabilities to another wholly owned subsidiary company, Periama Holding, LLC in the U.S since FY 2017.

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

Merger of wholly-owned subsidiaries

In a meeting held on October 25,2018, the board of directors of the Company approved the merger of wholly-owned subsidiaries DMMPL, DCPL, JSW Salav and JSPCL with the Company. DMMPL is a wholly-owned subsidiary of the Company and in turn, holds 100% of the equity of DCPL, a company that was set up to own and operate a 3.0 mtpa coke oven plant at Dolvi. JSPCL owns and operates a processing center at Vijaynagar and JSW Salav owns a 0.9 mtpa DRI plant at Salav near Dolvi. The merger is expected to be effective on April 1, 2019, subject to regulatory approvals. On October 23, 2018, the Company acquired the shareholding of other shareholders of DMMPL aggregating to 60.004% for a consideration of Rs.1.09 billion.

Competition

The market for steel is very 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 worldsteel, the fifteen largest steel producing countries represented approximately 89.0 per cent. of global steel production in 2017. As a global producer, the Group faces significant competition from other steel producers worldwide. The Group's competitors in the global steel market include ArcelorMittal, Baosteel Co., Ltd., Nippon Steel, JFE Steel Corporation, POSCO, Shagang Group and ThyssenKrupp AG. In India, the Group faces competition from integrated and partially integrated steel producers such as Tata Steel, SAIL, Vishakhapatnam Steel Plant (Rashtriya Ispat Nigam Limited), Essar Steel Ltd. and Jindal Steel and Power Limited, as well as rerollers. As a result of the global overcapacity of steel and India being the only major steel consuming market increasing its demand, the Group faced increased competition in the domestic market as a result of countries including China, Japan, South Korea and Russia exporting steel at highly competitive rates, resulting in price cuts and reductions in operating margins.

Human Resources

The Group views its employees as its greatest asset and believes it has created a work environment that ensures their well-being. The Group endeavors to be an "employer of choice" by fostering an environment of individual goal setting, continuous improvement, health and safety awareness and corporate sustainability. In an ever-changing business environment where people are the key differentiators, it is essential to have credible, transparent and uniform people management practices. In order to adapt to the changing industry reality, the Group's people management practices are continually reviewed and renewed for relevance and employee friendliness.

The Group implements a multi-pronged approach on organizational development to attract, retain and develop talent. The Group believes in infusing talent across the organization and, as a sustainable measure, the Group believes in inducting people at a very young age. In its pursuit to attract and build home-grown talent, the Group inducts talent from various engineering and management institutes on a regular basis. The Group utilizes a summer internship program to facilitate the induction of undergraduates from some of India's most premier institutes. This program is specifically designed to create future leaders for the organization. New recruits are developed through various in-house training programs to support the growth trajectory of the Group. The Group also operates various training programs at its plant locations with internal faculties to impart technical and behavioral training for employees as well as associates, improve productivity and foster a safe working environment. The Group invests continuously in building and enhancing its technical capabilities. As a part of this effort, the Group facilitates employees to acquire skills through participation in sponsored programs both in India and abroad. Simultaneously, the Group also provides multiple learning and development opportunities to its employees to acquire new skills and knowledge and enhance their capabilities.

Occupational Health and Safety

The Company operates on the philosophy that safety of personnel is the foremost priority at all its sites. It is the Company's endeavor to work towards zero harm in its operations by implementing occupational health and safety management systems at all its sites. JSW Steel Ltd. has instituted a safety organizational structure and conducts monthly training programs for employees including those from the top management. In fiscal year 2018, the Company's training and safety programs have resulted in 16 per cent. (0.42 lost time injuries per million hours worked) improvement in the lost time injury frequency rate over fiscal year 2016. All contractual personnel are also provided with mandatory safety training. The international consultant DuPont has been engaged to help the Company adopt its behavior-based safety standards; 14 standards are being implemented across all manufacturing sites.

The management has demonstrated the emphasis on safety at the workplace. For example, reporting of near-miss incidents have gone up three-fold since fiscal year 2017. The safety performance in the operations is linked with the variable pay of the senior management. Moreover, even a single fatality results in a deduction in the pay of all the Executive Directors. Further, safety audits are conducted by the top management.

Corporate and Social Responsibility

The Group's commitment to nation-building is also reflected in its CSR policy which is led by the philosophy of working closely with communities living contiguous to its operations, and beyond. The Group has deployed a strategic inclusive development approach through the JSW Foundation which has led the efforts over the years to identify and implement initiatives on seven priority thematic areas after an assessment of needs. They encompass water, sanitation, environment, health, nutrition, education, skills, livelihoods, sports and art, culture and heritage. In fiscal year 2018, there were over 650,000 beneficiaries.

The Group's corporate and social responsibility mission is to empower communities with sustainable livelihoods. In order to achieve this, the Group has instituted several programmes. The following is a non-exhaustive list of examples of the Group's CSR initiatives.

- various health and nutrition initiatives, benefiting over 200,000 persons;
- economic empowerment of women through livelihood initiatives;
- soil improvement and moisture retention project in Vijayanagar, benefiting 1,063 farmers working on 923 hectares of farm land;
- providing government-affiliated, state-of-the-art certificate vocational courses on topics such as metallurgical engineering, electrician, apparel-making and safety through the OP Jindal Centres and JSW Skill Schools;
- providing entrepreneurship training to over 450 women through 35 new self-help groups;
- creation of over 10 million m^3 of additional water storage capacity through water-holding structures, restoring moisture in the soil and increasing ground-water level, resulting in prevention of migration of farmers;
- preservation of national heritage;
- promotion of sports; and
- contribution to Swachh Bharat Abhiyaan (Clean India Mission).

Legal Proceedings

Except as described below, the Company is not involved in any legal or regulatory proceedings or disputes, and no investigations or proceedings are threatened, which may have, or have had, a material adverse effect on the business, financial condition or results of operations of the Company. The Company believes that the number of proceedings and disputes in which the Company is involved in is not unusual for a company of its size in the context of doing business in India, the current Indian regulatory and legal environment and in the international market. Civil and tax related proceedings involving the Company, which involve a claim of more than 5.0 per cent. of EBITDA or proceedings which the Company considers otherwise material have been individually described below.

Mining Matters

Contribution to the 'District Mineral Foundation' ("**DMF**") has been introduced by the Mines and Mineral (Development and Regulation) (Amendment) Act 2015. An Application filed by National Mineral Development Corporation Ltd (NMDC) as (IA No. 251) in Samajparivartan matter pending before the Hon'ble Supreme Court of India, as to fix the responsibility for the payment of the DMF on buyer of the iron ore and not on the mining lessees. The Central Empowered Committee (CEC) had clarified that only mining lessees are responsible to contribute to the DMF and not the buyers. However, the Court is yet to decide the issue. The liability in respect of the dues, if confirmed by the Court, would be levied from September 2015 with respect to the iron ore purchased by the Company in auction. The matter is currently pending.

Forest Development Tax (FDT) and Forest Development Fees (FDF)

The Karnataka State Government has, pursuant to introduction of Section 98A of the Karnataka Forest Act, 1963, levied a forest development tax ("**FDT**") at the rate of 12 per cent. per ton of iron ore, treating iron ore as a forest produce. Writ petitions challenging the validity and levy of FDT had been filed before the High Court of Karnataka by various stakeholders. Tax payments were made under protest in the earlier years. The Karnataka High Court ("**High Court**") vide its judgment dated

December 3, 2015 while upholding the legislative competence of State to Levy FDT at 8 per cent. held that only the Karnataka State Government, body or corporations controlled by the Karnataka State Government could collect FDT from buyers. The High Court also held that FDT is in the nature of a tax and not a fee as argued by the State Government. The High Court held that Private Lease Holders, Mining Lessees and central government undertakings do not fall within the definition of "Body" and hence are not statutorily bound to collect FDT from the purchasers. In other words, iron ores sold by Private Lease holders including the National Mineral Development Corporation ("**NMDC**"), a central government corporation, was not liable to pay FDT to the Karnataka State Government. This enabled the Company to get a refund from the Karnataka State Government as substantial purchases of iron ores were made from NMDC.

Against the judgment of High Court, State of Karnataka, few mining lease holders and the Company on a limited issue of legislative competence of the Karnataka State Government had filed petitions before the Supreme Court. The Supreme Court was pleased to admit the petitions and granted limited stay on refund. Since the Supreme Court had not stayed the judgment of the High Court, the Karnataka State Government was bound to follow the judgment of High Court which restrained it from collecting FDT from private Mining Lease Operators including NMDC, a central government undertaking.

The State of Karnataka notified the Karnataka Forest (Amendment) Act 2016, dated July 27, 2016, with retrospective effect i.e. September 16, 2008. The essence of the amendment was to substitute the FDT with Forest Development Fund ("**FDF**") which will be in the nature of a Fee and not Tax as held by the High Court, define minerals (iron ores) as forest produce, fixing the FDT rate at 12 per cent. with effect from September 16, 2008 and authorizing past collection of FDT under the old un amended Act.

The High Court passed an order quashing the amended Act as invalid. The Company is entitled to a refund of the tax paid in the past. The Karnataka State Government has filed a special leave petition before the Supreme Court against the order of the High Court. The said petition has been admitted and the refund of the tax collected has been stayed by the Supreme Court. The matter is currently pending.

Sales Tax Deferral/Refund

The Central Excise & GST Department has raised cumulative demands for an amount of Rs.4,203.7 million on account of refund of value added tax ("**VAT**") received by the Company and differential amount due to the premature repayment of sales tax/VAT deferred liability as an additional consideration includable in the assessable value for the purpose of levy of excise duty. In the matter of VAT refund received at Vijaynagar, the Commissioner has confirmed duty of Rs.377.3 million and the Company has filed appeal in CESTAT (as defined below), which is currently pending. In the matter of VAT deferred liability at Dolvi, the Commissioner has ruled in favor of the Company dropping the demand of Rs.2,142.3 million and the Central Excise & GST Department had filed appeal before the Custom Excise and Service Tax Appellate Tribunal ("**CESTAT**"). CESTAT dismissed the Department's appeal and the Department has now filed Civil Appeal in Supreme Court. Certain show cause notices received by the Company for a subsequent period amounting to Rs.418.1 million confirmed by Commissioner are pending in appeal in CESTAT and three show cause notices amounting to Rs.888.7 million are pending adjudication before excise authorities. The matters are pending for a final hearing.

Import of Coking Coal

The Custom Department has raised cumulative demands for an amount of Rs.5,341.8 million on import of coking coal based on their claim for classification of goods under the category of non-coking coal attracting duty of 5 per cent. It has been the intent of Government to exempt the import of 'coking coal' from basic customs duty which has been provided through various exemption notifications from time to time. SCN for Rs.3,021.3 million was partly confirmed and partly dropped. In appeals filed by the Company and the Department in CESTAT, the entire demand has been set aside. The Customs Department has now filed an appeal before the Supreme Court. The other matters are pending at various appellate authorities, including, before the High Court of Hyderabad.

Disputes regarding Corex gas, Mixed gas and DRI gas generated as by-products during the course of manufacture.

During the course of direct reduction of iron ore Pellets and manufacture of iron in the Corex plant, waste gases termed as Corex gas, Mixed gas and DRI gas are generated as by-products. These gases are a mixture of, among others, carbon monoxide and carbon dioxide and being by-products are dutiable at Nil rate of Central Excise duty and cleared accordingly. These gases are classifiable under Heading 2705. The Central Excise & GST department has raised cumulative demands amounting to Rs.2,841.19 million on the clearance of such gases. These demands are based on two issues, both of which are raised on the same value of clearances:

(i) The gas emanated was Carbon Monoxide, classifiable under Heading 2811 29 40 and hence liable to duty. The duty thus demanded is to the extent of Rs.1,986.50 million

(ii) Since the gas is a manufactured product and exempt from Central Excise duty, Central Value Added Tax ("**CENVAT**") credit would not be allowed on the inputs used in the manufacture of such products and hence proportionate reversal of input credit was required under Rule 6 of Cenvat Credit Rules. Duty demanded on this account is Rs.854.69 million.

Appeals in the initial demands, amounting to Rs.403.18 million, with respect to Corex gas are pending in Supreme Court and subsequent demands are pending with appellate authorities at various stages. In the case of Mixed gas and DRI gas, Writ Petitions filed by the Company are pending before the Dharwad Bench of Karnataka High Court authorities. Matters are pending for final hearing and disposal.

Land Acquisition

The Company, in 2011, had approached the Karnataka State Government to seek additional land for providing housing facilities for its employees, incidental to the Company's expansion at Vijaynagar Works. A notification dated January 30, 2008, under Section 28(1) of the Karnataka Industrial Areas Development Act, 1966, was issued by the Karnataka State Government for the acquisition of 849.48 acres of land at Vijaynagar Works. This acquisition was challenged by landowners in the area by way of a writ petition before the Single Judge of the Karnataka High Court. The petitioners alleged that the Company had sufficient land for its business operations and grant of the land acquisition would cause grave loss to the landowners as the acquisition would have a direct impact on their livelihood. The Single Judge of the Karnataka High Court, on hearing all parties, upheld the acquisition and dismissed the writ petition. The Judgment of the Single Judge was confirmed by the Division Bench of the High Court of Karnataka. Thereafter, the petitioners approached the Supreme Court for relief under a special leave petition. The Appeal filed by the Petitioners has been admitted. It is to be noted that, out of the total area, the disputed area which is under challenge before the Supreme Court is only 198 acres. Court directed Company to file statements of facts and place the matter for final hearing. Company had filed the statement of facts and completed the formalities. The matter is currently pending.

Central Bureau of Investigation

The Central Bureau of Investigation ("**CBI**"), Anti-Corruption Branch — Bengaluru has registered a case, amongst others, the Company based on the source information and the joint surprise check conducted by the CBI team along with the Southern Railway officials is placed before the Court of Additional Chief Metropolitan Magistrate at Bengaluru. It is alleged that M/s. Senlogic Automation Private Limited has entered into a criminal conspiracy with M/s. JSW Steel Limited, M/s. JSW Energy Limited ("**Applicants**") and others in the matter of fraudulently transporting excess cargo in each wagon than the permissible carrying capacity, based on the manipulation made in the software of the Electronic In-Motion Weigh Bridge, in order to evade the payment of punitive charges levied by the

Railways for the excess quantity transported, thereby, causing wrongful loss of Rs.798.034 million to the Railways and corresponding wrongful gain for themselves. The charge sheet has been filed. The Company then filed on application for discharge, which was allowed by the Additional Chief Metropolitan Magistrate through its order dated September 11, 2018.

FEMA case against the Company and two of its executives

The Company received a show cause notice followed by an adjudication order on October 6, 2009 from the Directorate of Enforcement imposing a penalty of Rs.41.0 million on the Company and Rs.6.0 million on two executives of the Company, alleging misuse of foreign exchange amounting to 262.6 million Austrian Schillings in relation to imports of certain basic design and engineering, preliminary engineering and additional equipment for its Corex process based iron manufacturing plant at Bellary in 1994 to 1995. The Special Director Enforcement vide its order dated October 6, 2009 imposed penalties on JSW and two of its officers. The order of Special Director was confirmed on January 26, 2010 by the Appellate Tribunal for foreign exchange. The review petition filed against the order was dismissed on the ground of maintainability on January 9, 2015. Against the order of Tribunal, the Company and both officers filed an appeal before the Honorable High Court of Bombay. The Honorable High Court had on September 28, 2015 admitted the appeal and stayed the Order of Tribunal against furnishing of bank guarantees. The bank guarantee has now been furnished to the Directorate of Enforcement and the matter is currently pending.

Environmental Case

Dwarkanath Patil and Darshan Juikar, residents of the area around the Company's Dolvi plant, have filed an appeal before the National Green Tribunal, at Pune, challenging the issuance of Environment Clearance, particularly relating to the issue of the 'coastal regulation zone' ("**CRZ**"), given by the Ministry of Environment and Forests, for expansion of the Dolvi plant from 5 to 10 mtpa located in Maharashtra. The steel plant of the Company at Dolvi was set up in 1991 in a government declared industrial zone after obtaining all of the regulatory approvals. A public interest litigation filed, involving similar allegations, was dismissed by High Court of Bombay. The court directed the Maharashtra Coastal Zone Management Authority to complete the task of mapping the coastal belt of the entire State of Maharashtra according to CRZ Notification of 2011. Subsequently, the Company filed a writ petition before the High Court of Bombay, challenging the proceedings before the National Green Tribunal, Pune, and had obtained a stay of the proceedings. The matter is currently pending.

Criminal cases involving the Company, its directors and its employees

In the ordinary course of business, there have been a few criminal proceedings filed against the Company, its directors or its employees, which are pending before various authorities, tribunals and courts and are at various stages of adjudication.

CAPITALIZATION

The following table sets forth the Group's short-term and long-term debt and shareholders' equity as at December 31, 2018 on a consolidated basis and as adjusted to give effect to the issuance of the Notes offered, as if such issuance had occurred as at such date. The "as adjusted" data set forth below gives effect to the issuance of the Notes. The "as adjusted" data set forth below does not give effect to repayments of short term loans and long-term bank loans between December 31, 2018 and the date of this Offering Memorandum.

You should read the following table together with "*Summary Financial and Operating Data*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Terms and Conditions of the Notes*", and the Group Consolidated Financial Statements set forth in this Offering Memorandum.

	As at December 31, 2018			
	Actual	Actual	As Adjusted	As Adjusted
	(Rs. in millions)	(U.S.$ in millions[1])	(Rs. in millions)	(U.S.$ in millions[1])
Borrowings:				
Current borrowings[2]	170,365	2,441	170,365	2,441
Non-current borrowings[3]	305,066	4,371	305,066	4,371
The Notes	—	—	34,896	500
Total Borrowings	**475,431**	**6,812**	**510,327**[4]	**7,312**[4]
Equity:				
Equity share capital	3,012	43	3,012	43
Other Equity	328,925	4,713	328,925	4,713
Non-Controlling Interests	(4,130)	(59)	(4,130)	(59)
Total Equity	**327,807**	**4,697**	**327,807**	**4,697**
Total Borrowings and Equity	**803,238**	**11,509**	**838,134**	**12,009**

Notes:

(1) For the reader's convenience, U.S. Dollar translation of Indian Rupee amounts as at December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

(2) Current borrowings include current maturities of long term borrowings and current maturities of finance lease obligations.

(3) Non current borrowings include (i) long-term borrowings and (ii) non-current finance lease obligations.

(4) Upon application of the proceeds of the issuance of the Notes as described under "*Use of Proceeds*", the Group's Total Borrowings will be Rs.510,327 million (U.S.$7,312 million), assuming the Indian Rupee amount has been translated into U.S. Dollars at a rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

There have been no material changes in the Group's capitalization since December 31, 2018.

The summary consolidated financial data for the Group and the Company as at the end and for each of the years ended March 31, 2016, 2017 and 2018 and the nine months ended December 31, 2017 and 2018 set forth below have been derived or calculated from the Group Consolidated Financial Statements and the Company Standalone Financial Statements included elsewhere in this Offering Memorandum, unless stated otherwise, except for 'Revenue from operations' and 'Other expenses' for the year ended March 31, 2018 and for the nine months ended December 31, 2017 which have been restated and extracted from the condensed interim financial statements for the nine months ended December 31, 2018 of the Company and the Group and except for amounts as at and for the year ended March 31, 2017 which have been reclassified in and extracted from the financial statements as at and for the year ended March 31, 2018 for the Company and the Group. This financial information should be read in conjunction with "Presentation of Financial Information" and "Index to Financial Statements" in this Offering Memorandum. Our results of operations for the nine months ended December 31, 2018 are not necessarily indicative of our results for the year ending March 31, 2019, and historical results presented in this Offering Memorandum in general do not necessarily indicate results expected for any future period.

Financial Information of the Group

Summary of Consolidated Statement of Profit and Loss of the Group

		Year ended March 31,		
		2016	**2017**	**2018**
		(Rs. in millions)		
I.	**REVENUE FROM OPERATIONS**	459,767	605,363	732,110
II.	**OTHER INCOME**	1,805	1,521	1,669
III.	**TOTAL INCOME (I + II)**	**461,572**	**606,884**	**733,779**
IV.	**EXPENSES:**			
	Cost of materials consumed	211,266	297,486	387,785
	Purchases of stock-in-trade	544	—	20
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	13,658	(14,859)	2,438
	Employee benefits expense	15,187	16,996	18,426
	Finance costs	36,012	37,681	37,014
	Depreciation and amortization expense	33,226	34,299	33,873
	Excise duty expense	44,306	49,317	12,780
	Other expenses	110,797	134,681	162,718
	Total expenses	**464,996**	**555,601**	**655,054**
V.	**PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)**	(3,424)	51,283	78,725
VI.	**EXCEPTIONAL ITEMS**	21,254	—	2,635
VII.	**PROFIT/(LOSS) BEFORE TAX (V-VI)**	(24,678)	51,283	76,090
VIII.	**TAX EXPENSE/(BENEFIT):**			
	Current tax	867	1,518	18,262
	Deferred tax	(20,529)	15,225	(2,877)
		(19,662)	**16,743**	**15,385**
IX.	**PROFIT/(LOSS) FOR THE YEAR (VII-VIII)**	**(5,016)**	**34,540**	**60,705**
X.	**SHARE OF (LOSS)/PROFIT FROM AN ASSOCIATE**	217	(89)	—
XI.	**SHARE OF PROFIT/(LOSS) FROM JOINT VENTURES (NET)**	(9)	221	425

				Year ended March 31,		
				2016	2017	2018
				(Rs. in millions)		
XII.	**TOTAL PROFIT/(LOSS) FOR THE YEAR (IX+X+XI)**			**(4,808)**	**34,672**	**61,130**
XIII.	**OTHER COMPREHENSIVE INCOME/(LOSS)**					
A	(i)	Items that will not be reclassified to profit or loss				
		a)	Remeasurement losses of the defined benefit plans	(61)	(197)	(47)
		b)	Equity instruments through other comprehensive income	(5,051)	(683)	915
	(ii)	Income tax relating to items that will not be reclassified to profit or loss		21	68	19
	Total (A)			**(5,091)**	**(812)**	**887**
B	(i)	Items that will be reclassified to profit or loss				
		a)	The effective portion of gain/(loss) on hedging instruments	453	3,471	(4,010)
		b)	Changes in Foreign currency monetary item translation difference account (FCMITDA)	(1,584)	2,974	(328)
		c)	Foreign currency translation reserve (FCTR)	(2,884)	296	87
	(ii)	Income tax relating to items that will be reclassified to profit or loss		391	(2,231)	1,502
	Total (B)			**(3,624)**	**4,510**	**(2,749)**
	Total other comprehensive income/(loss) (A+B)			**(8,715)**	**3,698**	**1,862**
XIV.	**TOTAL COMPREHENSIVE INCOME/(LOSS) (XII+XIII)**			**(13,523)**	**38,370**	**59,268**
	Total Profit/(loss) for the year attributable to:					
	— Owners of the Company			(3,356)	35,231	62,137
	— Non-controlling interests			(1,452)	(559)	(1,007)
				(4,808)	**34,672**	**61,130**
	Other comprehensive income/(loss) for the year attributable to:					
	— Owners of the Company			(8,681)	3,648	(1,844)
	— Non-controlling interests			(34)	50	(18)
				(8,715)	**3,698**	**(1,862)**
	Total comprehensive income/(loss) for the year attributable to:					
	— Owners of the Company			(12,037)	38,879	60,293
	— Non-controlling interests			(1,486)	(509)	(1,025)
				(13,523)	**38,370**	**59,268**
XV.	**EARNINGS PER EQUITY SHARE OF RE 1 EACH**					
	Basic (in Rs.)			(1.40)	14.66	25.85
	Diluted (in Rs.)			(1.40)	14.58	25.71

Summary of Condensed Consolidated Interim Statement of Profit and Loss of the Group

		Nine months ended December 31,		
		2017	2018	2018
		(Rs. in millions)		(U.S.$ in millions)[1]
I.	**REVENUE FROM OPERATIONS**	520,126	623,895	8,939
II.	**OTHER INCOME**	1,220	1,507	22
III.	**TOTAL INCOME (I + II)**	**521,346**	**625,402**	**8,961**
IV.	**EXPENSES:**			
	Cost of materials consumed	280,178	333,404	4,777
	Purchases of stock-in-trade	20	2,436	35
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,870	(22,841)	(327)
	Employee benefits expense	13,719	17,882	256
	Finance costs	28,183	28,714	411
	Depreciation and amortization expense	25,218	29,566	424
	Excise duty expense	12,780	—	—
	Other expenses	115,152	147,898	2,119
	Total expenses	**477,120**	**537,059**	**7,695**
V.	**PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)**	**44,226**	**88,343**	**1,266**
VI.	**EXCEPTIONAL ITEMS**	2,635	—	—
VII.	**PROFIT BEFORE TAX (V-VI)**	**41,591**	**88,343**	**1,266**
VIII.	**TAX EXPENSES/(BENEFIT):**			
	Current tax	8,939	20,328	291
	Deferred tax	(638)	7,759	111
		8,301	**28,087**	**402**
IX.	**PROFIT FOR THE PERIOD (VII-VIII)**	**33,290**	**60,256**	**863**
X.	**SHARE OF PROFIT FROM JOINT VENTURES (NET)**	350	27	—
XI.	**TOTAL PROFIT FOR THE PERIOD (IX+X)**	**33,640**	**60,283**	**864**
XII.	**OTHER COMPREHENSIVE INCOME/(LOSS)**			
A.	(i) Items that will not be reclassified to profit or loss			
	a) Remeasurements losses of the defined benefit plans	(88)	(146)	(2)
	b) Equity instruments through other comprehensive income	3,018	(424)	(6)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	31	49	1
	Total (A)	**2,961**	**(521)**	**(7)**
B.	(i) Items that will be reclassified to profit or loss			
	a) The effective portion of loss on hedging instruments	(2,017)	1,650	24
	b) Changes in Foreign currency monetary item translation difference account (FCMITDA)	473	(1,575)	(23)
	c) Foreign currency translation reserve (FCTR)	207	(827)	(12)
	(ii) Income tax relating to items that will be reclassified to profit or loss	535	(26)	—
	Total (B)	**(802)**	**(778)**	**(11)**
	Total other comprehensive income/(loss) (A+B)	**2,159**	**(1,299)**	**(19)**
XIII.	**TOTAL COMPREHENSIVE INCOME (XI+XII)**	**35,799**	**58,984**	**845**
	Earnings per equity share of Re 1 each (not annualized)			
	Basic (in Rs.)	13.93	25.43	0.40
	Diluted (in Rs.)	13.85	25.30	0.40

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69,7923, which was the exchange rate as reported by the RBI on December 31, 2018.

Summary of Consolidated Balance Sheet of the Group

		As at March 31,			As at December 31,	
		2016	2017	2018	2018	2018
		(Rs. in millions)			(Rs. in millions)	(U.S.$ in millions)[1]
I.	**ASSETS**					
(1)	**NON-CURRENT ASSETS**					
(a)	Property, plant and equipment	550,991	577,865	570,544	604,094	8,656
(b)	Capital work-in-progress	70,351	40,814	56,285	100,596	1,441
(c)	Goodwill	9,549	8,717	7,071	8,819	126
(d)	Other Intangible assets	855	719	868	1,148	16
(e)	Intangible assets under development	2,358	2,817	3,206	4,281	61
(f)	Investments in associates and joint ventures	3,180	2,530	3,605	6,280	90
(g)	Financial assets					
	(i) Investments	8,766	8,141	7,961	11,303	162
	(ii) Loans	932	1,208	3,782	5,049	72
	(iii) Other financial assets	2,566	1,854	2,930	2,394	34
(h)	Income tax assets (net)	2,193	3,046	2,706	2,435	35
(i)	Deferred tax assets (net)	5,582	844	481	819	12
(j)	Other non-current assets	19,956	19,581	28,808	35,555	509
	Total non-current assets	**677,279**	**668,136**	**688,247**	**782,773**	**11,216**
(2)	**CURRENT ASSETS**					
(a)	Inventories	83,212	113,950	125,944	169,060	2,422
(b)	Financial assets					
	(i) Investments	—	3,001	3,120	1,847	26
	(ii) Trade receivables	27,274	41,494	47,040	67,152	962
	(iii) Cash and cash equivalents	8,333	9,175	5,816	9,134	131
	(iv) Bank balances other than (iii) above	1,871	5,676	4,809	4,152	59
	(v) Loans	1,667	1,737	2,298	1,423	20
	(vi) Derivative Assets	2,428	4,910	1,515	2,443	35
	(vii) Other financial assets	278	3,511	5,299	7,235	104
(c)	Current tax assets (net)	6	177	56	46	1
(d)	Other current assets	22,304	29,021	35,992	43,818	628
(e)	Assets classified as held for sale	—	107	30	72	1
	Total current assets	**147,373**	**212,759**	**231,919**	**306,382**	**4,390**
	TOTAL - ASSETS	**824,652**	**880,895**	**920,166**	**1,089,155**	**15,606**
II.	**EQUITY AND LIABILITIES**					
(1)	**EQUITY**					
(a)	Equity share capital	3,009	3,013	3,017	3,012	43
(b)	Other equity	186,646	223,463	276,957	328,925	4,713
	Equity attributable to owners of the Company	**189,655**	**226,476**	**279,974**	**331,937**	**4,756**
	Non-controlling interest	(1,948)	(2,457)	(4,641)	(4,130)	(59)
	Total equity	**187,707**	**224,019**	**275,333**	**327,807**	**4,697**
	LIABILITIES					
(2)	**Non-current liabilities**					
(a)	Financial liabilities					
	(i) Borrowings	354,686	324,158	317,229	305,066	4,371
	(ii) Other financial liabilities	7,840	4,859	9,194	3,316	48
(b)	Provisions	946	971	1,377	2,463	35
(c)	Deferred tax liabilities (net)	17,969	30,736	26,043	35,196	504
(d)	Other non-current liabilities	641	553	1,361	1,295	19
	Total non-current liabilities	**382,082**	**361,277**	**355,204**	**347,336**	**4,977**

	As at March 31,			As at December 31,	
	2016	2017	2018	2018	2018
	(Rs. in millions)			(Rs. in millions)	(U.S.$ in millions)[1]
(3) Current liabilities					
(a) Financial liabilities					
(i) Borrowings	23,428	48,807	21,771	74,974	1,074
(ii) Trade payables	127,576	133,481	159,437	169,574	2,430
(iii) Derivative Liabilities	—	4,184	964	4,162	60
(iv) Other financial liabilities	91,586	94,570	86,127	139,637	2,001
(b) Other current liabilities	10,437	12,087	15,645	20,037	287
(c) Provisions	1,709	2,023	1,841	1,371	20
(d) Current tax liabilities (net)	127	447	3,844	4,257	61
Total current liabilities	**254,863**	**295,599**	**289,629**	**414,012**	**5,932**
Total liabilities	**636,945**	**656,876**	**644,833**	**761,348**	**10,909**
TOTAL — EQUITY AND LIABILITIES	**824,652**	**880,895**	**920,166**	**1,089,155**	**15,606**

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts as at December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

Summary of Consolidated Cash Flow Statement of the Group

	Year ended March 31,		
	2016	**2017**	**2018**
	(Rs. in millions)		
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) before tax	**(24,678)**	**51,283**	**76,090**
Adjustments for:			
Depreciation and amortization expense	33,226	34,299	33,873
Loss on sale of property, plant and equipment	213	1,342	1,217
Gain on sale of current investment designated as FVTPL	(27)	(57)	(193)
Export obligation deferred income amortization	—	(819)	(680)
Fair value gain on deferral sales tax / VAT Loan	—	—	(525)
Interest income	(486)	(964)	(1,199)
Dividend income	(203)	(203)	(51)
Interest expense	30,753	35,683	34,999
Unrealized exchange gains/(loss)	8,722	(1,190)	309
Net gain/(loss) arising of financial instruments designated as FVTPL	(119)	—	—
Fair value gain on financial instruments designated as FVTPL	—	(149)	(32)
Fair value loss on financial instruments designated as FVTPL	—	—	1,115
Share based payment expense	—	129	282
Allowances for doubtful receivable and advances	—	10	1,356
Impairment of property plant and equipment, goodwill and investments	18,735	797	2,635
	90,814	**68,878**	**73,106**
Operating profit before working capital changes	**66,136**	**120,161**	**149,196**
Adjustments for:			
(Increase)/decrease in inventories	25,781	(30,651)	(11,995)
Increase in trade receivables	(2,943)	(13,518)	(6,403)
(Increase)/decrease in other assets	3,217	(10,266)	(17,926)
Increase/(decrease) in trade payable and other liabilities	(21,434)	15,614	25,140
Increase in provisions	290	134	174
	4,911	**(38,687)**	**(11,010)**
Cash flow from operations	**71,047**	**81,474**	**138,186**
Income taxes paid (net of refund received)	(2,074)	(2,366)	(14,404)
Net cash generated/(used in) from operating activities	**68,973**	**79,108**	**123,782**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment and intangibles (including capital advances)	(51,660)	(44,351)	(47,360)
Proceeds from sale of property, plant and equipment	42	453	601
Net cash outflow for acquisition of a subsidiary/acquisition of NCI	—	(1,104)	(3,151)
Investment in joint ventures and associates	(92)	(368)	(460)
Sale/(purchase) of other non-current investments (net)	(28)	—	—
Sale/(purchase) of current investments (net)	30	—	—
Purchase of current investments	—	(27,844)	(81,111)
Sale of current investments	—	24,900	81,202
Bank deposits not considered as cash and cash equivalents (net)	12,551	(3,805)	3,726
Interest received	409	977	1,213
Dividend received	203	203	51
Net cash used in investing activities	**(38,545)**	**(50,939)**	**(45,289)**

	Year ended March 31,		
	2016	2017	2018
	(Rs. in millions)		
C. CASH FLOW FROM FINANCING ACTIVITIES			
Net proceeds of purchase/sale of treasury shares (including dividend there on)	531	—	—
Proceeds from sale of treasury shares	—	557	493
Payments for purchase of treasury shares	—	(551)	(762)
Proceeds from issue of non-convertible preference share capital	35	500	—
Proceeds from non-current borrowings	61,013	45,599	62,091
Repayment of non-current borrowings	(68,728)	(58,897)	(72,984)
Proceeds from/repayment of current borrowings (net)	11,965	25,411	(27,034)
Repayment of finance lease obligations	(1,872)	(1,864)	(1,994)
Interest paid	(31,250)	(35,905)	(35,114)
Dividend paid (including corporate dividend tax)	(3,200)	(2,182)	(6,546)
Net cash used in financing activities	**(31,506)**	**(27,332)**	**(81,850)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(1,078)**	**837**	**(3,357)**
Cash and cash equivalents at the beginning of year	**9,440**	**8,333**	**9,175**
Add: Translation adjustment in cash and cash equivalents	**(29)**	**5**	**(2)**
Cash and cash equivalents at the end of year	**8,333**	**9,175**	**5,816**

Summary of Condensed Consolidated Interim Cash Flow Statement of the Group

	For the nine months ended December 31,		
	2017	**2018**	**2018**
	(Rs. in millions)		**(U.S.$ in millions)[1]**
Net cash generated from operating activities	54,180	60,811	871
Net cash used in investing activities	(30,838)	(85,793)	(1,229)
Net cash (used in)/generated from financing activities	(26,094)	27,711	397
Net increase/(decrease) in cash and cash equivalents	**(2,752)**	**2,729**	**39**
Cash and cash equivalents — at the start of the period	**9,175**	**5,816**	**83**
Add: Translation adjustment in cash and cash equivalent	(1)	10	—
Add: Cash and cash equivalents upon addition of subsidiaries	—	579	8
Cash and cash equivalents — at the end of the period	**6,422**	**9,134**	**131**

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

Financial Information of the Company

Summary of Standalone Statement of Profit and Loss of the Company

		Year ended March 31,		
		2016	2017	2018
		(Rs. in millions)		
I.	**REVENUE FROM OPERATIONS**	408,590	569,133	677,231
II.	**OTHER INCOME**	3,183	2,555	2,129
III.	**TOTAL INCOME (I + II)**	**411,773**	**571,688**	**679,360**
IV.	**EXPENSES:**			
	Cost of materials consumed	187,633	283,999	359,954
	Purchases of stock-in-trade	1,527	9,447	10,634
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	10,836	(13,896)	4,119
	Employee benefits expense	9,533	11,676	12,597
	Finance costs	32,187	36,428	35,906
	Depreciation and amortization expense	28,472	30,246	30,539
	Excise duty expense	41,520	46,231	12,588
	Other expenses	93,853	116,244	139,934
	TOTAL EXPENSES	**405,561**	**520,375**	**606,271**
V.	**PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)**	**6,212**	**51,313**	**73,089**
VI.	**EXCEPTIONAL ITEMS**	58,605	—	2,336
VII.	**PROFIT/(LOSS) BEFORE TAX (V-VI)**	**(52,393)**	**51,313**	**70,753**
VIII.	**TAX EXPENSE/(BENEFIT):**			
	Current tax	67	(531)	15,780
	Deferred tax	(17,163)	16,073	8,719
		(17,096)	**15,542**	**24,499**
IX.	**PROFIT/(LOSS) FOR THE YEAR (VII-VIII)**	**(35,297)**	**35,771**	**46,254**
X.	**OTHER COMPREHENSIVE INCOME**			
A	i) Items that will not be reclassified to profit or loss			
	a) Re-measurements of the defined benefit plans	(32)	(162)	(26)
	b) Equity instruments through Other Comprehensive Income	(4,541)	(627)	815
	ii) Income tax relating to items that will not be reclassified to profit or loss	11	56	9
	Total (A)	**(4,562)**	**(733)**	**798**
B	i) Items that will be reclassified to profit or loss			
	a) The effective portion of gains and loss on hedging instruments	468	2,997	(3,413)
	b) Changes in Foreign Currency Monetary Item Translation Difference account (FCMITDA)	(1,584)	2,974	(328)
	ii) Income tax relating to items that will be reclassified to profit or loss	386	(2,067)	1,299
	Total (B)	**(730)**	**3,904**	**(2,442)**
	Total Other comprehensive income/(loss) (A+B)	**(5,292)**	**3,171**	**(1,644)**
XI.	**Total comprehensive income/(loss) (IX + X)**	**(40,589)**	**38,942**	**44,610**
XII.	**EARNINGS PER EQUITY SHARE OF RE 1 EACH**			
	Basic (in Rs.)	(14.75)	14.89	19.24
	Diluted (in Rs.)	(14.75)	14.80	19.14

Summary of Condensed Standalone Interim Statement of Profit and Loss of the Company

		Nine months ended December 31,		
		2017	2018	2018
		(Rs. in millions)		(U.S.$ in millions)[1]
I.	**REVENUE FROM OPERATIONS**	477,126	570,264	8,171
II.	**OTHER INCOME**	1,401	4,363	63
III.	**TOTAL INCOME (I +II)**	**478,527**	**574,627**	**8,233**
IV.	**EXPENSES:**			
	Cost or materials consumed	258,378	305,325	4,375
	Purchases of stock-in-trade	7,353	4,040	58
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	2,041	(16,140)	(231)
	Employee benefits expense	9,393	10,529	151
	Finance costs	27,179	27,524	394
	Depreciation and amortization expense	22,731	25,323	363
	Excise duty expense	12,588	—	—
	Other expenses	98,998	125,886	1,804
	TOTAL EXPENSES	**438,661**	**482,487**	**6,913**
V.	**PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)**	**39,866**	**92,140**	**1,320**
VI.	**EXCEPTIONAL ITEMS**	**2,336**	**—**	**—**
VII.	**PROFIT BEFORE TAX (V-VI)**	**37,530**	**92,140**	**1,320**
VIII.	**TAX EXPENSES:**			
	Current tax	7,288	19,299	277
	Deferred tax	5,024	7,699	110
		12,312	**26,998**	**387**
IX.	**PROFIT FOR THE PERIOD (VII-VIII)**	**25,218**	**65,142**	**933**
X.	**Other Comprehensive Income/(loss)**			
A	(i) Items that will not be reclassified to profit or loss			
	a) Remeasurement losses of the defined benefit plans	(40)	(129)	(2)
	b) Equity instruments through other comprehensive income	2,717	(297)	(4)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	14	45	1
	Total (A)	**2,691**	**(381)**	**(5)**
B	(i) Items that will be reclassified to profit or loss			
	a) The effective portion of gains and loss on hedging instruments	(1,756)	1,193	17
	b) Changes in Foreign Currency Monetary item translation difference account (FCMITDA)	473	(1,575)	(23)
	(ii) Income tax relating to items that will be reclassified to profit or loss	444	134	2
	Total (B)	**(839)**	**(248)**	**(4)**
	Total other comprehensive income/(loss) (A+B)	**1,852**	**(629)**	**(9)**
XI.	**Total comprehensive income/(loss) (IX+X)**	**27,070**	**64,513**	**924**
XII.	**EARNINGS PER EQUITY SHARE OF RE. 1 EACH (not annualized)**			
	Basic (in Rs.)	10.49	27.09	0.40
	Diluted (in Rs.)	10.43	26.95	0.40

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

Summary of Standalone Balance Sheet of the Company

	As at March 31,			As at December 31,	
	2016	2017	2018	2018	2018
	(Rs. in millions)			(Rs. in millions)	(U.S.$ in millions)[1]
I ASSETS					
(1) Non-current assets					
(a) Property, plant and equipment	464,981	502,151	495,029	497,720	7,131
(b) Capital work-in-progress	62,035	27,454	30,709	69,126	990
(c) Intangible assets	618	511	653	880	13
(d) Intangible assets under development	2,358	2,817	3,206	4,244	61
(e) Investments in subsidiaries, associates and joint ventures	33,884	37,715	38,481	48,114	689
(f) Financial assets					
(i) Investments	13,757	9,782	10,299	13,183	189
(ii) Loans	2,418	27,707	51,649	74,628	1,069
(iii) Other financial assets	1,393	6,475	7,461	826	12
(g) Current Tax Assets (Net)	1,931	3,035	2,500	1,881	27
(h) Deferred tax assets (Net)	4,795	—	—	—	—
(i) Other non-current assets	12,272	13,959	22,994	28,935	415
Total non-current assets	**600,442**	**631,606**	**662,981**	**739,537**	**10,596**
(2) Current assets					
(a) Inventories	67,417	92,703	100,825	125,240	1,794
(b) Financial assets					
(i) Investments	—	3,001	—	1,039	15
(ii) Trade receivables	25,107	39,480	46,920	65,989	946
(iii) Cash and cash equivalents	4,651	7,120	4,507	3,816	55
(iv) Bank balances other than (iii) above	1,335	3,150	1,502	1,543	22
(v) Loans	13,253	1,211	1,578	1,294	19
(vi) Derivative Assets	2,428	4,340	1,466	2,018	29
(vii) Other financial assets	99	3,282	5,030	12,467	179
(c) Other current assets	20,346	23,701	30,701	32,340	463
Total current assets	**134,636**	**177,988**	**192,529**	**245,746**	**3,521**
Total assets	**735,078**	**809,594**	**855,510**	**985,283**	**14,117**
II EQUITY AND LIABILITIES					
(1) Equity					
(a) Equity share capital	3,009	3,013	3,017	3,012	43
(b) Other equity	201,094	237,968	276,049	330,564	4,736
Total equity	**204,103**	**240,981**	**279,066**	**333,576**	**4,780**
(2) Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	301,448	283,578	295,512	277,324	3,974
(ii) Other financial liabilities	1,339	9,686	6,985	7,623	109
(b) Provisions	10,174	745	1,149	2,100	30
(c) Deferred tax liabilities (Net)	—	13,293	20,706	28,227	404
(d) Other non-current liabilities	26	27	37	33	—
Total non-current liabilities	**312,987**	**307,329**	**324,389**	**315,307**	**4,518**

	As at March 31,			As at December 31,	
	2016	2017	2018	2018	2018
	(Rs. in millions)			(Rs. in millions)	(U.S.$ in millions)[1]
(3) Current liabilities					
(a) Financial liabilities					
(i) Borrowings	20,699	48,754	21,718	63,840	915
(ii) Trade payables	110,113	116,045	139,885	136,011	1,949
(iii) Derivative Liabilities	—	3,815	901	3,724	53
(iv) Other financial liabilities	75,911	81,121	71,113	111,829	1,602
(b) Provisions	1,057	1,321	1,106	569	8
(c) Other current liabilities	10,208	9,886	13,812	16,227	233
(d) Current tax liabilities (net)	—	342	3,520	4,200	60
Total current liabilities	**217,988**	**261,284**	**252,055**	**336,400**	**4,820**
Total liabilities	**530,975**	**568,613**	**576,444**	**651,707**	**9,338**
Total equity and liabilities	**735,078**	**809,594**	**855,510**	**985,283**	**14,117**

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts as at December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

Summary of Standalone Cash Flow Statement of the Company

		Year ended March 31,		
		2016	2017	2018
		(Rs. in millions)		
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	NET PROFIT/(LOSS) BEFORE TAX	**(52,393)**	**51,313**	**70,753**
	ADJUSTMENTS FOR:			
	Depreciation and amortization expenses	28,472	30,246	30,539
	Loss on sale of property, plant & equipment (net)	3	1,338	1,242
	Gain on sale of financial investments designated as FVTPL	(27)	(57)	(163)
	Interest income	(2,484)	(2,163)	(1,766)
	Net gain/(loss) arising on financial instruments designated as FVPTL	(60)	—	—
	Gain on financial instruments designated as FVTPL	—	(90)	(87)
	Loss on financial instruments designated as FVTPL	—	—	301
	Dividend income	(183)	(183)	(46)
	Interest expense	27,917	35,216	34,418
	Shares based payment expenses	—	129	282
	Export obligation deferred income amortization	—	(613)	(666)
	Unrealized exchange loss/(gain)	3,296	(756)	436
	Government grant income (Fair value gain on deferred government loan)	—	—	(525)
	Allowance for doubtful debts, loans and advances	58,606	368	3,805
		115,540	**63,435**	**67,770**
	Operating profit before working capital changes	**63,147**	**114,748**	**138,523**
	ADJUSTMENTS FOR:			
	(Increase)/decrease in inventories	18,308	(25,288)	(8,122)
	Increase in trade receivables	(4,839)	(14,373)	(6,610)
	Decrease/(increase) in loans and advances	250	(5,889)	(13,390)
	(Decrease)/increase in trade payable and other liabilities	(18,786)	16,394	23,245
	Increase in provisions	154	251	164
		(4,913)	**(28,905)**	**(4,713)**
	CASH FLOW FROM OPERATIONS	**58,234**	**85,843**	**133,810**
	Income taxes paid (net of refund received)	(1,539)	(231)	(12,067)
	NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**56,695**	**85,612**	**121,743**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of property, plant & equipment, intangible assets including under development	(39,068)	(39,525)	(37,762)
	Proceeds from sale of property, plant & equipment	16	255	71
	Investment in subsidiaries and joint ventures including advances	(12,835)	(5,240)	(1,753)
	Sale/(Purchase) of other long term investments (net)	3	—	—
	Sale/(Purchase) of current investments (net)	27	—	—
	Purchase of current investments	—	(27,840)	(78,038)
	Sale of current investments	—	24,896	81,202
	Bank deposits not considered as cash and cash equivalents (net)	8,520	(1,836)	1,693
	Loans to related parties	(7,909)	(14,942)	(28,577)
	Loans repaid by related parties	143	—	—
	Interest received	592	1,210	1,776
	Dividend received	183	183	46
	NET CASH USED IN INVESTING ACTIVITIES (B)	**(50,328)**	**(62,839)**	**(61,342)**

	Year ended March 31,		
	2016	2017	2018
	(Rs. in millions)		
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Issue of Equity Share Capital/Share Warrants	532	—	—
Proceeds from sale of treasury shares	—	567	493
Payments for purchase of treasury shares	—	(551)	(762)
Proceeds from non current borrowings	58,631	39,945	55,709
Repayment of non current borrowings	(53,433)	(48,015)	(47,740)
Proceeds from/repayment of current borrowings (net)	18,056	28,094	(27,034)
Repayment of finance lease liabilities	(2,342)	(3,223)	(2,964)
Interest paid	(28,059)	(34,939)	(34,170)
Dividend paid (including corporate dividend tax)	(3,200)	(2,182)	(6,546)
NET CASH USED IN FINANCING ACTIVITIES (C)	**(9,815)**	**(20,304)**	**(63,014)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(3,448)**	**2,469**	**(2,613)**
CASH AND CASH EQUIVALENTS — OPENING BALANCES	**8,099**	**4,651**	**7,120**
CASH AND CASH EQUIVALENTS — CLOSING BALANCES	**4,651**	**7,120**	**4,507**

Summary of Condensed Standalone Interim Cash Flow Statement of the Company

	Nine months ended December 31,		
	2017	**2018**	**2018**
	(Rs. in millions)		**(U.S.$ in millions)[1]**
A. NET CASH GENERATED FROM OPERATING ACTIVITIES	53,426	72,775	1,043
B. NET CASH USED IN INVESTING ACTIVITIES	(51,956)	(82,029)	(1,175)
C. NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	(6,355)	8,563	123
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(4,885)**	**(691)**	**(10)**
CASH AND CASH EQUIVALENTS — OPENING BALANCES	**7,120**	**4,507**	**65**
CASH AND CASH EQUIVALENTS — CLOSING BALANCES	**2,235**	**3,816**	**55**

Note:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

The Group's Key Operating and Financial Information

This disclosure is intended to assist in understanding the trends in the operating and financial information of the Group included in this Offering Memorandum.

	Year ended March 31,		Nine months ended December 31,		
	2017	2018	2017	2018	2018
	(Rs. in millions)		(Rs. in millions)		(U.S.$ in millions except percentages)[6]
Revenue from operations (Rs. in millions)[5]	605,363	732,110	520,126	623,895	8,939
EBITDA (Rs. in millions)[1][5]	121,742	147,943	96,407	145,116	2,079
Payments for property, plant and equipments and intangibles (including capital advances) (Rs. in millions)	44,351	47,360	31,812	73,926	1,059
Profit before tax (Rs. in millions)	51,283	76,090	41,591	88,343	1,266
Total profit for the period/year (Rs. in millions)	34,672	61,130	33,610	60,283	864
EBITDA/Revenue from operations (per cent.)	20.1	20.2	18.5	23.3	23.3
Profit before tax/revenue from operations (per cent.)	8.5	10.4	8.0	14.2	14.2

	Year ended March 31,		Nine months ended December 31,	
	2017	2018	2018	2018
	(Rs. in millions)		(Rs. in millions)	(U.S.$ in millions except percentages and ratio)[6]
Net debt to equity ratio (times)[2]	1.85	1.38	1.40	1.40
Return on average net worth[3][5] (per cent.)	16.8	24.5	20.0	20.0
Return on average capital employed[4][5] (per cent.)	13.4	16.5	15.1	15.1

Notes:

(1) EBITDA: total profit /(loss) for the year/period +(-) share of profit/ loss from associate + (-) share of profit / loss from joint ventures (net) +(-) taxes/(benefit) + exceptional items + depreciation and amortization expense + finance costs - other income.

(2) Net debt to equity/net debt gearing ratio: net debt/net worth (Net debt: Non-current Borrowings + current borrowings + current maturities of long-term borrowings + current maturities of finance lease obligations - cash and cash equivalents - bank balances other than cash and cash equivalents - current investments) (Net worth: Equity attributable to Owner's of the Company + Non-controlling interests). Net debt excludes acceptances.

(3) Return on average net worth: total profit /(loss) for the year/period/average net worth (Net worth: Equity attributable to Owner's of the Company + Non-controlling interests). (Average net worth: (net worth as at the beginning of the year/period + net worth as at the closing of the year/period)/2).

(4) Return on average capital employed: EBIT/average capital employed (Capital employed: net worth + Non-current borrowings + Current borrowings + current maturities of long-term borrowings + current maturities of finance lease obligations + deferred tax liabilities (net) + deferred tax assets (net)) (EBIT: EBITDA - depreciation and amortization expenses) (Average capital employed: (capital employed as at the beginning of the year/period + capital employed as at the closing of the year/period)/2).

(5) As used in this Offering Memorandum, a non-GAAP financial measure is one that purports to measure historical financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable IFRS measures. From time to time, reference is made in this Offering Memorandum to such "non-GAAP financial measures", primarily EBITDA, or (unless otherwise specified) total profit before other income and finance costs, taxation, depreciation, amortization and exceptional items and share of results of associates / joint-ventures (net), and net debt, or (unless otherwise specified) non-current borrowings plus current borrowings plus current maturities of long term borrowings plus current maturities of finance lease obligations minus cash and cash equivalents, bank balances other than cash and cash equivalents, and current investments. The Group's management believes that EBIT, EBITDA, EBITDA/Revenue from operations, profit before tax/Revenue from operations, Net debt, Net worth, Net debt to equity ratio, Net debt gearing, Average net worth, Return on average net worth, Return on average capital employed and other non-GAAP financial measures provide investors with additional information about the Group's performance, as well as ability to incur and service debt and make capital expenditures, and are measures commonly used by investors. The non-GAAP financial measures described herein are not a substitute for IFRS measures of earnings and may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated.

(6) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

Non-GAAP Financial Measures

The following table reconciles the Group's profit after tax for the years ended March 31, 2017 and 2018 and for the nine months ended December 31, 2017 and 2018 to the Group's definition of EBITDA, Net debt to equity/net debt gearing ratio, return on average net worth and return on average capital employed for the periods indicated:

	Year ended March 31,		Nine months ended December 31,		
	2017	2018	2017	2018	2018
	(Rs. in millions)		(Rs. in millions)		(U.S.$ in millions except percentages)[1]
Total profit for the period/year (A)	34,672	61,130	33,640	60,283	864
Adjustments					
Other income	1,521	1,669	1,220	1,507	22
Finance costs	(37,681)	(37,014)	(28,183)	(28,714)	(411)
Exceptional Items	—	(2,635)	(2,635)	—	—
Tax expenses					
Current tax	(1,518)	(18,262)	(8,939)	(20,328)	(291)
Deferred tax	(15,225)	2,877	638	(7,759)	(111)
Share of loss from an associate	(89)	—	—	—	—
Share of profit from joint ventures (net)	221	425	350	27	—
Total adjustments (B)	**(52,771)**	**(52,940)**	**(37,549)**	**(55,267)**	**(792)**
EBIT (C) = (A) - (B)	**87,443**	**114,070**	**71,189**	**115,550**	**1,656**
Adjustments (D)					
Depreciation and amortization expense	(34,299)	(33,873)	(25,218)	(29,566)	(424)
EBITDA (E) = (C) - (D)	**121,742**	**147,943**	**96,407**	**145,116**	**2,079**
Revenue from operations (F)	605,363	732,110	520,126	623,895	8,939
Profit before tax (G)	51,284	76,090	44,226	88,343	1,266
EBITDA/Revenue from operations (per cent.) H = (E/F)	**20.1**	**20.2**	**18.5**	**23.3**	**23.3**
Profit before tax/revenue from operations (per cent.) (G/F)	**8.5**	**10.4**	**8.0**	**14.2**	**14.2**

Notes:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

(2) EBITDA: total profit /(loss) for the year/period +(-) share of profit/ loss from associate + (-) share of profit / loss from joint ventures (net) +(-) taxes/(benefit) + exceptional items + depreciation and amortization expense + finance costs - other income.

	Year ended March 31,		Nine months ended December 31,	
	2017	2018	2018	2018
		(Rs. million)		(U.S.$ in millions except percentages and ratio)[1]
Non-current borrowings	324,158	317,229	305,066	4,371
Current borrowings	48,807	21,771	74,974	1,074
Current maturities of long-term borrowings	58,376	52,715	92,860	1,331
Current maturities of finance lease obligations	2,000	2,213	2,531	36
Total outstanding borrowings	433,341	393,928	475,431	6,812
Less: Cash and cash equivalents	(9,175)	(5,816)	(9,134)	(131)
Less: Bank balance other than cash and cash equivalents	(5,676)	(4,809)	(4,152)	(59)
Less: Current Investment	(3,001)	(3,120)	(1,847)	(26)
Net Debt	**415,489**	**380,183**	**460,298**	**6,595**
Equity attributable to Owners of the Company	226,476	279,974	331,937	4,756
Non-controlling interests	(2,457)	(4,641)	(4,130)	(59)
Net worth	**224,019**	**275,333**	**327,807**	**4,697**
Net debt to equity ratio (times)/ net debt gearing ratio	**1.85**	**1.38**	**1.40**	**1.40**
Net worth as at beginning of the year / period	187,707	224,019	275,333	3,945
Net worth as at closing of the year / period	224,019	275,333	327,807	4,697
Average Net worth	**205,863**	**249,676**	**301,570**	**4,321**
Return on average net worth (Profit/(loss) for the year/period/ average net worth (per cent.))	**16.8**	**24.5**	**20.0**	**20.0**
Net worth	224,019	275,333	327,807	4,697
Non-current borrowings	324,158	317,229	305,066	4,371
Current borrowings	48,807	21,771	74,974	1,074
Current maturities of long term borrowings	58,376	52,715	92,860	1,331
Current maturities of finance lease obligation	2,000	2,213	2,531	36
Deferred tax liabilities (net)	30,736	26,043	35,196	504
Deferred tax assets (net)	(844)	(481)	(819)	(12)
Capital employed	**687,252**	**694,823**	**837,615**	**12,002**
Capital employed as at beginning of the year / period	622,134	687,252	694,823	9,956
Capital employed as at closing of the year / period	687,252	694,823	837,615	12,002
Average Capital employed	**654,693**	**691,038**	**766,219**	**10,979**
Return on average capital employed (EBIT/Average Capital employed) (per cent.)	**13.4**	**16.5**	**15.1**	**15.1**

Notes:

(1) For the reader's convenience, U.S. dollar translations of Indian rupee amounts for the nine months ended December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

(2) Net debt to equity/net debt gearing ratio: net debt/net worth (Net debt: Non-current Borrowings + current borrowings + current maturities of long-term borrowings + current maturities of finance lease obligations - cash and cash equivalents - bank balances other than cash and cash equivalents - current investments) (Net worth: Equity attributable to Owner's of the Company + Non-controlling interests). Net debt excludes acceptances.

(3) Return on average net worth: total profit /(loss) for the year/period/average net worth (Net worth: Equity attributable to Owner's of the Company + Non-controlling interests) (Average net worth: (net worth as at the beginning of the year/period + net worth as at the closing of the year/period)/2).

(4) Return on average capital employed: EBIT/average capital employed (Capital employed: net worth + Non-current borrowings + Current borrowings + current maturities of long-term borrowings + current maturities of finance lease obligations + deferred tax liabilities (net) + deferred tax assets (net)) (EBIT: EBITDA - depreciation and amortization expenses) (Average capital employed: (capital employed as at the beginning of the year/period + capital employed as at the closing of the year/period)/2).

(5) As used in this Offering Memorandum, a non-GAAP financial measure is one that purports to measure historical financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable IFRS measures. From time to time, reference is made in this Offering Memorandum to such "non-GAAP financial measures", primarily EBITDA, or (unless otherwise specified) total profit before other income and finance costs, taxation, depreciation, amortization and exceptional items and share of results of associates / joint-ventures (net), and net debt, or (unless otherwise specified) non-current borrowings plus current borrowings plus current maturities of long term borrowings plus current maturities of finance lease obligations minus cash and cash equivalents, bank balances others than cash and cash equivalents, and current investments. The Group's management believes that EBIT, EBITDA, EBITDA/Revenue from operations, profit before tax/Revenue from operations, Net debt, Net worth, Net debt to equity ratio, Net debt gearing, Average net worth, Return on average net worth, Return on average capital employed and other non-GAAP financial measures provide investors with additional information about the Group's performance, as well as ability to incur and service debt and make capital expenditures, and are measures commonly used by investors. The non-GAAP financial measures described herein are not a substitute for IFRS measures of earnings and may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on the financial condition and results of operations of the Group as at and for the years ended March 31, 2016, 2017 and 2018 and the nine months ended December 31, 2017 and 2018. All financial information for the Group and the Company as at and for the years ended March 31, 2016, 2017 and 2018 and for the nine months ended December 31, 2017 and 2018 has been derived from the Group Consolidated Financial Statements and the Company Standalone Financial Statements, unless stated otherwise, except for 'Revenue from Operations' and 'Other Expenses' for the year ended March 31, 2018 and the nine months ended December 31, 2017 which have been restated and extracted from the condensed interim financial statements for the nine months ended December 31, 2018 of the Company and the Group and except for the amounts as at and for the year ended March 31, 2017 which have been reclassified in and extracted from the financial statements as at and for the year ended March 31 2018 of the Company and the Group. This financial information should be read in conjunction with "Presentation of Financial Information", "Selected Financial Data and Other Information" and "Index to Financial Statements" in this Offering Memorandum. The Group Consolidated Financial Statements are prepared in accordance with IND-AS. IND-AS differs in certain respects from IFRS and other accounting principles and audit and review standards accepted in the countries with which prospective investors may be familiar. Our results of operations for the nine months ended December 31, 2018 are not necessarily indicative of our results for the year ending March 31, 2019, and historical results presented in this Offering Memorandum in general do not necessarily indicate results expected for any future period.

This section contains forward-looking statements that involve risks and uncertainties. The Group's 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 Associated Risks" and "Risk Factors" of this Offering Memorandum.

Overview

JSW Steel Limited, the flagship company of the diversified U.S.$13 billion JSW Group and part of the O.P. Jindal Group, is an integrated manufacturer of a diverse range of steel products with an export footprint in more than 100 countries. The JSW Group has diversified interests in mining, carbon steel, power, industrial gases, port facilities and cement. The Group offers an extensive portfolio of flat and long products, including hot rolled coils, sheets and plates, cold rolled coils and sheets, galvanized and galvalume products, electrical steel pre-painted galvanized and galvalume products, TMT bars, wire rods, rails, grinding balls and special steel bars, rounds and blooms, plates and pipes of various sizes and cold rolled non-grain oriented products. The Group is also one of the largest producers and exporters of coated flat steel products in India. The Group believes that it has one of the lowest conversion costs in the industry, primarily due to its efficient operations, high manpower productivity and the strategic location of its state-of-the-art manufacturing facilities. The Group's operations in India currently have an installed crude steel capacity of approximately 18.0 mtpa, which comprises 12.5 mtpa (approximately 70 per cent. of the capacity) of flat products and 5.5 mtpa (approximately 30 per cent. of the capacity) of long products.

In 2018, the Group was ranked eighth amongst top 35 world class steelmakers according to World Steel Dynamics, based on a variety of factors. In particular, the Group achieved the highest rating (10 out of 10) on the following criteria: conversion costs; yields, expanding capacity, location in high-growth markets and labor costs. This ranking puts the Group ahead of all other steelmakers based in India and ranked third amongst Asian steelmakers.

The Group has significantly expanded its steelmaking capacity at its Indian operations, which has increased from 1.6 mtpa in 2002 to 2.5 mtpa in 2006, 3.8 mtpa in 2007, 7.8 mtpa in 2010, 11.0 mtpa in 2012 and to 18.0 mtpa in May 2018, through organic and inorganic growth. The Group's manufacturing facilities in India consist of Vijaynagar Works in Karnataka (12.0 mtpa), Dolvi Works in Maharashtra (5.0 mtpa) and Salem Works in Tamil Nadu (1.0 mtpa) in addition to downstream facilities for its coated products division at Vasind, Tarapur and Kalmeshwar Works in Maharashtra.

The Group's major facilities in India are strategically located near raw material sources and are well connected via ports and railways, thus helping the Group to maintain a low cost structure. The Group's overseas manufacturing facilities comprise a plate/pipe mill in Baytown, Texas, U.S., a steel making facility at Ohio, U.S., and a long product mill in Italy. The Baytown facility has a 1.2 mntpa plate mill and a 0.55 mntpa pipe mill. The facility is located near a port and in close proximity to key customers in the oil and gas industry. The Ohio facility is a hot rolling mill with a 3.0 mntpa capacity. It is partially backward integrated with a 1.5 mntpa EAF furnace that became operational in December 2018 after the Group took it over. The facility in Italy was acquired by the Group in July 2018 and produces long products — railway lines, wire rods, bar mills and grinding balls — with aggregate capacity of 1.3 mtpa. The Group plans to expand its steel capacity to 40.0 mtpa in the next decade through a combination of organic and inorganic growth.

The Group has a widespread sales and distribution network that sells its products directly to customers, wholesale traders and stock points. The Group's sales presence is particularly strong in South and West India, where a large number of automotive manufacturers are located. The Group is mainly focused on retail sales through its exclusive and non-exclusive retail outlets. As at December 31, 2018, the Group had more than 9,500 retail outlets located throughout India. The Group has an export footprint in more than 100 countries across five continents. The Group uses a combination of direct sales to customers and sales to international trading houses for its international sales.

Key Factors Affecting the Results of Operations

Amongst others, the primary factors affecting the Group's results of operations are:

- sales volume and prices;
- production costs;
- product mix; and
- currency exchange rates. See "— *Results of Operations*" for a discussion of the extent to which these factors have affected the Group's results of operations in the periods stated.

Sales Volume and Prices

The primary factors affecting the Group's results of operations are its sales volume and the price of steel. The Group derives its revenue primarily from the sale of finished steel products. The market for steel is substantially driven by changes in supply and demand in the global steel market, which are significantly affected by the state of the global economy and competition and consolidation within the steel industry. The Group's sales revenue also depends on the price of steel in the international markets. The global price of steel, in turn, depends upon a combination of factors, including steel demand, the availability and cost of raw material inputs, worldwide production and capacity, fluctuations in the volume of steel imports, transportation costs, protective trade measures and various social and political factors.

The Group relies on key consumers of steel products in the construction, automotive, packaging, appliance, engineering and transportation industries. These industries are in turn affected by the state of the markets in which they operate. While the global economy showed signs of recovery in 2010, subsequent years have been volatile primarily due to the sovereign debt crisis in certain European countries, such as Greece, Portugal and Cyprus.

According to the IMF, India's economy has grown significantly recently, with an annual growth rate of 6.7 per cent. from fiscal year 2017 to fiscal year 2018. According to worldsteel, steel consumption in India grew 4.3 per cent. in 2017 and India's per capita steel consumption of finished steel in 2017 was relatively low at approximately 65 kg, as compared to China at 523 kg, Japan at 506 kg, the U.S. at 301 kg, South Korea at 1,106 kg, and a world average at approximately 215 kg.

China has become the largest steel producing country in the world by a significant margin, with the balance between its domestic production and demand being an important factor in the determination of global steel prices. According to worldsteel, China produced 832 mtpa of crude steel in 2017, which represented around 49 per cent. of global steel production in 2017. China's production in 2016 represents a 1 per cent. growth over its production in 2015 and in 2017 represented 3 per cent. increase over its production in 2016. Given China's significant market share in global steel production and consumption (49 per cent. and 46 per cent. respectively, in the calendar year 2017). Chinese steel production and exports have had, and can be expected to continue to have, a significant impact on steel prices in Europe, India and other markets outside of China, even more so if the growth of China's steel production accelerates and/or China's apparent steel usage falls. See "*Industry Overview — The Global Steel Industry — Global Steel Outlook*".

Production Costs

After revenue, production costs are the most significant factor affecting the Group's results of operations. The Group's principal production costs are raw material costs (primarily coal and iron ore), labor-related expenses (primarily salaries), and other production-related costs such as repairs to machinery, energy costs, and freight relating to sales.

For the years ended March 31, 2016, 2017 and 2018, and the nine months ended December 31, 2018, the total cost of materials consumed by the Group's operations was Rs.211,266 million, Rs.297,486 million, Rs.387,785 million and Rs.333,404 million, respectively. Total crude steel production from the Company's Indian operations was 12.56 mt, 15.80 mt, 16.27 mt and 12.52 mt for the years ended March 31, 2016, 2017 and 2018 and the nine months ended December 31, 2018, respectively. For the years ended March 31, 2016, 2017 and 2018 and the nine months ended December 31, 2018, the total cost of materials consumed by the Company was Rs.187,633 million, Rs.283,999 million, Rs.359,954 million and Rs.305,325 million, respectively.

The following table sets forth the Group's cost of materials for the periods indicated:

	Year ended March 31,			Nine months ended December 31,
	2016	**2017**	**2018**	**2018**
	(Rs. in millions)			
Cost of materials consumed . . .	211,266	297,486	387,785	333,404
Purchases of stock-in-trade . . .	544	—	20	2,436
Total cost of materials	**211,810**	**297,486**	**387,805**	**335,840**

Labor-related expenses and other production-related costs (i.e., consumption of stores and spares and repairs to machinery) and freight and handling charges relating to sales also constitute a large portion of the Group's 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 can have a material adverse impact on profitability during times of low production, as such costs cannot be reduced in accordance with the Group's lower production volume.

Product Mix

The Group's product mix also affects its revenue and profitability. In general, selling a greater proportion of high value-added products should increase revenue and profitability. For example, within the flat product category, cold rolled, galvanized and tinplate products command higher prices and margins, while in the long products category, wires are considered to be high value-added products. The Group's coated products division and Vijaynagar Works, with a capacity of 4.89 mtpa, both produce value-added flat products, while Salem Works produces special steel long products. The Group continues to make significant investments in value-added production capabilities and intends to continue to focus on value-added products through new investments and product development.

Currency Exchange Rates

A significant portion of the Group's raw material costs, particularly coking coal, are imported and paid in U.S. Dollars. A majority of the Group's revenues are denominated in Rupees. Accordingly, a depreciation in the Rupee against the U.S. Dollar effectively increases the Group's costs by making raw material inputs more expensive in Rupee terms. In the year ended March 31, 2014, the Group instituted a hedging policy to help reduce the impact of foreign currency exchange fluctuations on its results of operations.

Significant Accounting Policies

In order to prepare the financial statements of the Group, estimates and judgments are used based on, among other things, industry trends, the Group's experience and the terms of existing contracts, all of which are subject to an inherent degree of uncertainty. For information on the Group's significant accounting policies, please refer to the annual financial statements and condensed consolidated interim financial statements set forth in this Offering Memorandum.

While the Group believes its estimates and judgments to be reasonable under the circumstances, there can be no assurance that the Group's judgments will prove correct or that actual results reported in future periods will not differ from expectations reflected in the Group's accounting treatment of certain items. In addition, other companies may utilize different accounting policies, which may impact the comparability of the Group's results of operations to those of companies in similar businesses.

IND-AS

IND-AS is applicable to the Group with effect from April 1, 2016 and accordingly the financial statements for all the periods effective April 1, 2016 have been prepared in accordance with IND-AS. For information on the Group's significant accounting policies, see the financial statements set forth in this Offering Memorandum.

Description of Main Income Statement Items

"Revenue from operations" comprises revenue from operations less excise duty and inter-segment sales. Revenue from operations includes revenue from the sale of products, sale of power and other operating income. Inter-segment sales includes revenue generated from the sale of product and/or power between segments of the Group.

"Cost of materials consumed" comprises expenses associated with raw materials used in production, primarily including iron ore, coal, coke, limestone and other major inputs.

"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 stock-in-trade" reflects the net change in these balance sheet items during the period.

"Cost of construction" reflects costs associated with construction contracts.

"Employee benefits expense" comprises salaries and wages (including bonuses), ESOPS, contributions to provident and other funds and staff welfare expenses.

"Finance costs" comprises interest on loans, bonds, debentures and other forms of indebtedness, finance charges on finance leases and other borrowing costs less capitalized interest, dividends on redeemable preference shares, exchange differences on foreign currency borrowings to the extent regarded as an adjustment to finance cost.

"Depreciation and amortization" comprises depreciation of fixed assets and amortization of intangible assets.

"Other expenses" comprises expenses associated with stores and spares, power and fuel, repairs and maintenance, job work and processing charges, administrative overheads, hedging costs and carriage and freight, etc.

"Exceptional items" comprises impairment of assets and provision in relation to a legal dispute.

"Tax expense" comprises current tax and deferred tax.

Results of Operations

The following tables sets forth the Group's income statement data for the years ended March 31, 2016, 2017 and 2018 and the nine months ended December 31, 2017 and 2018, which have been extracted from the Group Consolidated Financial Statements presented elsewhere in this Offering Memorandum, unless stated otherwise, except for 'Revenue from operations' and 'Other expenses' for the year ended March 31, 2018 and nine months ended December 31, 2017 which have been restated and extracted from the condensed interim financial statements for the nine months ended December 31, 2018 of the Company and the Group and except for amounts as at and for the year ended March 31, 2017 which have been reclassified in and extracted from the financial statements as at and for the year ended March 31, 2018 for the Company and the Group and also includes the percentage change between the periods presented. This financial information should be read in conjunction with "Presentation of Financial Information" and "Index to Financial Statements" in this Offering Memorandum:

	Year ended March 31,		
	2016	2017	% change
	(Rs. in millions, except percentages)		
Revenue from operations	459,767	605,363	31.7
Other income	1,805	1,521	(15.7)
Total income	**461,572**	**606,884**	**31.5**
Expenses:			
Cost of materials consumed	211,266	297,486	40.8
Purchases of stock-in-trade	544	—	(100.0)
Changes in inventories of finished goods, work-in-progress and stock-in-trade	13,658	(14,859)	(208.8)
Employee benefits expense	15,187	16,996	11.9
Finance costs	36,012	37,681	4.6
Depreciation and amortization expense	33,226	34,299	3.2
Excise duty expense	44,306	49,317	11.3
Other expenses	110,797	134,681	21.6
Total expenses	**464,996**	**555,601**	**19.5**
Profit/(loss) before exceptional items and tax	**(3,424)**	**51,283**	**(1,597.8)**
Exceptional items	21,254	—	(100.0)
Profit/(loss) before tax	**(24,678)**	**51,283**	**(307.8)**
Tax expense/(benefit):			
Current tax	867	1,518	75.1
Deferred tax	(20,529)	15,225	(174.2)
	(19,662)	**16,743**	**(185.2)**
Profit/(loss) for the year	**(5,016)**	**34,540**	**(788.6)**
Share of (loss)/profit from an associate	217	(89)	(141.0)
Share of profit/(loss) from joint ventures (net)	(9)	221	(2,555.6)
Total Profit/(loss) for the year	**(4,808)**	**34,672**	**(821.1)**

	Year ended March 31,		
	2017	2018	% change
	(Rs. in millions, except percentages)		
Revenue from operations	605,363	732,110	20.9
Other income	1,521	1,669	9.7
Total income	**606,884**	**733,779**	**20.9**
Expenses:			
Cost of materials consumed	297,486	387,785	30.4
Purchases of stock-in-trade	—	20	100.0
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(14,859)	2,438	(116.4)
Employee benefits expense	16,996	18,426	8.4
Finance costs	37,681	37,014	(1.8)
Depreciation and amortization expense	34,299	33,873	(1.2)
Excise duty expense	49,317	12,780	(74.1)
Other expenses	134,681	162,718	20.8
Total expenses	**555,601**	**655,054**	**17.9**
Profit before exceptional items and tax	**51,283**	**78,725**	**53.5**
Exceptional items	—	2,635	100.0
Profit before tax	**51,283**	**76,090**	**48.4**
Tax expense/(benefit):			
Current tax	1,518	18,262	1103
Deferred tax	15,225	(2,877)	(118.9)
	16,743	**15,385**	**(8.1)**
Profit for the year	**34,540**	**60,705**	**75.8**
Share of loss from an associate	(89)	—	(100.0)
Share of profit from joint ventures (net)	221	425	92.3
Total Profit for the year	**34,672**	**61,130**	**76.3**

	Nine months ended December 31,			
	2017	2018	% change	2018
	(Rs. in millions, except percentages)			(U.S.$ in millions)
Revenue from operations	520,126	623,895	20.0	8,939
Other income	1,220	1,507	23.5	22
Total income	**521,346**	**625,402**	**20.0**	**8,961**
Expenses:				
Cost of materials consumed	280,178	333,404	19.0	4,777
Purchases of stock-in-trade	20	2,436	12,080.0	35
Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,870	(22,841)	(1,321.4)	(327)
Employee benefits expense	13,719	17,882	30.3	256
Finance costs	28,183	28,714	1.9	411
Depreciation and amortization expense	25,218	29,566	17.2	424
Excise duty expense	12,780	—	(100.0)	—
Other expenses	115,152	147,898	28.4	2,119
Total expenses	**477,120**	**537,059**	**12.6**	**7,695**
Profit before exceptional items and tax	**44,226**	**88,343**	**99.8**	**1,266**
Exceptional items	**2,635**	**—**	**(100.0)**	**—**
Profit before tax	**41,591**	**88,343**	**112.4**	**1,266**
Tax expense:				
Current tax	8,939	20,328	127.4	291
Deferred tax	(638)	7,759	(1,316.1)	111
	8,301	28,087	238.4	402
Profit for the period	**33,290**	**60,256**	**81.0**	**864**
Share of profit from joint ventures (net)	350	27	(92.3)	—
Total Profit for the period	**33,640**	**60,283**	**79.2**	**864**

Results of Operations for the Nine Months Ended December 31, 2017 compared with the Nine Months Ended December 31, 2018

Revenue from Operations

The Group's revenue from operations in the nine months ended December 31, 2018 increased by 20.0 per cent. to Rs.623,895 million (U.S.$8,939 million) from Rs.520,126 million in the nine months ended December 31, 2017. The increase in revenue was mainly due to higher sales volumes, higher sales realization both in domestic and export markets and higher incentive benefits recognized attributed to upward revision in incentive rates and an increase in regional sales and realization.

Cost of Materials Consumed

Cost of materials consumed increased by 19.0 per cent. to Rs.333,404 million (U.S.$4,777 million) in the nine months ended December 31, 2018 from Rs.280,178 million in the nine months ended December 31, 2017. The increase in cost of materials consumed was mainly due to higher production volumes and increase in prices of key inputs like iron ore and coal which was due to domestic and international price movements, respectively.

Purchases of Stock-in-Trade

Purchases of stock-in-trade was Rs.2,436 million (U.S.$35 million) in the nine months ended December 31, 2018 as compared to Rs.20 million in the nine months ended December 31, 2017. The increase in purchases of stock-in-trade was mainly due to purchase of certain grades of steel for meeting customer specific requirements.

Employee Benefits Expense

Employee benefits expense increased by 30.3 per cent. to Rs.17,882 million (U.S.$256 million) in the nine months ended December 31, 2018 from Rs.13,719 million in the nine months ended December 31, 2017. The increase in employee benefits expense was primarily due to increased manpower and an annual increase in compensation for existing employees. Increased headcount mainly resulted from the acquisition of subsidiaries.

Finance Costs

Finance costs increased by 1.9 per cent. to Rs.28,714 million (U.S.$411 million) in the nine months ended December 31, 2018 from Rs.28,183 million in the nine months ended December 31, 2017. The increase in finance costs was mainly due to higher interest costs on account of further borrowings which were partly offset by lower interest rates due to a reduction in benchmark lending rates of various banks.

Depreciation and Amortization expenses

Depreciation and amortization expenses increased by 17.2 per cent. to Rs.29,566 million (U.S.$424 million) in the nine months ended December 31, 2018 from Rs.25,218 million in the nine months ended December 31, 2017. The increase in depreciation and amortization was mainly due to capitalization of assets relating to projects and sustaining capital expenditure.

Excise duty expenses

There were no excise duty expenses in the nine months ended December 31, 2018 compared to Rs.12,780 million in the nine months ended December 31, 2017. The decrease was primarily a result of discontinuation of excise duty with effect from July 1, 2017 upon the implementation of Goods and Service Tax ("**GST**"). In the erstwhile tax regime, revenue from operations included excise duty and the corresponding expenditure of excise duty on manufactured goods was disclosed as excise duty expenditure. Following the implementation of GST, GST was not included in revenue from operations in accordance with IND-AS and accordingly, there is no expenditure which is recorded.

Other Expenses

Other expenses increased by 28.4 per cent. to Rs.147,898 million (U.S.$2,119 million) in the nine months ended December 31, 2018 from Rs.115,152 million in the nine months ended December 31, 2017. The increase in other expenses was mainly due to increase in production volumes. The increase in expenses for stores and spares consumed was due to an increase in rates of electrodes and refractories. Power cost was higher due to higher per unit rates due to increases in steam coal rates and fuel cost was higher due to increased natural gas rates.

Exceptional Items

In the nine months ended December 31, 2017, the Group recorded exceptional items of Rs.2,635 million while no exceptional items were recorded in the nine months ended December 31, 2018. Exceptional items in the nine months ended December 31, 2017 primarily comprised impairment provision for certain property plant and equipment, goodwill and advances made in subsidiaries arising from the surrender by one subsidiary of one of its iron ore mines in Chile after assessing its economic viability.

Tax Expense

Tax expense increased by 238.4 per cent. to Rs.28,087 million (U.S.$402 million) in the nine months ended December 31, 2018 from Rs.8,301 million in the nine months ended December 31, 2017. The increase in tax expense was mainly due to higher tax provision due to increase in profit before tax during the current year.

Profit for the Period

As a result of the foregoing, the Group's total profit for the period increased by 79.2 per cent. to Rs.60,283 million (U.S.$864 million) in the nine months ended December 31, 2018 from Rs.33,640 million in the nine months ended December 31, 2017.

Results of Operations for the Year Ended March 31, 2017 compared with the Year Ended March 31, 2018

Revenue from Operations

The Group's revenue from operations in the year ended March 31, 2018 increased by 20.9 per cent. to Rs.732,110 million from Rs.605,363 million in the year ended March 31, 2017.

In fiscal year 2018, there was an increase in steel demand globally, which was attributed by structural factors such as Chinese supply-side reform. In India, the growth in steel consumption was likely to be supported by the government's push for infrastructure projects and strengthening consumer demand. The consolidated sales volume for fiscal year 2018 stood at 15.6 million tons (11.3 million tons for the nine months ended December 31, 2018) representing an increase of 6 per cent. as compared to the previous year. Sales of value-added and special products in fiscal year recorded 9 million tons, representing an increase of 13 per cent. as compared to the previous year. The increase was primarily driven by higher sales to automotive, appliances, projects and infrastructure segments.

Cost of Materials Consumed

Cost of materials consumed increased by 30.4 per cent. to Rs.387,785 million in the year ended March 31, 2018 from Rs.297,486 million in the year ended March 31, 2017. The increase was primarily due to higher production volumes and increase in prices of key inputs like iron ore and coal, in line with domestic and international price movements, respectively.

Purchases of Stock-in-Trade

Purchases of stock-in-trade increased by 100.0 per cent. to Rs.20 million in the year ended March 31, 2018 as there was no purchase of stock-in-trade recorded for the year ended March 31, 2017.

Employee Benefits Expense

Employee benefits expense increased by 8.4 per cent. to Rs.18,426 million in the year ended March 31, 2018 from Rs.16,996 million in the year ended March 31, 2017. The increase was primarily due to an annual increase in compensation for existing employees.

Excise duty expenses

Excise duty expenses decreased by 74.1 per cent. to Rs.12,780 million in the year ended March 31, 2018 from Rs.49,317 million in the year ended March 31, 2017. The decrease was primarily a result of discontinuation of excise duty with effect from July 1, 2017 upon the implementation of GST. In the erstwhile tax regime, revenue from operations included excise duty and the corresponding expenditure of excise duty on manufactured goods was disclosed as excise duty expenditure. Following the implementation of GST, GST was not included in revenue from operations in accordance with IND-AS and accordingly, there is no expenditure which is recorded from July 1, 2017.

Finance Costs

Finance costs decreased by 1.8 per cent. to Rs.37,014 million in the year ended March 31, 2018 from Rs.37,681 million in the year ended March 31, 2017. The decrease was primarily due to lower interest costs on account of repayment of borrowings, reduction in rupee term loans and lower interest rates due to a reduction in benchmark lending rates of various banks.

Depreciation and Amortization expenses

Depreciation and amortization expenses marginally decreased by 1.2 per cent. to Rs.33,873 million in the year ended March 31, 2018 from Rs.34,299 million in the year ended March 31, 2017.

Other Expenses

Other expenses increased by 20.8 per cent. to Rs.162,718 million in the year ended March 31, 2018 from Rs.134,681 million in the year ended March 31, 2017. The increase was primarily as a result of higher production volumes, and an increase in stores and spares consumed due to increase in prices of refractories and electrodes, an increase in power cost due to a hike in rates for steam coal and fuel cost due to an increase in natural gas rates.

Exceptional Items

In the year ended March 31, 2018, the Group recorded exceptional items of Rs.2,635 million while no exceptional items were recorded in the year ended March 31, 2017. Exceptional items in the year ended March 31, 2018 primarily comprised of impairment provision for certain property plant and equipment, goodwill and advances made in subsidiaries arising from surrender by subsidiary of one of its iron ore mine in Chile considering its economic viability

Tax Expense

Tax expenses decreased to Rs.15,385 million in the year ended March 31, 2018 as compared to a tax expense of Rs.16,743 million in the year ended March 31, 2017. This was primarily due to a reversal of deferred tax liabilities pursuant to the enactment of Tax Cuts and Jobs Act by the United States on December 22, 2017, as the corporate income tax rate for components of the Group based in the United States has been reduced to 21 per cent. amounting to Rs.5,721 million and recognition of deferred tax asset of Rs.7,290 million on the unused tax losses to the extent the components have sufficient taxable temporary differences in the view of the improving operational performance of components based in the United States.

Profit/(Loss) for the Year

As a result of the foregoing, the Group recorded a total profit for the year of Rs.61,130 million in the year ended March 31, 2018 compared to a profit of 34,672 million in the year ended March 31, 2017.

Results of Operations for the Year Ended March 31, 2016 compared with the Year Ended March 31, 2017

Revenue from Operations

The Group's revenue from operations in the year ended March 31, 2017 increased by 31.7 per cent. to Rs.605,363 million from Rs.459,767 million in the year ended March 31, 2016.

Fiscal year 2017 was particularly challenging for India's steel industry. However, the Company's performance was relatively strong with improvement in absolute volumes in the domestic market. The Company has also focused on the exports market and increased the value-added products sales. The sales volume stood at 14.7 million tons, up by 22 per cent. vis-à-vis the previous year of 12.3 million tons. The Company maintained its sales in the domestic market, while exploring opportunities in the export market.

The other operating revenues increased by Rs.2,878 million, compared to the previous year due to higher sales tax incentives on account of increased volumes and increase in domestic sales realization and amortization of export obligation and deferred income.

Cost of Materials Consumed

Cost of materials consumed increased by 40.8 per cent. to Rs.297,486 million in the year ended March 31, 2017 from Rs.211,266 million in the year ended March 31, 2016. The increase was primarily due to increase in crude steel production and increase in prices of input materials. The increase in crude steel production was attributable to ramp-up of newly commissioned capacity while the increase in prices of input materials was a result of an increase in international prices.

Purchases of Stock-in-Trade

Purchases of stock-in-trade decreased to a nil amount in the year ended March 31, 2017 from Rs.544 million in the year ended March 31, 2016 as there were no trading activities. The procured materials were used entirely for captive use.

Employee Benefits Expense

Employee benefits expense increased by 11.9 per cent. to Rs.16,996 million in the year ended March 31, 2017 from Rs.15,187 million in the year ended March 31, 2016. The increase was primarily due to employment of an additional workforce to service the increased production capacity at our facilities and an annual increase in compensation.

Finance Costs

Finance costs increased by 4.6 per cent. to Rs.37,681 million in the year ended March 31, 2017 from Rs.36,012 million in the year ended March 31, 2016. The increase was primarily due to the capitalization of expenditure incurred towards the expansion of capacities at Dolvi and Vijaynagar; and additional borrowing cost for working capital due to the higher scale of operations, rise in the prices of raw material and steel, offset by lower interest costs due to reduction in base rates and repayment of loans.

Depreciation and Amortization expenses

Depreciation and amortization expenses increased by 3.2 per cent. to Rs.34,299 million in the year ended March 31, 2017 from Rs.33,226 million in the year ended March 31, 2016. This increase was primarily due to additional depreciation on capitalization of expenditure incurred towards expansion of capacities at Dolvi and Vijaynagar and maintenance capital expenditure.

Other Expenses

Other expenses increased by 21.6 per cent. to Rs.134,681 million in the year ended March 31, 2017 from Rs.110,797 million in the year ended March 31, 2016. The increase was primarily as a result of increase in power and fuel cost due to higher production volume and increase in steam coal prices, increase in freight cost due to higher sales volume and higher exports and increase in other manufacturing expenses like consumption of stores and spares and job work/processing charges due to an increase in scale of operations.

Exceptional Items

In the year ended March 31, 2017, the Group recorded no exceptional items compared to exceptional items of Rs.21,254 million recorded in the year ended March 31, 2016. Exceptional items in the year ended March 31, 2016 primarily comprised: (i) provisions pertaining to the carrying amount of property, plant and equipment relating to steel operations in the United States; (ii) provisions pertaining to the carrying amounts of goodwill and mining development and projects relating to iron ore mines in Chile; (iii) provisions pertaining to the carrying amount of goodwill, mining development and projects, and other related assets, relating to coal mines in the United States; and (iv) a provision for an adverse judgment against a member company of the Group in the United States.

Tax Expense

Tax expenses increased to Rs.16,743 million in the year ended March 31, 2017 as compared to a tax gain of Rs.19,662 million in the year ended March 31, 2016 due to an increase in profits for the year ended March 31, 2017 as compared to a loss during the year ended March 31, 2016.

Profit/(Loss) for the Year

As a result of the foregoing, the Group recorded a profit of Rs.34,672 million in the year ended March 31, 2017 compared to a loss of Rs.4,808 million in the year ended March 31, 2016.

Liquidity and Capital Resources

Capital Requirements

The Group's principal capital requirements are for capital expenditure, payment of principal and interest on its borrowings and, in some years, acquisitions of subsidiaries and joint ventures. The principal source of funding of the Group has been, and is expected to continue to be, cash generated from its operations, supplemented by funding from bank borrowings and the capital markets. For the three years ended March 31, 2016, 2017 and 2018 and the nine months ended December 31, 2018, the Group had met its 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 with the balance borrowings.

The Company is considering other financing and refinancing transactions intended to diversify its obligations, reduce interest cost and lengthen the maturity profile of its indebtedness. In order to implement this strategy, the Company or its 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

The Company follows a prudent policy of monitoring the 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. The Company believes that it is able to arrange other short-term funding at competitive rates to avail interest rate arbitrage.

Cash Flow Data

The Group seeks, in normal circumstances, to maintain substantial cash and cash equivalents balances to provide it with financial liquidity and operational flexibility. The Group's cash is placed in bank fixed deposits, bank balances and debt based mutual funds.

The following table sets forth selected items from the Group's consolidated cash flow statement for the years ended March 31, 2016, 2017 and 2018 and from the Group's Condensed Consolidated Interim cash flow statement for nine months ended December 31, 2018:

	Year ended March 31,		
	2016	**2017**	**2018**
		(Rs. in millions)	
Net cash generated from operating activities	68,973	79,108	123,782
Net cash used in investing activities	(38,545)	(50,939)	(45,289)
Net cash used in financing activities	(31,506)	(27,332)	(81,850)
Net increase (decrease) in cash and cash equivalents	(1,078)	837	(3,357)
Closing balance of cash and cash equivalents	8,333	9,175	5,816

	Nine months ended December 31,	
	2018	**2018**
	(Rs. in millions)	**(U.S.$ in millions)[1]**
Net cash generated from operating activities	60,811	871
Net cash used in investing activities	(85,793)	(1,229)
Net cash generated from in financing activities	27,711	397
Net increase in cash and cash equivalents	2,729	39
Closing balance of cash and cash equivalents	9,134	131

Note:

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the nine months ended December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69,7923, which was the exchange rate as reported by the RBI on December 31, 2018.

Net Cash Flows Generated from Operating Activities

Net cash generated from operating activities was Rs.60,811 million (U.S.$871 million) during the nine months ended December 31, 2018. The net cash generated from operating profit before working capital changes during the nine months ended December 31, 2018 was Rs.56,245 million (U.S.$806 million) against Rs. 45,899 million during the nine months ended December 31, 2017.

Net cash generated from operating activities was Rs.123,782 million during the year ended March 31, 2018 as compared to Rs.79,108 million in the year ended March 31, 2017. The net cash generated from operating profit before working capital changes during the year ended March 31, 2018 was Rs.149,196 million against Rs.120,161 million in the year ended March 31, 2017. Cash from operations was higher than the previous year, reflecting higher operating profits.

Net cash generated from operating activities was Rs.79,108 million during the year ended March 31, 2017 as compared to Rs.68,973 million in the year ended March 31, 2016. The net cash generated from operating profit before working capital changes during the year ended March 31, 2017 was Rs.120,161 million against Rs.66,136 million in the year ended March 31, 2016. Cash from operations was higher than the previous year, reflecting higher operating profits.

Net Cash Flows Used in Investing Activities

Net cash used in investing activities was Rs.85,793 million (U.S.$1,229 million) in the nine months ended December 31, 2018 primarily for capital expenditure by a subsidiary at Dolvi Coke Phase 1, 5-10 mtpa expansion at Dolvi and for sustenance capex.

Net cash used in investing activities was Rs.45,289 million in the year ended March 31, 2018, primarily used in payments for property, plant and equipment and intangibles (including capital advances) which amounted to Rs.47,360 million. This represents expenditure on tinplate mill and PLTCM line at JSW Coated, Phase I expansion of Dolvi Coke and -10MT expansion at Dolvi and other smaller projects.

Net cash used in investing activities was Rs.50,939 million in the year ended March 31, 2017, primarily used in payments for purchase of property, plant and equipment (including capital advances), which totaled Rs.44,351 million in the period.

Net cash used in investing activities was Rs.38,545 million in the year ended March 31, 2016, primarily used in payments for purchase of property, plant and equipment (including capital advances), which totaled Rs.51,660 million in the period and which was partially offset by increase in bank deposits not considered in cash and cash equivalents.

Net Cash Flows (used in)/generated from Financing Activities

Net cash generated from financing activities in the nine months ended December 31, 2018 (which consisted of loan receipts net of loan repayments, interest payments and dividend payments) amounted to Rs.27,711 million (U.S.$397 million), compared to net cash used in financing activities of Rs.26,094 million in the nine months ended December 31, 2017.

Net cash used in financing activities (which consists of loan receipts net of loan repayments, interest payments and dividend payments) in the year ended March 31, 2018 was Rs.81,850 million, compared to net cash used in financing activities of Rs.27,332 million during the year ended March 31, 2017.

Net cash used in financing activities (which consists of loan receipts net of loan repayments, interest payments and dividend payments) in the year ended March 31, 2017 was Rs.27,332 million, compared to net cash used in financing activities of Rs.31,506 million during the year ended March 31, 2016.

The net increase in cash and cash equivalents was Rs.2,729 million (U.S.$39 million) with cash and cash equivalents of Rs.9,134 million (U.S.$130 million) as at December 31, 2018 against cash and cash equivalents of Rs.5,816 million as at March 31, 2018.

Indebtedness

The Group's principal sources of external financing include both short-term and long-term facilities (in both Rupees and other currencies). The Group is required to secure certain of its borrowings, in line with established market practices. As at December 31, 2018, the Group had total outstanding borrowings (i.e. non-current borrowings plus current borrowings plus current maturities of long-term borrowings plus current maturities of finance lease obligations) of Rs.475,431 million (U.S.$6,812 million), which include foreign currency borrowings (foreign currency bonds, foreign currency term loan, foreign currency working capital loans from banks and upfront fees on foreign currency term loans) of Rs.201,635 million (42.4 per cent. of total outstanding borrowings) , with the remainder borrowings denominated in Rupees.

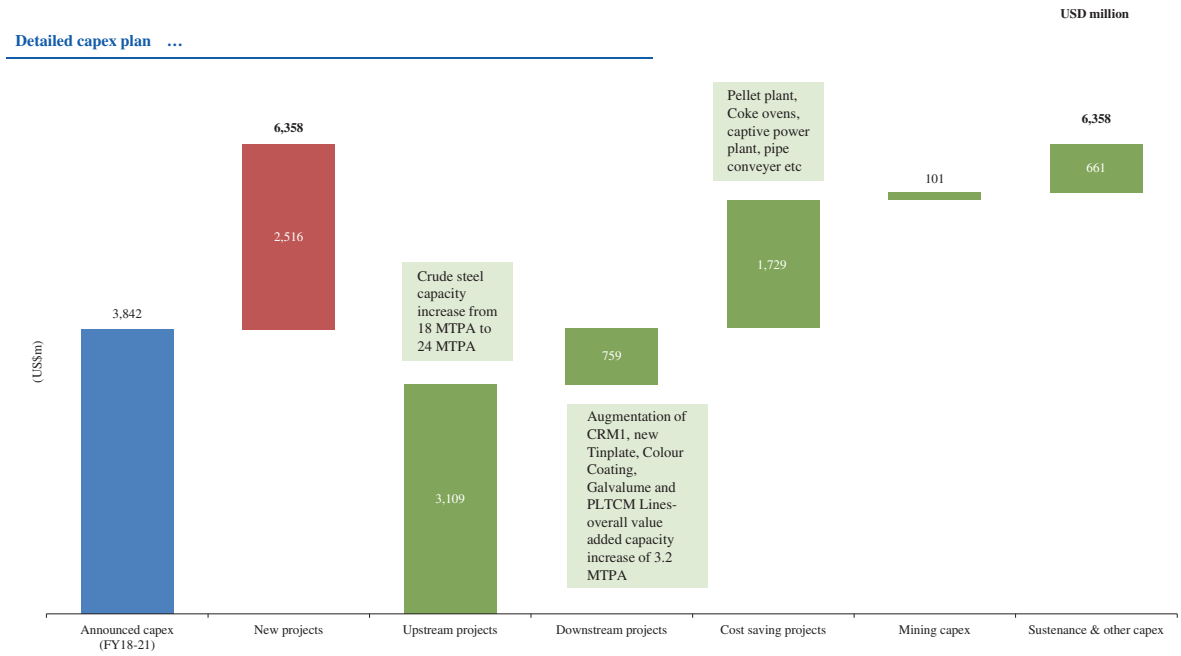
The Group's consolidated borrowings (total) (i.e, non-current borrowings plus current borrowings plus current maturities of long-term borrowings plus current maturities of finance lease obligations excluding preference shares and upfront fees on rupee term loans and upfront fees on foreign currency loans) as at December 31, 2018 amounted to Rs.475,053 million (U.S.$6,807 million). The Group's short-term borrowings as at December 31, 2018 amounted to Rs.74,974 million (U.S.$1,074 million). As at December 31, 2018, its non current borrowings representing foreign currency bonds and debentures of Rs.111,635 million (U.S.$1,600 million), Rupee term loan and Foreign currency term loan (including deferred government loans) of Rs.268,260 million (U.S.$3,844 million) and finance lease obligations of Rs.20,184 million (U.S.$289 million).

Some of the Group's 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 the Group to obtain prior lender consents for certain specified actions, including issuing new securities, changing business of the Group, merging, consolidating, selling significant assets or making certain acquisitions or investments. See "*Risk Factors — Risks Related to the Group — The Group has incurred significant indebtedness and may incur further debt. The Group's substantial indebtedness and the conditions and restrictions imposed by the Group's lenders and the terms of any future debt obligations may restrict the Group's ability to conduct its business and operations"* and *"Description of Material Indebtedness*".

Commitments

The Group's capital commitment includes estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) of Rs.69,836 million, Rs.64,589 million, Rs.126,639 million and Rs.147,952 million (U.S.$2,120 million) for the years ended March 31, 2016, 2017 and 2018 and the nine months ended December 31, 2018, respectively. The increase in contractual commitments for the nine months ended December 31, 2018 was due to commitments made towards the Group's capital expenditures. See "— *Capital expenditure*".

Capital expenditure



Note: 1 USD = 69.7923 INR, RBI Reference Rate as of 31st Dec 2018

(a) Includes capex pertaining to 0.7 MTPA (worth USD 197 million) expansion project at Dolvi which is on hold

The Group's expansion plans, including acquisitions of other businesses and joint ventures, require significant capital expenditure. The Group's capital expenditure (net of deletion and other adjustments to PPE) towards tangible assets for the years ended March 31, 2016, 2017 and 2018 and the nine months ended December 31, 2018 are as follows:

	Year ended March 31,			Nine months ended December 31,	
	2016	2017	2018	2018	2018
	(Rs. in millions)			(Rs. in millions)	(U.S.$ in millions)[1]
Payments for property, plant and equipment and intangibles (including capital advances)	51,660	44,351	47,360	73,926	1,059

Note:

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts for the nine months ended December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69,7923, which was the exchange rate as reported by the RBI on December 31, 2018.

The Group periodically reassesses its capital expenditure plans, and the planned amounts of such expenditures may change materially after such assessment.

The Group's planned and budgeted capital investments in India are focused largely on capacity expansion and addition of downstream facilities for value-added products.

The Group's expansion plans, including acquisitions of other businesses and joint ventures, require significant capital expenditure. There are a number of factors that could affect the feasibility of the Group's expansion plans and its ability to timely complete them, including receiving financing on reasonable terms or at all, obtaining required regulatory permits and licenses, the expiration of any agreements with local governments related to such projects, demand for the Group's products and general economic conditions. See "*Risk Factors — Risks Related to the Group — The Group may not be able to successfully implement, sustain or manage its growth strategy*" and "*Risk Factors — Risks Related to the Group — The Group's expansion plans require significant expenditure and, if it is unable to obtain the necessary funds for expansion, the Group's business may be adversely affected*".

Contingent Liabilities as per INDAS 37 — "Provisions, Contingent Liabilities and Contingent Assets"

The following table sets forth the Group's consolidated contingent liabilities as per Ind AS 37 on account of guarantees and claims not acknowledged by the Group as at December 31, 2018:

	As at December 31, 2018,	
	(Rs. in millions)	(U.S.$ in millions)[1]
Guarantees	489	7
Excise duty	4,897	70
Customs duty	7,926	114
Sales tax/Special entry tax	2,565	37
Claims by suppliers and other parties	401	6
Income tax	233	3
Service Tax	6,888	99
Miscellaneous	209	3
Levies by local authorities	535	8
Levies relating to Energy/Power obligations	5,148	74
Claims related to Forest Development Tax/Fee	20,548	294
Total	49,839	714

Note:

(1) For the reader's convenience, U.S. Dollar translations of Indian Rupee amounts as at December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69,7923, which was the exchange rate as reported by the RBI on December 31, 2018.

For a discussion of the Group's material indebtedness, please see "*Description of Material Indebtedness*".

Off-Balance Sheet Arrangements

As at December 31, 2018, the Group did not have any material off-balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Risk

The Group is exposed in the ordinary course of its business to risks related to changes in exchange rates, interest rates, commodity prices and energy and transportation tariffs.

Exchange Rate Risk

The Group's reporting currency is Rupees. The Group has significant operations in U.S. Dollars. Respective units face fluctuations in cash flows to the extent their operating cash flows are transacted in foreign currencies. Volatility in exchange rates affects the Group's results from operations in a number of ways. It impacts the Group's revenue from export markets and the costs of imports, primarily in relation to raw materials.

The Group is exposed to exchange rate risk under its trade and debt portfolio. In order to hedge exchange rate risk under its trade portfolio and capital account transactions, the Group has a policy to hedge cash flows up to a specific tenure using a mix of derivative instruments and options. Adverse movements in the exchange rate between the Rupee and any relevant foreign currency results in an increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt. As at December 31, 2018, the Group's total outstanding borrowings (non current

borrowings plus current borrowings plus current maturities of long term borrowings plus current maturities of finance lease obligations) was Rs.475,431 million (U.S.$6,812 million). Out of the same, 57.6 per cent. was denominated in Rupees (Debenture, rupee term loans, deferred government loan, finance lease obligations, preference shares, commercial papers, working capital loans from bank-rupee loans and upfront fees on rupee term loans), and the remaining 42.4 per cent. was denominated in various foreign currencies (foreign currency bonds, foreign currency term loans, foreign currency working loans from bank and upfront fees on foreign currency term loans), including U.S. Dollars, Euro and Japanese Yen. As a result, the Group's results of operations may be materially affected by the significant fluctuations in the exchange rates of relevant foreign currencies. See "*Risk Factors — Risks Related to the Group — The Group faces foreign exchange risks, which may adversely affect its cash flows and results of operations*".

Hedging Activities

The Group uses derivative financial instruments to hedge the foreign currency risk arising on account of its revenue and debt portfolio. All hedging activities are carried out in accordance with the Group's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable regulations where the Group operates. The Group's risk management policies attempt to protect business planning from adverse currency and interest rate movements. The Group does not use derivative contracts for speculative purposes.

Hedging activities in India are governed by the RBI, whose policies must be complied with at all times. The policies under which the RBI regulates hedging activities can change from time to time, and these policies may affect the effectiveness with which the Group manages its exchange rate risk. The Group follows a gross hedging policy for its imports and exports. Exports are hedged using forwards. For hedging the imports, the Group hedges its exposure appropriately by either using forwards or options. The Group hedges its U.S. Dollar interest rate risk through interest rate swaps to reduce the floating rate risk. Hedging commodity is based on its procurement schedule, price risk and economic benefits through swaps. Commodity hedging is undertaken as a risk offsetting exercise and, depending upon market conditions hedges, may extend beyond the financial year. The Group has a policy of hedging maximum up to 25.0 per cent. of its consumption.

Interest Rate Risk

The Group is exposed to the interest rate risk on short-term and long-term floating rate instruments and also on the refinancing of fixed rate debt. The Group's policy is to maintain a balance of fixed and floating interest rate borrowings.

The Group's floating rate debt is mostly linked to the Dollar London Interbank Offering Rate and also to the base rates/MCLR of various Indian banks. The costs of floating rate borrowings may be affected by the fluctuations in the interest rates. The Group's exposure to interest rate movements are reviewed by appropriate levels of management on a regular basis. The Group does not enter into hedging instruments for speculative purposes.

Borrowing and interest rate hedging activities in India are governed by the RBI and the Group has to comply with its regulations. The policies under which the RBI regulates these borrowing and interest rate hedging activities can change from time to time and can impact the effectiveness with which the Group manages its interest rate risk. Any increase in interest rates could therefore materially and adversely affect the Group's cash flow, business, results of operations and financial condition. See "*Risk Factors — Risks Related to the Group — The Group faces foreign exchange risks, which may adversely affect its cash flows and results of operations*".

Commodity Price Risk

The Group's revenue is exposed to the market risk of price fluctuations related to the sale of its steel products. Market forces generally determine prices for the steel products sold by the Group. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Group earns from the sale of its steel products.

The Group primarily purchases its raw materials on the open market from third parties. The Group is therefore subject to fluctuations in prices for the purchase of coking coal, ferro alloys, zinc, scrap and other raw material inputs. The Group purchased substantially all of its iron ore and coal requirements from the open market in the year ended March 31, 2018.

*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, Joint Plant Committee ("**JPC**"), the Central Intelligence Agency ("**CIA**"), RBI, World Bank, the International Monetary Fund ("**IMF**") and the India Brand Equity Foundation ("**IBEF**"). Such information has been accurately reproduced herein and, as far as the Group is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. 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 the Group nor any of the Joint Lead Managers makes any representation as to the accuracy or completeness of this information.*

Overview

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 other elements, primarily carbon. Steel contains less than 2 per cent. carbon, 1 per cent. manganese and small amounts of silicon, phosphorus, sulfur 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 advantage.

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. Iron making is 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 and several 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 two main ways in which steel is produced: either from raw materials (e.g. iron ore, coal and limestone) or by recycling steel scrap. Iron ore-based steelmaking accounts for about 70 per cent. of world steel production, while scrap-based steel accounts for about 30 per cent. of global steel production.

In the iron ore based steelmaking - Iron ore is reduced to iron and then converted to steel. The main inputs are iron ore, coal, limestone and recycled (scrap) steel. The main ore-based production routes are: iron making via the blast furnace ("**BF**") followed by steelmaking in the basic oxygen furnace ("**BOF**"), and iron making via direct reduction ("**DRI**") followed by steelmaking in the electric arc furnace ("**EAF**"). In the BOF method, the basic oxygen furnace converts iron from the blast furnace into steel. In the EAF method, recycled steel scrap and/or DRI is melted and converted into high quality steel by using high-power electric arcs.

Types of Steel

Steel is not a single product. There are currently more than 3,500 different grades of steel with many different properties - physical, chemical, environmental, 75.0 per cent. of which have been developed in the last 20 years. Steel products are usually subdivided into two main categories:

- Long steel products include 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; and

- Flat products include 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.

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 respond to supply and demand and fluctuate in response to general and industry specific economic conditions. The global steel industry is cyclical and fragmented. 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 worldsteel, global crude steel production in 2018 was approximately 1,809 mt, while global apparent steel demand in 2018 is expected to be 1,658 mt.

World Crude Steel Production

The steel industry, to a large extent, is regionally segmented mainly due to the high cost of transportation, strategic importance for domestic industrial growth and the restrictive effects of protective tariffs, duties and quotas. Historically, steel production was concentrated in the developed markets such as European Union, North America, Japan and the former Soviet Union. However, steel production in Asia, particularly in China and India, has grown significantly over the past decade. The recent production shift to Asia has largely been driven by the benefits of proximity to the major growth markets for steel consumption and the greater availability of 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 crude steel producers in the world.

According to worldsteel, world crude steel output has grown at 3.0 per cent CAGR from 1,343 mt in 2008 to 1,809 mt in 2018.

In 2018, China remained the largest single producer of steel in the world, producing approximately 928 mt of crude steel. China's steel production in 2018 increased by 6.6 per cent from 2017, and accounted for approximately 51.3 per cent of global steel production.

Source: WSA (World Steel in Figures 2018)

The following table sets forth crude steel production data by country or region from 2008 to 2018:

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Europe	230	168	207	217	209	205	208	202	200	211	211
CIS	114	98	108	113	111	108	106	102	102	101	101
NAFTA (excluding the U.S.)	33	24	31	32	33	32	33	32	32	34	34
U.S	92	59	80	86	89	87	88	79	78	82	87
South America	47	38	44	48	46	46	45	44	40	44	44
Middle East/Africa	34	33	37	39	40	43	45	43	45	50	55
Asia (excluding China, India and Japan)	95	84	101	112	111	183	119	115	116	126	132
China	512	577	639	702	731	822	822	804	808	871	928
India	58	64	69	73	77	81	87	89	95	102	107
Japan	119	88	110	108	107	111	111	105	105	105	104
Oceania	8	6	8	7	6	6	5	6	6	6	6
World total	**1,343**	**1,239**	**1,433**	**1,538**	**1,560**	**1,650**	**1,669**	**1,620**	**1,627**	**1,730**	**1,809**
Annual change (per cent.)	—	*(7.8)*	*15.7*	*7.3*	*1.4*	*5.8*	*1.2*	*(3.0)*	*0.4*	*6.3*	*4.6*

Source: WSA (Steel Statistical Yearbook 2018, World Crude Steel Production — Summary January 2019

World Crude 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 worldsteel, world finished steel apparent consumption was 1,587 mt in 2017, representing an increase of 4.7 per cent. compared to the consumption in 2016. China is the world leader in steel consumption. According to worldsteel, China's apparent steel consumption was 737 mt of steel in 2017, which is approximately 46.4 per cent. of global consumption.

The following table sets forth finished steel apparent use data by country or region from 2011 to 2017:

World Finished Steel Apparent Use	2011	2012	2013	2014	2015	2016	2017
Europe	190	175	179	186	194	199	205
CIS	55	57	59	56	51	50	53
NAFTA (excluding the U.S.)	34	37	35	39	38	40	43
U.S	89	96	96	107	96	92	98
Central and South America	47	49	51	49	46	39	41
Middle East and Africa	81	84	89	92	93	91	88
Asia (excluding China, India and Japan)	136	141	145	156	161	172	165
China	641	660	741	710	672	680	737
India	70	72	74	76	80	84	87
Japan	64	64	65	68	63	62	64
Oceania	7	7	7	7	7	7	6
World total	**1,414**	**1,442**	**1,542**	**1,546**	**1,501**	**1,516**	**1,587**
Annual change (per cent)	—	*2.0*	*6.9*	*0.3*	*(2.9)*	*1.0*	*4.7*

Source: WSA (World Steel in Figures 2018)

Global Steel Outlook

According to worldsteel, world apparent steel demand was expected to reach 1,658 mt in 2018. In 2019, it is forecasted that global steel demand will reach 1,681 mt. The apparent steel demand in the NAFTA countries is estimated to increase by 1.7 per cent. in 2018 to reach 143 mt. The apparent steel demand in European Union is expected to increase by 2.2 per cent. and reach 167 mt in 2018. China's steel demand in nominal terms is expected to increase by 6.0 per cent in 2018, real terms growth is expected to be 2.03 in 2018.

WSA forecasts that global steel demand excluding China will reach 877 mt, an increase of 2.1 per cent. year on year in 2018 and 900 mt, an increase of 2.7 per cent. year on year in 2019. As per WSA, following will be the drivers of steel demand in the key regions globally:—

Global steel demand faces uncertainty from tensions in the global economic environment

While the strength of steel demand recovery seen in 2017 was carried over to 2018, risks have increased. Rising trade tensions and volatile currency movements are increasing uncertainty. Normalisation of monetary policies in the US and EU could also influence the currencies of emerging economies.

China steel demand growth is expected to decelerate in the absence of stimulus measures

In the first half of 2018, Chinese steel demand got a boost from the mini stimulus in real estate and the strong global economy. However, continued economic rebalancing efforts and toughening environmental regulations may lead to deceleration of steel demand toward the end of 2018 and 2019.

Both downside and upside risks exist for China. Downside risks come from the ongoing trade friction with the US and a decelerating global economy. However, if the Chinese government decides to use stimulus measures to contain the potential slowdown of the Chinese economy in the face of a deteriorating economic environment, steel demand in 2019 might be boosted.

**Note: China continued to close most of its outdated induction furnaces in 2017, a category which was not captured in official statistics. While nominal steel demand growth in China in 2018 is expected to reach 6.0 per cent, the dynamics of steel using sectors suggest growth of 2.0 per cent in real terms. Accordingly, real global growth in 2018 is 2.1 per cent.*

Steel demand in the developed world remains healthy, but growth will moderate

Steel demand in developed economies is expected to increase by 1.0 per cent in 2018 and 1.2 per cent in 2019.

US steel demand grew strongly in 2017, benefiting from strong consumer spending and business investment supported by tax and regulatory changes and fiscal stimulus, although growth in the construction sector moderated. Steel demand growth in 2019 is expected to slow as auto manufacturing and construction activity is expected to see modest growth. The manufacturing sector is expected to perform well thanks to the strength of the machinery and equipment sector.

The broadening recovery of EU steel demand is expected to continue, though at a reduced pace, mainly driven by domestic demand. With business confidence high, investment and construction continued to recover while the automotive market may see slower demand growth. Though the economic fundamentals of the EU economy remain relatively healthy, steel demand in 2019 might show some deceleration over the growth seen in 2017-18, partly due to uncertainties resulting from global trade tensions.

Steel demand in Japan is expected to remain stable due to supportive factors on investment (record-high corporate earnings, the continuation of monetary easing, demand associated with the Tokyo Olympics and the increasing need for labour-saving investments).

Steel demand in Korea may contract further in 2018 with all its major steel using sectors struggling. Only a minor recovery is expected in 2019.

The developing world's steel demand recovery continues, but is facing challenges

As India recovers from the twin shocks of demonetisation and the goods and services tax (GST) implementation, India's steel demand is expected to move back to a higher growth track. Steel demand will be supported by improving investment and infrastructure programs. Stressed government finances and corporate debt weighs on the outlook.

Sluggish construction activities and stock adjustments led to slow growth of steel demand in the ASEAN region in 2017 and 2018, but demand in the ASEAN region is expected to resume its growth momentum backed by infrastructure programmes in 2019 and onwards. Risks are largely related to rising trade tensions between the US and China, currency volatilities and political instability.

Steel demand in developing Asia excluding China is expected to increase by 5.9 per cent and 6.8 per cent in 2018 and 2019 respectively.

In the remainder of the emerging and developing economies, the recovery has been slow to gain momentum, with rising uncertainty in both domestic and external environments. Structural reforms, high financial market vulnerability and possible currency pressures from the tensions in the global economy are amongst the main reasons.

In the Gulf Cooperation Council (GCC) countries, reforms and a stronger oil market have led to an upward momentum in steel demand, but at a slow pace. The outlook for Iran has turned less favourable due to the reinstatement of sanctions by the US.

Even with the rise in oil prices, growth in steel demand in Russia is expected to show weak momentum. Turkish steel demand is expected to contract in 2018 with the currency crisis it has faced, but the government's stabilisation measures and a consequent return to the competitiveness of the manufacturing sector is expected to help recovery in 2019.

Steel demand in the Latin American economies is continuing its second year of recovery backed by positive developments in the domestic and the global economy. Steel demand in Brazil continued its stable recovery in 2018. This will continue into 2019 as election fever subsides. Steel demand in Mexico has suffered from uncertainties related to the NAFTA negotiation and the election, but the recent signing of USMCA and the newly-elected president calming jittery markets are expected to help the economy to recover slowly in 2019.

Steel demand in the emerging economies excluding China is expected to grow 3.2 per cent and 3.9 per cent in 2018 and 2019 respectively.

Mixed outlook for the construction sector and automotive market in many countries

In the developed economies, growth in the construction sector is likely to moderate after the strong recovery momentum seen in 2017-18 due to a high base and rising interest rates. On the other hand, construction activities in most developing economies will continue to grow, notably in India, ASEAN and MENA. However, Brazil's construction sector has not yet started to recover from its deep crisis.

The automotive markets which showed strong growth in the developed economies are softening on the back of slowing demand growth, rising fuel prices and interest rates. In the developing countries, demand for automobiles will continue to grow at a healthy pace. The machinery sector in both the EU and US continues to be supported by a strong business investment phase.

The following table sets forth worldsteel's forecasts for 2018 and 2019 for global steel demand based on finished steel demand by region.

World Finished Steel Demand	2017	2018(f)	2019(f)	2017	2018(f)	2019(f)
		in mt		Annual change (per cent)		
European Union (28)	163	167	169	3.4	2.2	1.7
Other Europe	43	42	43	4.6	(1.6)	1.5
CIS	54	55	55	6.1	1.4	0.9
NAFTA	141	143	145	6.3	1.7	1.0
Central and South America	42	43	45	4.6	3.4	4.3
Africa	35	36	37	(7.2)	3.1	3.7
Middle East	53	55	55	0.4	2.1	1.2
Asia and Oceania	1,065	1,118	1,132	5.7*	5.0*	1.3
World	1,595	1,658	1,681	5.0*	3.9*	1.4
World excl. China	859	877	900	2.4	2.1	2.7
Developed Economies	407	411	416	3.1	1.0	1.2
China	737	781	781	8.2*	6.0*	0.0
Em. and Dev. Economies excl. China	451	466	484	1.7	3.2	3.9
ASEAN-5	71	74	78	(4.3)	3.8	6.2
MENA	72	74	75	(1.1)	2.8	2.2

* China continued to close most of its outdated induction furnaces in 2017, a category which is not captured in the statistics

Source: WSA ("Short Range Outlook" by World Steel Association released in October 2018).

The following table sets forth worldsteel's forecasts for 2017 and 2018 for global steel demand based on finished steel demand for the top 10 countries:

World Finished Steel Consumption	2017	2018(f)	2019(f)	2017	2018(f)	2019(f)
		in mt		Annual change (per cent)		
China	737	781	781	8.2*	6.0*	0.0
United States	98	100	101	6.4	2.3	1.3
India	89	95	102	6.0	7.5	7.3
Japan	64	65	65	3.6	0.2	0.5
South Korea	56	54	55	1.2	(4.1)	1.1
Germany	41	41	42	1.4	0.5	1.7
Russia	41	41	41	5.1	1.1	0.3
Turkey	36	35	36	5.8	(2.3)	1.5
Mexico	26	26	26	3.7	(1.9)	1.2
Italy	25	26	26	3.9	3.8	1.0

* China continued to close most of its outdated induction furnaces in 2017, a category which is not captured in the statistics

Source: WSA ("Short Range Outlook" by World Steel Association released in October 2018).

Recent Trends in Steel Prices

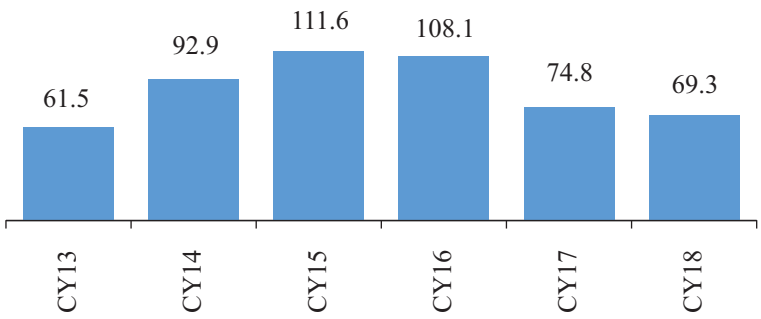
Prices of steel products are generally sensitive to changes in steelmaking raw material prices and worldwide and local demand; which in turn are affected by worldwide and country-specific economic conditions, available production capacity, fluctuations in steel imports and exports, and tariffs. With diverse product types and applications, steel is not completely fungible. The wide varieties in shape, chemical composition, quality and specifications 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 steel industry witnessed a period of continuous growth between 2000 and 2008. Steel prices were on a steady upward trajectory with high apparent demand and tight supply, enabling stronger prices and enhancing steel producers' ability to pass on higher raw material costs. Steel prices decreased significantly during the global financial crisis, as a result of a contraction in end demand in developed countries and slower growth in emerging countries.

The price of hot rolled coils is typically used as the proxy for steel pricing as it is the largest category of steel consumed. From 2013 onwards, oversupply of steel due to exports from China, economic slowdown in Europe and tempered growth in Asia, impacted steel prices. As a result, the Chinese hot rolled coil prices fell 55 per cent. by January 2016 compared to January 2013. The lower steel prices affected margins of major steelmakers in both developed markets and emerging markets especially in the years 2014 and 2015.

Steel prices bottomed in Jan-16 and since then China saw a continuing growth in steel prices over 2H2016 and early 2017. Steel prices have generally prevailed over $600/ton (FOB) since August 2017, which is the highest since 1H2014. This increase in steel prices is driven by: a) closure of outdated and inefficient capacities on accelerated basis and pruning new capacity growth, b) raw material cost push, and c) stronger economic momentum within the country and across the globe. In the down cycle, the steel inventory levels had also fallen to very low levels and global restocking is another factor providing support to steel prices. Steel prices across the world have also benefitted from reduced Chinese exports and increasing trade measures.

The graph below reflects the trend in Chinese steel exports:



Source: The World Steel Association

The graph below reflects the variation in steel prices in the last few years (Shanghai hot rolled coil futures data used as a benchmark for global steel):

Shanghai hot rolled coil futures (US$/tonne)

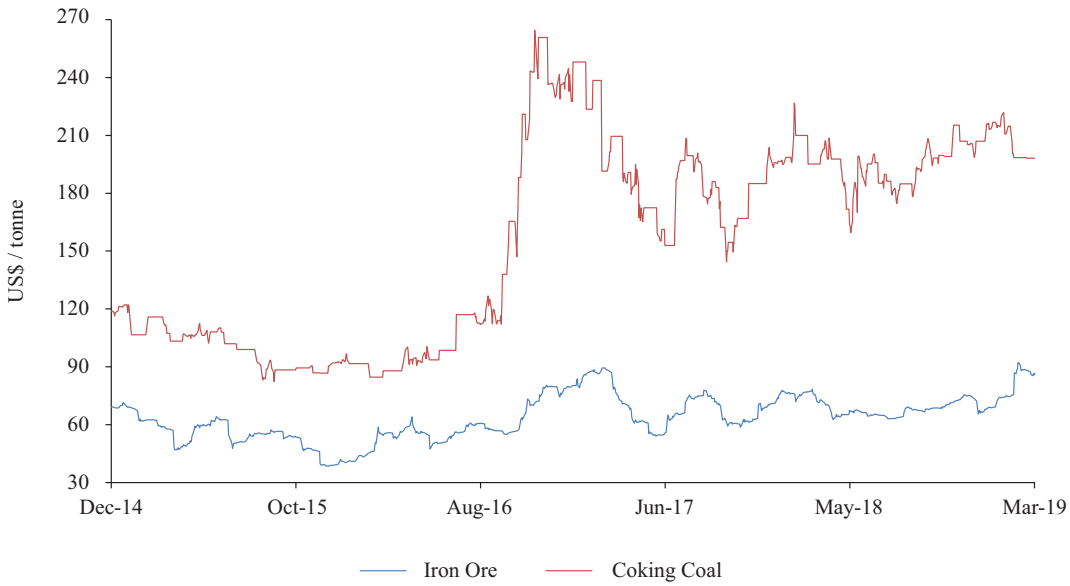
Source: Investing.com

Raw Materials and Pricing

The primary inputs for the steel industry are iron ore and coking coal, as well as coke, scrap, alloys and base metal. The steelmaking process also requires natural gas, electricity and oxygen. However, iron ore and coal costs constitute the largest share of input costs. The demand for raw materials correlates closely with the steel market. Raw material prices generally fluctuate according to steel supply and demand dynamics. However, any raw material specific supply shock can also lead to temporary volatility in prices. Iron ore prices witnessed a sharp jump from the end of January owing to supply conditions created by the Vale S.A.'s dam bursts in Brazil. Vale S.A. had also announced closure of some mining operations owing to the series of bursts. The halt of operations had ramifications for the global supply of iron ore and the price. Coking coal spot prices recorded a sharp jump from the end of August 2016 to the end of November 2016 driven by curbs in coal production in China as well as constrained supply due to a string of disruptions in Australia and China. This was further accentuated by steel producers' rush to find supplies in the spot market and better than expected steel demand in China. There has been normalization in the coking coal prices since then. The current iron ore and coking coal prices are $87/ton and $198/ton, respectively.

The graph below reflects the variation in Dalian commodity exchange coking coal futures and Chicago Mercantile Exchange Iron ore fines 62% Fe CFR Futures:

Coking Coal and Iron Ore Price trends (US$/ton)



Source: Investing.com

India's Steel Industry

India's Economic Growth

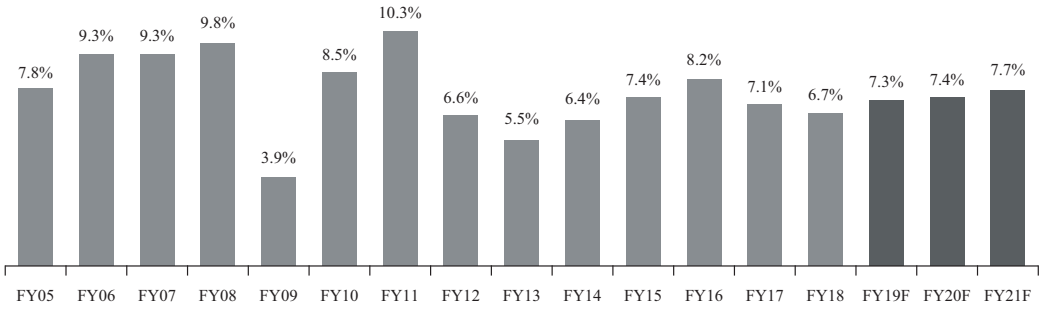
In the early 1990s, economic liberalization measures including industrial deregulation, privatization of state-owned enterprises, and reduced controls on foreign trade and investment, resulted in accelerated GDP growth. India's economic growth slowed in 2011 with weakening industrial growth and investment mainly due to high interest rates, rising inflation, and global financial crisis. In late 2012, the Government of India announced additional reforms and deficit reduction measures, including allowing higher levels of foreign participation in direct investment in the economy. Growth in 2013 fell to a decade low, as India's fiscal and current account deficits widened. Rising macroeconomic imbalances in India and improving economic conditions in Western countries, led investors to shift capital away from India, prompting a sharp depreciation of the Rupee. However, investors' perceptions of India improved in early 2014 with a reduction in the current account deficit and expectations of post-election economic reform, resulting in a surge of inbound capital flows and stabilization of the Rupee.

India, the world's second largest country in terms of population, had an estimated GDP on a purchasing power parity basis of approximately U.S.$9,459 billion in 2017 according to the CIA World Factbook. This makes it the fourth largest economy by GDP in the world after China, European Union and U.S., as per the CIA World Factbook.

IMF expects the Indian GDP to grow by 7.3 per cent in fiscal year 2019 7.4 per cent in fiscal year 2020, and 7.7 per cent in FY2021.

The graph below shows yearly real GDP growth from India for fiscal years ending March 31:

India GDP Growth Trends



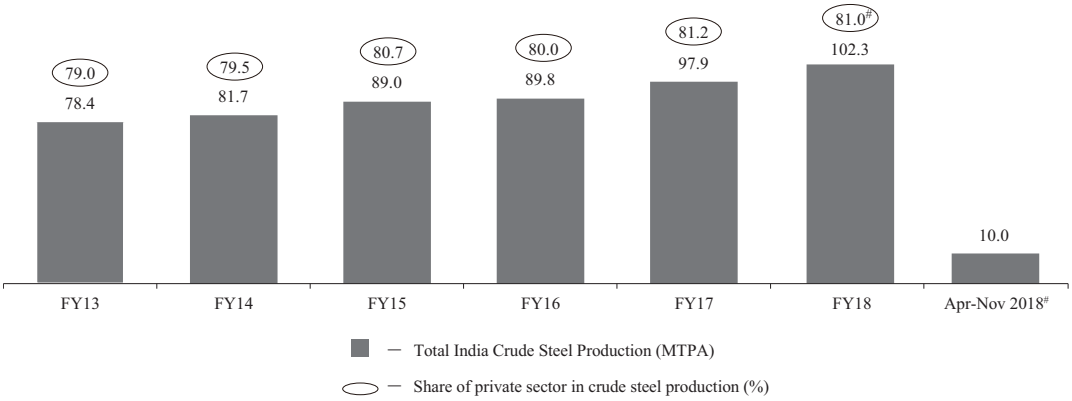
Source: IMF World Economic Outlook (October 2018)

India's Steel Production Capacity

India is the third largest producer of crude steel in the world. As per ministry of Steel, the Indian steel sector contributes nearly 2 per cent. of the country's GDP and employs over 600,000 people. The liberalization of the industrial policy and other initiatives taken by the Government of India spurred the growth of the private sector in the steel industry. While the existing units are being modernized or expanded, a large number of new steel plants have also come up in different parts of the country 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 fresh greenfield projects in different states of India.

The private sector has been gaining production share from the public sector in steel. The following chart highlights the trend in contribution of private sector in crude steel production in the country during the last six years.

India Crude Steel Production (mt per annum)



Provisional

Note: Data for fiscal year ending 31st March

Source: Ministry of Steel Annual Report, JPC

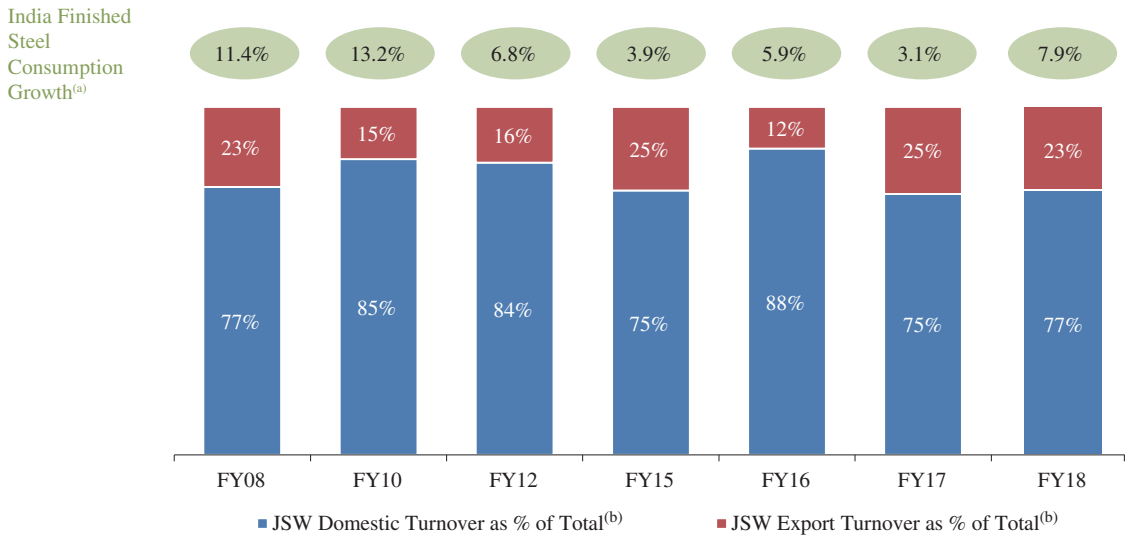
It is important to note that more than 57 per cent of the crude steel production in 9M2017-18 was from electric arc furnaces and induction furnaces. The shares of the different process routes in total production of crude steel in the country during the year 2016-17 and 9M2017-18 are shown in the table below:

India Crude Steel Production by Process	2016-2017	April-Dec 2017-2018 (9M FY18)
	(route share (per cent.))	
Basic Oxygen Furnace	43	43
Electric Arc Furnace	30	30
Induction Furnace	27	27
Total	100	100

Note: Data for fiscal year ending March 31.
Source: Ministry of Steel Annual Report.

India's Steel Consumption

India's steel consumption 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 increases in disposable income, has further boosted the demand for steel. IBEF's estimate for India's steel consumption is 90.7 million tons in FY18, representing an increase of 7.9 per cent. compared to the 84.0 million tons consumption in FY17. India's steel consumption was 81.5 million tons in FY16, representing an increase of 5.9 per cent. compared to the 77.0 million tons consumption in FY15 (3.9% growth as compared to FY14). Currently, India's coal consumption stands at 71.5 million tons on 9MFY19.



(a) As per IBEF, Joint Plant Committee (JPC)

(b) Revenue from operations as per IND-AS from FY16 onwards

In spite of being one of the largest producers of steel in the world, India has been lagging behind other major steel producing countries in terms of intensity of steel usage in overall economic activities (i.e., per unit of GDP) or per capita consumption of steel. According to the World Steel Association, in 2014, India's per capita apparent consumption of finished steel products was 65 kilograms, which is relatively low when compared to an average per capita finished steel consumption of 523 kilograms and 1,106 kilograms for China and South Korea, respectively, and world average of 215 kilograms. There is significant potential for improvement in the domestic steel consumption given the economy's large untapped markets especially in rural areas. According to the World Steel Association, developing regions such as India and SE Asia are expected to remain the key driver of global steel demand in the medium term.

The table below compares estimated per capita apparent consumption of finished steel of India and economically developed peers in Asia and the world.

Apparent consumption per capita	2017 Finished Steel Consumption per Capital	2017 GDP Per Capita (current prices)
	(kilograms)	(U.S.$)
India	65	1,976
China	523	8,643
Japan	506	38,449
U.S.	301	59,792
Italy	413	31,997
Germany	509	44,769

** As of October 2018*

Source: The World Steel Association (World Steel in Figures 2018), IMF – World Economic Outlook Database, October 2018

Key Growth Drivers

India's growing urban infrastructure and manufacturing sectors indicate that demand is likely to remain robust in the years ahead. Several initiatives mainly, affordable housing, expansion of road and railway networks, development of domestic shipbuilding industry, opening up of defense sector for private participation, and growth in the automobile sector, are expected to create significant demand for steel in the country. As per the National Steel Policy 2017, the Government of India expects construction & infrastructure to grow at a CAGR of 7 per cent. from FY16 to FY31.

The Government of India announced outlays of more than Rs.1 trillion in its interim budget 2018 via a direct income support scheme, pension benefits and tax rebates to spur rural spending and aid overall consumer demand.

As per National Steel Policy 2017, steel has an output multiplier effect of nearly 1.4x on GDP and employment multiplier factor of 6.8x.

It is anticipated that a crude steel capacity of 300 mt will be required by 2030-31, based on the demand projections as mentioned above. However, achieving crude steel capacity up to 300 mt will require extensive mobilization of natural resources, finances, manpower and infrastructure including land.

Favorable operating environment for Indian steel sector

In view of a surge in imports of steel into India at predatory prices, the Government of India has taken necessary trade remedial measures in sync with steps implemented by various countries to provide a competitive environment for the Indian steel industry. In the past two years, the Government of India has announced various measures ranging from non-tariff (quality control) to tariff barriers (anti-dumping, safeguard duty, minimum import price) indicating their willingness to safeguard domestic manufacturers from unfair trade practices.

Board of Directors

The Board is responsible for the management and administration of the Company's affairs. The Board (and any committee which it appoints) is vested with all of the powers of the Company. Directors are not required to hold any of the Company's equity shares. The Board currently consists of 12 Directors out of which six are independent Directors.

The Company's promoters and promoter group controlled 42.55 per cent. of the Company's issued equity shares as at December 31, 2018 (42.55 per cent. of the voting rights).

As at the date of this Offering Memorandum, the Board consists of the following members:

Name	Age	Date Appointed	Board Position	Committee Positions
Mr. Sajjan Jindal	59	March 15, 1994	Chairman & Managing Director, Non-Independent Executive Director	• Nomination & Remuneration Committee — Member • Share/Debenture Transfer Committee — Chairman
Mr. Seshagiri Rao MVS. .	61	April 6, 1999	Jt. Managing Director & Group CFO, Non-Independent Executive Director	• Audit Committee — Member • Risk Management Committee — Member • Finance Committee — Chairman • JSWSL ESOP Committee — Member • Business Responsibility/ Sustainability Reporting Committee — Member • Hedging Policy Review Committee — Member • Corporate Social Responsibility Committee — Member • JSWSL Code of Conduct Implementation Committee — Chairman
Dr. Vinod Nowal	63	April 30, 2007	Dy. Managing Director, Non-Independent Executive Director	• Project Review Committee — Member • Risk Management Committee — Member • Finance Committee — Member • Business Responsibility/ Sustainability Reporting Committee — Member • Corporate Social Responsibility Committee — Member • Share Allotment Committee — Member • Share/Debenture Transfer Committee — Member • JSWSL Code of Conduct Implementation Committee — Member

Name	Age	Date Appointed	Board Position	Committee Positions
Mr. Jayant Acharya	56	May 7, 2009	Director (Commercial & Marketing), Non-Independent Executive Director	• Risk Management Committee — Member • Finance Committee — Member • Business Responsibility/ Sustainability Reporting Committee — Member • Corporate Social Responsibility Committee — Member • Share Debenture/Transfer Committee — Member • JSWSL Code of Conduct Implementation Committee — Member
Mrs. Gunjan Krishna, IAS	44	July 25, 2018	Nominee Director — KSIIDC	• Corporate Social Responsibility Committee — Member
Mr. Hiroyuki Ogawa. . . .	58	May 17, 2017	Nominee Director — JFE Steel Corporation, Japan	• Project Review Committee — Member
Mr. Malay Mukherjee . . .	71	July 29, 2015	Independent Non-Executive Director	• Risk Management Committee — Chairman • Project Review Committee — Chairman • Audit Committee — Member • Nomination & Remuneration Committee — Member • Business Responsibility/ Sustainability Reporting Committee — Chairman • JSWSL ESOP Committee — Chairman
Mr. Seturaman Mahalingam	71	July 27, 2016	Independent Non-Executive Director	• Audit Committee — Chairman • Project Review Committee — Member • Stakeholders' Relationship Committee — Chairman • Nomination & Remuneration Committee — Chairman • Share Allotment Committee — Chairman • Hedging Policy Review Committee — Member • JSWSL ESOP Committee — Member
Mr. Harsh Charandas Mariwala	67	July 25, 2018	Additional Director Independent Non-Executive Director	• Nomination & Remuneration Committee — Member • Risk Management Committee — Member
Dr. Punita Kumar Sinha. .	56	October 28, 2012	Independent Non-Executive Director	• Business Responsibility/ Sustainability Reporting Committee — Member • Hedging Policy Review Committee — Chairman • Corporate Social Responsibility Committee — Member • Risk Management Committee — Member • Stakeholders' Relationship Committee — Member

Name	Age	Date Appointed	Board Position	Committee Positions
Mrs. Nriupama Rao	68	July 25, 2018	Additional Director Independent Non-Executive Director	• Stakeholders' Relationship Committee — Member • Nomination & Remuneration Committee — Member • Business Responsibility/ Sustainability Reporting Committee — Member • Corporate Social Responsibility Committee — Chairman
Mr. Haigreve Khaitan . . .	47	September 30, 2015	Independent Non-Executive Director	• Audit Committee — Member • JSWSL ESOP Committee — Member • Share Allotment Committee — Member

***Mrs. Savitri Devi Jindal**, Chairperson Emeritus of the Company*

Mrs. Savitri Devi Jindal was on the Board of the Company from May 2005 to October 2011. She is a Member of the Legislative Assembly and a great visionary, renowned industrialist and a patriarch of the O.P.Jindal Group. She has been the appointed Chairperson Emeritus of the Company since 21 October 2011 upon her cessation as Director & Chairperson of the Company.

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

Mr. Sajjan Jindal, Chairman & Managing Director, was appointed as Vice Chairman & Managing Director in February 2005 and Chairman of the Board of Directors in October 2011. He also serves as council member of the Indian Institute of Metals and is a member of the Executive Committee and Chairman of the Sustainability Committee of the World Steel Association, as well as the former President of the Institute of Steel Development and Growth. Mr. Jindal holds a bachelor's degree in Mechanical Engineering from Bangalore University. In 2007, he was named the Ernst & Young 'Entrepreneur of the Year' in the manufacturing category. In 2009, he was honored with the Willy Korf Ken Iverson Steel Vision Award by the American Metal Market & World Steel Dynamics.

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

Mr. Seshagiri Rao M.V.S. was appointed as the Joint Managing Director & Group CFO in May 2009. He joined the Group in 1997 as Chief Financial Officer and currently serves as the Joint Managing Director and Group Chief Financial Officer. He has also previously served as Director (Finance) of the Group. Mr. Rao holds a bachelor's degree in Commerce and a diploma in Business Finance awarded by the Institute of Chartered Financial Analysts of India. He is also a certified associate of the Indian Institute of Bankers as well as an associate member of the Institute of Cost and Works Accountants of India and a licensed member of the Institute of Company Secretaries of India. He has more than 30 years of experience in the areas of corporate financing and banking.

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

Dr. Vinod Nowal, Deputy Managing Director of JSW Steel Ltd., was appointed as Director (Commercial) in April 2007 and re-designated as Director & Chief Executive Officer in April 2009. He was subsequently re-designated as the Deputy Managing Director of JSW Steel Ltd. in May 2013. He has been associated with the Group since 1984 and previously served in various positions. He currently serves as the President of Karnataka Iron and Steel Manufacturers' Association. He has also served as the President of the Bangalore Chamber of Industry and Commerce, Bangalore, President of Tarapur Industrial Manufacturers' Association, Tarapur, Chairman of the Manufacturing Task Force Southern Region at ASSOCHAM, member of the Manufacturing Task Force constituted by the State

Government, member of a committee under the Chief Minister of Karnataka for Employment in the Manufacturing Sector, member of the Governing Body of the M.S. Ramaiah Institute of Technology, Bangalore, Advisory Member on the board of T John College, Bangalore and member of the Advisory Committee of the Center of Excellence in Steel Technology (COEST) at IIT Bombay. Dr. Nowal holds a master's degree in Business Administration and a Doctorate in Inventory Management. He has also completed the Advanced Management Program (AMP), a comprehensive executive leadership program, from the Harvard University Business School.

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

Mr. Jayant Acharya, Director (Commercial & Marketing), was appointed as Director (Sales & Marketing) in May 2009. He was re-designated as Director (Commercial & Marketing) in April 2010. He is also the Co-Chair of the Committee on Steel & Non-Ferrous Metals for the Federation of Indian Chambers of Commerce and Industry. Mr. Acharya holds a bachelor's degree in Chemical Engineering and a master's degree in Physics from the Birla Institute of Technology & Science, Pilani. He also holds a master's degree in Business Administration from Indore University. He has 24 years of experience in the steel industry spanning the entire range of flat and long steel products.

***Mrs. Gunjan Krishna, IAS**, Nominee Director, KSIIDC*

Mrs. Gunjan Krishna is presently working as the Managing Director of Karnataka State Industrial & Infrastructure Development Corporation Limited. She is responsible for spearheading implementation of infrastructure projects including projects on public private partnership basis. She is a graduate in economics (hons) from Lady Shri Ram College and law from Campus Law Centre, Delhi University. She joined Indian Administrative Service in the year 2004 and has rich experience of working with the state governments in India and the Government of India.

***Mr. Hiroyuki Ogawa**, Nominee Director, JFE Steel Corporation, Japan*

Mr. Hiroyuki Ogawa holds a master's degree in Engineering from the Department of Mechanical Engineering, Graduate School of Engineering, University of Tokyo. Mr. Ogawa is Senior Vice President, Corporate Planning Department, Vietnam FHS Project Team, Mexico CGL Project Team, Technical Cooperation Department. Prior to that he was Vice President General Superintendent, West Japan Works, Fukuyama, and Assistant General Superintendent of West Japan Works, Kurashiki. He joined Kawasaki Steel Corporation in 1985.

***Mr. Malay Mukherjee**, Independent Non-Executive Director*

Mr. Malay Mukherjee has over 40 years of experience in a range of technical, commercial and managerial roles in the mining and steel industry. Between October 2009 and 2011, Mr. Mukherjee served as the CEO of Essar Steel Global, a large integrated steel company in India. Prior to joining Essar Steel, Mr. Mukherjee was a member of the Board of Directors at Arcelor Mittal between 2008 and 2009. Between 2006 and 2008, Mr. Mukherjee served as the Senior Executive Vice President at Arcelor Mittal and a Member of the Group Management Board. He was in charge of mines and operations in Africa, Asia, southern Europe (Bosnia, Macedonia), CIS, Ukraine and Kazakhstan, and also responsible for stainless steel, pipes and tubes and technology. He also served as the COO for Mittal Steel Company between 2004 and 2006, and as Executive Director of Works at the Bhilai Steel Plant at Steel Authority of India Limited between 1991 and 1992. Mr. Mukherjee is a recipient of the MECON Award from the Indian Institute of Metals. Mr. Mukherjee holds a master's degree in mining from the USSR State Commission in Moscow and a Bachelor of Science degree from the Indian Institute of Technology in Kharagpur, India. Mr. Mukherjee is a member of the Academy of Natural Sciences of Kazakhstan and a Life Member in the Indian Institute of Metals. He was awarded a letter of appreciation from the President of Kazakhstan for work rendered in Kazakhstan from 1995 to 1999.

***Mr. Seturaman Mahalingam**, Independent Non-Executive Director*

Mr. Seturaman Mahalingam, a Chartered Accountant by qualification, began his career as an IT consultant and thereafter played a major role in marketing Tata Consultancy Services ("**TCS**") services across the globe, developing processes and creating large software development centers for the Group. He has held key positions such as Executive Director and Chief Financial Officer of TCS. Mr. Mahalingam retired from TCS in February 2013 after serving TCS for over 42 years. Prior to becoming the Chief Financial Officer in February 2003, Mr. Mahalingam managed many of the key functions in TCS including marketing, operations, education and training as well as human resources. He managed TCS's operations in London and New York in the early days of TCS's international expansion. Mr. Mahalingam was also the President of the Computer Society of India, and the Chairman of the Southern Region of the Confederation of Indian Industry ("**CII**"). He was also the President of the Institute of Management Consultants of India. Mr. Mahalingam is the Chairman of CII's National Council Task Force on Sector Skills Councils and Employment and was a member of the Tax Administration Reform Commission set up by the Government under the chairmanship of Dr. Parthasarathi Shome. Mr. Mahalingam was recognized as the best CFO in various years by Business Today, International Market Assessment, CNBC TV18, CFO Innovation, Finance Asia and Institutional Investors. In 2012, Treasury & Risk, a U.S.-based magazine, named him as one of the 16 most globally influential CFOs.

***Dr. Punita Kumar Sinha**, Independent Non-Executive Director*

Dr. Punita Kumar Sinha was appointed to the Board of Directors in October 2012. She is the Founder and Managing Partner of Pacific Paradigm Advisors, an independent investment advisory and management firm. She is currently a member of the Boston Security Analysts Society and the Council on Foreign Relations. She also serves as a Charter Member and Board Member of TIE-Boston. She has previously served as the Senior Managing Director of Blackstone Group, the business unit head and Chief Investment Officer of Blackstone Asia Advisors and the Senior Portfolio Manager for The India Fund, The Asia Tigers Fund and The Asia Opportunities Fund L.P. Dr. Sinha holds a bachelor's degree in Chemical Engineering from the Indian Institute of Technology, New Delhi. She also holds a master's degree in Finance and a Doctorate of Philosophy degree in Finance from the Wharton School, University of Pennsylvania. She also holds a Master of Business Administration degree and is a Chartered Financial Analyst. She has more than 20 years of experience in fund management in international and emerging markets.

***Mr. Haigreve Khaitan**, Independent Non-Executive Director*

Mr. Haigreve Khaitan has rich experience in all aspects of mergers and acquisitions, due diligence, restructuring, documentation involving listed companies, cross-border transactions, and medium and small businesses, among others. His experience in restructuring includes advice and documentation involving creditors, restructuring, distressed companies, de-mergers, spin-offs, sale of assets in Foreign Investment, Joint Ventures and Foreign Collaborations. He advises a range of large Indian conglomerates and multinational clients in various business sectors including infrastructure, power, telecom, automobiles, steel, software and information technology, and retail, among others.

***Mr. Harsh Charandas Mariwala,** Additional Director in the category of Independent Non-Executive Director*

Mr. Harsh Mariwala leads Marico Limited as its Chairman. He is also Chairman & Managing Director of Kaya Limited. Over the past three decades, Mr. Mariwala has transformed a traditional commodities driven business into a leading consumer products and services company in the Beauty and Wellness space. Under his leadership, Marico has achieved several awards and over 100 external recognitions in the last few years. Mr. Mariwala's entrepreneurial drive and passion for innovation, enthused him to establish the Marico Innovation Foundation in 2003. The Foundation acts as a catalyst to fuel innovation in India. Mr. Mariwala started ASCENT in 2012, a not-for-profit expression of his passion to create a unique trust based peer-to-peer platform for high potential growth-stage entrepreneurs that

leverages the "power of the collective" and enables them to share and exchange experiences, ideas, insights and create a healthy ecosystem to learn from each other and grow their enterprise." He has also founded the Mariwala Health Initiative in 2015, with the philanthropic aim of giving back to society. Mariwala Health Initiative is the leading funding body in the field of mental health in India.

Mrs. Nirupama Rao, *Additional Director in the category of, Independent Non-Executive Director*

Mrs. Nirupama Rao is a retired Indian Diplomat, Foreign Secretary and Ambassador. She was educated in India and joined the Indian Foreign Service in 1973. During her four-decade-long diplomatic career, she held several important assignments. Mrs. Nirupama Rao was India's first woman spokesperson in the Ministry of External Affairs, New Delhi, the first woman high commissioner to Sri Lanka and the first Indian Woman ambassador to the People's Republic of China. She served as India's Foreign Secretary from 2009-2011. At the end of that term, she was appointed India's Ambassador to the United States where she served for a term of two years from 2011-2013.

Responsibilities of the Board of Directors

The Board's role, functions, responsibility and accountability are defined under the Companies Act, 2013 and in the Company's Articles of Association. In addition to its primary role of monitoring corporate performance, the functions of the Board include:

- providing overall direction to the Group's corporate philosophy and mission;
- reviewing strategic and business plans;
- reviewing and approving financial statements;
- reviewing and approving financial plans and budgets;
- monitoring corporate performance in light of strategic and business plans, including reviewing operating results on a regular basis;
- ensuring ethical behavior and compliance with laws and regulations;
- approving borrowing;
- approving capital raising exercises;
- dividend declaration; and
- making of loans and investments, mergers and acquisitions, joint ventures and collaborations.

Committees of the Board of Directors

The Board has constituted 13 Standing Committees and is authorized to constitute additional committees from time to time, depending on the business needs of the Group.

1 ***Audit Committee***

The Audit Committee comprises three Non-Executive Directors (Independent Directors) & one Executive Director. The role and powers of the Audit Committee are the same as enumerated under Section 177 of the Companies Act, 2013. The functions of the Audit Committee include:

- overseeing the Group's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- reviewing, with the management, the financial statements before submission to the Board, focusing primarily on:
    - matters to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of subsection 3 of Section 134 of the Companies Act, 2013;
    - changes to any accounting policies and practices;
    - major accounting entries based on the exercise of judgment by management;
    - significant adjustments if any, arising out of audit findings;
    - compliance with respect to accounting standards, listing agreements and legal requirements concerning financial statements;
    - disclosure of any related party transactions; and
    - modified opinion(s) in the draft audit report;
- recommending to the Board the appointment, reappointment, remuneration and terms of appointment of statutory auditors, and cost auditors of the Company;
- reviewing reports of the management auditors and internal auditors and discussion on any significant findings and follow-up thereof;
- reviewing, with the management, external and internal auditors, the adequacy of internal control systems, and the Group's statement on the same prior to endorsement by the Board;
- evaluating the internal financial controls and risk management systems;
- reviewing the adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- approving transactions of the Company with related parties and subsequent modifications of the transactions with related parties; and
- reviewing the powers and role of the Audit Committee as set forth under Regulation 18(3) and Part C of Schedule II of the SEBI (LODR Regulations) and Section 177 of the Companies Act, 2013.

As at December 31, 2018, the Audit Committee had four members:

- Mr. Seturaman Mahalingam (Chairman)
- Mr. Malay Mukherjee
- Mr. Seshagiri Rao MVS
- Mr. Haigreve Khaitan

2 ***Nomination & Remuneration Committee***

The Nomination & Remuneration Committee comprises five Directors. The role and powers of the Nomination & Remuneration Committee are in compliance with provisions of the Companies Act, 2013 and Regulation 19 and Part D of Schedule II of the SEBI (LODR Regulations). The terms of reference of the Committee, inter alia, include the following:

- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out an evaluation of every director's performance;

- formulating the criteria for determining the qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

- formulating criteria for the evaluation of Independent Directors and the Board;

- devising a policy on Board diversity; and

- considering whether to extend or continue the term of appointment of an independent director on the basis of the report of performance evaluation of independent directors.

As at December 31, 2018, the Nomination and Remuneration Committee had five members:

- Mr. Seturaman Mahalingam (Chairman)

- Mr. Malay Mukherjee

- Mr. Sajjan Jindal

- Mr. Harsh Charandas Mariwala

- Mrs. Nirupama Rao

3 ***Stakeholders' Relationship Committee***

The Stakeholders' Relationship Committee comprises three Non-Executive Directors, all of whom are Independent Directors. The Stakeholders' Relationship Committee is primarily responsible for:

- considering and resolving the grievances of security holders of the Company;

- reviewing the reports submitted by the registrars and share transfer agents of the Group at half-year intervals;

- periodically interacting with the registrars and share transfer agents to ascertain and look into the quality of the Group's shareholders/investors grievance redressal system and to review the report on the functioning of the investor grievances redressal system;

- following up on the implementation of suggestions for improvement, if any; and

- periodically reporting to the Board about serious concerns, if any.

As at December 31, 2018, the Stakeholders' Relationship Committee had three members:

- Mr. Seturaman Mahalingam (Chairman)
- Dr. Punita Kumar Sinha
- Mrs. Nirupama Rao

4 ***Project Review Committee***

The Project Review Committee comprises four Directors. The Project Review Committee is primarily responsible for:

- closely monitoring the progress of large projects, in addition to ensuring a proper and effective coordination among the various project modules, essentially with the objective of timely project completion within the budgeted project outlay; and
- reviewing new strategic initiatives.

As at December 31, 2018, the Project Review Committee had 4 members:

- Mr. Malay Mukherjee (Chairman)
- Dr. Vinod Nowal
- JFE Nominee Director
- Mr. Seturaman Mahlingam

5 ***Risk Management Committee***

The Risk Management Committee comprises six Directors. The Risk Management Committee is primarily responsible for:

- periodically reviewing risk assessment and minimization procedures to ensure that the Executive Management controls risk through means of a properly defined framework; and
- reviewing major risks and proposed action plans.

The Risk Management Committee has formed a subcommittee, the Capex Risk Evaluation Committee, to evaluate the risks associated with capital expenditure proposals including mergers and acquisitions.

As at December 31, 2018, the Risk Management Committee had six members:

- Mr. Malay Mukherjee (Chairman)
- Mr. Seshagiri Rao MVS
- Dr. Vinod Nowal
- Mr. Jayant Acharya
- Dr. Punita Kumar Sinha
- Mr. Harsh Charandas Mariwala

6 ***Finance Committee***

The Finance Committee comprises three Directors. The Finance Committee is primarily responsible for:

- approving the availment of credit/financial facilities from banks/financial institutions/corporate bodies within the limits approved by the Board;
- approving investments and dealings with any monies of the Group upon such security or without security in such manner as the Finance Committee may deem fit, and from time to time to vary or realize such investments within the framework of the guidelines laid down by the Board;
- opening new Branch Offices of the Group, declaring the same under the Companies Act and authorizing personnel to register the aforesaid branches and to deal with various authorities;
- making loans to individuals/corporate bodies and/or placing deposits with other companies/firms upon such security or without security in such manner as the Finance Committee may deem fit within the framework of the guidelines laid down by the Board; and
- opening current account(s), collection account(s), operation account(s) or any other account(s) with banks and also closing such accounts, which the Finance Committee may consider necessary and expedient.

As at December 31, 2018, the Finance Committee had three members:

- Mr. Seshagiri Rao MVS (Chairman)
- Dr. Vinod Nowal
- Mr. Jayant Acharya

7 ***JSWSL ESOP Committee***

The JSWSL ESOP Committee comprises four Directors. The JSWSL ESOP Committee is primarily responsible for:

- determining the terms and conditions of the grant, issue, re-issue, cancelation and withdrawal of employee stock options from time to time;
- formulating, approving, evolving, deciding upon and bringing into effect, suspending, withdrawing or revising any sub-scheme or plan for the purpose of granting of options to the employees and making any modifications, changes, variations, alterations or revisions in such sub-scheme or plan from time to time;
- issuing any direction to the trustee of the JSW Steel Employees Welfare Trust to sell, transfer or otherwise dispose of any Shares held by them;
- making the necessary amendments to the JSW Steel Employees Welfare Trust Deed, if necessary;
- setting forth the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of Change in the Capital Structure and/or Corporate Action;
- setting forth the method for satisfaction of any tax obligation arising in connection with the options or such Shares;
- setting forth the procedure for cashless exercise of options, if any; and

- providing for the granting, vesting and exercising of options in case of employees who are on long leave or whose services have been seconded to any other company or who have joined the Company, a subsidiary or an associate company.

As at December 31, 2018, the JSWSL ESOP Committee had four members:

- Mr. Malay Mukherjee (Chairman)
- Mr. Seshagiri Rao MVS
- Mr. Seturamam Mahalingam
- Mr. Haigreve Khaitan

8 ***Business Responsibility/Sustainability Reporting Committee***

The Business Responsibility/Sustainability Reporting Committee comprises six Directors. The Business Responsibility/Sustainability Reporting Committee is primarily responsible for:

- adoption of the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business ("NVGs") in the business practice of the Group;
- policies created for or linked to the nine key principles of the NVGs;
- reviewing the progress of initiatives under the purview of business responsibility (sustainability) policies mentioned above;
- reviewing business responsibility reporting disclosure on a pre-decided frequency (monthly, quarterly, bi-annually); and
- reviewing the annual business responsibility report and presenting it to the Board for approval.

As at December 31, 2018, the Business Responsibility/Sustainability Reporting Committee had six members:

- Mr. Malay Mukherjee (Chairman)
- Mr. Seshagiri Rao MVS
- Dr. Vinod Nowal
- Mr. Jayant Acharya
- Dr. Punita Kumar Sinha
- Mr. Nirupama Rao

9 ***Hedging Policy Review Committee***

The Hedging Policy Review Committee comprises three Directors. The Hedging Policy Review Committee is primarily responsible for taking protective measures to hedge forex losses, to decide on all matters related to commodities hedging and to take protective measures to hedge commodity price fluctuations.

As at December 31, 2018, the Hedging Policy Review Committee had three members:

- Dr. Punita Kumar Sinha (Chairperson)
- Mr. Seshagiri Rao MVS
- Mr. Seturaman Mahalngam

10 ***Corporate Social Responsibility Committee***

The Corporate Social Responsibility Committee comprises six Directors. The Corporate Social Responsibility Committee is primarily responsible for:

- formulating and recommending to the Board a Corporate Social Responsibility Policy ("CSR Policy"), which shall indicate a list of CSR projects or programs which the Group plans to undertake, falling within the purview of Schedule VII of the Companies Act, 2013, as may be amended;
- recommending the amount of expenditure to be incurred on each of the activities to be undertaken by the Group, while ensuring that it does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013;
- approving the Annual Report on CSR activities to be included in the Director's Report forming part of the Group's Annual Report and attribute reasons for shortcomings in incurring expenditures;
- monitoring the CSR Policy of the Group from time to time; and
- instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Group.

As at December 31, 2018, the Corporate Social Responsibility Committee had six members:

- Mr. Nirupama Rao (Chairman)
- Mr. Seshagiri Rao MVS
- Dr. Vinod Nowal
- Mr. Jayant Acharya
- Dr. Punita Kumar Sinha
- Nominee KSIIDC

Management Organization Structure

In addition to Mr. Sajjan Jindal, Chairman & Managing Director, Mr. Seshagiri Rao M.V.S. Joint Managing Director and Group CFO, Dr. Vinod Nowal, Deputy Managing Director and Mr. Jayant Acharya, Director (Commercial & Marketing), the Company's other key management personnel are as follows:

Group Corporate Functions

- Rajeev Pai, Chief Financial Officer
- Mr. Lancy Varghese, Company Secretary

None of the key management personnel are related to each other.

SHARE OWNERSHIP

As at December 31, 2018, the Company's promoters, Sajjan Jindal and Savitri Devi Jindal, together with other promoter group companies, held 42.55 per cent. of the Company's issued equity shares. A company's "promoters" under the SEBI regulations includes the person or persons who are in control of the company, the person or persons nominated as promoters in any offer document filed with the Indian stock exchanges and persons who are instrumental in the formulation of a plan or program pursuant to which securities are offered to public.

As at December 31, 2018, JFE Steel International Europe B.V., the next largest shareholder after the Company's promoters, owned 15.00 per cent. of the Company's issued equity shares.

As at December 31, 2018, the directors of the Company, including Mr. Sajjan Jindal, held 436,920 equity shares of the Company (approximately 0.18 per cent. of the Company's issued equity shares).

Sajjan Jindal

For details, see "*Management — Board of Directors — Sajjan Jindal*".

Savitri Devi Jindal

For details, see "*Management — Board of Directors — Savitri Devi Jindal*".

RELATED PARTY TRANSACTIONS

The Group, in the ordinary course of business, enters into various sales, asset purchases, rent and service transactions with its subsidiaries, joint ventures and associates and others in which the Group has a material interest. These transactions are pursuant to terms that are no less favorable than those arranged with third parties.

The following table summarizes related party transactions and balances included in the unaudited condensed consolidated interim financial statements for the nine months ended and as at December 31, 2018. See the Group Consolidated Annual Financial Statements and the Group Unaudited Condensed Consolidated Interim Financial Statements for further information on related party transactions for the years ended March 31, 2016, 2017 and 2018 and the nine months period ended December 31, 2017 and 2018 determined in accordance with IND-AS 24-Related Party Disclosures.

Transactions with related parties

Particulars	Joint ventures	Key Managerial Personnel and Other related parties
Purchase of goods/power & fuel/services	805	181,858
Reimbursement of expenses incurred on our behalf by	1	24
Sales of goods/power and fuel	6,082	24,998
Other income/interest income/dividend income	75	613
Purchase of assets	2,386	2,277
Advance given/(received back)	1,250	(74)
Lease and other advances refunded	—	456
Loan given received back	—	46
Loan given	—	7
Donation/CSR expenses	—	119
Recovery of expenses incurred by us on their behalf	43	272
Investments/share application money given during the year	3,705	—
Finance lease interest cost	—	1,512
Liabilities written back	31	215
Finance lease obligations repayment	—	1,553
Post-employment benefits plans	—	—
Remuneration to key managerial personnel	—	673

Amount due to/from related parties

Particulars	Joint ventures	Other related parties
Trade payables	13	19,764
Advance received from customers	—	11
Lease and other deposit received	130	270
Trade receivables	1,176	2,261
Share application money given	380	—
Capital/revenue advance	948	4,048
Loans and advances given	5	1,150
Loans/advances/deposits taken	—	126
Finance lease obligations	—	15,011
Post-employment benefits plans	—	807

The following description is a summary of certain laws, regulations and policies in India, which are applicable to the Company. The information provided below has been obtained from sources available in the public domain. The summary of the regulations set out below is not exhaustive, and is only intended to provide general information to potential investors and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Industry Specific Laws

Mines and Minerals (Development and Regulations) Act, 1957 (the "MMDR Act")

The MMDR Act provides for the development and regulation of mines and minerals under the control of the Union of India and it lays down the substantive law in relation to the grant, renewal and termination of reconnaissance permits, mining leases and prospecting licenses. The MMDR Act also governs the transportation and storing of any mineral. In 2010, the MMDR Act was amended to empower the Government to undertake selection of the Company for the purpose of granting reconnaissance permit, prospecting licenses or mining lease in respect of an area containing coal or lignite through the process of auction by competitive bidding. On February 2, 2012, the Government notified the Auction by Competitive Bidding of Coal Mines Rules, 2012, as amended, which lay down the procedure for allocation of area containing coal through auction by competitive bidding. Under the MMDR Act, the lessee is liable to pay royalties on minerals extracted or a dead rent component to the relevant state government. The royalty is payable in respect of any mineral removed or consumed by him or his agent, manager, employee, contractor or sub-lessee and is computed in accordance with a stipulated formula. The Government has broad powers to change the royalty scheme, but cannot increase the rate of royalty more than once in every three years.

The MMDR Act has been amended pursuant to the Mines and Minerals (Development and Regulation) Amendment Act, 2015 ("**Amendment Act**"), *inter alia*, in relation to the following (i) ability of a holder of a mining lease who has failed to undertake mining operations for two years to extend their lease, (ii) specifying certain minerals in respect of which any reconnaissance permit, prospecting license or mining lease requires prior Government approval; (iii) specifying certain minerals where a minimum mining lease period will be twenty years and maximum thirty years, with a subsequent renewal for twenty years with prior Government approval, and others for fifty years with auction on expiry; (iv) establishment of District Mineral Foundation by state governments in India and National Mineral Exploration Trust by Central Government following which contributions from leaseholders is required, (v) establishing conditions and process of grant of mining leases based on whether they are notified minerals or not notified minerals; (vi) grant of non-exclusive reconnaissance permits, and (vii) transfer of mineral concessions. In addition, the MMDR Act has been further amended pursuant to the Mines and Minerals (Development and Regulation) Amendment Act, 2016, inter alia, to insert a proviso to Section 12A, in relation to allowing the transfer of mining leases which have been granted through procedures other than auction, and where the minerals are being used for captive purpose. The Mineral (Transfer of Mining Lease Granted Otherwise than through Auction for Captive Purpose) Rules, 2016 were notified on May 30, 2016 under Section 12A of the MMDR Act.

Mineral Concession Rules, 1960, (the "MC Rules"), Minerals (Other Than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 (the "Concession Rules 2016") and the Mineral Conservation and Development Rules, 2017 (the "MCD Rules")

Previously, the MC Rules, as amended, outlined the procedures for obtaining reconnaissance permit, prospecting license and mining lease, the terms and conditions in relation to the same, and the model form in which they are to be issued. Pursuant to the Concessions Rules 2016, notified on March 4, 2016, the MC Rules ceased to be in force and were replaced by the Concession Rules 2016. The Concession Rules now outline the procedures of obtaining the mineral concessions applied through

auction process as well as those concessions granted prior to the aforementioned Amendment Act coming into force. Further, the Mineral (Transfer of Mining Lease Granted Otherwise than through Auction for Captive Purpose) Rules, 2016, provide for the procedure of the mining leases granted in relation to allowing the transfer of mining leases which have been granted through procedures other than auction, and where the minerals are being used for captive purpose. In addition, the lessee will be liable to pay the occupier of the surface of the land over which it holds the mining lease an annual compensation determined by the relevant state government, which varies depending on whether the land is agricultural or non-agricultural. The Government has also framed the MCD Rules as amended, which lays down guidelines in order to ensure that mining is carried out in a safe, scientific and environmentally friendly manner.

National Mineral Policy, 2019 (the "NMP")

The Government had previously approved the National Mineral Policy, for non-coal and non-fuel minerals on March 13, 2008, revisiting the previous National Mineral Policy, 1993, which amongst others sought to streamline and simplify the procedures for grant of mineral concessions and develop a sustainable framework for optimum utilization of the country's natural mineral resources. Based on the directions of the Supreme Court of India, in its judgement in the matter of *Common Cause v. Union of India & Ors.*, the Union Cabinet on February 28, 2019, approved the National Mineral Policy, 2019, to have a more effective policy that introduces further transparency, better regulation and enforcement, balanced social and economic growth as well as sustainable mining practices. The NMP includes provisions which are intended to boost the mining sector such as encouraging the private sector to take up exploration, encouragement of merger and acquisition of mining entities and transfer of mining leases and creation of dedicated mineral corridors to boost private sector mining areas.

Further, the NMP proposes to grant status of industry to mining activity to boost financing of mining, and also intends to harmonize taxes, levies & royalty with global benchmarks to help the private sector. The NMP proposes a long term export import policy for the mineral sector to provide stability and as an incentive for investing in large scale commercial mining activity.

Coal Mines (Special Provisions) Act, 2015 ("CMSP")

Following the Supreme Court's judgment dated August 25, 2014 and order dated September 24, 2014, allocation of Coal Blocks by the Government, based on the recommendations made in 36 screening committee meetings between 1993 and 2011 and through the government dispensation route, were declared illegal and ordered to be canceled. CMSP was enacted to provide for the process of allocation of the canceled Coal Blocks by way of public auction in accordance with rules to be prescribed and on payment of such fees not exceeding Rs.50 million. The CMSP inter alia, provides that prior allottees may participate in the public auction, subject to certain conditions. However, any prior allottee who is convicted of an offense relating to the Coal Block allocation and sentenced with imprisonment for more than three years is not eligible to participate. Further, prior allottees for the land in relation to the Coal Blocks are eligible for compensation in accordance with the registered sale deed in addition to 12 per cent. interest from the date of acquisition of the Coal Block till the date of vesting or allotment order. Proceeds raised from land and mine infrastructure of Coal Blocks are utilized for (i) payment to the secured creditors for the unpaid amount and (ii) compensation to the prior allottee.

The Government can allot Coal Blocks to a government company or a joint venture company or a company with a power project. Government joint venture companies are prohibited from transferring any interest except for any loans from a financial institution or bank. A successful bidder or allottee may negotiate with a prior allottee to own or utilize movable property and adopt and continue with any contracts for coal mining operations. If the prior allottee is a successful bidder or an allottee, then the secured creditors of such allottee can continue with their loans and security and if not then the security shall only be satisfied from the compensation and outstanding debt be recovered from the prior allottee.

All alienations of land and mine infrastructure and creation of encumbrances, which relate to Coal Blocks after August 25, 2014 are void save and except those registered by a bank or a financial institution or any other secured creditor.

The CMSP also amends the MMDR Act and allows joint ventures between (i) a Government company or corporation and the central and state government or any other company and (ii) a company or a joint venture company between two or more companies, to mine coal blocks, either for its own consumption or for sale or for any other purpose in accordance with the reconnaissance permit, prospecting license or mining lease.

National Steel Policy, 2017 ("NSP 2017")

The NSP 2017 seeks to enhance domestic steel production with a focus on creating a technologically advanced and globally competitive steel industry in India that promotes economic growth. The NSP 2017 aims to create an environment for attaining self-sufficiency in steel production by providing policy support and guidance to private manufacturers. The intent is to strengthen the research and development of national importance in the iron and steel sector by utilizing tripartite synergy among industry, national research and development laboratories and academic institutions. The NSP 2017 covers, *inter alia*, steel demand, steel capacity, raw materials, including iron ore, iron ore pellets, manganese ore, chromite ore, ferro-alloys, land, water, power, infrastructure and logistics, and environmental management.

Other Mining laws

Other mining laws and regulations that may be applicable to the Company include the following: Mining Lease (Modification of Terms) Rules, 1956; The Mines Act, 1952 and Mines Rules, 1955; The Payment of Wages (Mines) Rules, 1956; and Metalliferous Mine Regulations, 1961. The Ministry of Coal has also issued various guidelines including Guidelines for Preparation of Mining Plan for the Coal and Lignite Blocks issued on April 4, 2011, further modified by Guidelines for Preparation of Mining Plan for coal blocks issued on May 8, 2018, further modified Guidelines for Preparation of Mine Closure Plan issued on January 7, 2013 and the Guideline for Preparation of Mining Plan for the Coal dated July 15, 2015.

Land Laws

The Government has enacted the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (the "**New Land Acquisition Act**"), which has replaced the Land Acquisition Act, 1894. Some of the significant provisions of the New Land Acquisition Act include a requirement of obtaining the consent of up to 80.0 per cent. of people whose land is acquired for private projects by the developers and consent of 70.0 per cent. of the landowners in the case of public private partnership projects. It also provides for compensation of up to four times more than the existing practice in rural areas and two times in urban areas. The New Land Acquisition Act is amended pursuant to the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Bill, 2015 which proposes to give power to the appropriate Government to exempt certain projects. All existing land acquisition proceedings under New Land Acquisition Act in relation to Coal Blocks shall continue thereunder and other proceedings under the Coal Bearing Areas (Acquisition and Development) Act, 1957.

Environmental Laws

The Company is also required to obtain clearances under the Environment (Protection) Act, 1986, as amended, the Forest (Conservation) Act, 1980 as amended, if any forest land is involved, and other environmental laws such as the Water (Prevention and Control of Pollution) Act, 1974 as amended, and the Air (Prevention and Control of Pollution) Act, 1981 as amended, before commencing mining operations. The Water (Prevention and Control of Pollution) Cess Act, 1977 has been repealed by the Taxation Laws (Amendment) Act, 2017. The Company must also comply, at all times, with the

provisions of the Hazardous Waste (Management and Handling) Rules, 1989 as amended, and as superseded by the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 as amended, the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 as amended and Noise Pollution (Regulation & Control) Rules, 2000 as amended.

The Bureau of Indian Standards Act, 2016 ("BIS Act")

The BIS Act, was notified on March 22, 2016 and is in force with effect from October 12, 2017. Further, the BIS Act repealed the Bureau of Indian Standards Act, 1986. The BIS Act establishes the Bureau of Indian Standards ("BIS") as the national standards body for the purposes of the BIS Act. Further, the BIS Act provides that the standards including any tentative or provisional standard established and published by the BIS shall be the Indian standard in relation to any goods, article, process, system or services, indicative of the quality and specification of such goods, articles, process, system or services ("**Indian Standard**"). The BIS Act provides for the powers, duties and functions of the BIS, which, inter alia, include:

(i) Recognition of any standard established for any goods, article, process, system or services by any other institution in India, or elsewhere as an 'Indian Standard';

(ii) Establishment, publishing, review and promotion, in such manner as may be prescribed, of the Indian Standard, in relation to any goods, article, process, system or services;

(iii) Undertaking and promotion of such research as may be necessary for formulation of Indian Standard;

(iv) Establishment of a standard mark or hallmark, in relation to each of its conformity assessment schemes which shall be of such design and contain such particulars as may be prescribed to represent a particular standard;

(v) Notification of a specific or different conformity assessment scheme for any goods, articles, process, system or service or for a group of goods, articles, processes, systems or services as the case may be, with respect to any Indian Standard or any other standard in a manner as may be specified by regulations;

(vi) Granting, renewal, suspension or cancelation of a license for the use of the standard mark or certificate of conformity; and

(vii) Establishment, maintenance or recognition of testing laboratories for the purposes of conformity assessment and quality assurance and for such other purposes as may be required for carrying out its functions.

Further, the Central Government of India, shall pass various orders including inter alia notification of precious metal articles or other goods (after consulting the BIS), to be marked with a hallmark or a standard mark as the case may be and such articles or goods shall be sold through the retail outlets certified by BIS.

Foreign Exchange Laws

Laws in relation to ECB

The current laws relating to ECB as applicable to the issuance of the Notes are embodied in the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 ("**New ECB Master Directions**") and the External Commercial Borrowings (ECB) Policy — New ECB Framework, issued by the RBI on January 16, 2019 ("**New ECB Policy**"). Prior to the New ECB Policy, ECB were primarily governed by the Foreign Exchange Management (Borrowing or Lending

in Foreign Exchange) Regulations, 2000 and the Master Directions on External Commercial Borrowings, Trade Credits, Borrowings and Lending in Foreign Currency by Authorised Dealers and Persons other than the Authorised Dealers dated January 1, 2016 ("**2016 ECB Master Directions**"). The RBI recently issued the New ECB Master Directions which have superseded the 2016 ECB Master Directions. Under the ECB Guidelines, ECBs can be accessed under two routes: (i) the automatic route; and (ii) the approval route. The automatic route does not require a borrower to obtain any RBI approvals, whereas the approval route requires a prior RBI approval. The ECB Guidelines classify ECB under the following categories:

(i) foreign currency denominated ECB ("**FCY ECB**");

(ii) Indian Rupee denominated ECB ("**INR ECB**").

The ECB Guidelines rationalise the erstwhile external commercial borrowings framework by merging the erstwhile Track I (medium-term foreign currency denominated ECB) and Track II (long-term foreign currency denominated ECB) into one track as '*Foreign Currency Denominated ECB*'.

Automatic route

For the automatic route, the cases are examined by the Authorised Dealer Category-I banks. Under the ECB Guidelines, all entities which are eligible to receive foreign direct investment are eligible to raise ECB. Further, the ECB Guidelines also permits port trusts, units in a special economic zone, Small Industries Development Bank of India, the Export Import Bank of India, and registered entities engaged in micro-finance activities, such as, registered not for profit companies, registered societies/trusts/cooperatives and non-government organisations (that are permitted only to raise INR ECB).

The ECB Guidelines require that lenders, with respect to ECB, should be residents of FATF or IOSCO compliant countries. Further, multilateral and regional financial institutions, where India is a member country, shall also be considered as recognised lenders. Further, (i) the New ECB Policy permits individuals as ECB lenders provided they are foreign equity holders or for subscription to bonds/debentures listed abroad, and (ii) foreign branches and subsidiaries of Indian banks are permitted as recognised lenders only for FCY ECB.

In relation to the utilisation of the ECB proceeds, the negative list for both FCY ECB and INR ECB includes: (i) real estate activities, (ii) investment in capital market, and (iii) equity investment. Further, proceeds from an ECB cannot be utilized for (i) working capital purposes, (ii) general corporate purposes and (iii) repayment of rupee loans except from a foreign equity holder. Additionally, on-lending for any of the aforementioned activities is prohibited under the ECB Guidelines.

Further, the maximum amount which can be raised every fiscal year by an eligible borrower under the automatic route is U.S.$750 million or its equivalent. The all-in cost (which includes rate of interest, other fees, guarantee fees and expenses in foreign currency or Indian Rupees but does not include commitment fees, payments for withholding tax in Rupees) for both FCY ECB and INR ECB is benchmark rate plus 450 basis points spread. The benchmark rate in case of FCY ECB refers to 6-month LIBOR of different currencies or any other 6-month interbank interest rate applicable to the currency of borrowing, while the benchmark rate in case of Rupee denominated ECB (INR ECB) will be the prevailing yield of the Government of India securities of corresponding maturity. As per the ECB Guidelines, various components of all-in-cost have to be paid by the Issuer of Notes without taking recourse to the drawdown of ECB, i.e. ECB proceeds cannot be used for payment of interest or charges.

Approval route

All ECB falling outside the automatic route limits are considered by the RBI under the approval route, wherein prospective borrowers are to send their requests to RBI through the Authorised Dealer banks ("**AD Bank**").

Filing and Regulatory Requirements in relation to Issuance of Notes

An ECB borrower is required to obtain a LRN from the RBI before an issuance of Notes is effected. To obtain this, ECB borrowers are required to submit a completed Form ECB certified by a company secretary or a chartered accountant to the AD Bank of the ECB borrower.

The AD Bank is then required to forward the completed Form ECB to the RBI. An ECB borrower is required to submit an ECB-2 Return on a monthly basis via its AD Bank to the RBI.

Procedure in relation to any change to the Terms and Conditions of the Notes

Any change in the terms and conditions of the Notes after obtaining the LRN requires the prior approval of the RBI or AD Bank, as the case may be. Certain changes (such as amendments to the repayment date, currency, the name of the borrower, recognised lender, the purpose for which the ECB is utilised, all-in costs, cancellation of LRN, reduction in amount of the ECB or any change to the AD Bank) may be approved by the AD Bank under a delegated authority from the RBI subject to certain conditions being complied with, after duly ensuring that the changed conditions, including change in name of borrower/lender, transfer of ECB and other parameters comply with extant ECB norms and are with the consent of the ECB lender. Any redemption of the Notes prior to their stated maturity, including on occurrence of an Event of Default or for taxation reasons (as further described in the Terms and Conditions) will require the prior approval of the RBI.

Regulatory Requirements in relation to issuance of foreign currency denominated ECB

Pursuant to the ECB Guidelines, any entity which can accept foreign direct investment, can issue, among others, foreign currency denominated floating/fixed rate notes/bonds/debentures (other than fully and compulsorily convertible instruments) with a three-year minimum maturity period.

The Notes can be subscribed or purchased by any recognised lender as detailed above. An offshore branch or subsidiary of an Indian bank is permitted to participate as an arranger/underwriter/market maker/trader for rupee denominated bonds issued overseas, however foreign branches/subsidiaries of Indian banks cannot subscribe or underwrite issuances by Indian banks.

The entities raising ECB are required to follow the guidelines for hedging issued, if any, by the concerned sectoral or prudential regulator in respect of foreign currency exposure. The ECB borrower will be required to cover principal as well as coupon through financial hedges. A minimum tenor of one year of financial hedge would be required with periodic rollover duly ensuring that the exposure on account of ECB is not unhedged at any point during the currency of ECB. Natural hedge, in lieu of financial hedge, will be considered only to the extent of offsetting projected cash flows / revenues in matching currency, net of all other projected outflows. For this purpose, an ECB may be considered naturally hedged if the offsetting exposure has the maturity/cash flow within the same accounting year.

Change of currency of ECB from one freely convertible foreign currency to any other freely convertible foreign currency as well as to INR is freely permitted.

Corporate Laws

Compliance with Other Applicable Laws

The Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 (the "**Bankruptcy Code**") was passed by both houses of the Parliament of India on May 11, 2016 and received the assent of the President of India on May 28, 2016. The Bankruptcy Code primarily consolidates the existing insolvency laws, *inter alia*, relating to companies and bodies corporate with the objective of providing clarity and consistency, in treatment, to all the stakeholders in the insolvency process. The Bankruptcy Code classifies creditors into, *inter alia*, financial creditors, and operational creditors, which include creditors of financial loans for interest and loans arising from the operational nature of the debtor, respectively. The Bankruptcy Code proposes to appoint specialized insolvency professionals to assist companies and bodies corporate through the insolvency process. The Bankruptcy Code provides a one hundred and eighty day timeline for insolvency resolution applications which may be extended by ninety days. As part of the insolvency resolution process, the insolvency resolution plan prepared by the insolvency professionals has to be approved by 75 per cent. of financial creditors and by the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation.

The NCLT will be the adjudicating authority with jurisdiction over companies and limited liability entities. However, the provisions and sections under the Bankruptcy Code are being notified in a staggered manner and some provisions and sections are not effective yet.

To the extent notified, the Bankruptcy Code has amended relevant provisions of, inter alia, the Companies Act, 2013 and the other legislations as specified therein, and shall further amend relevant provisions of, inter alia, the Companies Act, 2013 and such specified legislations upon future notification of the Bankruptcy Code. Further, the provisions of the Bankruptcy Code relating to establishment of the Insolvency and Bankruptcy Board of India (the IBBI) as the regulatory authority came into force on August 5, 2016. The provisions relating to the corporate insolvency resolution process were notified on November 30, 2016 and came into force on December 1, 2016 and certain provisions concerning Insolvency Professionals and inspection and investigation came into force on November 15, 2016. IBBI was established by a notification on October 1, 2016 with its head office at New Delhi. In addition, the Insolvency and Bankruptcy Code (Amendment) Act, 2018 which came into force on November 23, 2017, which inter alia has introduced section 29A in the Bankruptcy Code which sets out certain criteria, that if applicable to the Resolution Applicant or any person connected to the Resolution Applicant, would disqualify the affected person from even submitting a resolution plan in respect of a corporate debtor. Further, the Insolvency and Bankruptcy Code (Second Amendment) Act, 2018 notified on August 17, 2018, among others, recognizes amounts paid by allottees under a real estate project (in terms of the Real Estate (Regulation and Development) Act, 2016) as '*financial debt*' and expressly allows for withdrawal of the applications filed under Sections 7, 9 and 10 of the Bankruptcy Code.

Other Laws

Additionally, the Company is also required to comply with, *inter alia*, the following laws:

(i) Apprentices Act, 1961 as amended;

(ii) Central Sales Tax Act, 1956 as amended;

(iii) Central Goods and Service Tax Act, 2017;

(iv) Child Labour (Prohibition and Regulation) Act, 1986 as amended;

(v) Contract Labor (Regulation and Abolition) Act, 1970 as amended;

(vi) Customs Act, 1962 as amended;

(vii) Employee's Compensation Act, 1923 as amended;

(viii) Employees' Provident Funds and Miscellaneous Provisions Act, 1952 as amended;

(xi) Equal Remuneration Act, 1976 as amended;

(x) Employees' State Insurance Act, 1948 as amended;

(xi) Factories Act, 1948 as amended;

(xii) Foreign Exchange Management Act, 1999 as amended;

(xiii) Income Tax Act, 1961 as amended;

(xiv) Foreign Trade (Development and Regulation) Act, 1992 as amended;

(xv) Industrial Disputes Act, 1947 and Industrial Disputes (Central) Rules, 1957 as amended;

(xvi) Industries (Development and Regulation) Act, 1951 as amended;

(xvii) Industrial Employment (Standing Orders) Act, 1946 as amended;

(xviii) Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 as amended;

(xix) Maternity Benefit Act, 1961 as amended;

(xx) Minimum Wages Act, 1948 as amended;

(xxi) Payment of Bonus Act, 1965 as amended;

(xxii) Payment of Gratuity Act, 1972 as amended;

(xxiii) Payment of Wages Act, 1936 as amended;

(xxiv) Shops and Commercial Establishments Act applicable to relevant states, as amended;

(xxv) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act), 2013 as amended; and

(xxvi) Trade Unions Act, 1926 as amended.

DESCRIPTION OF MATERIAL INDEBTEDNESS

The following summary of certain provisions of the Group's loan facilities, bonds and other indebtedness does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying credit agreements, bonds and other documentation. Furthermore, this summary relates only to the Group's principal long-term indebtedness. The Group utilizes a variety of short-term debt instruments.

The Group's principal sources of external financing include both secured and unsecured short-term as well as long-term facilities (in both rupees and other currencies). As at December 31, 2018, the Group had total borrowings (non current borrowings + current borrowings + current maturities of long term borrowings + current maturities of finance lease obligations) of Rs.475,431 million (U.S.$6,812 million), compared to Rs.393,928 million as at March 31, 2018. As at December 31, 2018, the Group's total borrowings (non current borrowings plus current borrowings plus current maturities of long-term borrowings plus current maturities of finance lease obligations) consisted of 82.9 per cent. pertaining to the Company's total borrowings (non current borrowings plus current borrowings plus current maturities of long-term borrowings plus current maturities of finance lease obligations, excluding finance lease obligations of the Company) plus finance lease obligations of the Group and remaining 17.1 per cent. pertaining to the subsidiaries. As at December 31, 2018, 42.4 per cent. of the Group's total borrowings were denominated in foreign currency (foreign currency bonds, foreign currency term loans, foreign currency working capital loans from banks and upfront fees on foreign currency term loans), principally in United States dollars. As at December 31, 2018, the Group had non current borrowings (including current maturities of long term borrowings and current maturities of finance lease obligations) of Rs.400,457 million (U.S.$5,738 million).

Rupee Loans

The Company is a party to facility agreements under which borrowings are denominated in Rupees ("**Rupee Loans**") with various banks and financial institutions. As at December 31, 2018, the amount under the rupee term loan and deferred government loans totaled Rs.117,582 million (U.S.$1,685 million).

The range of interest rates for the loans availed by the Company are 7.95% p.a. and 11.00% p.a. While interest under some of the Rupee Loans accrues at a fixed interest rate throughout the term of the loans, some other Rupee Loans bear interest at floating rates calculated with reference to the base rate/MCLR of the relevant lenders. Interest payments are generally payable monthly and must be made on each payment date as provided in the particular facility agreement.

Most of the Rupee Loans contains customary negative covenants, including restrictions, subject to certain exceptions, on the Company's ability to incur further indebtedness, provide guarantee, (including group companies) sell or otherwise dispose of certain assets, effect a consolidation or merger or create liens on assets.

In addition, the Rupee Loans require the Company to maintain certain financial covenants including a minimum debt service coverage ratio, maximum debt to tangible net worth ratio, fixed assets coverage ratio and maximum debt to EBITDA ratio.

The Rupee Loans contain certain customary events of default, such as failure to pay the amount payable on the due date, material breach of the terms of the loan agreement and acceleration of repayment obligations under other loan or financing documents. The lenders are entitled to terminate their respective agreements and/or demand immediate repayment of the loans and any accrued interest and/or foreclose on secured assets or appoint a nominee director on the board of the Company under the respective agreements upon the occurrence of an event of default.

Non-Rupee Loans

In March 2011, the Company entered into a loan agreement for EUR117 million with KfW IPEX-Bank GmbH for financing the expansion of its steelmaking facilities at Vijaynagar, Kamataka, India.

In May 2011, the Company entered into a loan agreement for EUR74 million with KfW IPEX-Bank GmbH for financing part of the construction of a 2.23 mtpa cold rolling mill at Vijaynagar, Kamataka, India.

In March 2012, the Company entered into two loan agreements for U.S.$64 million and JPY5,170 million, respectively, with both Japan Bank for International Cooperation and Mizuho Corporate Bank, Limited for financing the purchase of equipment and related technical service from Japanese corporations.

In June 2012, the Company entered into a loan agreement for EUR12 million with KfW IPEX-Bank GmbH for importing capital goods equipment.

In August 2012, the Company entered into a loan agreement for EUR15 million with Finnish Export Credit Limited for the purchase of certain supplies and services from a Finnish company.

In February 2013, the Company entered into two loan agreements for U.S.$35 million and JPY1,816 million, respectively, with both Japan Bank for International Cooperation and Mizuho Corporate Bank, Limited for financing the purchase of equipment and related technical services from Japanese corporations.

In May 2013, the Company entered into a loan agreement for the United States dollar equivalent of EUR4.4 million, GBP 0.9 million and Rs.112 million with KfW IPEX-Bank GmbH for payment of capital goods equipment and related services.

In August 2013, the Company entered into a standby letter(s) of credit facility agreement with the State Bank of India for securing the obligations of a wholly owned subsidiary in relation to the foreign currency facility of U.S.$400 million granted by SBI, London Branch.

In January 2014, the Company entered into two loan agreements for a total commitment of EUR14.6 million with KfW IPEX-Bank GmbH for payment of capital goods equipment and related services.

In May 2014, the Company entered into general agreements with the Japan Bank for International Cooperation, setting forth the terms for contract loans not exceeding U.S.$50 million and JPY5,000 million, respectively, for financing the purchase of Japanese equipment, machinery and services. In June 2014, the Company entered into two contract loans totaling U.S.$13 million with the Japan Bank for International Cooperation and The Bank of Tokyo-Mitsubishi UFJ, Limited under such general agreements.

In August 2014, the Company entered into a loan agreement for EUR9.8 million with BNP Paribas Fortis SA/NV for the purchase of certain supplies from an Italian company.

In August 2014, the Company entered into a facility agreement for U.S.$40 million with the State Bank of India for the expansion of a 3.3 mtpa steel plant at Dolvi Works, Maharashtra, India.

In September 2014, the Company entered into a facility agreement for U.S.$250 million with Axis Bank Ltd. for the various ongoing capital expenditures of the Company.

In November 2014, the Company issued U.S.$500 million 4.75 per cent. notes due 2019 to the international debt capital markets for redeeming Rupee term loans and for capital expenditures of the Company.

In January 2015, the Company entered into two loan agreements for U.S.$6 million and JPY639 million, respectively, with both Japan Bank for International Cooperation and The Bank of Tokyo-Mitsubishi UFJ, for financing the purchase of equipment from Japanese corporations.

In January 2015, the Company entered into a loan agreement for EUR10.85 million with KfW IPEX-Bank GmbH for payment of capital goods equipment.

In February 2015, the Company entered into a loan agreement for U.S.$4.2 million with both Japan Bank for International Cooperation and The Bank of Tokyo-Mitsubishi UFJ, for financing the purchase of equipment from Japanese corporations.

In April 2015, the Company entered into a loan agreement for approximately U.S.$86 million with Abu Dhabi Commercial Bank and The Bank of Tokyo-Mitsubishi UFJ for refinancing some of its foreign currency loans.

In June 2015, the Company entered into a loan agreement for U.S.$150 million with Mizuho Bank Limited and Industrial and Commercial Bank of China Limited for refinancing certain of its foreign currency loans.

In July 2015, the Company entered into two loan agreements for total commitment of EUR16.8 million with KfW IPEX-Bank GmbH for payment of capital goods equipment.

In February 2017, the Company entered into a loan agreement for U.S.$90 million with Yes Bank Limited for the various ongoing capital expenditures of the Company.

In April 2017, the Company issued U.S.$500 million 5.25 per cent. notes due 2022 to the international debt capital markets for refinancing foreign currency loans of the Group.

In September 2017, the Company entered into a loan agreement for U.S.$210 million with BNP Paribas, Standard Chartered Bank and the National Bank of Abu Dhabi for the ongoing capital expenditure of the Company.

In January 2018, the Company entered into loan agreements for EUR71 million with KfW IPEX-Bank GmbH for payment of capital goods equipment.

In March 2018, the Company entered into a loan agreement for U.S.$100 million with Mizuho Bank Limited for the various ongoing capital expenditures of the Company.

In March 2018, the Company entered into a loan agreement for U.S.$43.56 million with both the Japan Bank for International Cooperation and The Bank of Tokyo-Mitsubishi UFJ, for financing the purchase of equipment from Japanese corporations.

In March 2018, the Company entered into two loan agreements for U.S.$46.31 million and JPY 5,765.79 million, respectively, with both the Japan Bank for International Cooperation and Mizuho Bank Limited, for financing the purchase of equipment from Japanese corporations.

In June 2018, the Company entered into a loan agreement for U.S.$40 million with Société Générale for the various ongoing capital expenditures of the Company.

In June 2018, the Company entered into a loan agreement for U.S.$125 million with First Abu Dhabi Bank and BNP Paribas for the various ongoing capital expenditures of the Company.

In July 2018, the Company entered into a guarantee in favour of ING Bank N.V., Hong Kong Branch for the obligations of JSW Steel (Netherlands) B.V. in relation to a term loan facility of EUR40 million extended by ING Bank N.V., Hong Kong Branch.

In August 2018, the Company entered into a guarantee in favour of Axis Bank, IBU GIFT City Branch for the obligations of JSW Steel USD Ohio, Inc. in relation to a term loan facility of USD 125 million and working capital facility of USD 15 million extended by Axis Bank, IBU GIFT City Branch.

In September 2018, the Company entered into a loan agreement for U.S.$ 75 million with ICICI Bank, GIFT City Branch for the various ongoing capital expenditures of the Company. In September 2018, the Company entered into a guarantee in favour of Unicredit SPA for the obligations of Aferpi SPA. in relation to a working capital facility of EUR 47 million extended by Unicredit SPA.

In September 2018, the Company entered into a guarantee in favour of Unicredit SPA for the obligations of GSI Lucchini SPA. in relation to a working capital facility of EUR 3 million extended by Unicredit SPA.

In December 2018, the Company entered into a guarantee in favour of Banco BPM SPA for the obligations of Aferpi SPA. in relation to a working capital facility of EUR 25 million extended by Banco BPM SPA.

Most of the Company's non-Rupee loans bear interest at a floating rate linked to U.S.$LIBOR, JPY LIBOR or EURIBOR, depending on the currency, plus a margin, with the remaining loans bearing interest at fixed rates. Interest payments on these loans are generally payable semiannually and must be made on each payment date as provided in the particular facility agreement. As at December 31, 2018, the aggregate outstanding amount under these borrowings (foreign currency bonds plus term loans — foreign currency loans) totaled Rs.159,699 million (U.S.$2,288 million).

The Group's financing agreements and debt arrangements typically contain customary negative covenants that limit or require the Group to obtain lender consents before, among other things, changing the Group's business, conducting mergers and consolidations, selling significant assets beyond a certain limit, creating liens on assets or making certain acquisitions or investments. The financing agreements and debt arrangements also contain customary provisions in respect of events of default, including provisions whereby a default under one financing agreement may also result in cross-defaults under other indebtedness and result in the outstanding amounts under each such indebtedness becoming immediately due and payable.

Certain of the financing agreements and debt arrangements contain financial covenants that require the satisfaction and/or maintenance of financial tests and ratios (such as debt to equity ratio, debt coverage ratio and certain other liquidity ratios).

Debentures

As at December 31, 2018, the aggregate amount under Debentures totaled Rs.31,844 million (U.S.$456 million) (on a standalone basis).

10.60 per cent. Non-Convertible Debentures

During the third quarter of the year ended March 31, 2010, the Company raised Rs.3,500 million through the issuance of ten-year NCDs at a fixed rate of 10.6 per cent. per annum. The NCDs will be redeemed in eight equal semi annual installments commencing from 2016.

10.34 per cent. Non-Convertible Debentures

During the first quarter of the year ended March 31, 2014, the Company raised Rs.10,000 million through the issuance of 11-year NCDs at a fixed rate of 10.34 per cent. per annum. The NCDs will be redeemed in equal installments in 2022, 2023 and 2024.

10.02 per cent. Non-Convertible Debentures

During the second quarter of the year ended March 31, 2014, the Company raised Rs.10,000 million through the issuance of ten-year NCDs at a fixed rate of 10.02 per cent. per annum. The NCDs will be redeemed in May 2023 and July 2023.

10.40 per cent.-10.60 per cent. Non-Convertible Debentures

During the second quarter of the year ended March 31, 2015, the Company raised Rs.10,250 million through the issuance of three-year, four-year and five-year NCDs at a fixed rate of 10.40 per cent., 10.50 per cent. and 10.60 per cent. per annum. One of the 10.40 per cent. tranche and 10.50 per cent tranche of the NCDs were redeemed in 2017 and 2018, respectively. The balance NCDs will be redeemed in 2019.

9.62 per cent.-9.72 per cent. Non-Convertible Debentures

During the third quarter of the year ended March 31, 2015, the Company raised Rs.10 billion through the issuance of three-year, four-year and five-year NCDs at a fixed rate of 9.62 per cent., 9.665 per cent. and 9.72 per cent., compounded quarterly respectively. The 9.62 per cent. tranche and 9.665 per cent. tranche of the NCDs were redeemed in 2017 and 2018, respectively. The balance NCDs will be redeemed in 2019.

Debt and Debt Funding

The Group has stable relationships with a large variety of debt providers and investors, principally commercial banks and export credit agencies. As at December 31, 2018, approximately 37.3 per cent. of the Group's total long-term debt carried a fixed interest rate and the proportion of the Group's short-term debt to total debt was 15.8 per cent.

The Group's borrowings (foreign currency bonds, debentures, rupee term loans, foreign currency term loan, deferred government loan, finance lease obligation and short-term borrowings) as at December 31, 2018 amounted to Rs.475,053 million (U.S.$6,807 million). Of this amount, the Group's short-term borrowings as at December 31, 2018 amounted to Rs.74,974 million (U.S.$1,074 million).

Existing Foreign Currency Indebtedness

The following table sets forth information with regard to the Group's total long-term borrowings by currency (gross of debt obligation costs), in terms of fixed or floating rate as at December 31, 2018:

	Currency of borrowings as at December 31, 2018			
	Floating rate borrowings[1]	Fixed rate borrowings	Total borrowings[2]	
		(Rs. million)		(U.S.$ million)[3]
Rupee	140,509	64,301	204,810	2,935
Japanese Yen	—	3,502	3,502	50
U.S. Dollar	110,466	76,069	186,534	2,673
Euro	—	5,232	5,232	75
Total	**250,975**	**149,104**	**400,079**	**5,732**

Notes:

(1) Interest on the floating rate rupee loans are either subject to change in line with changes in base rates of the lenders or are periodically reset with links to base rates/mclr.

(2) Total borrowings include foreign currency bonds, debentures, rupee term loans, foreign currency term loan, deferred government loan and finance lease obligations. It excludes preference shares and upfront fees on rupee term loans and upfront fees on foreign currency loans.

(3) For the reader's convenience, U.S. dollar translations of Indian rupee amounts as at December 31, 2018 have been provided at a rate of U.S.$1.00 = Rs.69.7923, which was the exchange rate as reported by the RBI on December 31, 2018.

USE OF PROCEEDS

The Company intends to use the gross proceeds of the Notes to repay external commercial borrowing loans, for capital expenditure or any other purpose in accordance with the ECB Guidelines.

TERMS AND CONDITIONS OF THE NOTES

The following (subject to completion and amendment) will be the text of the Terms and Conditions (the "Conditions") of the Notes, which will be attached to the global Notes and will appear on the reverse of any Definitive Notes (as defined below). Except as described under "Summary of Provisions Relating to the Notes in Global Form", Definitive Notes will not be issued in exchange for the global Notes. See "Summary of Provisions Relating to the Notes in Global Form" for a summary of the registration, payment, transfer and other procedures that apply when the Notes are in global form.

The U.S.$500,000,000 5.950 per cent. notes due 2024 (the "**Notes**", which expressions shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 15 (*Further Issues*) and forming a single series with the Notes) issued by JSW Steel Limited (the "**Company**") are constituted by a Trust Deed dated the date of issuance of the Notes (as may be amended from time to time, the "**Trust Deed**") between the Company and DB Trustees (Hong Kong) Limited (the "**Trustee**," which expression shall include all Persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined in Condition 1 (*Form, Denomination and Title*). These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the forms of the Definitive Notes (as defined below). Copies of the Trust Deed and of the Agency Agreement dated the date of issuance of the Notes (as may be amended from time to time, the "**Agency Agreement**") relating to the Notes between the Company, the Trustee and the Agents (as defined below), are available for inspection during usual business hours at the principal office of the Trustee (presently at Level 52, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong) and at the specified offices of Deutsche Bank AG, Hong Kong Branch as the principal paying agent located at Level 52, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong (the "**Principal Paying Agent**" and, together with any other paying agent appointed under the Agency Agreement, the "**Paying Agents**"), the registrar (the "**Registrar**") and the transfer agents (the "**Transfer Agents**" and collectively with the Principal Paying Agent, the Paying Agent and the Registrar being referred to as the "**Agents**"). The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Trust Deed and the provisions of the Agency Agreement applicable to them. Certain terms used herein are defined in Condition 4.7 (*Definitions*). Capitalized terms that are not defined in these Conditions will have the meanings given to them in the Trust Deed.

*The owners shown in the records of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**") of book-entry interests in Notes are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.*

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are in registered form in amounts of U.S.$200,000 each and higher integral multiples of U.S.$1,000 (each an "**authorized denomination**"). A definitive certificate (each a "**Definitive Note**") will be issued to each Noteholder in respect of its registered holding or holdings of Notes. Each Definitive Note will be numbered serially with an identifying number, which will be recorded in the register (the "**Register**"), which the Company shall procure to be kept by the Registrar at its specified office. Save as provided in Condition 2.1 (*Transfer, Issue and Delivery*), each Definitive Note shall represent the entire holding of the Notes by the same Noteholder.

1.2 Title

Title to the Notes passes only by and upon registration in the Register. In these Conditions, "Noteholder" and "holder" means the Person in whose name a Note is registered in the Register. The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all

purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or theft or loss of, the Definitive Note issued in respect of it) and no Person will be liable for so treating the holder. No Person shall have any right to enforce any term or condition of the Notes or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

2. TRANSFERS OF NOTES AND ISSUE OF DEFINITIVE NOTES

2.1 Transfer, Issue and Delivery

A Note may be transferred in whole or in part in an authorized denomination upon the surrender of the Definitive Note issued in respect of that Note, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a Note, a new Definitive Note in respect of the balance not transferred will be issued to the transferor within five Business Days (as defined in Condition 7.2 (*Payment Initiation*) hereof) of receipt of such form of transfer and sent by uninsured mail at the risk of the holder (but free of charge to the holder and at the Company's expense) to the address of the holder appearing in the Register. In the case of a transfer of Notes to a person who is already a Noteholder, a new Definitive Certificate representing the enlarged holding shall only be issued against surrender of the Definitive Note representing the existing holding. Each new Definitive Note to be issued upon a transfer of Notes will, within five Business Days of receipt of such form of transfer, be sent by uninsured mail at the risk of the holder entitled to the Note in respect of which the relevant Definitive Note is issued to such address as may be specified in such form of transfer. Notes may be transferred in accordance with this Condition 2 (*Transfers of Notes and Issue of Definitive Notes*) and the Agency Agreement but not otherwise exchanged. No transfer of a Note shall be valid unless and until entered into the Register.

2.2 Formalities Free of Charge

Registration of transfer of Notes will be effected without charge by or on behalf of the Company, the Registrar or any Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to it.

2.3 Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on the due date for any payment of principal and premium (if any) and/or interest on that Note or (ii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7 (*Payments*)).

2.4 Regulations Concerning Transfer and Registration

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Company with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be sent by mail by the Registrar to any Noteholder upon request.

3. STATUS

The Notes constitute (subject to Condition 4.2 (*Negative Pledge*)) direct, general, unsecured and unsubordinated obligations of the Company and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Company under the Notes shall at all times rank at least *pari passu* with all of its other present and future outstanding unsecured and unsubordinated obligations but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

4. COVENANTS

4.1 Limitation on Indebtedness

So long as any Note remains outstanding (as defined in the Trust Deed), the Company will not Incur (as defined in Condition 4.7 (*Definitions*)), directly or indirectly any Indebtedness, unless, after giving effect to the application of the proceeds thereof:

(a) no Default would occur as a consequence of such Incurrence or be continuing following such Incurrence; and

(b) the Indebtedness to Tangible Net Worth ratio for the Company's most recently ended annual period for which unconsolidated financial statements of the Company are available immediately preceding the date on which such Indebtedness is incurred shall not be greater than 3.0:1.0;

provided that this Condition 4.1 (*Limitation on Indebtedness*) shall not apply to:

(i) Indebtedness of the Company evidenced by the Notes existing as at the Issue Date;

(ii) Indebtedness existing as at the Issue Date and refinancing thereof;

(iii) Indebtedness issued in exchange for, or the net proceeds of which are used to refinance, replace, exchange, renew, repay, defease, discharge or extend then outstanding Indebtedness permitted to be Incurred under this Condition 4.1 (*Limitation on Indebtedness*);

(iv) Indebtedness Incurred by the Company pursuant to hedging obligations entered into solely to protect the Company from fluctuations in interest rates, foreign currency exchange rates or commodity prices and not for speculation; or

(v) Indebtedness constituting reimbursement obligations with respect to letters of credit, trade guarantees, bank guarantees or bankers' acceptances issued in the ordinary course of business to the extent that such letters of credit, guarantees or bankers' acceptances are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the 60 days following receipt by the Company of a demand for reimbursement.

For the avoidance of doubt, the Indebtedness to Tangible Net Worth ratio shall be calculated and interpreted on the basis of unconsolidated financial statements of the Company.

4.2 Negative Pledge

So long as any Note remains outstanding, the Company will not create or permit to subsist any Security (as defined in Condition 4.7 (*Definitions*)), upon the whole or any part of its property or assets, present or future, to secure any External Obligations (as defined in Condition 4.7 (*Definitions*)), unless the Company, in the case of the creation of the Security, at the same time or prior thereto takes any and all action necessary to ensure that:

(i) all amounts payable by it under the Notes and the Trust Deed are secured by the Security equally and rateably with the External Obligations to the satisfaction of the Trustee; or

(ii) such other Security or other arrangement (whether or not it includes the giving of Security) is provided as is approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

4.3 **Limitation on Asset Sales**

So long as any of the Notes remains outstanding, the Company will apply any Net Cash Proceeds from an Asset Sale to:

(a) permanently repay unsubordinated Indebtedness; or

(b) acquire properties and assets (other than current assets) that will be directly owned and used by the Company in Permitted Businesses; or

(c) invest in Subsidiaries of the Company involved in Permitted Businesses; provided that the amount of such investment, individually or when aggregated with all other investments in such Subsidiaries made with the Net Cash Proceeds from any Asset Sales in the twelve month period immediately prior to such investment, does not exceed 3.0 per cent. of the Fixed Assets of the Company on the immediately preceding balance sheet date (as stated in the Company's most recent annual unconsolidated financial statements); or

(d) pay dividends, provided that, the Company shall not pay any such dividend in respect of or otherwise distribute such Net Cash Proceeds to its shareholders if such dividend or distribution, individually or when aggregated with all other dividends or distributions paid with the Net Cash Proceeds from any Asset Sales in the twelve month period immediately prior to the date of the declaration of such dividend or distribution, exceeds U.S.$150.0 million or its equivalent in other currencies.

The Company will not, directly or indirectly, consummate an Asset Sale unless the Company receives consideration at the time of the Asset Sale at least equal to the Fair Market Value (measured as at the date of the definitive agreement with respect to the Asset Sale (including as to the value of all non-cash consideration, such non-cash consideration shall, for the avoidance of doubt, not be subject to the restrictions under this Condition 4.3 (*Limitation on Asset Sales*)) of the Fixed Assets sold or otherwise disposed of.

Pending application of Net Cash Proceeds as set out above, such Net Cash Proceeds may be placed in cash deposits or invested in short term money market instruments.

4.4 **Suspension of Covenants**

If, on any date following the date of the Trust Deed, the Notes are rated Investment Grade from both of the Rating Agencies and no Default or Event of Default has occurred and is continuing (a "Suspension Event"), then, beginning on that day and continuing until such time, if any, (i) at which the Notes cease to be rated Investment Grade from either of the Rating Agencies or (ii) an Event of Default occurs and is continuing, the following Conditions will not apply to the Notes:

(a) Condition 4.1 (*Limitation on Indebtedness*); and

(b) Condition 4.3 (*Limitation on Asset Sales*).

The covenants under the Conditions listed in this Condition 4.4 (*Suspension of Covenants*) will be reinstituted and apply according to their terms as at and from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company properly taken in compliance with the provisions of the Trust Deed during the continuance of the Suspension Event, and no Default will be deemed to have occurred as a result of a failure to comply with such covenants during such period.

4.5 **Consolidation, Merger and Sale of Assets**

The Company will not consolidate with, merge with or into, another Person, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets (as an entirety or substantially an entirety in one transaction or series of related transactions) to any Person, unless:

(a) the Company shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets (the "Surviving Person") shall be a corporation incorporated and validly existing under the laws of India or any jurisdiction thereof and shall expressly assume, by a supplemental trust deed to the Trust Deed, executed and delivered to the Trustee, all the obligations of the Company under the Trust Deed and the Notes and the Trust Deed and the Notes shall remain in full force and effect;

(b) immediately after giving effect to such transaction on a pro forma basis (and treating any Indebtedness which becomes an obligation of the Company or the Surviving Person as having been Incurred at the time of such transaction), no Default shall have occurred and be continuing;

(c) immediately after giving effect to such transaction on a pro forma basis, the Company or the Surviving Person, as the case may be, shall have a Tangible Net Worth equal to or greater than the Tangible Net Worth of the Company immediately prior to such transaction;

(d) immediately after giving effect to such transaction on a pro forma basis, the Company could Incur at least U.S.$1.00 of Indebtedness under Condition 4.1 (*Limitation on Indebtedness*);

(e) the Company delivers to the Trustee (x) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with Condition 4.5(c) and (d), and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and such supplemental trust deed complies with this provision and that all conditions precedent provided for herein relating to such transaction have been complied with; and

(f) no Rating Decline shall have occurred.

For the avoidance of doubt, this Condition shall not apply to a consolidation or merger of any Subsidiary with and into the Company, so long as the Company survives such consolidation or merger.

4.6 **Reporting**

So long as any of the Notes remain outstanding, the Company will deliver to the Trustee, as soon as practicable but in any event not more than 10 calendar days after they are filed with the National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**") or any other recognized exchange on which the Company's Capital Stock is at any time listed for trading, true and correct copies of any financial or other report in the English language filed with such exchange, unless such report has been made generally available on the website of the Company or such recognized stock exchange and not otherwise requested by the Trustee or the Noteholders; provided that if at any time the Capital Stock of the Company ceases to be listed for trading on a recognized exchange, the Company will deliver to the Trustee:

(a) as soon as practicable, but in any event within 90 calendar days after the end of the fiscal year of the Company, copies of its financial statements (on a consolidated basis and in the English language) that the Company would have filed with the NSE and BSE if the Capital Stock of the Company was listed for trading on such stock exchange in respect of such financial year audited by a member firm of an internationally recognized firm of independent accountants; and

(b) as soon as practicable, but in any event within 60 calendar days after the end of each of the first, second and third fiscal quarters of the Company, copies of its unaudited financial statements (on a consolidated basis and in the English language) that the Company would have filed with the NSE and BSE if the Capital Stock of the Company was listed for trading on such stock exchange in respect of such quarterly period prepared on a basis consistent with the audited financial statements of the Company and reviewed by a member firm of an internationally recognized firm of independent accountants.

4.7 **Definitions**

Set forth below are defined terms used in these Conditions. Reference is made to the Trust Deed for other capitalized terms used in these Conditions for which no definition is provided.

"**Asset Sale**" means the sale, lease, conveyance or other disposition of any Fixed Assets by the Company. Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(a) any single transaction or series of related transactions that involves Fixed Assets having a Fair Market Value of less than U.S.$100.0 million;

(b) the sale, lease, conveyance or other disposition of any Fixed Assets in the ordinary course of business (including the abandonment, sale or other disposition of damaged, worn out or obsolete Fixed Assets that are, in the reasonable judgment of the Company, no longer economically practical to maintain or useful in the conduct of business of the Company);

(c) licenses, sub-licenses, subleases, assignments or other disposition by the Company of intellectual property in the ordinary course of business;

(d) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(e) the disposition of Fixed Assets in connection with the compromise, settlement thereof in the ordinary course of business (including by secured lenders of the Company through the enforcement of security) or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(f) the foreclosure, condemnation or any similar action with respect to Fixed Assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind related to Fixed Assets;

(g) any unwinding or termination of hedging obligations not for speculative purposes;

(h) the disposition of Fixed Assets which are seized, expropriated or compulsory purchased by or by the order of any central or local government authority;

(i) the disposition of Fixed Assets to another person whereby the Company leases such assets back from such person;

(j) operating leases of Fixed Assets; and

(k) a transaction covered by the covenant under Condition 4.5 (*Consolidation, Merger and Sale of Assets*).

"**Board of Directors**" means the board of directors of the Company elected or appointed by the general meeting of shareholders of the Company or any committee of such board duly authorized to take the action purported to be taken by such committee.

"**Board Resolution**" means any resolution of the Board of Directors taking an action which it is authorized to take and adopted at a meeting duly called and held or adopted by duly executed written resolution of the Board of Directors.

"**Capital Stock**" means, with respect to any Person, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents (however designated, whether voting or non voting) in equity of such Person, whether outstanding on the Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock, but excluding debt securities convertible into such equity.

"**Common Stock**" means, with respect to any Person, any and all shares, interests, rights to purchase, warrants, options or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding on the Issue Date, and include, without limitation, all series and classes of such common stock or ordinary shares.

"**Default**" means any event which is, or after the giving of notice, the making of a determination or the passage of time or any combination of the foregoing would be, an Event of Default.

"**Dollar Equivalent**" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars, obtained by converting such foreign currency involved in such computation into U.S. dollars at the noon buying rate for U.S. dollars in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York on the date of determination.

"**Event of Default**" has the meaning assigned thereto in Condition 9 (*Events of Default*).

"**External Obligations**" means bonds, debentures, notes or other similar securities of the Company which both: (a) are by their terms payable, or confer a right to receive payment, in, or by reference to, any currency other than Rupees, or which are denominated in Rupees and more than 50 per cent. of the aggregate principal amount thereof is initially distributed outside India by or with the authorization of the Company; and (b) are for the time being or are capable of being quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other similar securities market outside India.

"**Fair Market Value**" means the price that would be paid in an arm's length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors or any person(s) authorized by the Board of Directors, whose determination shall be conclusive if evidenced by or a certificate from the same or a Board Resolution.

"**Fitch**" means Fitch Inc., a subsidiary of Fimalac, S.A., and its successors.

"**Fixed Assets**" means assets classified as such in the Company's unconsolidated financial statements prepared in accordance with IND-AS.

"**guarantee**" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by

agreements to keep well, to purchase assets, goods, securities or services, to take or pay, or to maintain financial statement conditions or otherwise) or (b) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided that the term "guarantee" shall not include endorsements for collection or deposits in the ordinary course of business. The term "guarantee" used as a verb has a corresponding meaning.

"**Incur**" means, with respect to any Indebtedness, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness; provided that the accretion of original issue discount, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock (to the extent provided for when the Indebtedness or Preferred Stock on which such interest or dividend is paid was originally issued) shall not be considered an Incurrence of Indebtedness. The terms "Incurrence," "Incurred" and "Incurring" have meanings corresponding with the foregoing.

"**IND-AS**" means Indian Accounting Standards, prescribed under Section 133 of the Companies Act 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

"**Indebtedness**" means any indebtedness Incurred by the Company for or in respect of (without duplication):

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IND-AS, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any amount raised under any other transaction having the commercial effect of a borrowing and required by IND-AS to be shown as a borrowing in the balance sheet of the Company;

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

(h) shares which are expressed to be redeemable on or before April 18, 2024;

(i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution, other than any such instrument to the extent such instrument is not drawn upon; and

(j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

"**Investment Grade**" means (i) a rating of "Aaa," or "Aa," "A" or "Baa," as modified by a "1," "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's, or any of its successors or assigns, (ii) a rating of "AAA," "AA," "A" or "BBB," as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest Rating Categories, by Fitch or any of its successors or assigns or (iii) the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which shall have been designated by the Company as having been substituted for Moody's or Fitch or any one or more of them, as the case may be.

"**Issue Date**" means the date on which the Notes (other than Notes issued further under Condition 15 (*Further Issues*) are originally issued under the Trust Deed.

"**Moody's**" means Moody's Investors Service and its affiliates, and any of their successors, as applicable.

"**Net Cash Proceeds**" with respect to any sale of any Fixed Assets of the Company, means the cash proceeds of such sale net of payments to repay Indebtedness or any other obligation outstanding at the time that either (a) is secured by a lien on such Fixed Assets or (b) is required to be paid as a result of such sale, legal fees, accountants' fees, agents' fees, discounts or commissions and brokerage, consultant fees and other fees actually incurred in connection with such sale and net of taxes paid or payable as a result thereof.

"**Offering Memorandum**" means the offering memorandum dated April 10, 2019 prepared in connection with the issue of the Notes, as amended or supplemented.

"**Officer**" means a director or any executive officer of the Company.

"**Officers' Certificate**" means a certificate signed by one Officer.

"**Opinion of Counsel**" means a written opinion from legal counsel who is acceptable to the Trustee. The counsel, if so acceptable, may be an employee of or counsel to the Company or the Trustee. Each such Opinion of Counsel shall include:

(a) a statement that the person giving such opinion has read the covenant or condition to which such opinion relates;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such opinion are based;

(c) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such person, such covenant or condition has been complied with.

"**Permitted Business**" means any business, service or activity conducted or proposed to be conducted (as described in the Offering Memorandum) by the Company and its Subsidiaries on the Issue Date and other businesses reasonably related, complementary or ancillary thereto.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"**Rating Agencies**" means (a) Moody's and Fitch and (b) if Moody's or Fitch or any one or more of them shall not make a rating of the Notes publicly available, an internationally recognized securities rating agency or agencies, as the case may be, selected by the Company, which shall be substituted for Moody's or Fitch or any one or more of them, as the case may be.

"**Rating Category**" means (a) with respect to Moody's, any of the following categories: Ba, B, Caa, Ca, C and D (or equivalent successor categories), (b) with respect to Fitch, any of the following categories: "BB", "B", "CCC", "CC", "C", and "D" (or equivalent successor categories) and (c) the equivalent of any such category of Moody's or Fitch used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories ("+" and "-" for Fitch; 1, 2 and 3 for Moody's; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to Fitch, a decline in a rating from "BB+" to "BB," as well as from "BB " to "B+," will constitute a decrease of one gradation).

"**Rating Date**" means (1) in connection with a Change of Control Triggering Event under Condition 6.3 (*Redemption for Change of Control Triggering Event*), the date which is 90 days prior to the earlier of (x) a Change of Control and (y) the initial public notice of the occurrence of a Change of Control or of the intention by the Company or any other Person or Persons to effect a Change of Control or (2) in connection with actions contemplated under Condition 4.5 (*Consolidation, Merger and Sale of Assets*), that date which is 90 days prior to the earlier of (a) the occurrence of any such actions as set forth therein and (b) a public notice of the occurrence of any such actions.

"**Rating Decline**" means (1) in connection with a Change of Control Triggering Event under Condition 6.3 (*Redemption for Change of Control Triggering Event*), the occurrence on, or within six months after, the date, or public notice of the occurrence of, a Change of Control or the intention by the Company or any other Person or Persons to effect a Change of Control (which period shall be extended so long as the rating of the Notes, is under publicly announced consideration for possible downgrade by any of the Rating Agencies) of any of the events listed below, or (2) in connection with actions contemplated under Condition 4.5 (*Consolidation, Merger and Sale of Assets*), the notification by any of the Rating Agencies that such proposed actions will result in any of the events listed below:

(a) in the event the Notes are rated by one or more Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by any such Rating Agency shall be below Investment Grade;

(b) in the event the Notes are rated below Investment Grade by one or more Rating Agencies on the Rating Date, the rating of the Notes by any such Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

"**Security**" means a mortgage, charge, pledge, lien, encumbrance or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect, including any mortgage, pledge, retention of title arrangement, right of retention, and, in general, any right in rem, created for the purpose of granting security.

"**Subsidiary**" means, with respect to any Person, any corporation, association or other business entity of which more than 50.0 per cent. of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person.

"**Tangible Net Worth**" means the aggregate of the following based on the Company's unconsolidated financial statements (without duplication):

(a) the amount paid up or credited as paid up on the share capital of the Company;

(b) the amount standing to the credit of the reserves of the Company (including, without limitation, any share premium account, capital redemption reserve funds and any credit balance on the accumulated profit and loss account);

(c) if applicable, that part of the net results of operations and the net assets of any Subsidiary of the Company attributable to interests that are not owned, directly or indirectly, by the Company; and

(d) after deducting from that aggregate:

(i) any debit balance on the profit and loss account or impairment of the issued share capital of the Company (except to the extent that deduction with respect to that debit balance or impairment has already been made);

(ii) amounts set aside for dividends or taxation (including deferred taxation); and

(iii) amounts attributable to capitalized items such as goodwill, trademarks, deferred charges, licenses, patents and other intangible assets.

"**Voting Stock**" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

5. INTEREST

Each Note bears interest from (and including) April 18, 2019 to (but excluding) April 18, 2024 at the rate of 5.950 per cent. per annum, in each case payable semi-annually in arrear on April 18 and October 18 in each year (each an "**Interest Payment Date**"). The first interest payment will be made on October 18, 2019 in the amount of U.S.$14,875,000 (representing six months' interest on the total principal amount of U.S.$500,000,000). If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding Business Day. Each Note will cease to bear interest from the due date for redemption unless, after surrender of the Definitive Note, payment of principal or premium (if any) is improperly withheld or refused. In such event interest will continue to accrue at such rate (both before and after judgment) until whichever is the earlier of: (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant holder; and (b) the day seven days after the Trustee or the Principal Paying Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions). If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

All interest payable on the Notes shall be subject to applicable laws in India, including but not limited to the all in cost ceilings applicable pursuant to the ECB Guidelines.

6. REDEMPTION AND PURCHASE

6.1 Final Redemption

Unless previously redeemed, or purchased and canceled, the Notes will be redeemed at their principal amount on April 18, 2024 ("**Maturity Date**"). The Notes may not be redeemed at the option of the Company other than in accordance with this Condition 6 (*Redemption and Purchase*).

6.2 **Redemption for taxation reasons**

The Notes may be redeemed at the option of the Company in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption), if: (a) the Company has or will become obliged to pay Additional Amounts (as defined in Condition 8 (*Taxation*)) as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction (as defined in Condition 8 (*Taxation*)) or any change in the official application or interpretation of such laws or regulations, which, in the case of the Company, becomes effective on or after the Issue Date or, in the case of any Surviving Person (as defined in Condition 4.5 (*Consolidation, Merger and Sale of Assets*)), becomes effective on or after the date such Surviving Person assumes responsibility under the Notes; and (b) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 6.2 (*Redemption for taxation reasons*), the Company shall deliver to the Trustee an Officers' Certificate stating that the obligation referred to in (a) above cannot be avoided by the Company taking reasonable measures available to it and the Company is entitled to effect such redemption, setting forth a statement of facts showing that the conditions precedent to the right of the Company to so redeem have occurred and an Opinion of Counsel of recognized standing to the effect that the Company has or will become obliged to pay such Additional Amounts as a result of such change or amendment. The Trustee shall be entitled to accept and rely upon such certificate and opinion (without further investigation or enquiry) and it shall be conclusive and binding on the Noteholders.

6.3 **Redemption for Change of Control Triggering Event**

If a Change of Control Triggering Event (as defined below) occurs with respect to the Company, each Noteholder shall have the right (the "**Change of Control Redemption Right**"), at such Noteholder's option, to require the Company to redeem all of such Noteholder's Note(s) in whole, but not in part on the Change of Control Redemption Date (as defined below), at a price equal to the Change of Control Redemption Amount (as defined below). The Agents shall not be required to take any steps to ascertain whether a Change of Control Triggering Event or any event which could lead to the occurrence of a Change of Control Triggering Event has occurred and shall not be liable to any person for any failure to do so.

To exercise the Change of Control Redemption Right attaching to a Note on the occurrence of a Change of Control Triggering Event, the holder thereof must complete, sign and deposit at its own expense at any time from 9.30 am to 5.30 pm (local time in the place of deposit) on any Business Day at the specified office of any Paying Agent a notice (a "**Change of Control Redemption Notice**") in the form (for the time being current) obtainable from the specified office of any Paying Agent and surrender the Notes to be redeemed. Such Change of Control Redemption Notice may be given on the earlier of the date on which the relevant Noteholder becomes aware of the occurrence of the Change of Control Triggering Event and the date on which the Change of Control Notice (as detailed below) delivered by the Company under this Condition is received by such Noteholder. No Change of Control Redemption Notice may be given after 90 days from the date of the Change of Control Notice.

A Change of Control Redemption Notice, once delivered, shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing in which event such holder, at its option, may elect by notice to the Company to withdraw the Change of Control Redemption Notice and instead to give notice that the Note is immediately due and repayable under Condition 9 (*Events of Default*). The Company shall redeem the Notes (in whole but not in part) which form the subject of any Change of Control Redemption Notice which is not withdrawn on the Change of Control Redemption Date.

Not later than seven days after becoming aware of a Change of Control Triggering Event, the Company shall procure that notice (a "**Change of Control Notice**") regarding the Change of Control Triggering Event be delivered to the Trustee, the Agents and the Noteholders (in accordance with Condition 16 (*Notices*) stating:

(a) that Noteholders may require the Company to redeem their Notes under this Condition (*Redemption for Change of Control Triggering Event*);

(b) the date of such Change of Control Triggering Event and, briefly, the events causing such Change of Control Triggering Event;

(c) the names and addresses of all relevant Paying Agents;

(d) such other information relating to the Change of Control Triggering Event as any Noteholder may require; and

(e) that the Change of Control Redemption Notice once validly given, may not be withdrawn and the last day on which a Change of Control Redemption Notice may be given.

In this Condition 6.3 (*Redemption for Change of Control Triggering Event*):

(A) "**Change of Control**" means the occurrence of one or more of the following events:

(i) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company to any Person, other than to the Promoters, the Promoter Group or to any Persons controlled by the Promoters or the Promoter Group;

(ii) the Company consolidates with or merges into or sells or transfers all or substantially all of its assets to any Person or Persons, acting together, other than to the Promoters, the Promoter Group or to any Persons controlled by the Promoters or the Promoter Group;

(iii) the Promoters and the Promoter Group cease to be the beneficial owners, directly or indirectly, of at least 26.0 per cent. in the aggregate of the voting power of the Voting Stock of the Company, or any Person, other than the Promoters and the Promoter Group, becomes the beneficial owner, directly or indirectly, of a larger percentage of the voting power of such Voting Stock of the Company than the Promoters and the Promoter Group;

(iv) a Person or Persons, acting together, other than the Promoters and the Promoter Group, acquire Control, directly or indirectly, of the Company; or

(v) the adoption of a plan relating to the liquidation or dissolution of the Company.

(B) "**Change of Control Redemption Amount**" means an amount equal to 101.0 per cent. of the principal amount of the Notes redeemed plus accrued and unpaid interest, if any, to and including the Change of Control Redemption Date.

(C) "**Change of Control Redemption Date**" means the date specified in the Change of Control Redemption Notice, such date being not less than 30 nor more than 60 days after the date of the Change of Control Redemption Notice.

(D) "**Change of Control Triggering Event**" means the occurrence of a Change of Control; provided, however, that if the Change of Control is an event described in clauses (i), (ii) and (iii) of the definition thereof, it shall not constitute a Change of Control Triggering Event unless and until a Ratings Decline also shall have occurred.

(E) "**Control**" means the right to appoint and/or remove all or the majority of the members of the Company's Board of Directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Stock, contract or otherwise, and "controlled" shall be construed accordingly.

(F) "**Promoter**" means a promoter of the Company, named as a "promoter" under the Companies Act, 2013, as amended and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and recognized and named as a "promoter" in the filing made with the Indian stock exchange for the quarter ended December 31, 2018.

(G) "**Promoter Group**" means the promoter group of the Company recognized and named as a "promoter group" in the filing made with the Indian stock exchange for the quarter ended December 31, 2018 and as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

6.4 **Notice of redemption**

All Notes in respect of which any notice of redemption is given under this Condition 6 (*Redemption and Purchase*) shall be redeemed on the date specified in such notice in accordance with this Condition 6 (*Redemption and Purchase*). Neither the Trustee nor the Agents shall be responsible for calculating or verifying any calculations of any amounts payable under this Condition 6 (*Redemption and Purchase*). If less than all of the Notes are to be redeemed at any time, the Trustee will select Notes for redemption as follows: (1) if the Notes are listed on any securities exchange, in compliance with the requirements of the principal securities exchange on which the Notes are listed; or (2) if the Notes are not listed on any securities exchange, on a pro rata basis, by lot or by such other method as the Trustee in its sole discretion shall deem to be fair and reasonable in the circumstances.

No Note of U.S.$200,000 in principal amount or less shall be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount to be redeemed. A new Note in principal amount equal to the unredeemed portion will be issued upon cancelation of the original Note. On and after the redemption date, interest will cease to accrue on Notes or portions of them called for redemption.

6.5 **Purchase**

The Company (and any Subsidiary of the Company) may at any time purchase Notes in the open market or otherwise in any amount and at any price and such Notes shall be surrendered to any Paying Agent for cancelation subject to applicable law. Without limiting the ability of the Company and any other Subsidiary of the Company to conduct open market purchases, any purchase that the Company or any other Subsidiary of the Company elects to make by tender shall be made available to all Noteholders alike, except where it is not possible to do so in order to qualify for exemptions from any offering restrictions imposed by any jurisdiction in accordance with applicable law. Notes purchased and held prior to cancelation by the Company or any such Subsidiary shall not be deemed to be "outstanding" for purposes of any meeting of holders of Notes or other action to be voted upon, or taken, by holders of Notes.

6.6 **Cancelation**

All Notes redeemed or purchased in accordance with this Condition 6 (*Redemption and Purchase*) shall be canceled and may not be re-issued or resold except in accordance with applicable law.

Early redemption of the Notes under Conditions 6.2 or 6.3 may require a prior approval from the RBI or approval of the authorized dealer ("**AD Bank**"), as the case may be, in accordance with the ECB Guidelines, before effecting such a redemption prior to the Maturity Date and such approval may not be forthcoming.

7. PAYMENTS

7.1 Method of Payment

Payments of principal and premium (if any) in respect of each Note will be made by transfer to a U.S. dollar account maintained by the payee. Payments of principal will be made conditional upon surrender of the relevant Definitive Note at the specified office of any of the Transfer Agents. Interest on Notes will be paid to the Persons shown on the Register at the close of business on the fifteenth Business Day before the due date for the payment of interest (the "**Record Date**").

So long as the Notes are represented by one or more global Notes held on behalf of Euroclear or Clearstream, such payments will be made to the holder of appearing in the register of holders of the Notes maintained by the Registrar at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are open for business) before the relevant due date.

7.2 Payment Initiation

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a Business Day, for value the first following day which is a Business Day) will be initiated on the due date for payment (or, if that date is not a Business Day, on the first following day which is a Business Day), or, in the case of payments of principal and premium (if any) where the relevant Definitive Note has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on the first Business Day on which the Principal Paying Agent is open for business and on or following which the relevant Definitive Note is surrendered. For the purposes of these Conditions, "**Business Day**" means a day, other than a Saturday or a Sunday, on which commercial banks in Singapore, The City of New York and Mumbai, and in the case of a surrender of a Definitive Note, in the place the Definitive Note is surrendered, are open for business or not authorized to close.

7.3 Delay in Payment

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due as a result of the due date not being a Business Day, if the Noteholder is late in surrendering its Definitive Note (if required to do so).

7.4 Payment not Made in Full

If the amount of principal and/or premium (if any) being paid upon surrender of the relevant Definitive Note is less than the outstanding principal amount of, or premium due on, such Definitive Note, the Registrar will annotate the Register with the amount of principal and/or premium (if any) so paid and will (if so requested by the Company or a Noteholder) issue a new Definitive Note with a principal amount equal to the remaining unpaid outstanding principal amount and/or premium (if any). If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.

7.5 Agents

The initial Agents and their initial specified offices are listed below. The Company reserves the right at any time to vary or terminate the appointment of any Agent and appoint additional or other Agents, provided that it will maintain: (i) a Principal Paying Agent; (ii) a Registrar; (iii) a Transfer Agent; and such other agents as may be required by any stock exchange on which the Notes may be listed. Notice of any change in the Agents or their specified offices will promptly be given to the Trustee and the Noteholders.

7.6 Agency Role

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Company and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

8. TAXATION

All payments of principal, premium (if any) and interest in respect of the Notes will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within (i) India or any jurisdiction of which the Company is otherwise considered by a taxing authority to be a resident for tax purposes or any political organization or governmental authority thereof or therein having the power to tax (a "**Relevant Tax Jurisdiction**") or (ii) any jurisdiction from or through which the Company or any person on behalf of the Company makes a payment on the Notes, or any political organization or governmental authority thereof or therein having the power to tax (each jurisdiction described in (i) or (ii) above a "**Relevant Jurisdiction**"), unless such withholding or deduction is required by law. In that event the Company shall pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Noteholders of such amounts as would have been receivable by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Note:

(a) to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Note;

(b) presented for payment in the Relevant Jurisdiction; or

(c) the Definitive Note in respect of which is surrendered (where required to be surrendered) more than 30 days after the Relevant Date, except to the extent that the holder of it would have been entitled to such Additional Amounts on surrender of such Definitive Note for payment on the last day of such period of 30 days.

For purposes of these Conditions, "**Relevant Date**" means whichever is the later of:

(1) the date on which such payment first becomes due; and

(2) if the full amount payable has not been received in U.S. dollars by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Noteholders.

Any reference in these Conditions to principal, premium and/or interest shall be deemed to include any Additional Amounts which may be payable under this Condition 8 (*Taxation*) or any undertaking given in addition to or in substitution for it under the Trust Deed.

Any payments, including payments of withholding tax in foreign currency, made by the Company are required to be within the all-in-cost ceilings prescribed under the ECB Guidelines and in accordance with any specific approvals from the Reserve Bank of India or the designated authorized dealer bank, as the case may be, obtained by the Company.

9. EVENTS OF DEFAULT

If any of the following events (each an "**Event of Default**") occurs and is continuing the Trustee at its discretion may, and if so requested in writing by holders of at least 25.0 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, subject in each case to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction, give notice to the Company that the Notes are, and they shall immediately become, due and payable at their principal amount together with accrued interest:

(a) **Non-Payment**: the Company fails to pay any principal, premium (if any) or interest in respect of any of the Notes on the date when due and such failure continues for a period of seven business days in the case of principal or 30 calendar days in the case of interest;

(b) **Breach of Other Obligations**: the Company does not perform or comply with one or more of its obligations under these Conditions or the Trust Deed (other than its obligations referred to in paragraph (a) above) which default is incapable of remedy or, if such default is capable of remedy, is not remedied within 30 calendar days after notice of such default shall have been given to the Company by the Trustee;

(c) **Cross-acceleration**:

(i) the acceleration of any present or future Indebtedness of the Company prior to its stated maturity by reason of any event of default or potential event of default (however described), which acceleration is not rescinded or waived;

(ii) the Company fails to make any payment in respect of any Indebtedness on the due date for payment as extended by any originally applicable grace period;

(iii) any security given by the Company for any Indebtedness becomes enforceable; or

(iv) default is made by the Company in making any payment due under any guarantee and/or indemnity given by it in relation to Indebtedness of any other person;

provided that the aggregate amount of Indebtedness in respect of which one or more of the events referred to in this Condition 9(c) (*Cross-acceleration*) have occurred exceeds U.S.$25.0 million (or the Dollar Equivalent thereof);

(d) **Winding-up**: If any order is made by any competent court or resolution is passed for the winding up or dissolution of the Company, save for the purposes of reorganization on terms approved by an Extraordinary Resolution of the Noteholders;

(e) **Cessation of business**: The Company shall cease or threaten to cease to carry on the whole or a substantial part of the business conducted by the Company and its Subsidiaries at the date of the issue of the Notes, save for the purpose of any reorganization on terms approved by an Extraordinary Resolution of Noteholders;

(f) **Insolvency**: The Company stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent;

(g) **Liquidation and insolvency proceedings**: If (i) proceedings are initiated against the Company under any applicable liquidation, insolvency, composition, reorganization or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Company or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator) unless initiated by the relevant company is not discharged or stayed within 60 days;

(h) **Creditors Arrangement**: the Company (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganization or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors);

(i) **Nationalization**: any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or a material part of the assets of the Company;

(j) **Illegality**: it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under any of the Notes or the Trust Deed or the obligations under the Notes or the Trust Deed shall for any reason cease to be binding upon and enforceable against the Company in accordance with its terms, or the binding effect or enforceability thereof shall be contested by the Company or the Company shall deny that it has any further liability or obligation under the Notes or the Trust Deed; or

(k) **Analogous Events**: any event which under the governing laws of the applicable jurisdictions of the Company has an analogous effect to any of the events referred to in Conditions 9(d) (*Winding-up*) to 9(i) (*Nationalization*) above occurs.

Early redemption upon the occurrence of any Event of Default may require prior approval from the RBI or AD Bank, as the case may be, in accordance with the ECB Guidelines, before effecting such a redemption prior to the Maturity Date and such approval may not be forthcoming.

10. PRESCRIPTION

Claims in respect of principal and interest shall be prescribed unless made within a period of ten years in the case of principal (including any premium in respect thereof) and five years in the case of interest from the appropriate Relevant Date.

11. REPLACEMENT OF DEFINITIVE NOTES

If any Definitive Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of any Transfer Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Company may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Definitive Notes must be surrendered before replacements will be issued.

12. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

12.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Company or by the Trustee and shall be convened by the Trustee upon a request in writing of the Noteholders holding not less than 10.0 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting to consider an Extraordinary Resolution will be two or more Persons holding or representing more than half in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more Persons holding Notes or representing

Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia: (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes; (ii) to reduce or cancel the principal amount of, any premium payable in respect of, or interest on, the Notes; (iii) to change the currency of payment of the Notes; (iv) to change any obligation of the Company to pay Additional Amounts with respect to the Notes; (v) to reduce the premium payable upon the redemption or repurchase of any Note or change the time at which any Note may be redeemed or required to be repurchased under Condition 6 (*Redemption and Purchase*) whether through an amendment or waiver of provisions in the covenants, definitions or otherwise or (vi) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more Persons holding or representing not less than two thirds, or at any adjourned meeting not less than 25.0 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Noteholders (whether or not they were present or represented at the meeting at which such resolution was passed).

An "Extraordinary Resolution" is defined in the Trust Deed to mean a resolution passed at a duly convened meeting of Noteholders by a majority of at least two thirds of the Notes represented at such meeting. A written resolution of holders of not less than 75.0 per cent. in principal amount of the Notes for the time being outstanding shall take effect as an Extraordinary Resolution for all purposes.

12.2 **Modification and Waiver**

The Trustee may agree, without the consent of the Noteholders, to any modification of (except as mentioned in Condition 12.1 (*Meetings of Noteholders*) above), or to the waiver or authorization of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Default or Event of Default shall not be treated as such (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven. Any such modification, authorization or waiver shall be binding on the Noteholders and, unless Trustee otherwise agrees, such modification authorization or waiver shall be notified to the Noteholders as soon as practicable in accordance with Condition 16 (*Notices*).

12.3 **Substitution**

The Trust Deed contains provisions permitting the Trustee to agree, subject to compliance with the terms of the Trust Deed, but without the consent of the Noteholders, to the substitution of the Company's successor in business or any Subsidiary of the Company or its successor in business in place of the Company or any previous substituted company, as principal debtor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, subject to the provisions of the Trust Deed, to a change of the law governing the Notes and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

12.4 **Entitlement of the Trustee**

In connection with the exercise of its functions (including but not limited to those referred to in this Condition 12 (*Meetings of Noteholders, Modification, Waiver and Substitution*) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Company or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

13. ENFORCEMENT

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such actions, steps or proceedings against the Company as it may think fit to enforce the terms of the Trust Deed and the Notes, but it shall not be required to take any such proceedings unless: (i) it has been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25.0 per cent. in principal amount of the Notes then outstanding; and (ii) it has been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder may institute proceedings directly against the Company unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14. INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trust Deed provides that the Trustee shall take action on behalf of the Noteholders in certain circumstances but only if it is indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee and its parent, subsidiaries and affiliates are entitled to enter into business transactions with the Company and/or any entity related to the Company without accounting for any profit.

Repatriation of proceeds outside India by the Company under an indemnity clause requires the prior approval of the Reserve Bank of India, in accordance with the extant applicable laws and regulations of India, including the rules and regulations framed under the Foreign Exchange Management Act, 1999, as amended.

15. FURTHER ISSUES

The Company may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for any one or more of the first payment of interest, the issue date, the first interest payment date and, to the extent necessary, certain temporary securities law transfer restrictions) so as to form a single series with the Notes.

References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition 15 (*Further Issues*) and forming a single series with the Notes.

16. NOTICES

Notices to the Noteholders will be sent to them at their respective addresses in the Register. The Company shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange of other relevant authority on which the Notes are for the time being listed. Any such notice shall be deemed to have been given on the later of the date of such publication and the fourth day after being so sent.

So long as the Notes are represented by one or more global Notes held on behalf of Euroclear or Clearstream, notices to Noteholders may be given by delivery of the relevant notice to Euroclear or Clearstream for communication by it to entitled account holders in substitution for notification as required by these Conditions.

17. CURRENCY INDEMNITY

U.S. dollars are the sole currency of account and payment for all sums payable by the Company under or in connection with the Notes, including damages. Any amount received or recovered in a currency other than U.S. dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Company or otherwise) by the Trustee or any Noteholder in respect of any sum expressed to be due to it from the Company shall only

constitute a discharge to the Company to the extent of the U.S. dollars which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient under any Note, the Company shall indemnify it against any loss sustained by it as a result. In any event, the Company shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 17 (*Currency Indemnity*), it will be sufficient for the Trustee or the Noteholder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Company's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Trustee or any Noteholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order. If the U.S. dollars amount that may be purchased exceeds that the amount so received or recovered in that other currency, any excess shall as soon as practicable be repaid to the Company.

18. GOVERNING LAW

18.1 **Governing Law**

The Trust Deed and the Notes, and all non-contractual obligations arising out of or in connection with the Trust Deed or the Notes, are governed by and shall be construed in accordance with English law.

18.2 **Jurisdiction**

The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed and the Notes (including without limitation a dispute regarding any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes) and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or the Notes ("**Proceedings**") may be brought in such courts. The Company has in the Trust Deed irrevocably submitted to the jurisdiction of the English courts in connection with any such Proceedings and waived any objections to Proceedings in such courts on the grounds of venue or that they have been brought in an inconvenient forum. The Company makes this submission solely for the benefit of the Trustee and the Noteholders and shall not limit the right of the Trustee or any Noteholder to initiate Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

18.3 **Agent for Service of Process**

The Company has in the Trust Deed appointed an agent to receive service of process in any Proceedings in England. If for any reason the Company does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Trustee of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

18.4 **Waiver of Immunity**

The Company irrevocably agrees that, should any Proceedings be taken anywhere (whether for an injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from those Proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived. The Company irrevocably agrees that it and its assets are, and shall be, subject to such Proceedings, attachment or execution in respect of its obligations under the Trust Deed or the Notes.

TAXATION

The information provided below does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase Notes. In particular, the information does not consider any specific facts or circumstances that may apply to a particular purchaser. Neither these statements nor any other statements in this Offering Memorandum are to be regarded as advice on the tax position of any holder of Notes or of any person acquiring, selling or otherwise dealing in securities or on any tax implications arising from the acquisition, sale of or other dealings in Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in Notes) may be subject to special rules.

Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of the tax laws of India or any political sub division thereof. Additionally, in view of the number of different jurisdictions where local laws may apply, this Offering Memorandum does not discuss the local tax consequences to a potential holder arising from the acquisition, holding or disposition of the Notes. Prospective investors must, therefore, inform themselves as to any tax laws and regulations in force relating to the purchase, holding or disposition of the Notes in their country of residence and in the countries of which they are citizens or in which they purchase, hold or dispose of Notes.

INDIAN TAXATION

The following summary describes certain Indian tax consequences applicable to the ownership and disposal of Notes by persons who are not resident for tax purposes in India and who do not hold Notes in connection with an Indian trade, business or permanent establishment.

The summary is based on existing Indian taxation law and practice in force at the date of this Offering Memorandum and is subject to change, possibly with retroactive effect. It is not intended to constitute legal or tax advice and is not intended to represent a complete analysis of all the Indian tax consequences under Indian law relating to the acquisition, ownership or disposal of the Notes. It does not cover all tax matters that may be of importance to a particular purchaser. Prospective investors should consult their own tax advisors about the tax consequences of purchasing, holding and disposing of an investment in the Notes. This summary is based on Indian tax law and practice as at the date of this Offering Memorandum. All rates specified in this section "*Indian Taxation*" are exclusive of applicable surcharge and health and education cess, unless otherwise specified.

Payments through India

Any payments the Company makes on the Notes, including additional amounts made through India would be subject to the regulations of RBI.

Taxation of interest

Interest on the Notes may not be subject to taxes in India if the proceeds of the issuance of the Notes are used for the purposes of business carried on by the Company outside India. Should, however, the proceeds be used for the purposes of the business of the Company in India, non-resident investors would be liable to pay tax on the interest at the rate of 5.0 per cent on any interest paid on the Notes, subject to and in accordance with the conditions set out in the IT Act as the Notes are long term bonds in foreign currency issued between October 1, 2014 and June 30, 2020 in accordance with section 115A and section 194LC of the IT Act and CBDT Circular no. 15/2014 on October 17, 2014.

Since the interest payable on the Notes is subject to taxation in India, there is a requirement to withhold tax at the applicable rate for the Notes i.e. at the rate of 5.0 per cent, subject to any lower rate of tax provided by an applicable Tax Treaty (as defined below), depending on the legal status of the non-resident investor and its taxable income in India.

The rates of tax will stand reduced if the beneficial recipient is a resident of a country with which the Government has entered into an agreement for granting relief of tax or for avoidance of double taxation (a "Tax Treaty") and the provisions of such treaty, which provide for the taxation in India of income by way of interest at a rate lower than that stated above, and of the IT Act (including conditions relating to utilizing Tax Treaty benefits by submitting a tax residency certificate and other documents) are fulfilled.

A non-resident investor is obligated to pay such income tax in an amount equal to, or is entitled to a refund of, as the case may be, any difference between amounts withheld in respect of interest paid on the Notes from India and its ultimate Indian tax liability for such interest, subject to and in accordance with the provisions of the IT Act. The non-resident Noteholders shall be obliged to provide all necessary information and documents, as may be required by the Company.

Pursuant to the terms and conditions of the Notes, all payments of, or in respect of, principal and interest on the Notes, will be made free and clear of and without withholding or deduction on account of any present or future taxes within India unless it is required by law, in which case pursuant to Condition 8 (*Taxation*), the Company will pay additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction, subject to certain exceptions.

In respect of interest income on long term bonds to non-residents, pursuant to section 206AA of the IT Act, the payee is not required to provide its permanent account number to the payer. Hence, the Noteholders being nonresidents are not required to provide their permanent account number.

Taxation of gains arising on disposal of the Notes (including redemption)

Any gains arising to a non-resident investor from disposition of the Notes held (or deemed to be held) as a capital asset will generally be chargeable to income tax in India if the Notes are regarded as property situated in India. A non-resident investor generally will not be chargeable to income tax in India from a disposition of the Notes held as a capital asset provided the Notes are regarded as being situated outside India. The issue as to where the Notes should properly be regarded as being situated is not free from doubt and may be subject matter of tax litigation. The ultimate decision, however, will depend on the view taken by Indian tax authorities on the position with respect to the situs of the rights being offered in respect of the Notes. There is a possibility that the Indian tax authorities may treat the Notes as being located in India as the Company is incorporated in and resident in India.

If the Notes are regarded as situated in India by the Indian tax authorities, upon disposition of a Note:

(i) a non-resident investor (other than non-resident Indians), who has held the Notes for a period of more than 36 months immediately preceding the date of their dispositions, would be liable to pay capital gains tax at a rate of 10.0 per cent. of the capital gains subject to and in accordance with the provisions of the IT Act. These rates are subject to any lower rate provided for by an applicable Tax Treaty;

(ii) a non-resident investor who has held the Notes for 36 months or less would be liable to pay capital gains tax at a rate of 40 per cent. in case of foreign companies and 30 per cent. in all other cases of capital gains. These rates are subject to any lower rate provided for by an applicable Tax Treaty; and

(iii) any income arising to a non-resident investor from a disposition of the Notes held as stock-in-trade would be subject to income tax in India to the extent, if any, that the surplus are attributable to a "business connection in India" or, where a Tax Treaty applies, to a "permanent establishment" in India of the non-resident investor. A non-resident investor (other than companies) would be liable to pay Indian tax on the surplus which are so attributable at a rate of 30.0 per cent. of income as profits and gains of business or profession and at the rate of 40.0 per cent in case of a foreign company, subject to any lower rate provided for by a Tax Treaty.

(iv) Notes held by a non-resident investor, being a 'foreign institutional investor' as defined in section 115AD of the IT Act, would always be deemed to be held as capital assets. Accordingly, any gains arising to from disposition of such Notes would be taxable at the rate of 10%, provided the Notes are held for more than 36 months. Otherwise such gains would be taxable at 30%.

If applicable under the tax law, tax shall be withheld by the person making any payment to a non-resident on long-term capital gains at 10.0 per cent. and short-term capital gains at 30.0 per cent. or 40.0 per cent., depending on the legal status of the recipient of income, subject to any lower rate provided for by an applicable Tax Treaty. Tax payable shall be computed in such manner as prescribed in this regard under the IT Act. For the purpose of tax withholding, the non-resident Noteholders may be obliged to provide all prescribed information/documents, including tax residency certificate (issued by the tax authorities of the country in which the investor is resident) for claiming the Tax Treaty benefits.

Taxation of deemed Income

As a measure to prevent laundering of unaccounted income, the Income Tax Act provides that any person receiving certain specified assets (including the Notes) at a price less than their fair market value, shall be subject to income tax in India on the benefit accruing to him. Tax shall be payable at the rates applicable for the regular income. However, it may be noted that this provision would not be applicable if the asset is received from a relative or under a will or by way of inheritance or any other specific instances provided under section 56(2)(x) of the IT Act.

In the instant case, in case a non-resident receives Notes under the above mechanism, the taxability of the same shall also be subject to the provisions of the applicable tax treaty, assuming the non-resident is entitled to claim benefits of the Tax Treaty.

Taxation of persons ordinarily resident in India

Any income received in respect of the Notes by a person ordinarily resident in India under the provisions of the IT Act, may generally be subject to tax in India according to the personal or corporate rate applicable.

Estate Duty

No estate duty is payable at present in India in relation to the Notes.

Gift Tax

There is no gift tax payable at present in India in relation to the Notes.

Stamp Duty

A transfer of the Notes outside India will not give rise to any Indian stamp duty liability unless brought back into India. Stamp duty would be payable if the Notes are brought into India for enforcement or for any other purpose. The amount of stamp duty payable would depend on the applicable stamp act and the duty will have to be paid within a period of three months from the date the Notes are first received in India.

PLAN OF DISTRIBUTION

We intend to offer the Notes through the Joint Lead Managers. Subject to the terms and conditions of a subscription agreement dated April 10, 2019 between us and the Joint Lead Managers (the "**Subscription Agreement**"), we have agreed to sell to the Joint Lead Managers, and each of the Joint Lead Managers has agreed, severally and not jointly, to purchase from us, the principal amount of Notes set forth opposite its name below.

Joint Lead Managers	Principal amount of Notes
Deutsche Bank AG, Singapore Branch	U.S.$50,000,000
Australia and New Zealand Banking Group Limited	U.S.$50,000,000
BNP Paribas	U.S.$50,000,000
Citigroup Global Markets Limited	U.S.$50,000,000
Credit Suisse (Hong Kong) Limited	U.S.$50,000,000
First Abu Dhabi Bank PJSC	U.S.$50,000,000
J.P. Morgan Securities plc	U.S.$50,000,000
Mizuho Securities Asia Limited	U.S.$50,000,000
SBICAP (Singapore) Limited	U.S.$50,000,000
Standard Chartered Bank	U.S.$50,000,000
Total	U.S.$500,000,000

Subject to the terms and conditions set forth in the Subscription Agreement, the Joint Lead Managers have agreed, severally and not jointly, to purchase all of the Notes sold under the Subscription Agreement if any of these Notes are purchased. The Subscription Agreement also provides that the obligation of the Joint Lead Managers to purchase the Notes is subject to approval of legal matters by their counsel, including the validity of the Notes, and other conditions contained in the Subscription Agreement, such as the receipt by the Joint Lead Managers of officers' certificates and legal opinions. The Joint Lead Managers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

The Joint Lead Managers initially propose to offer the Notes for resale at the issue price that appears on the cover of this Offering Memorandum. After the initial offering, the Joint Lead Managers may change the offering price and any other selling terms without notice. The Joint Lead Managers may offer and sell Notes through certain of their affiliates.

If a jurisdiction requires that the Offering be made by a licensed broker or dealer and the Joint Lead Managers or any of their respective affiliates is a licensed broker or dealer in that jurisdiction, the Offering shall be deemed to be made by it or such affiliate on behalf of the Company in such jurisdiction subject to all applicable laws and regulations.

Pursuant to the Subscription Agreement, we have agreed to indemnify the Joint Lead Managers against certain liabilities, including liabilities under the U.S. Securities Act, or to contribute to payments which the Joint Lead Managers may be required to make in respect of any such liabilities. We will also pay the Joint Lead Managers a commission and pay certain expenses relating to the Offering.

No Sales of Similar Securities

We have agreed that we will not, for a period of 30 days from the date of this Offering Memorandum, without first obtaining the prior written consent of Joint Lead Managers, directly or indirectly, offer, sell, contract to sell, issue or otherwise dispose of any U.S. dollar-denominated debt securities issued or guaranteed by us, or warrants to purchase debt securities of us substantially similar to the Notes, except for the Notes sold to the Joint Lead Managers pursuant to the Subscription Agreement.

New Issue of Securities

The Notes will constitute a new class of securities with no established trading market. Approval in-principle has been received from the SGX-ST for listing of and quotation for the Notes. However, we cannot guarantee that the Notes will remain listed on the SGX-ST or the prices at which the Notes will sell in the market after the offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after the offering. We do not intend to apply for listing of the Notes on any national securities exchange in the United States or for quotation of the Notes on any automated dealer quotation system in the United States. The Joint Lead Managers have advised us that they presently intend to make a market in the Notes after completion of this Offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice and at their sole discretion. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes.

If an active trading market for the Notes does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

Delivery, Payment and Settlement

We expect that delivery of the Notes will be made against payment therefore on or about the date specified on the cover page of this Offering Memorandum, which will be the fifth business day following the date of pricing of the securities (this settlement cycle being referred to as "T+5"). Under Rule 15(c)6-1 under the U.S. Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days unless the parties to such trades expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of pricing will be required, by virtue of the fact that the Notes will initially settle in T+5, to specify an alternative settlement cycle at the time of such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the securities on the date of pricing or the next succeeding business day should consult their own advisors.

Price Stabilization and Short Positions

In connection with the offering, the Joint Lead Managers may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Joint Lead Managers may over-allot this offering, creating a syndicate short position. The Joint Lead Managers may bid for and purchase Notes in the open market to cover syndicate short positions. In addition, the Joint Lead Managers may bid for and purchase Notes in the open market to stabilize the price of the Notes. These activities may stabilize or maintain the market price of the Notes above independent market levels. The Joint Lead Managers are not required to engage in these activities, and may end any of these activities at any time.

Other Relationships

The Joint Lead Managers and certain of their affiliates may have performed and expect to perform various investment banking, transaction baking, commercial lending, consulting and financial advisory services to us, including the Company, and/or our or its respective affiliates in the ordinary course of business for which they may receive customary fees and expenses and may, from time to time, directly or indirectly through affiliates, enter into hedging or other derivative transactions, including swap agreements, future or forward contracts, option agreements or other similar arrangements with us, including our affiliates, which may include transactions relating to our obligations under the Notes, all to the extent permitted under the Trust Deed. Our obligations under these transactions may be secured by cash or other collateral to the extent permitted under the Trust Deed.

In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their clients. Such investments and securities activities may involve securities and/or instruments of us, including our affiliates. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire long and/or short positions in such securities and instruments. The Joint Lead Managers or their respective affiliates may also purchase Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to Notes and/or other securities of ours, or our associates at the same time as the offer and sale of Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of Notes to which this Offering Memorandum relates (notwithstanding that such selected counterparties may also be purchasers of Notes). As a result of such transactions, the Joint Lead Managers or their affiliates may hold long or short positions relating to the Notes.

While each Joint Lead Manager and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause a Joint Lead Manager or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. Each Joint Lead Manager may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

The Company may use some or all of the net proceeds from the sale of the Notes pursuant to this Offering Memorandum for the full or partial repayment of the Group's foreign currency loans to its lenders, some of whom include the Joint Lead Managers or their affiliates.

Selling Restrictions

General

No action has been or will be taken in any jurisdiction by us or the Joint Lead Managers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum (in preliminary or final form) or any other material relating to us or the Notes in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Company in such jurisdiction. Persons into whose hands this Offering Memorandum comes are required by us and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Notes or have in their possession, distribute or publish this Offering Memorandum (in preliminary or final form) or any other offering material relating to the Notes, in all cases at their own expense. This Offering Memorandum does not constitute an offer to purchase or a solicitation of an offer to sell in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the offering, the distribution of this Offering Memorandum and resales of the Notes.

United States

The Notes 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. The Notes are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

European Economic Area

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this paragraph, the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(b) a customer within the meaning of Directive 2016/97/EC (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Market Act 2000 Financial Promotion ("**FSMA**")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Singapore

Each Joint Lead Manager has acknowledged that this Offering Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute this Offering Memorandum, or any other document or material in connection with the offer or sale or invitation for subscription or purchase of such Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) 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

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Republic of Italy

The offering of any Notes has not been registered with the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, each Joint Lead Manager has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, any Notes in the Republic of Italy in a solicitation to the public, and that sales of Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Each Joint Lead Manager has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of the Offering Memorandum or any other document relating to the Notes in the Republic of Italy except:

(1) to Qualified Investors (*investitori qualificati*), as defined in Article 100 of Legislative Decree No. 58 of February 24, 1998, as amended ("**Decree No. 58**") and as defined under Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended ("**CONSOB Regulation No. 11971**"); or

(2) in other circumstances where an express exemption from compliance with the public offering restrictions applies, as provided under Article 100 of Decree No. 58 or CONSOB Regulation No. 11971.

Any offer, sale or delivery of any Notes or distribution of copies of this Offering Memorandum and any supplement thereto or any other document relating to the Notes in the Republic of Italy must:

(a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of September 1, 1993, as amended (the "**Banking Act**"), Decree No. 58 and CONSOB Regulation No. 16190 of October 29, 2007 (as amended from time to time) and any other applicable laws and regulations; and

(b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time and/or any other Italian authority.

Please note that in accordance with Article 100-bis of the Consolidated Financial Services Act, where no exemption from the rules on public offerings applies under (1) and (2) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Consolidated Financial Services Act and CONSOB Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

India

The Notes will not be offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any resident in India. Each Joint Lead Manager has represented, warranted and agreed that this Offering Memorandum has not been and will not be registered as a prospectus or a statement in lieu of prospectus in respect of a public offer, information memorandum or private placement offer letter or any other offering material with the Registrar of Companies in India in accordance with the Indian Companies Act, 2013, as amended, and other applicable laws in India for the time being in force. In terms of the ECB Guidelines, a recognized lender (as defined in the ECB Guidelines) should be a resident of FATF or IOSCO compliant country, including as on the date and upon transfer of such ECBs. However,

(a) multilateral and regional financial institutions where India is a member country will also be considered as recognised lenders;

(b) individuals as lenders can only be permitted if they are foreign equity holders or for subscription to bonds/debentures listed abroad; and

(c) foreign branches/subsidiaries of Indian banks are permitted as recognised lenders only for FCY ECB (except foreign currency convertible bonds and foreign currency exchangeable bonds). Foreign branches/subsidiaries of Indian banks, subject to applicable prudential norms, can participate as arrangers/underwriters/market-makers/traders for rupee denominated bonds issued overseas. However, underwriting by foreign branches/subsidiaries of Indian banks for issuances by Indian banks will not be allowed.

This Offering Memorandum has not been and will not be reviewed or approved by any regulatory authority in India or Indian stock exchange. This Offering Memorandum and the Notes are not and should not be construed as an advertisement, invitation, offer or sale of any securities whether by way of private placement or to the public in India.

Hong Kong

The Notes may not be offered or sold in Hong Kong by means of any document other than to (1) professional investors within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made thereunder, or (2) in circumstances that do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) of the laws of Hong Kong or that do not constitute an offer to the public within the meaning of that Ordinance. No invitation, advertisement or document relating to the Notes may be issued, whether in Hong Kong or elsewhere, that 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 the Notes that are intended to be disposed of only to persons outside Hong Kong or only to professional investors, as defined under the SFC and any rule made thereunder.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act and are subject to the Special Taxation Measures Act. The Notes may not be offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and governmental guidelines of Japan. In addition, the Notes are not, as part of the initial distribution by the Joint Lead Managers, to be directly or indirectly offered or sold in Japan or to, or for the benefit of, (i) any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan but excluding certain financial institutions defined in Article 6, paragraph 9 of the Special Taxation Measures Act and any other excluded category of persons, corporations or other entities under the Special Taxation Measures Act), or (ii) any individual non-resident of Japan or non-Japanese corporation that in either case is a specially-related person of the Company, or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan or specially-related person of the Company.

Switzerland

The Offering Memorandum is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither the Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations and neither the Offering Memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

The People's Republic of China

This Offering Memorandum does not constitute a public offer of the Notes, whether by sale of by subscription, in the People's Republic of China. The Notes will not be offered or sold within the People's Republic of China by means of this Offering Memorandum or any other document.

LEGAL MATTERS

The validity of the Notes and certain other legal matters are being passed upon for us by Linklaters Singapore Pte. Ltd. with respect to matters of U.S. and English law and Cyril Amarchand Mangaldas with respect to matters of Indian law. Certain legal matters will be passed upon for the Joint Lead Managers by Milbank LLP with respect to matters of U.S. and English law and AZB & Partners with respect to matters of Indian law.

INDEPENDENT AUDITORS

The annual audited consolidated financial statements of the Group and the annual audited standalone financial statements of the Company as at and for the years ended March 31, 2016 and 2017 have each been audited by Deloitte Haskins & Sells LLP, Chartered Accountants, prepared under Indian GAAP and IND-AS respectively. The annual audited consolidated financial statement of the Group and the annual audited standalone financial statements of the Company as at and for the year ended March 31, 2016 prepared under Indian GAAP have been restated to comply with IND-AS for the purpose of comparison with the financial statement as at and for the year ended March 31, 2017 as set forth in their audited reports included herein.

The annual audited consolidated financial statements of the Group and the annual audited standalone financial statements of the Company as at and for the year ended March 31, 2018 have been audited by S R B C & CO LLP, Chartered Accountants, as set forth in their audit reports included herein. The unaudited condensed consolidated interim financial statements of the Group and the unaudited condensed standalone interim financial statements of the Company as at and for the nine months ended December 31, 2018 have been reviewed by S R B C and CO LLP, Chartered Accountants, as set forth in their review report included therein.

The statutory auditor of the Issuer is S R B C and CO LLP.

GENERAL INFORMATION

1. The issue of the Notes has been authorized by resolutions of the Company's board of directors dated May 17, 2017, read together with the resolution of the finance committee dated April 10, 2019.

2. DB Trustees (Hong Kong) Limited has given its consent to act as the Trustee and for its name to be included in all subsequent periodical communication to be sent to the Noteholders.

3. Save as disclosed in this Offering Memorandum, there are no, nor have there been any, litigation or arbitration proceedings, including those which are pending or threatened, of which the Company is aware, which may have, or have had during the 12 months prior to the date of this Offering Memorandum, a material adverse effect on the Company's financial position.

4. Save as disclosed in this Offering Memorandum, there has been no material change in the Company's or the Group's financial or trading position since December 31, 2018 and, since such date, save as disclosed in this Offering Memorandum, there has been no material adverse change in the Company's or the Group's financial position or prospects.

5. Copies of the following documents, all of which are published in English, may be inspected during normal business hours at the offices of the Paying Agent after the date of this Offering Memorandum for so long as any of the Notes remains outstanding:

   (a) the Company's Memorandum and Articles of Association; and

   (b) the Trust Deed; and

   (c) the Agency Agreement.

6. The Global Notes have been accepted for clearance through Euroclear and Clearstream. The ISIN for the Global Notes is XS1981202861. The Common Code for the Global Notes is 198120286.

7. Listing of the Notes:

   Approval in-principle has been received from the SGX-ST for listing of and quotation for the Notes. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group, their subsidiaries, their associated companies or the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

   For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Group will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a global note representing such Notes is exchanged for Notes in definitive form. In addition, in the event that a global note is exchange for Notes in definitive form, an announcement of such exchange shall be made by or on behalf of the Group through the SGX-ST and such announcement will include all material information with respect to the delivery of the Notes in definitive form, including details of the paying agent in Singapore.

INDEX TO FINANCIAL STATEMENTS

Standalone financial statements as at and for the year ended March 31, 2018

S R B C & CO LLP
Chartered Accountants

[illegible]

Report on Review of Unaudited Condensed Consolidated Interim Financial Statements

To the Board of Directors of JSW Steel Limited

We have reviewed the accompanying Unaudited Condensed Consolidated Interim Financial Statements of JSW Steel Limited (the "Company") including its subsidiaries (together referred to as "the Group") and its joint ventures, which comprises the Unaudited Condensed Consolidated Interim Balance Sheet as at December 31, 2018, the Unaudited Condensed Consolidated Interim Statement of Profit and Loss (including other comprehensive income), the Unaudited Condensed Consolidated Interim Statement of Cash Flow and the Unaudited Condensed Consolidated Interim Statement of Changes in Equity for the nine months period then ended, and selected explanatory notes (together hereinafter referred to as the "Unaudited Condensed Consolidated Interim Financial Statements"). The Unaudited Condensed Consolidated Interim Financial Statements have been prepared by the Company for the purpose of inclusion in the Offering Circulars in connection with the proposed issuance of foreign currency notes to be listed on Singapore Stock Exchange.

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

The Company's Board of Directors is responsible with respect to the preparation of these Unaudited Condensed Consolidated Interim Financial Statements in accordance with the requirements of Indian Accounting Standard 34 - Interim Financial Reporting ("Ind AS 34"), specified under section 133 of the Companies Act, 2013 (the "Act"), read with the relevant rules issued thereunder and other recognised accounting principle and policies.

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

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity", issued by the Institute of Chartered Accountants of India. This standard require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from 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.

Conclusion

Based on our review conducted as above and based on the consideration of the reports of other auditors on the unaudited condensed interim financial statements of the Company's subsidiaries and joint ventures, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Consolidated Interim Financial Statements are not prepared, in all material respects, in accordance with the requirements of Indian Accounting Standard 34, "Interim Financial Reporting ("Ind AS 34") as specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies.

Emphasis of Matter

We draw attention to note 20 (a) of the Unaudited Condensed Consolidated Interim Financial Statements, which fully describes the effect of Government Resolution dated December 20, 2018 issued by the Government of Maharashtra ('GOM') imposing additional conditions in respect of modalities for sanction and disbursement of incentives under the GST regime for which the Company has filed representations with GOM based on legal advice received. Our conclusion is not modified in respect of this matter.

Other Matters

We did not review unaudited condensed interim financial statements considered in the preparation of the Unaudited Condensed Consolidated Interim Financial Statements, in respect of 8 subsidiaries, whose unaudited condensed interim financial statements reflect total assets of Rs. 98,440.6 million as at December 31, 2018, and total revenues of Rs. 63,575.4 million and net cash inflows amounting to Rs. 2,902.3 million for the nine months ended on that date. These unaudited condensed interim financial statements have been reviewed by other auditors and whose reports have been furnished to us by the management.

The Unaudited Condensed Consolidated Interim Financial Statements also include the Group's share of net loss after tax of Rs. 257.0 million for the nine months ended December 31, 2018, in respect of 6 joint ventures, whose unaudited condensed interim financial statements have been reviewed by other auditors and whose reports have been furnished to us by the management. Our conclusion, in so far as it relates to the affairs of such subsidiaries and joint ventures, is based solely on the report of other auditors. Our conclusion is not modified in respect of this matter.

We did not review unaudited condensed interim financial statements considered in the preparation of the Unaudited Condensed Consolidated Interim Financial Statements, in respect of 24 subsidiaries, whose unaudited condensed interim financial statements reflect total assets of Rs. 32,512.6 million as at December 31, 2018 and total revenues of Rs. 235.2 million and net cash inflows of Rs. 281.1 million for the nine months ended on that date. These unaudited condensed interim financial statements have been certified by the management and have not been reviewed.

The Unaudited Condensed Consolidated Interim Financial Statements also includes the Group's share of net profit after tax of Rs. 284.9 million for the nine months ended December 31, 2018, in respect of 4 joint ventures, whose unaudited condensed interim financial statements have not been reviewed and are considered in the preparation of the Unaudited Condensed Consolidated Interim Financial Statements based on their unaudited condensed interim financial statements which are certified by the Management. Our conclusion, in so far as it relates to the affairs of such subsidiaries and joint ventures, is based solely on the management accounts of these entities. Our conclusion is not modified in respect of this matter.

S R B C & CO LLP
Chartered Accountants

The accompanying Unaudited Condensed Consolidated Interim Financial Statements have been prepared solely for the purpose of inclusion in the Offering Circulars in connection with the proposed issuance of foreign currency notes by the Company to be listed on Singapore Stock Exchange. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vikram Mehta
Partner
Membership Number: 105938
Place of Signature: Mumbai
Date: February 28, 2019

JSW STEEL LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2018

Rs. in million

		Notes	As at 31 December 2018	As at 31 March 2018
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, plant and equipment	3	604,094	570,544
	(b) Capital work-in-progress		109,596	56,285
	(c) Goodwill	4	8,819	7,071
	(d) Other intangible assets		1,148	868
	(e) Intangible assets under development		4,281	3,206
	(f) Investments in joint ventures		6,280	3,605
	(g) Financial assets			
	(i) Investments		11,303	7,961
	(ii) Loans		5,049	3,782
	(iii) Other financial assets		2,394	2,930
	(h) Current tax assets (net)		2,435	2,706
	(i) Deferred tax assets (net)		819	481
	(j) Other non-current assets		35,555	28,808
	Total non-current assets		**782,773**	**688,247**
(2)	**Current assets**			
	(a) Inventories		169,060	125,944
	(b) Financial assets			
	(i) Investments		1,847	3,120
	(ii) Trade receivables		67,152	47,040
	(iii) Cash and cash equivalents		9,134	5,816
	(iv) Bank balances other than (iii) above		4,153	4,809
	(v) Loans		1,423	2,298
	(vi) Derivative assets		2,443	1,515
	(vii) Other financial assets		7,235	5,299
	(c) Current tax assets (net)		46	56
	(d) Other current assets		43,818	35,992
	(e) Assets classified as held for sale		72	30
	Total current assets		**306,382**	**231,919**
	TOTAL - ASSETS		**1,089,155**	**920,166**
II	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	(a) Equity share capital		3,012	3,017
	(b) Other equity		328,925	276,957
	Equity attributable to owners of the Company		**331,937**	**279,974**
	Non-controlling interests		(4,130)	(4,641)
	Total equity		**327,807**	**275,333**

JSW STEEL LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2018 (Continued)

Rs. in million

		Notes	As at 31 December 2018	As at 31 March 2018
	Liabilities			
(2)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	5 (a)	305,066	317,229
	(ii) Other financial liabilities		3,316	9,194
	(b) Provisions		2,463	1,377
	(c) Deferred tax liabilities (net)		35,196	26,043
	(d) Other non-current liabilities		1,295	1,361
	Total non-current liabilities		**347,336**	**355,204**
(3)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	5 (b)	74,974	21,771
	(ii) Trade payables		169,574	159,437
	(iii) Derivative liabilities		4,162	964
	(iv) Other financial liabilities		139,637	86,127
	(b) Other current liabilities		20,037	15,645
	(c) Provisions		1,371	1,841
	(d) Current tax liabilities (net)		4,257	3,844
	Total current liabilities		**414,012**	**289,629**
	Total liabilities		**761,348**	**644,833**
	TOTAL – EQUITY AND LIABILITIES		**1,089,155**	**920,166**

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

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per VIKRAM MEHTA
Partner
Membership No. 105138

Place: Mumbai
Date: 28 February 2019

For and on behalf of the Board of Directors

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

NANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407

JAYANT ACHARYA
Director (Commercial & Marketing)
DIN 00106543

Place: Mumbai
Date: 28 February 2019

JSW STEEL LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT AND LOSS FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

Rs. in million

		Notes	For the nine months ended 31 December 2018	31 December 2017 *
I	Revenue from operations	19	623,895	520,126
II	Other income		1,507	1,220
III	**Total income (I + II)**		**625,402**	**521,346**
IV	**Expenses**			
	Cost of materials consumed		333,404	280,178
	Purchases of stock-in-trade		2,436	20
	Changes in inventories of finished goods, work-in-progress and stock-in-trade		(22,841)	1,870
	Employee benefits expense		17,882	13,719
	Finance costs		28,714	28,183
	Depreciation and amortization expense		29,566	25,218
	Excise duty expense		-	12,780
	Other expenses		147,898	115,152
	Total expenses		**537,059**	**477,120**
V	**Profit before tax and exceptional items (III-IV)**		**88,343**	**44,226**
VI	Exceptional items	14	-	2,635
VII	**Profit before tax (V-VI)**		**88,343**	**41,591**
VIII	**Tax expense/(benefit)**			
	Current tax		20,328	8,939
	Deferred tax (refer note 15)		7,759	(638)
			28,087	**8,301**
IX	**Profit for the period (VII-VIII)**		**60,256**	**33,290**
X	Share of profit / (loss) from joint ventures (net)		27	350
XI	**Total Profit for the period (IX+X)**		**60,283**	**33,640**

JSW STEEL LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT AND LOSS FOR THE NINE MONTHS ENDED 31 DECEMBER 2018 (Continued)

Rs. in million

		Notes	For the nine months ended 31 December 2018	31 December 2017 *
XII	**Other comprehensive income / (loss)**			
A	(i) Items that will not be reclassified to profit or loss			
	a) Remeasurement losses of the defined benefit plans		(146)	(88)
	b) Equity instruments through other comprehensive income		(424)	3,018
	(ii) Income tax relating to items that will not be reclassified to profit or loss		49	31
	Total (A)		**(521)**	**2,961**
B	(i) Items that will be reclassified to profit or loss			
	a) The effective portion of gain / (loss) on hedging instruments		1,650	(2,017)
	b) Changes in Foreign currency monetary item translation difference account (FCMITDA)		(1,575)	473
	c) Foreign currency translation reserve (FCTR)		(827)	207
	(ii) Income tax relating to items that will be reclassified to profit or loss		(26)	535
	Total (B)		**(778)**	**(802)**
	Total other comprehensive income/(loss) (A+B)		**(1,299)**	**2,159**
XIII	**Total comprehensive income/(loss) (XI+XII)**		**58,984**	**35,799**
	Total Profit /(loss) for the period attributable to:			
	- Owners of the Company		61,153	33,477
	- Non-controlling interests		(870)	163
			60,283	**33,640**
	Other comprehensive income/(loss) for the period attributable to:			
	- Owners of the Company		(1,014)	2,102
	- Non-controlling interests		(285)	57
			(1,299)	**2,159**
	Total comprehensive income/(loss) for the period attributable to:			
	- Owners of the Company		60,139	35,579
	- Non-controlling interests		(1,155)	220
			58,984	**35,799**
XIV	**Earnings per equity share of Re 1 each (not annualized)**	6		
	Basic (in Rs.)		25.43	13.93
	Diluted (in Rs.)		25.30	13.85

* Restated (refer note 19)

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

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per VIKRAM MEHTA
Partner
Membership No. 105938

Place: Mumbai
Date: 28 February 2019

For and on behalf of the Board of Directors

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

NANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407

JAYANT ACHARYA
Director (Commercial & Marketing)
DIN 00029041

Place: Mumbai
Date: 28 February 2019

JSW STEEL LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

A. Equity share capital

For the nine months ended 31 December 2018

Rs. in million

As at 1 April 2018	Movement during the period	As at 31 December 2018
3,017	(5)	3,012

For the nine months ended 31 December 2017

Rs. in million

As at 1 April 2017	Movement during the period	As at 31 December 2017
3,013	4	3,017

JSW STEEL LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 31 DECEMBER 2018 (Continued)

B. Other equity

For the nine months ended 31 December 2018

Rs. in million

	Capital reserve	Securities premium reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Equity settled share based payment	General reserve	Capital reserve on bargain purchase	FCTR	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	FCMITDA	Attributable to owners of the parent	Non-controlling interest (NCI)	Total
	Reserves and surplus								Other comprehensive income / (loss)						
Balance as at 1 April 2018	35,845	54,166	1,494	1,406	75,283	411	102,809	6,093	(5,183)	4,777	106	(250)	276,957	(4,641)	272,316
Profit for the period					61,153								61.153	[illegible]	[illegible]
Other comprehensive income /(loss) for the period, net of income tax					(97)				[illegible]	[illegible]	1,073	[illegible]	[illegible]	[illegible]	[illegible]
Dividend including dividend distribution tax					(9,325)								(9,325)		(9,325)
Impact of ESOP trust consolidation					(1,486)								[illegible]		[illegible]
Recognition of share-based [illegible]						350							350		350
Transfer between the reserves			3,216				[illegible]								
Acquisition of subsidiaries (refer note [illegible])								4 215					4,215	593	[illegible]
Acquisition of non-controlling interests (refer note [illegible])					(1,898)								(1,898)	806	[illegible]
Impact of compound financial instruments, net of [illegible]														267	267
Others					(27)								(27)		[illegible]
Balance as at 31 December 2018	35,845	54,166	4,710	1,406	123,603	761	99,593	10,308	(5,725)	4,353	1,179	(1,274)	328,925	[illegible]	[illegible]

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 31 DECEMBER 2018 (Continued)

For the nine months ended 31 December 2017

Rs. in million

	Reserves and surplus								Other comprehensive income / (loss)						
	Capital reserve	Securities premium reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Equity settled share based payment reserve	General reserve	Capital reserve on bargain purchase	FCTR	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	FCMITDA	Attributable to owners of the parent	Non-controlling interest (NCI)	Total
Balance as at 1 April 2017	**35,845**	**54,166**	**99**	**4,328**	**17,361**	**129**	**104,204**	**6,051**	**(5,273)**	**3,862**	**2,729**	**(37)**	**223,464**	**(2,457)**	**221,007**
Profit for the period	-	-	-	-	33,477	-	-	-	-	-	-	-	**33,477**	163	[illegible]
Other comprehensive income / (loss) for the period, net of income tax	-	-	-	-	(57)	-	-	-	150	3,018	(1,319)	310	**2,102**	57	2,159
Dividends including dividend distribution tax	-	-	-	-	(6,546)	-	-	-	-	-	-	-	**(6,546)**	-	(6,546)
Impact of ESOP trust consolidation	-	-	-	-	(96)	-	-	-	-	-	-	-	**(96)**	-	(96)
Recognition of share based payments	-	-	-	-	-	211	-	-	-	-	-	-	**211**	-	**211**
Movement during the period	-	-	698	-	-	-	(698)	(31)	-	-	-	-	**(31)**	-	(31)
Acquisition of NCI	-	-	-	-	(299)	-	-	-	-	-	-	-	**(299)**	(1,655)	(1,954)

JSW STEEL LIMITED

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 31 DECEMBER 2018 (Continued)

For the nine months ended 31 December 2017 (Continued)

Rs. in million

	Reserves and surplus								Other comprehensive income / (loss)				Attributable to owners of the parent	Non-controlling interest (NCI)	Total
	Capital reserve	Securities premium reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Equity settled share based payment reserve	General reserve	Capital reserve on bargain purchase	FCTR	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	FCMITDA			
Impact of compound financial instruments, net of taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	444	444
Others	-	-	-	-	-	-	-	-	56	-	-	-	56	-	56
Balance as at 31 December 2017	35,845	54,166	797	4,328	43,840	340	103,506	6,020	(5,067)	6,880	1,410	273	252,338	(3,448)	248,890

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

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per VIKRAM MEHTA
Partner
Membership No. 105938

Place: Mumbai
Date: 28 February 2019

RAJEEV PAI
Chief Financial Officer

SANJAY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407
Place: Mumbai
Date: 28 February 2019

For and on behalf of the Board of Directors

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

JAYANT ACHARYA
Director (Commercial & Marketing)
DIN 00106543

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

Rs. in million

	For the nine months ended			
	31 December 2018		31 December 2017	
A. Cash flow from operating activities				
Net profit before tax		**88,343**		**41,591**
Adjustments for:				
Depreciation and amortization expense	29,566		25,218	
Loss on sale of property, plant and equipment	(6)		77	
Gain on sale of current investments designated as FVTPL	(153)		(115)	
Export obligation deferred income amortization	(1,159)		(337)	
Interest income	(1,024)		(822)	
Dividend income	-		(51)	
Interest expense	26,171		22,644	
Unrealised exchange (gain)/ loss	1,395		(3,448)	
Fair value gain on financial instruments designated as FVTPL	(172)		(113)	
Share based payment expense	350		211	
Expenses directly recognised in reserves	(27)		-	
Allowances for doubtful receivable and advances	1,304		2,635	
		56,245		45,899
Operating profit before working capital changes				
Adjustments for :				
Increase in inventories	(40,984)		(6,144)	
(Increase) / decrease in trade receivables	(15,821)		(6,281)	
Increase in other assets	(10,858)		(20,725)	
Increase/ (decrease) in trade payable and other liabilities	3,153		8,603	
Increase in provisions	368		382	
		(64,142)		(24,165)
Cash flow from operations		**80,446**		**63,325**
Income taxes paid		(19,635)		(9,145)
Net cash generated from operating activities		**60,811**		**54,180**
B. Cash flow from investing activities				
Payments for property, plant and equipment and intangibles (including capital advances)		(73,926)		(31,812)
Proceeds from sale of property, plant and equipment		203		465
Net cash outflow on acquisition of business / acquisition of NCI		(10,081)		(1,953)
Investment in joint ventures		(4,126)		(455)
Purchase of current investments		(72,292)		40,602
Sale of current investments		73,742		(39,698)
Bank deposits not considered as cash and cash equivalents (net)		(348)		1,129
Interest received		1,035		833
Dividend received		-		51
Net cash used in investing activities		**(85,793)**		**(30,838)**

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

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UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 31 DECEMBER 2018 (Continued)

Rs. in million

	For the nine months ended	
	31 December 2018	31 December 2017
C. Cash flow from financing activities		
Proceeds of sale of treasury shares	-	499
Payment for purchase of treasury shares	(1,526)	(592)
Proceeds from non-current borrowings	68,481	55,476
Repayment of non-current borrowings	(53,372)	(65,094)
Proceeds from / repayment of current borrowings (net)	53,203	15,152
Repayment of finance lease obligations	(1,657)	(1,475)
Interest paid (including upfront fees on loans)	(28,093)	(23,514)
Dividend paid (including corporate dividend tax)	(9,325)	(6,546)
Net cash used in financing activities	**27,711**	**(26,094)**
Net increase in cash and cash equivalents(A+B+C)	**2,729**	**(2,752)**
Cash and cash equivalents at the beginning of period	**5,816**	**9,175**
Add: Translation adjustment in cash and cash equivalents	10	(1)
Add: Cash and cash equivalents pursuant to business combinations/acquisition	579	-
Cash and cash equivalents at the end of period	**9,134**	**6,422**

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

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per VIKRAM MEHTA
Partner
Membership No. 105938

Place: Mumbai
Date: 28 February 2019

For on behalf of the Board of Directors

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

LANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407

JAYANT ACHARYA
Director (Commercial & Marketing)
DIN [illegible]

Place: Mumbai
Date: 28 February 2019

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

1. General Information

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

The Parent and its subsidiaries (together referred to as "the Group") are manufacturer of diverse range of steel products with it's manufacturing facilities located in states of Karnataka, Maharashtra and Tamil Nadu in India and also in the United States of America.

JSW Steel Limited is a public limited company incorporated in India on 15 March 1994 under the Companies Act, 1956 and listed on the Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400051.

2. Significant Accounting policies

I. Statement of compliance

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

II. Basis of preparation and presentation

The Group has prepared these Unaudited Condensed Consolidated Interim Financial Statements which comprise the Unaudited Condensed Consolidated Interim Balance Sheet as at 31 December 2018, the Unaudited Condensed Consolidated Interim Statement of Profit and Loss, the Unaudited Condensed Consolidated Interim Statements of Cash Flows and the Unaudited Condensed Consolidated Interim Statements of Changes in Equity for the nine months ended 31 December 2018, and other explanatory information (together hereinafter referred to as "Unaudited Condensed Consolidated Interim Financial Statements" or "financial statements").

The Unaudited Condensed Consolidated Interim Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period and acquisition of subsidiaries where assets and liabilities are measured at fair values as at the date of acquisition in accordance with Ind AS 103.

The Unaudited Condensed Consolidated Interim Financial Statements do not include all the information and disclosures normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with annual financial statements for the year ended 31 March 2018 and any public announcement made during interim reporting period. The annual financial statements for the year ended 31 March 2018 were prepared in Rs. in crores, however these financial statements have been prepared in Rs. in millions herein.

Accounting policies and methods of computation followed in the Unaudited Condensed Consolidated Interim Financial Statements are same as compared with the annual financial statements for the year ended 31 March 2018, except for adoption of new standard or any pronouncements effective from 1 April 2018.

S R B C & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Ind AS 115 Revenue from Contracts with Customers, became mandatory for reporting periods beginning on or after 1 April 2018 replaces the existing revenue recognition standards. The Group has applied the full retrospective approach and restated the previous period presented (refer note 19). The Group has adopted following accounting policy for revenue recognition.

Sale of Goods

The Group recognizes revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items in a contract when they are highly probable to be provided.

The amount of revenue excludes any amount collected on behalf of third parties.

The Group recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. In contracts where freight is arranged by the Group and recovered from customers, the same is treated as a separate performance obligation and revenue is recognised when such freight services are rendered.

In revenue arrangements with multiple performance obligations, the Group accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their stand-alone selling prices.

Revenue from sale of by-products are included in revenue.

Revenue from sale of power is recognised when delivered and measured based on the bilateral contractual arrangements.

The application of Ind AS 115 did not have any significant impact on financial statements of the Group.

The Group has not early adopted any other standards, interpretation or amendments that has been issued but is not yet effective.

III. Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the policies, the Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

The area where estimates are significant to the Unaudited Condensed Consolidated Interim Financial Statements, or areas involving high degree of judgement or complexity, are same as those disclosed in the annual financial statements for the year ended 31 March 2018.

JSW STEEL LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

3. Property, plant and equipment

Rs. in million

Particulars	Freehold land	Leasehold land	Buildings (owned)	Buildings (on finance lease)	Plant and machinery (owned)	Plant and machinery (on finance lease)	Furniture and fixtures	Vehicles and aircrafts	Office equipment	Mining development and projects	Total
Cost/deemed cost											
At 1 April 2018	**14,256**	**7,103**	**84,553**	**92**	**532,968**	**27,721**	**1,191**	**1,452**	**691**	**9,418**	**679,445**
Additions	814	-	3,789	175	31,133	3,855	70	118	61	122	**40,137**
Acquired pursuant to business combinations	2,541	-	2,052	-	12,407	-	-	2	15	-	**17,017**
Deductions	57	-	2	-	2,117	-	39	40	6	-	**2,261**
Other adjustments (refer note below)	-	-	-	-	2,505	-	-	-	-	-	**2,505**
Translation reserve	16	-	576	-	3,556	-	(2)	3	-	716	**4,865**
At 31 December 2018	**17,570**	**7,103**	**90,968**	**267**	**580,452**	**31,576**	**1,220**	**1,535**	**761**	**10,256**	**741,708**
Accumulated depreciation and impairment											
At 1 April 2018	**37**	**245**	**11,640**	**8**	**85,191**	**4,868**	**467**	**381**	**295**	**5,769**	**108,901**
Depreciation expense	-	62	2,951	5	24,700	1,317	106	125	87	23	**29,376**
Disposals	-	-	1	-	2,036	-	5	19	2	-	**2,063**
Translation reserve	4	-	127	-	819	-	(2)	3	-	449	**1,400**
At 31 December 2018	**41**	**307**	**14,717**	**13**	**108,674**	**6,185**	**566**	**490**	**380**	**6,241**	**137,614**
Net book value											
At 31 December 2018	**17,529**	**6,796**	**76,251**	**254**	**471,778**	**25,391**	**654**	**1,045**	**381**	**4,015**	**604,094**

Note:
Other adjustments comprise of foreign exchange loss and borrowing cost.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

JSW STEEL LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

4. Goodwill

Reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period is presented below:

Rs. in million

Particulars	
Gross carrying amount	
Balance at the beginning of the period	**16,422**
Additional amount recognised from business combination during the period	1,251
Translation Reserve	1,159
Balance at the end of the period	**18,832**
Accumulated impairment	
Balance at the beginning of the period	**9,351**
Translation reserve	662
Balance at the end of the period	**10,013**
Net Book Value as on 31 December 2018	**8,819**

5. Borrowings

a) Long term borrowings

Rs. in million

Particulars	As at 31 December 2018	As at 31 March 2018
Borrowings – non-current	305,066	317,229
Current maturities of long term borrowings (grouped under Other financial liabilities)	92,860	52,715
Current maturities of finance lease obligations (grouped under Other financial liabilities)	2,531	2,213
	400,457	**372,157**

JSW STEEL LIMITED

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

Movement in borrowings during the nine months ended 31 December 2018

Rs. in million

Particulars	Foreign currency bonds	Debentures	Rupee Term loan (RTL)	Foreign currency Term loan (FCTL)	Deferred government loan	Finance lease obligations	Preference shares	Upfront fees on RTL	Upfront fees on FCTL	Total borrowings
Opening balance as at 1 April 2018	**65,044**	**47,031**	**141,910**	**95,752**	**975**	**17,811**	**5,908**	**(434)**	**(1,840)**	**372,157**
Add : Disbursements										
Secured - rupee term loan	-	-	14,068	-	-	-	-	-	-	14,068
Secured - foreign term loan	-	-	-	12,618	-	-	-	-	-	12,618
Unsecured - rupee term loan	-	-	10,500	-	-	-	-	-	-	10,500
Unsecured - foreign term loan	-	-	-	30,449	-	-	-	-	-	30,449
Sales tax deferral	-	-	-	-	844	-	-	-	-	844
Others	-	-	-	2	-	4,030	24	(68)	(901)	3,087
	-	-	**24,568**	**43,069**	**844**	**4,030**	**24**	**(68)**	**(901)**	**71,566**
Less : Redemption / Repayments										
Secured- non convertible debentures	-	5,188	-	-	-	-	-	-	-	5,188
Secured - rupee term loans	-	-	15,837	-	-	-	-	-	-	15,837
Secured - foreign currency loan	-	-	-	15,070	-	-	-	-	-	15,070
Unsecured - rupee term loans	-	-	9,000	-	-	-	-	-	-	9,000
Unsecured - foreign currency loan	-	-	-	4,896	-	-	-	-	-	4,896
Sales tax deferral loan	-	-	-	-	156	-	-	-	-	156
Others	-	-	-	-	-	1,657	3,225	-	-	4,882
Total	-	**5,188**	**24,837**	**19,966**	**156**	**1,657**	**3,225**	-	-	**55,029**
Add: Other movements (refer note below)	4,748	-	-	6,625	(524)	-	304	124	486	11,763
Total borrowings as at 31 December 2018	**69,792**	**41,843**	**141,641**	**125,480**	**1,139**	**20,184**	**3,011**	**(378)**	**(2,255)**	**400,457**

Note:

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

b) Short term borrowings

Rs. in million

Particulars	As at 31 December 2018	As at 31 March 2018
Working capital loans from banks		
Rupee loans	12,665	1,620
Foreign currency loans	8,618	958
Foreign currency loans from bank	-	6,625
Rupee term loans from banks	4,670	240
Commercial papers	49,021	12,328
Total	**74,974**	**21,771**

6. Earnings per share

Particulars		For the nine months ended 31 December 2018	31 December 2017
Profit attributable to equity shareholders (A) (Rs. in million)		61,153	33,477
Weighted average number of equity shares for basic EPS (B)		2,404,863,408	2,403,976,682
Effect of dilution			
Weighted average number of treasury shares held through ESOP trust		12,357,032	13,243,758
Weighted average number of equity shares adjusted for the effect of dilution (C)		2,417,220,440	2,417,220,440
Earnings per share of Re. 1 each (not annualised)			
Basic (Rs.)	(A / B)	25.43	13.93
Diluted (Rs.)	(A / C)	25.30	13.85

7. Segment reporting

The Group is in the business of manufacturing steel products having similar economic characteristics, primarily with operations in India and regularly reviewed by the Chief Operating Decision Maker for assessment of Group's performance and resource allocation. The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed below:

Information about geographical revenue and non-current assets

a) Revenue from operations

Rs. in million

Particulars	For the nine months ended 31 December 2018			31 December 2017		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue from operations	520,885	103,010	**623,895**	380,002	140,124	**520,126**

Particulars	For the year ended 31 March 2018		
	Within India	Outside India	Total
Revenue from operations	556,997	175,113	**732,110**

Revenue from operations has been allocated on the basis of location of customers.

b) Non-current assets

Rs. in million

Particulars	As at 31 December 2018			As at 31 March 2018		
	Within India	Outside India	Total	Within India	Outside India	Total
(a) Property, plant and equipment	541,036	63,058	604,094	525,580	44,964	570,544
(b) Capital work-in-progress	95,058	5,538	100,596	56,109	176	56,285
(c) Goodwill	279	8,540	8,819	279	6,792	7,071
(d) Other intangible assets	922	226	1,148	707	161	868
(e) Intangible assets under development	4,244	37	4,281	3,206	-	3,206
(f) Investment in joint ventures	4,362	1,918	6280	1,907	1,698	3,605
(g) Other non-current assets	34,264	1,291	35,555	28,111	697	28,808
(h) Current tax assets (net)	2,435	-	2,435	2,706	-	2,706
(i) Financial assets			18,746			14,673
(j) Deferred tax assets (net)			819			481
Total non-current assets			**782,773**			**688,247**

Non-current assets have been allocated on the basis of their physical location.

c) No customer contributes more than 10% of the revenue.

8. Categories of financial instruments

As at 31 December 2018

Rs. in million

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Total Carrying Value	Fair value
Financial assets					
Loans	6,472	-	-	6,472	6,474
Other financial assets	9,629	-	-	9,629	9,629
Trade receivables	67,152	-	-	67,152	67,152
Cash and cash equivalents	9,134	-	-	9,134	9,134
Bank balances other than cash and cash equivalents	4,152	-	-	4,152	4,152
Derivative assets	-	-	2,443	2,443	2,443
Investments	3,638	7,156	2,356	13,150	13,149
Total financial assets	**100,177**	**7,156**	**4,799**	**112,132**	**112,133**
Financial liabilities					
Long-term borrowings*	400,457	-	-	400,457	407,906
Short-term borrowings	74,974	-	-	74,974	74,974
Trade payables	169,574	-	-	169,574	169,574
Derivative liabilities	-	-	4,162	4,162	4,162
Other financial liabilities	47,562	-	-	47,562	47,195
Total financial liabilities	**692,567**	-	**4,162**	**696,729**	**703,811**

* including current maturities of long-term borrowings

As at 31 March 2018

Rs. in million

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Total Carrying Value	Fair value
Financial assets					
Loans	6,080	-	-	6,080	6,082
Other financial assets	8,229	-	-	8,229	8,229
Trade receivables	47,040	-	-	47,040	47,040
Cash and cash equivalents	5,816	-	-	5,816	5,816
Bank balances other than cash and cash equivalents	4,809	-	-	4,809	4,809
Derivative assets	-	-	1,515	1,515	1,515
Investments	2	7,574	3,505	11,081	11,081
Total financial assets	**71,976**	**7,574**	**5,020**	**84,570**	**84,572**
Financial liabilities					
Long-term borrowings*	372,157	-	-	372,157	376,771
Short-term borrowings	21,771	-	-	21,771	21,771
Trade payables	159,437	-	-	159,437	159,437
Derivative liabilities	-	-	964	964	964
Other financial liabilities	40,393	-	-	40,393	39,852
Total financial liabilities	**593,758**	-	**964**	**594,722**	**598,795**

* including current maturities of long-term borrowings

9. **Level wise disclosure of financial instruments**

Rs. in million

Particulars	As at 31 December 2018	As at 31 March 2018	Level	Valuation technique and key inputs
Quoted investments in the equity shares measured at FVTOCI	6,975	7,397	I	Quoted bid prices in an active market.
Quoted investments in the equity shares measured at FVTPL	1,847	3,120	I	Quoted bid prices in an active market
Derivative assets	2,443	1,515	II	Inputs other than quoted prices included within level 1 that are observable for asset or liability; either directly (i.e. as prices) or indirectly (derived from prices).
Derivative liabilities	4,162	964	II	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Unquoted investments in the equity shares measured at FVTOCI	132	128	III	Net asset value of share arrived has been considered as fair value.
Unquoted investments in the equity shares measured at FVTOCI	49	49	III	Cost is approximate estimate of fair value.
Non-current investments in unquoted Preference shares measured at FVTPL	598	492	III	Discounted cash flow- Future cash flows are based on terms of Preference Shares discounted at a rate that reflects market risks.

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities (other than those specifically disclosed) are considered to be the same as their fair values, due to their short term nature.

Sensitivity analysis of Level III

	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Investments in unquoted Preference shares	DCF method	Discounting Rate 8.40%	0.50%	0.50% Increase / (decrease) in the discount would decrease / (increase) the fair value by Rs. 20 million / (Rs. 21 million)

Reconciliation of Level III fair value measurement

Rs. in million

Particulars	As at 31 December 2018	As at 31 March 2018
Opening balance	669	1,889
Purchases / (sale) (net)	94	5
Gain / (loss) recognised in the Consolidated statement of Profit and Loss	12	(1,115)
Gain / (loss) recognised in the Other comprehensive income	4	(110)
Closing balance	**779**	**669**

10. Related party disclosures

A	**List of related parties**
1	**Joint ventures**
	Vijayanagar Minerals Private Limited
	Rohne Coal Company Private Limited
	JSW Severfield Structures Limited
	Gourangdih Coal Limited
	Geo Steel LLC
	JSW Structural Metal Decking Limited
	JSW MJ Steel Service Center Private Limited
	JSW Vallabh Tinplate Private Limited
	Criexent Special Steel Limited (w.e.f. 27 August 2018)
	Monnet Ispat and Energy Limited (w.e.f. 31 August 2018)
	Accialtalia S.p.A. (upto 16 April 2018)
2	**Key management personnel**
	Mr. Sajjan Jindal
	Mr. Seshagiri Rao M. V. S.
	Dr. Vinod Nowal
	Mr. Jayant Acharya
	Mr. Rajeev Pai
	Mr. Lancy Varghese

3 **Other related parties**

JSW Energy Limited
JSW Energy (Barmer) Limited (formerly known as Raj West Power Limited)
JSW Power Trading Company Limited
JSW Green Energy Limited
JSW Hydro Energy Limited (formerly known as Himachal Baspa Power Company Limited)
JSW Solar Limited
Jindal Stainless Limited
JSL Architecture Limited
JSL Lifestyle Limited
Jindal Saw Limited
Jindal Saw USA LLC
Jindal Steel & Power Limited
JSOFT Solutions Limited
Jindal Industries Private Limited
JSW Cement Limited
JSW Cement, FZE
JSW Jaigarh Port Limited
Reynold Traders Private Limited
JSW Infrastructure Limited
South West Port Limited
JSW Techno Projects Management Limited
JSW Global Business Solutions Limited
South West Mining Limited
JSW Projects Limited
JSW Foundation
O P Jindal Foundation
Jindal Technologies & Management Services Private Limited
JSW Dharamatar Port Private Limited
Jindal Tubular (India) Limited
Jindal Urban Waste Management Limited
M/s Shadeed Iron & Steel Co. LLC
JSW IP Holdings Private Limited
Epsilon Carbon Private Limited
Epsilon Aerospace Private Limited
JSW Living Private Limited
JSW International Trade Corp PTE Limited
Jindal Power Limited
Jindal Fittings Limited
Jindal Education Trust
Jindal Stainless Steelway Limited

JSW Paints Private Limited
JSW GMR Cricket Private Limited
Tranquil Homes & Holdings Private Limited
Windsor Residency Private Limited
Ganga Ferro Alloys Private Limited
St. James Investment Limited
Khaitan & Company #
Vinar Systems Private Limited ##
MJSJ Coal Limited
Toshiba JSW Power System Private Limited
India Flysafe Aviation Limited
JSW Paradip Terminal Private Limited
JSW Bengaluru Football Club Private Limited
Jaigarh Digni Rail Limited
Jindal Rail Infrastructure Limited

4 **Post-employment benefits entities**

JSW Steel EPF Trust
JSW Steel Group Gratuity Trust
JSW Steel Limited Employee Gratuity Fund

Mr. Haigreve Khaitan is a partner in Khaitan & Company
Mr. Haigreve Khaitan is a director in Vinar Systems Private Limited

B. Transactions with related parties

Rs. in million

Particulars	Joint ventures		Key Managerial Personnel		Other related parties		Total	
	Nine month ended 31 December 2018	Nine month ended 31 December 2017	Nine month ended 31 December 2018	Nine month ended 31 December 2017	Nine month ended 31 December 2018	Nine month ended 31 December 2017	Nine month ended 31 December 2018	Nine month ended 31 December 2017
Purchase of goods / power & fuel / services	805	197	-	-	181,858	165,821	**182,663**	**166,018**
Reimbursement of expenses incurred on our behalf by	1	-	-	-	24	20	**25**	**20**
Sales of goods/ power and fuel	6,082	3,766	-	-	24,998	14,208	**31,080**	**17,974**
Other income/ interest income/ dividend income	75	26	-	-	613	357	**688**	**383**
Purchase of assets	2,386	893	-	-	2,277	549	**4,663**	**1,442**
Advance given / received back	1,250	-	-	-	(74)	35	**1,176**	**35**
Lease and other advances refunded	-	-	-	-	456	362	**456**	**362**
Loan given received back	-	-	-	-	46	-	**46**	**-**
Loan given	-	-	-	-	7	-	**7**	**-**
Donation/ CSR expenses	-	-	-	-	119	60	**119**	**60**
Recovery of expenses incurred by us on their behalf	43	25	-	-	272	114	**315**	**139**

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

B. Transactions with related parties

Rs. in million

Particulars	Joint ventures		Key Managerial Personnel		Other related parties		Total	
	Nine month ended 31 December 2018	Nine month ended 31 December 2017	Nine month ended 31 December 2018	Nine month ended 31 December 2017	Nine month ended 31 December 2018	Nine month ended 31 December 2017	Nine month ended 31 December 2018	Nine month ended 31 December 2017
Investments / share application money given during the period	3,705	455	-	-	-	-	**3,705**	**455**
Finance lease interest cost	-	-	-	-	1,512	1,516	**1,512**	**1,516**
Liabilities written back	31	-	-	-	215	-	**246**	-
Finance lease obligations repayment	-	-	-	-	1,553	1,383	**1,553**	**1,383**
Post-employment benefits	-	-	-	-	-	182	-	**182**
Remuneration to Key managerial personnel	-	-	673	709	-	-	**673**	**709**

C. Amount due to / from related parties

Rs. in million

Particulars	Joint ventures		Other related parties		Total	
	As at 31 December 2018	As at 31 March 2018	As at 31 December 2018	As at 31 March 2018	As at 31 December 2018	As at 31 March 2018
Trade payables	13	78	19,764	28,004	**19,777**	**28,082**
Advance received from customers	-	1	11	274	**11**	**275**
Lease and other deposit received	130	130	270	269	**400**	**399**
Trade receivables	1,176	696	2,261	1,522	**3,437**	**2,218**
Share application money given	380	4	-	-	**380**	**4**
Capital / revenue advance	948	284	4,048	3,663	**4,996**	**3,947**
Loans and advances given	5	5	1,150	1,184	**1,155**	**1,189**
Loans / advances / deposits taken	-	-	126	506	**126**	**506**
Finance lease obligations	-	-	15,011	16,564	**15,011**	**16,564**
Post-employment benefits plans	-	-	807	728	**807**	**728**

11. Contingent liabilities

Rs. in million

	Particulars	As at 31 December 2018	As at 31 March 2018
(i)	Guarantees	489	99
(ii)	Disputed claims/levies (excluding interest, if any), in respect of:		
	Excise duty	4,897	4,322
	Custom duty	7,926	7,980
	Income tax	233	259
	Sales tax / Special entry tax	2,565	2,707
	Service tax	6,888	6,562
	Miscellaneous	209	43
	Levies by local authorities	535	541
	Levies relating to Energy / Power Obligations	5,148	3,165
	Claim by suppliers and other parties	401	640

Rs. in million

	Particulars	As at 31 December 2018	As at 31 March 2018

a) Excise duty cases includes disputes pertaining to availment of CENVAT credit, valuation methodologies, classification of gases under chapter heading.
b) Custom duty cases includes disputes pertaining to import of Iron ore fines and lumps under wrong heading, utilisation of SHIS licences for clearance of imported equipment, payment of customs duty Steam Coal through Krishnapatnam Port and anti-dumping duty on Met Coke used in Corex.
c) Sales Tax / VAT / Special Entry Tax cases includes disputes pertaining to demand of special entry tax in Karnataka and demand of cess by department of transport in Goa.
d) Service Tax cases includes disputes pertaining to availment of service tax credit on ineligible services, KKC amount paid but no credit not availed, denial of credit distributed as an ISD, service tax on railway freight not taken as per prescribed documents.
e) Income Tax cases includes disputes pertaining to deduction u/s 80-IA and other matters.
f) Levies by local authorities cases include disputes pertaining to uninterrupted power charges by Karnataka Power Transmission Company Ltd., payment of water charges, belated payment surcharge, enhanced compensation and claims for the set off of renewable power obligations against the power generated in its captive power plants.
g) Miscellaneous cases include Provident fund relating to contractors.
h) Claims by Suppliers and other parties includes Quality Claims issues raised by suppliers and others.
i) There are several other cases which has been determined as remote by the Group and hence not been disclosed above.

(iii)	Claims related to Forest Development Tax / Fee	20,548	17,985
	Amount paid under protest	9,194	9,194

In response to a petition filed by the iron ore mine owners and purchasers (including JSW Steel Limited) contesting the levy of Forest Development Tax (FDT) on iron ore on the ground that the State does not have jurisdiction to legislate in the field of major minerals which is a central subject, the Honourable High Court of Karnataka vide its judgement dated 3 December 2015 directed refund of the entire amount of FDT collected by Karnataka State Government on sale of iron ore by private lease operators and National Mineral Development Corporation Limited (NMDC). The Karnataka State Government has filed an appeal before the Supreme Court of India ("SCI"). SCI has not granted stay on the judgement but stayed refund of FDT amounting to Rs. 15,168 million. The matter is yet to be heard by SCI. Based on merits of the case and supported by a legal opinion, the Company has not recognised provision for FDT of Rs. 10,429 million (including paid under protest – Rs. 6,650 million) and treated it as a contingent liability.

The State of Karnataka on 27 July 2016, has amended Section 98-A of the Forest Act retrospectively substituting the levy as Forest Development Fee (FDF) instead of FDT. In response to the writ petition filed by the Company and others, the Honourable High Court of Karnataka has vide its order dated 4 October 2017, held that the amendment is ultra-vires the Constitution of India and directed the State Government to refund the FDF collected. The State Government has filed an appeal before the SCI and the SCI has admitted the appeal and stayed the refund of FDF. Based on merits of the case duly supported by a legal opinion and a favorable order from the High Court, the Company has not recognised provision for FDF amount of Rs. 10,119 million (including paid under protest - Rs. 2,544 million) pertaining to the private lease operators & NMDC and treated it as contingent liability.

S R B & CO LLP MUMBAI Chartered Accountants

12. Commitments

Rs. in million

Particulars	As at 31 December 2018	As at 31 March 2018
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	147,952	126,639
Other commitments		
The Group has imported capital goods under the export promotion capital goods scheme to utilize the benefit of a zero or concessional customs duty rate. These benefits are subject to future exports. Such export obligations at period / year end aggregate to	133,875	51,331

13. Business combination

a) On 15 June 2018, the Company completed acquisition of 100% equity stake in Acero Junction Holdings, Inc. (Acero) for a cash consideration of Rs. 5,361 million (USD 80.85 million) along with its wholly owned subsidiary JSW Steel USA Ohio, Inc. (JSWSUO) (Formerly known as Acero Junction, Inc.). JSWSUO has steelmaking assets consisting of 1.5 MTPA electric arc furnace (EAF), 2.8 MTPA continuous slab caster and a 3.0 MTPA hot strip mill at Mingo Junction, Ohio in the United States of America.

As per Ind AS 103 on Business Combination, purchase consideration has been allocated on a provisional basis, pending final determination of the fair value of the acquired assets and liabilities. The interim condensed financial statements include the results of Acero for the period from 15 June 2018 to 31 December 2018.

Details of the purchase consideration, provisional net assets acquired and goodwill are as follows:

Particulars	USD in million
Assets	
Property Plant and Equipment including intangible assets	182.45
Inventories	17.97
Trade and other Receivables	3.55
Cash and cash equivalents	0.10
Indemnification Assets	4.20
Total (A)	**208.27**
Liabilities	
Trade Payables	31.96
Advance from Customers	91.24
Other current Liabilities	1.61
Long term liabilities	4.39
Deferred Tax Liabilities	16.17
Total (B)	**145.37**
Total identifiable net assets acquired at fair value (C) = (A-B)	**62.90**
Purchase Consideration transferred in cash (D)	**80.85**
Goodwill arising on acquisition (E)	**17.93**
Goodwill arising on acquisition (Rs.in million)	**1,251**

Based on provisional accounting done by the Company, it has recognised a goodwill of Rs. 1,251 million which may undergo a change on final valuation. If new information is obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition and requires adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the adjustment to the assets and liabilities will be carried out retrospectively.

The indemnification asset is primarily related to guarantee provided by seller in relation to certain receivables to accrue to Company in future and reimbursement to the Company for any shortfall in current asset amount as on closing date.

At the date of the acquisition, the fair value of the trade receivables approximated their gross contractual amount.

The goodwill recognised is primarily attributable to the expected synergies and other benefits from integrating Acero into the Group's existing steel business.

From the date of acquisition, Acero has contributed Rs. 3,550 million of revenue and Rs. 1,531 million to the net loss after tax of the Group.

Transaction costs of Rs. 31 million have been expensed and are included in "Other expenses" in the statement of profit or loss and are part of operating cash flows in the statement of cash flows.

b) On 24 July 2018, the Company through its wholly owned subsidiary in Italy, JSW Steel Italy S.r.l, completed acquisition of 100% shares each of Aferpi S.p.A ("Aferpi") and Piombino Logistics S.p.A ("PL") and 69.27% of the shares of GSI Lucchini S.p.A ("GSI") (collectively referred to as "Targets") for a consideration of Rs 4,821 million (Euro 59.90 million) towards acquisition of equity shares and Rs. 997 million (Euro 12.38 million) towards acquisition of loans provided by the erstwhile shareholders of the Targets

Aferpi produces and distributes special long steel products viz rails, wire rods and bars. It has a plant at Piombino in Italy, comprising a Rail Mill (0.32 mtpa), Bar Mill (0.4 mtpa), Wire Rod Mill (0.6 mtpa) and a captive industrial port concession. PL manages the logistic infrastructure of Piombino's port area. GSI is a producer of forged steel balls used in grinding mills with predominant application in mining processing.

As per Ind AS 103, purchase consideration has been allocated on a provisional basis, pending final determination of the fair value of the acquired assets and liabilities. The interim condensed financial statements include the results of Targets for the period from the acquisition date to 31 December 2018.

Details of the purchase consideration, provisional net assets acquired and goodwill are as follows:

Particulars	Euro in million
Assets	
Property Plant and Equipment including intangible assets	70.23
Investments	1.19
Inventories	11.30
Trade and other Receivables	39.60
Cash and cash equivalents	7.10
Deferred Tax Assets	13.61
Total (A)	**143.03**
Liabilities	
Long term borrowings	12.38
Trade Payables and other current liabilities	26.94
Long term provisions	1.27
Deferred Tax Liabilities	13.01
Total (B)	**53.60**
Total identifiable net assets acquired at fair value (C) = (A-B)	**89.43**
Non-Controlling Interest accounted at fair value (D)	**7.36**
Purchase Consideration transferred in cash (E)	**59.90**
Capital Reserve arising on acquisition (F)	**22.17**
Capital reserve arising on acquisition (Rs.in million)	**1,786**

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Based on provisional accounting done by the Company, it has recognised a capital reserve of Rs. 1,786 million which may undergo a change on final valuation. If new information is obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition and requires adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the adjustment to the assets and liabilities will be carried out retrospectively.

The non-controlling interest in GSI recognised at the acquisition date was measured by reference the fair value of the non-controlling interest and amounted to Rs. 575 million (Euro 7.20 million). This fair value was estimated by applying a market approach and an income approach using an assumed discount rate of 9.7% and other factors like estimated long term growth rate, lack of control and marketability, etc.

At the date of the acquisition, the fair value of the trade receivables approximated their gross contractual amount.

From the date of acquisition, Targets has contributed Rs. 4,139 million of revenue and Rs. 1,300 million to the net loss after tax of the Group.

Transaction costs of Rs. 85 million have been expensed and are included in "Other expenses" in the statement of profit or loss and are part of operating cash flows in the statement of cash flows.

If both the acquisition had taken place at the beginning of the period, management estimates that consolidated revenue from operation and profit for the combined entity would be Rs. 422,542 million and Rs. 42,640 million respectively. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2018.

14. During the period ended 31 December 2017, the Group has surrendered one of its iron ore mines in Chile considering its economic viability and accordingly has reassessed the recoverability of the carrying amounts of Property, Plant and Equipment, Goodwill and advances pertaining to the said iron ore mine and recognised an impairment provision of Rs. 2,635 million which has been disclosed as an exceptional item in the consolidated financial statements.

The provision of Rs. 2,635 million includes Rs. 764 million towards Property plant and Equipment, Rs. 1,658 million towards Goodwill and Rs. 213 million towards advances.

15. Pursuant to the enactment of Tax Cuts and Jobs Act by the United States of America on 22 December 2017, the corporate income tax rate has been reduced to 21% resulting into a reversal of deferred tax liabilities amounting to Rs. 5,721 million for a component of the Group which has been recognised in the deferred tax expenses item in the consolidated financial statements for the period ended 31 December 2017.

16. Pursuant to the Corporate Insolvency Resolution process under the Insolvency Bankruptcy Code, 2016 initiated on 18 July 2017, the National Company Law Tribunal ('NCLT') on 24 July 2018 (Order date) approved (with modifications) the resolution plan submitted by the consortium of JSW Steel Limited and AION Investments Private II Limited. The consortium completed the acquisition of Monnet Ispat & Energy Limited ("MIEL") through their jointly controlled entity Creixent Special Steels Limited ("CSSL") on 31 August 2018. MIEL has steel plants in the state of Chhattisgarh with Blast furnace and DRI facility of 1.5 MTPA. The Company has an effective shareholding of 23.1% in MIEL and has accounted this acquisition under equity method and capital reserve of Rs. 2,428 million has been recognized in consolidated financial statements.

The impact of the Resolution Plan has been given effect to on the acquisition date and the transaction has been accounted for on a provisional basis under Ind AS 28 during the quarter. Therefore, the results for the current nine months include MIEL starting 31 August 2018 and are not comparable with previous period.

17. The Resolution Plan submitted by the Company for Vardhman Industries Limited (VIL) was approved with some modification, by the Hon'ble NCLT, by its order dated December 19, 2018 under Section 31 of the Insolvency and Bankruptcy Code, 2016 (NCLT Order). The Company has filed an application before the Hon'ble NCLT seeking certain clarifications/modifications to the Resolution plan approved by NCLT. The Hon'ble NCLT, by its order dated 7 January 2019, has deferred the implementation of the resolution Plan until clarifications are processed by the Regular Bench. The hearing on the Clarification Application is concluded on 28 January 2019 and it is reserved for orders.

18. On 23 October 2018, the Company has acquired an additional stake of 60.004% of the share capital of Dolvi Minerals and Metals Private Limited ("DMMPL"), a subsidiary, for a cash consideration of Rs. 1,092 million. Pursuant to the acquisition of shares of DMMPL, DMMPL along with its wholly owned subsidiary Dolvi Coke Projects Limited ("DCPL"), have become wholly owned subsidiaries of the Company.

19. **Implementation of Ind AS 115**

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1 April 2018 replaces the existing revenue recognition standards. The application of Ind AS 115 did not have any significant impact on the Statement of Profit and Loss for the Group. However, the Group has determined that, in case of certain contracts, shipping services provided to customers is a separate performance obligation and accordingly, the revenue attributable to such shipping services has been recognised as revenue from operations, which was hitherto netted off against the corresponding freight expense included in the other expenses in the Statement of Profit and Loss. The Group has applied full retrospective approach and restated the previous period presented.

The restated revenue for the nine months ended 31 December 2017 is higher by Rs. 11,888 million and for the year ended 31 March 2018 by Rs. 17,079 million with the corresponding increase in Other expenses.

The restated revenue and restated other expenses for the nine months ended 31 December 2017 and for the year ended 31 March 2018 are:

Rs. in million

Particulars	For the nine months ended 31 December 2017	For the year ended 31 March 2018
Revenue from operations	520,126	732,110
Other expenses	115,152	162,718

Further, the export benefits amounting to Rs. 3,458 million for the nine months ended 31 December 2017 and for the year ended 31 March 2018 by Rs. 4,500 million which was earlier included as part of Revenue from sale of products has been reclassified to Other operating revenue.

The above adjustments have no impact on the balance sheet and cash flow statement for the previous period.

The Group has assessed and determined the following categories for disaggregation of revenue in addition to that provided under segment disclosure (refer note 7):

Rs. in million

Particulars	For the nine months ended	
	31 December 2018	31 December 2017
Revenue from contracts with customer - Sale of products (including freight income)	606,620	509,071
Other operating revenue	17,275	11,055
Total	**623,895**	**520,126**

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

Rs. in million

Product Wise	31 December 2018	31 December 2017
MS slabs	10,405	7,473
Hot rolled coils/steel plates/sheets	222,329	174,623
Galvanised coils/sheets	69,024	68,219
Color Coated Galvanised coils/sheets	31,847	31,817
Cold rolled coils/sheets	79,070	69,710
Steel billets & blooms	12,322	13,914
Long rolled products	118,574	89,939
Others (including freight income on sale of products)	63,049	53,376
Total	**606,620**	**509,071**

20. Goods and Service Tax (GST)

a) The Group's units at Dolvi and Vijayanagar are eligible for VAT / CST deferral /refund scheme and have accounted for government grant on the basis SGST rates instead of VAT rates in accordance with the notification issued by the two states post implementation of GST.

The State Government of Maharashtra vide its Government Resolution dated 20 December 2018 has issued the modalities for sanction and disbursement of Incentives under GST regime. However, certain new conditions have been introduced, which seeks to deny claiming incentives on related party transactions. Based on the representation made by the Group and that fact that incentive have been sanctioned by the Government on such transactions in the erstwhile tax regime, the Group believes that incentives would be made available even in the GST regime and the said resolution will be modified accordingly. The process of disbursing incentives sanctioned by the State Government of Karnataka is yet to be notified.

Accordingly, the Group has recognized grant income of Rs. 4,313 million respectively nine months ended 31 December 2018. The cumulative amount receivable towards the same as at 31 December 2018 amounting to Rs. 8,496 million have been considered good and recoverable

b) Post the implementation of GST with effect from 1 July 2017, Revenue from operations is required to be presented net of GST. Accordingly, Revenue from operations for the nine months ended 31 December 2018 is not comparable to the nine months ended 31 December 2017.

21. a) JSW Steel Ltd. ("JSWSL") has submitted a resolution plan for Bhushan Power & Steel Limited ("BPSL"), a company undergoing insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 ("Code"). The Committee of Creditors of BPSL has issued a Letter of Intent ("LoI") dated 11 February 2019 to JSWSL and the same has been accepted by JSWSL on 13 Febraury 2019. The closure of the transaction shall be subject to obtaining necessary approval from the National Company Law Tribunal, New Delhi and satisfaction of conditions precedent under the resolution plan.

b) The Company on 27 February 2019, has entered into a five year Advance Payment and Supply Agreement ("APSA") agreement with Duferco S.A. (DSA) for supply of Steel Products. DSA would be providing an interest bearing advance amount of US $ 700 million under this agreement.

MUMBAI

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

22. Dividend distribution

On 16 May 2018 the board of directors recommended a final dividend of Rs. 3.20 per equity share amounting to Rs. 7,735 million, be paid to shareholders for financial year 2017-18, which was approved by the shareholders at the Annual General Meeting held on 24 July 2018.

23. Previous year / period figures have been re-grouped / re-classified wherever necessary.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per VIKRAM MEHTA
Partner
Membership No. 105938

Place: Mumbai
Date: 28 February 2019

For on behalf of the Board of Directors

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S.
Jt. Managing Director & Group CFO
DIN 00029136

LANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407
Place: Mumbai
Date: 28 February 2019

JAYANT ACHARYA
Director (Commercial & Marketing)
DIN 00106541

S R B C & CO LLP
Chartered Accountants

[illegible]
Mumbai [illegible]
Tel: [illegible]

Report on Review of Unaudited Condensed Standalone Interim Financial Statements

To the Board of Directors of JSW Steel Limited

We have reviewed the accompanying Unaudited Condensed Standalone Interim Financial Statements of JSW Steel Limited (the "Company"), which comprises the Unaudited Condensed Standalone Interim Balance Sheet as at December 31, 2018, the Unaudited Condensed Standalone Interim Statement of Profit and Loss (including other comprehensive income), the Unaudited Condensed Standalone Interim Statement of Cash Flow and the Unaudited Condensed Standalone Interim Statement of Changes in Equity for the nine months period then ended, and selected explanatory notes (together hereinafter referred to as the "Unaudited Condensed Standalone Interim Financial Statements"). The Unaudited Condensed Standalone Interim Financial Statements have been prepared by the Company for the purpose of inclusion in the Offering Circulars in connection with the proposed issuance of foreign currency notes to be listed on Singapore Stock Exchange.

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

The Company's Board of Directors is responsible with respect to the preparation of these Unaudited Condensed Standalone Interim Financial Statements in accordance with the requirements of Indian Accounting Standard 34 - Interim Financial Reporting ("Ind AS 34"), specified under section 133 of the Companies Act, 2013 (the "Act"), read with the relevant rules issued thereunder and other recognised accounting principle and policies.

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

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity", issued by the Institute of Chartered Accountants of India. This standard require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from 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.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Standalone Interim Financial Statements are not prepared, in all material respects, in accordance with the requirements of Indian Accounting Standard 34, "Interim Financial Reporting ("Ind AS 34") as specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies.

Emphasis of Matter

We draw attention to note 14 of the Unaudited Condensed Standalone Interim Financial Statements, which fully describes the effect of Government Resolution dated December 20, 2018 issued by the Government of Maharashtra ("GOM") imposing additional conditions in respect of modalities for sanction and disbursement of incentives under the GST regime for which the Company has filed representations with GOM based on legal advice received. Our conclusion is not modified in respect of this matter.

Other Matters

The accompanying Unaudited Condensed Standalone Interim Financial Statements have been prepared solely for the purpose of inclusion in the Offering Circulars in connection with the proposed issuance of foreign currency notes by the Company to be listed on Singapore Stock Exchange. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vikram Mehta
Partner
Membership Number: 105938

Place of Signature: Mumbai
Date: February 28, 2019

UNAUDITED CONDENSED STANDALONE INTERIM BALANCE SHEET

Rs. in millions

	Notes	As at 31 December 2018	As at 31 March 2018
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	497,720	495,029
(b) Capital work-in-progress		69,126	30,709
(c) Intangible assets		880	653
(d) Intangible assets under development		4,244	3,206
(e) Investments in subsidiaries, associates and joint ventures		48,114	38,481
(f) Financial assets			
(i) Investments		13,183	10,299
(ii) Loans		74,628	51,649
(iii) Other financial assets		826	7,461
(g) Current tax assets (net)		1,881	2,500
(h) Other non-current assets		28,935	22,994
Total non-current assets		**739,537**	**662,981**
Current assets			
(a) Inventories		125,240	100,825
(b) Financial assets			
(i) Investments		1,039	-
(ii) Trade receivables		65,989	46,920
(iii) Cash and cash equivalents		3,816	4,507
(iv) Bank balances other than (iii) above		1,543	1,502
(v) Loans		1,294	1,578
(vi) Derivative Assets		2,018	1,466
(vii) Other financial assets		12,467	5,030
(c) Other current assets		32,340	30,701
Total current assets		**245,746**	**192,529**
Total Assets		**985,283**	**855,510**

UNAUDITED CONDENSED STANDALONE INTERIM BALANCE SHEET (continued)

Rs. in millions

	Notes	As at 31 December 2018	As at 31 March 2018
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital		3,012	3,017
(b) Other equity		330,564	276,049
Total equity		**333,576**	**279,066**
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	4A	277,324	295,512
(ii) Other financial liabilities		7,623	6,985
(b) Provisions		2,100	1,149
(c) Deferred tax liabilities(net)		28,227	20,706
(d) Other non-current liabilities		33	37
Total non-current liabilities		**315,307**	**324,389**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	4B	63,840	21,718
(ii) Trade payables			
(a) Total outstanding, dues of micro and small enterprises		103	100
(b) Total outstanding, dues of creditors other than micro and small enterprises		135,908	139,785
(iii) Derivative Liabilities		3,724	901
(iv) Other financial liabilities		111,829	71,113
(b) Provisions		569	1,106
(c) Other current liabilities		16,227	13,812
(d) Current tax liabilities(net)		4,200	3,520
Total current liabilities		**336,400**	**252,055**
Total liabilities		**651,707**	**576,444**
Total equity and liabilities		**985,283**	**855,510**

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

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

per VIKRAM MEHTA
Partner
Membership No.:105938

Place: Mumbai
Date : 28 February 2019

RAJEEV PAI
Chief Financial Officer

LANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407
Place: Mumbai
Date: 28 February 2019

For and on behalf of the Board of Directors

SESHAGIRI RAO M.V.S
Jt.Managing Director & Group CFO
DIN 00029136

JAYANT ACHARYA
Director (Commercial & Marketing)
DIN 00186543

UNAUDITED CONDENSED STANDALONE INTERIM STATEMENT OF PROFIT AND LOSS

Rs.in millions

		Notes	For the nine months ended	
			31 December 2018	31 December 2017*
I	Revenue from operations	13	570,264	477,126
II	Other income		4,363	1,401
III	**Total income (I + II)**		**574,627**	**478,527**
IV	**Expenses:**			
	Cost of materials consumed		305,325	258,378
	Purchases of stock-in-trade		4,040	7,353
	Changes in inventories of finished goods and work-in-progress		(16,140)	2,041
	Employee benefits expense		10,529	9,393
	Finance costs		27,524	27,179
	Depreciation and amortization expense		25,323	22,731
	Excise duty expense		-	12,588
	Other expenses		125,886	98,998
	Total expenses		**482,487**	**438,661**
V	**Profit before exceptional items and tax (III-IV)**		**92,140**	**39,866**
VI	Exceptional items		-	2,336
VII	**Profit before tax (V-VI)**		**92,140**	**37,530**
VIII	**Tax expense:**			
	Current tax		19,299	7,288
	Deferred tax		7,699	5,024
			26,998	**12,312**
IX	**Profit for the period (VII-VIII)**		**65,142**	**25,218**

UNAUDITED CONDENSED STANDALONE INTERIM STATEMENT OF PROFIT AND LOSS (continued)

Rs.in millions

		For the nine months ended	
		31 December 2018	**31 December 2017***
X	**Other comprehensive income/(loss)**		
A	i) Items that will not be reclassified to profit or loss		
	(a) Re-measurements of the defined benefit plans	(129)	(40)
	(b) Equity instruments through other comprehensive income	(297)	2,717
	ii) Income tax relating to items that will not be reclassified to profit or loss	45	14
	Total (A)	**(381)**	**2,691**
B	i) Items that will be reclassified to profit or loss		
	(a) The effective portion of gains and loss on hedging instruments	1,193	(1,756)
	(b) Changes in Foreign Currency Monetary Item translation difference account (FCMITDA)	(1,575)	473
	ii) Income tax relating to items that will be reclassified to profit or loss	134	444
	Total (B)	**(248)**	**(839)**
	Total Other comprehensive income / (loss) (A+B)	**(629)**	**1,852**
XI	**Total comprehensive income (IX + X)**	**64,513**	**27,070**
XII	Earnings per equity share of Re 1 each (refer note 11) (not annualized)		
	Basic	27.09	10.49
	Diluted	26.95	10.43

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

*Restated (refer note 13)

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

per VIKRAM MEHTA
Partner
Membership No.:105938

Place: Mumbai
Date : 28 February 2019

For and on behalf of the Board of Directors

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S
Jt.Managing Director & Group CFO
DIN 00029136

LANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407
Place: Mumbai
Date: 28 February 2019

JAYANT ACHARYA
Director (Commercial & Marketing)
DIN 00108543

UNAUDITED CONDENSED STANDALONE INTERIM STATEMENT OF CASH FLOW

Rs.in millions

Particulars		For the nine months ended 31 December 2018		For the nine months ended 31 December 2017
Cash flow from operating activities				
Net profit before tax		92,140		37,530
Adjustments for :				
Depreciation and amortization expenses	25,323		22,731	
Loss/(Profit) on sale of property, plant & equipment (net)	(3)		104	
Gain on sale of financial investments designated as FVTPL	(76)		(115)	
Interest income	(1,741)		(1,126)	
Gain arising of financial instruments designated as FVTPL	(251)		(65)	
Dividend income	(2,243)		(46)	
Interest expense	25,566		22,046	
Share based payment expense	350		211	
Export Obligation Deferred income amortization	(1,159)		(329)	
Unrealised exchange loss	1,729		(2,669)	
Allowance for doubtful debts, loans & advances	1,320		2,358	
Government grant income (Fair value gain on deferred government loan)	(2,033)			
		46,782		**43,100**
Operating profit before working capital changes		**138,922**		**80,630**
Adjustments for:				
(Increase) in inventories	(24,415)		(6,218)	
(Increase) in trade receivables	(19,069)		(4,147)	
(Increase) in Other Assets	(986)		(14,005)	
(Decrease)/Increase trade payable and other liabilities	(3,963)		4,000	
Increase in provisions	286		313	
		(48,147)		**(20,057)**
Cash flow from operations		**90,775**		**60,573**
Income taxes paid (net of refund received)		(18,000)		(7,147)
Net cash generated from operating activities (A)		**72,775**		**53,426**

UNAUDITED CONDENSED STANDALONE INTERIM STATEMENT OF CASH FLOW (continued)

Rs.in millions

Particulars	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017
Cash flow from investing activities		
Purchase of property, plant & equipment, intangible assets including under development	(52,731)	(27,538)
Proceeds from sale of property, plant & equipment	145	13
Investments in subsidiaries and joint ventures including advances and preference shares	(12,317)	(537)
Sale of other non current investments	502	-
Purchase of current investments	(72,292)	(39,698)
Sale of current investments	71,329	41,225
Bank deposits not considered as cash and cash equivalents (net)	(9)	53
Loans to related parties	(28,982)	(26,535)
Loans repaid by related parties	8,385	-
Interest received	1,698	1,015
Dividend received	2,243	46
Net cash used in investing activities (B)	**(82,029)**	**(51,956)**
Cash flow from financing activities		
Proceeds of Sale of treasury shares	-	493
Payment for Purchase of treasury shares	(1,526)	(585)
Proceeds from non current borrowings	41,017	51,765
Repayment of non current borrowings	(34,584)	(41,583)
Proceeds from/ Repayment of Current borrowings (net)	42,122	15,142
Repayment of Finance Lease obligation	(2,679)	(2,072)
Interest paid	(26,923)	(22,969)
Dividend paid (including corporate dividend tax)	(8,864)	(6,546)
Net cash generated from/(used in) financing activities (C)	**8,563**	**(6,355)**
Net decrease in cash and cash equivalents(A+B+C)	**(691)**	**(4,885)**
Cash and cash equivalents - opening balances	**4,507**	**7,120**
Cash and cash equivalents - closing balances	**3,816**	**2,235**

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

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

per VIKRAM MEHTA
Partner
Membership No.:105938

Place: Mumbai
Date : 28 February 2019

For and on behalf of the Board of Directors

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S
Jt.Managing Director & Group CFO
DIN 00029136

LANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407
Place: Mumbai
Date: 28 February 2019

JAYANT SOHARYA
Director (Commercial & Marketing)
DIN 06106543

UNAUDITED CONDENSED STANDALONE INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2017

A. Equity Share Capital

Rs. in millions

As at 1 April 2017	Movement during the period	As at 31 December 2017
3,013	4	3,017

B. Other Equity

Rs. in millions

Particulars	Reserves and surplus							Items of Other Comprehensive Income/(Loss) (OCI)			Total
	Capital reserve	Securities premium	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Equity settled share based payment reserve	General reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	FCMITDA	
Opening balance as at 01 April 2017	**35,845**	**54,166**	**99**	**4,328**	**33,377**	**129**	**104,172**	**3,529**	**2,359**	**(37)**	**237,967**
Profit for the period	-	-	-	-	25,218	-	-	-	-	-	25,218
Other comprehensive income/(loss) for the period, net of income tax	-	-	-	-	(24)	-	-	2,717	(1,148)	309	1,852
Dividend including dividend distribution tax	-	-	-	-	(6,546)	-	-	-	-	-	(6,546)
Impact of ESOP trust consolidation	-	-	-	-	(96)	-	-	-	-	-	(96)
Recognition of share-based payments	-	-	-	-	-	211	-	-	-	-	211
Transfer to Capital redemption reserve	-	-	698	-	-	-	(698)	-	-	-	-
Closing balance as at 31 December 2017	**35,845**	**54,166**	**797**	**4,328**	**51,927**	**340**	**103,474**	**6,246**	**1,211**	**272**	**258,606**

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

MUMBAI

Steel Limited

UNAUDITED CONDENSED STANDALONE INTERIM STATEMENT OF CHANGES IN EQUITY (continued)

For the nine months ended 31 December 2018

A. Equity Share Capital — **Rs. in millions**

As at 1 April 2018	Movement during the period	As at 31 December 2018
3,017	(5)	3,012

B. Other Equity

Rs. in millions

Particulars	Reserves and surplus							Items of Other Comprehensive Income/(Loss) (OCI)			Total
	Capital reserve	Securities premium	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Equity settled share based payment reserve	General reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	FCMITDA	
Opening balance as at 01 April 2018	**35,845**	**54,166**	**1,494**	**1,406**	**75,730**	**411**	**102,777**	**4,343**	**127**	**(250)**	**276,049**
Profit for the period	-	-	-	-	65,142	-	-	-	-	-	65,142
Other comprehensive income/(loss) for the period, net of income tax	-	-	-	-	(84)	-	-	(297)	776	(1,024)	(629)
Dividend including dividend distribution tax	-	-	-	-	(8,864)	-	-	-	-	-	(8,864)
Impact of ESOP trust consolidation	-	-	-	-	(1,485)	-	-	-	-	-	(1,485)
Recognition of share-based payments	-	-	-	-	-	351	-	-	-	-	351
Transfer to Capital redemption reserve	-	-	3,216	-	-	-	(3,216)	-	-	-	-
Gain on sale of equity instruments designated as FVTOCI	-	-	-	-	354	-	-	(354)	-	-	-
Closing balance as at 31 December 2018	**35,845**	**54,166**	**4,710**	**1,406**	**130,793**	**762**	**99,561**	**3,692**	**903**	**(1,274)**	**330,564**

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

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

per VIKRAM MEHTA
Partner
Membership No.:105938

MUMBAI

Place: Mumbai
Date : 28 February 2019

For and on behalf of the Board of Directors

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S
Jt.Managing Director & Group CFO
DIN 00029136

LANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407
Place: Mumbai
Date: 28 February 2019

Director
DIN

NOTES TO THE UNAUDITED CONDENSED STANDALONE INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

1. General Information

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

The Company is an integrated manufacturer of diverse range of steel products with its manufacturing facilities located at Vijaynagar Works in Karnataka, Dolvi Works in Maharashtra and Salem works in Tamil Nadu.

JSW Steel Limited is a public limited company incorporated in India on 15 March 1994 under the Companies Act, 1956 and listed on the Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

2. Significant Accounting policies

I. Statement of compliance

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

II. Basis of preparation and presentation

The Company has prepared these Unaudited Condensed Standalone Interim Financial Statements which comprise the Unaudited Condensed Standalone Interim Balance Sheet as at 31 December, 2018, the Unaudited Condensed Standalone Interim Statement of Profit and Loss, the Unaudited Condensed Standalone Interim Statements of Cash Flows and the Unaudited Condensed Standalone Interim Statements of Changes in Equity for the nine months ended 31 December, 2018, and other explanatory information (together hereinafter referred to as "Unaudited Condensed Standalone Interim Financial Statements" or "financial statements").

The Unaudited Condensed Standalone Interim Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period.

The Unaudited Condensed Standalone Interim Financial Statements do not include all the information and disclosures normally included in annual financial statements. Accordingly, these statements are to be read in conjunction with annual financial statement for the year ended 31 March 2018 and any public announcement made during interim reporting period. The annual financial statements for the year ended 31 March 2018 were prepared in Rs. in crores, however these financial statements have been prepared in Rs. in millions.

Accounting policies and methods of computation followed in the Unaudited Condensed Standalone Interim Financial Statements are same as compared with the annual financial statements for the year ended 31 March 2018, except for adoption of new standard or any pronouncements effective from 1 April 2018.

Ind AS 115 Revenue from Contracts with Customers, became mandatory for reporting periods beginning on or after 1 April 2018 replaces the existing revenue recognition standards. The Company has applied the full retrospective approach and restated the previous periods presented (refer note 13). The Company has adopted following accounting policy for revenue recognition.

Sale of Goods

The Company recognizes revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items in a contract when they are highly probable to be provided.

The amount of revenue excludes any amount collected on behalf of third parties.

The Company recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognized when such freight services are rendered.

In revenue arrangements with multiple performance obligations, the Company accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their stand-alone selling prices.

Revenue from sale of by products are included in revenue.

Revenue from sale of power is recognised when delivered and measured based on the bilateral contractual arrangements.

The Company has not early adopted any other standards, interpretation or amendments that has been issued but is not yet effective.

III. Key sources of estimation, uncertainty and critical accounting judgements

In the course of applying the policies, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

The area where estimates are significant to the Unaudited Condensed Standalone Interim Financial Statements, or areas involving high degree of judgement or complexity, are same as those disclosed in the annual financial statements for the year ended 31 March 2018.

NOTES TO THE UNAUDITED CONDENSED STANDALONE INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

3. Property, plant and equipment:

Rs. in millions

Particulars	Freehold land	Leasehold land	Buildings (Owned)	Buildings (On finance lease)	Plant and equipment (Owned)	Plant and equipment (On finance lease)	Furniture and fixtures	Vehicles and aircrafts	Office equipment	Total
Cost/deemed cost										
At 1 April 2018	**9,691**	**1,683**	**65,577**	**1,804**	**443,797**	**56,525**	**1,081**	**1,346**	**593**	**582,097**
Additions	17	-	3,758	175	17,514	3,855	63	85	24	25,491
Deductions	57	-	-	-	1,806	-	38	34	6	1,941
Other adjustments*	-	-	-	-	2,505	-	-	-	-	2,505
At 31 December 2018	**9,651**	**1,683**	**69,335**	**1,979**	**462,010**	**60,380**	**1,106**	**1,397**	**611**	**608,152**
Accumulated depreciation										
At 1 April 2018	**-**	**12**	**8,276**	**814**	**66,311**	**10,631**	**399**	**356**	**269**	**87,068**
Depreciation	-	3	2,263	208	19,552	2,854	94	112	78	25,164
Deductions	-	-	-	-	1,776	-	5	17	2	1,800
At 31 December 2018	**-**	**15**	**10,539**	**1,022**	**84,087**	**13,485**	**488**	**451**	**345**	**110,432**
Net book value										
At 31 December 2018	**9,651**	**1,668**	**58,796**	**957**	**377,923**	**46,895**	**618**	**946**	**266**	**497,720**

* Other adjustments comprises foreign exchange loss and borrowings cost.

4. Borrowings

A. Long Term Borrowing

Rs. in millions

Particulars	As at 31 December 2018	As at 31 March 2018
Non-Current Borrowings	277,324	295,512
Current Maturities of Long Term Borrowings (grouped under Other Financial Liabilities)	75,934	40,982
Current Maturities of Financial lease Obligation (grouped under Other Financial Liabilities)	4,049	3,594
	357,307	**340,088**

NOTES TO THE UNAUDITED CONDENSED STANDALONE INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

Movement in Borrowings during the nine months ended 31 December 2018

Rs. in millions

Particulars	Foreign currency bonds	Debentures	Term loans-Foreign currency loan	Term loans -Rupee term loan	Deferred government loans	Finance lease obligation	Preference shares	Upfront Fees on Rupee term loan	Upfront Fees on Foreign currency loan	Total borrowings
Opening balance as on 1 April 2018	**65,044**	**37,031**	**68,006**	**119,577**	**830**	**45,825**	**5,778**	**(305)**	**(1,698)**	**340,088**
Add : Disbursements										
Secured rupee term loan	-	-	-	7,628	-	-	-	-	-	7,628
Unsecured rupee term loan	-	-	-	10,500	-	-	-	-	-	10,500
Unsecured foreign currency loans	-	-	22,045	-	-	-	-	-	-	22,045
Sales tax deferral	-	-	-	-	844	-	-	-	-	844
Others	-	-	-	-	-	4,030	-	(68)	(283)	3,679
	-	-	**22,045**	**18,128**	**844**	**4,030**	-	**(68)**	**(283)**	**44,696**
Less : Redemption/Repayment										
Secured non-convertible debentures	-	(5,187)	-	-	-	-	-	-	-	(5,187)
Secured rupee term loan	-	-	-	(12,146)	-	-	-	-	-	(12,146)
Unsecured rupee term loan	-	-	-	(9,000)	-	-	-	-	-	(9,000)
Unsecured foreign currency loans	-	-	(4,896)	-	-	-	-	-	-	(4,896)
Sales tax deferral	-	-	-	-	(127)	-	-	-	-	(127)
Others repayments	-	-	-	-	-	(2,679)	(3,225)	-	-	(5,904)
	-	**(5,187)**	**(4,896)**	**(21,146)**	**(127)**	**(2,679)**	**(3,225)**	-	-	**(37,260)**
Add: Other movements	4,748	-	4,752	-	(524)	-	293	93	421	9,783
Total borrowings as on 31 December 2018	**69,792**	**31,844**	**89,907**	**116,559**	**1,023**	**47,176**	**2,846**	**(280)**	**(1,560)**	**357,307**

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B. Short Term Borrowing

Rs. in millions

Particulars	As at 31 December 2018	As at 31 March 2018
Working capital loans from banks		
Rupee loan	10,149	1,567
Foreign currency loan	-	958
Foreign currency loan from bank	-	6,625
Rupee loans from banks	4,670	240
Commercial papers	49,021	12,328
Total	**63,840**	**21,718**

5. Categories of financial Instruments

As at 31 December 2018

Rs. in millions

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Total Carrying Value	Fair Value
Financial Assets					
Investments	3,638	5,997	4,587	14,222	14,222
Trade receivables	65,989	-	-	65,989	65,989
Cash and cash equivalents	3,816	-	-	3,816	3,816
Bank balances other than cash and cash equivalents	1,543	-	-	1,543	1,543
Loans	75,922	-	-	75,922	75,923
Derivative Assets	-	-	2,018	2,018	2,018
Other financial assets	11,293	-	-	11,293	11,293
Total	**164,201**	**5,997**	**6,605**	**176,803**	**176,804**
Financial Liabilities					
Long term Borrowings #	357,307	-	-	357,307	365,628
Short term Borrowings	63,840	-	-	63,840	63,840
Trade payables	136,011	-	-	136,011	136,011
Derivative liabilities	-	-	3,724	3,724	3,724
Other financial liabilities	39,469	-	-	39,469	39,473
Total	**596,627**	**-**	**3,724**	**600,351**	**608,676**

including current maturities of long term debt and finance lease obligations

NOTES TO THE UNAUDITED CONDENSED STANDALONE INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

As at 31 March 2018

Rs. in millions

Particulars	Amortised cost	Fair value through other comprehensive income	Fair value through profit and loss	Total Carrying Value	Fair Value
Financial Assets					
Investments	1	6,796	3,502	10,299	10,299
Trade receivables	46,920	-	-	46,920	46,920
Cash and cash equivalents	4,507	-	-	4,507	4,507
Bank balances other than cash and cash equivalents	1,502	-	-	1,502	1,502
Loans	53,227	-	-	53,227	53,228
Derivative Assets	-	-	1,466	1,466	1,466
Other financial assets	12,491	-	-	12,491	12,491
Total	**118,648**	**6,796**	**4,968**	**130,412**	**130,413**
Financial Liabilities					
Long term Borrowings #	340,088	-	-	340,088	347,085
Short term Borrowings	21,718	-	-	21,718	21,718
Trade payables	139,885	-	-	139,885	139,885
Derivative liabilities	-	-	901	901	901
Other financial liabilities	33,511	-	-	33,511	33,517
Total	**535,202**	-	**901**	**536,103**	**543,106**

including current maturities of long term debt and finance lease obligations

6. Level Wise disclosure of Financial instruments

Rs. in millions

Particulars	As at 31 December 2018	As at 31 March 2018	Level	Valuation techniques and key inputs
Quoted investments in equity shares measured at FVTOCI	5,860	6,659	1	Quoted bid prices in an active market
Unquoted investments in equity shares measured at FVTOCI	88	88	3	Net Asset value of share arrived has been considered as fair value
Unquoted investments in equity shares measured at FVTOCI	49	49	3	Cost is approximate estimate of fair value
Quoted investments in Mutual Fund measured at FVPTL	1,039	-	1	Quoted bid prices in an active market
Non-current investments in unquoted preference shares measured at FVTPL	3,548	3,502	3	Discounted cash flow - Future cash flows are based on terms of Preference Shares discounted at a rate that reflects market risks
Derivative Assets	2,018	1,466	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Derivative Liabilities	3,724	901		

The carrying amounts of current investments, other financial assets, trade receivables, trade payables, capital creditors, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short term nature.

Sensitivity Analysis of Level 3:

	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Investments in unquoted Preference shares	DCF method	Discounting Rate of 9.1%	0.50%	0.50% Increase (decrease) in the discount would decrease (increase) the fair value by Rs. 39 millions (Rs. 41 millions)

Reconciliation of Level 3 fair value measurement:

Particulars	Rs. in millions Amount
Balance as at 1 April 2018	**3,639**
Additions made during the period	2
Allowance for loss	(16)
Gain recognised in the statement of profit and loss	60
Balance as at 31 December 2018	**3,685**

7. Contingent liabilities:

(i) Disputed claims/levies (excluding interest, if any) in respect of:

Particulars	As at 31 December 2018	Rs. in millions As at 31 March 2018
Excise Duty	4,744	4,140
Custom Duty	4,921	5,138
Income Tax	179	179
Sales Tax / VAT / Special Entry tax	1,559	1,559
Service Tax	6,284	5,933
Levies by local authorities – Statutory	24	30
Levies relating to Energy / Power Obligations	5,148	3,163
Claims by suppliers and other parties	422	422
Miscellaneous	-	1
Total	**23,281**	**20,565**

a) Excise duty cases includes disputes pertaining to availment of CENVAT credit, valuation methodologies, classification of gases under chapter heading.

b) Custom duty cases includes disputes pertaining to import of Iron ore fines and lumps under wrong heading, utilisation of SHIS licences for clearance of imported equipment, payment of customs duty Steam Coal through Krishnapatnam Port and anti-dumping duty on Met Coke used in Corex.

c) Sales Tax/ VAT/ Special Entry tax cases includes disputes pertaining to demand of special entry tax in Karnataka and demand of cess by department of transport in Goa.

d) Service Tax cases includes disputes pertaining to availment of service tax credit on ineligible services, KKC amount paid but no credit not availed, denial of credit distributed as an ISD, service tax on railway freight not taken as per prescribed documents.

e) Income Tax cases includes disputes pertaining to deduction u/s 80-IA and other matters.

f) Levies by local authorities - Statutory cases includes disputes pertaining to payment of water charges and enhanced compensation.

g) Levies relating to Energy / Power Obligations cases includes disputes pertaining to uninterrupted power charges by Karnataka Power Transmission Company Ltd., belated payment surcharge, claims for the set off of renewable power obligations against the power generated in its captive power plants and dues relating to additional surcharge imposed on captive consumption by Maharashtra State Electricity Distribution Company Ltd.

h) Claims by Suppliers and other parties includes quality claims issues raised by suppliers and others.

i) Miscellaneous cases includes provident fund relating to contractors.

j) There are several other cases which has been determined as remote by the Company and hence not been disclosed above.

(ii) Forest Development Tax/Fee:

Rs. in millions

Particulars	As at 31 December 2018	As at 31 March 2018
Claims related to Forest Development Tax/Fee	20,548	17,985
Amount paid under protest	9,194	9,194

In response to a petition filed by the iron ore mine owners and purchasers (including the Company) contesting the levy of Forest Development Tax (FDT) on iron ore on the ground that the State does not have jurisdiction to legislate in the field of major minerals which is a central subject, the Honourable High Court of Karnataka vide its judgement dated 3 December 2015 directed refund of the entire amount of FDT collected by Karnataka State Government on sale of iron ore by private lease operators and National Mineral Development Corporation Limited (NMDC). The Karnataka State Government has filed an appeal before the Supreme Court of India ("SCI"). SCI has not granted stay on the judgement but stayed refund of FDT amounting to Rs. 15,168 millions. The matter is yet to be heard by SCI. Based on merits of the case and supported by a legal opinion, the Company has not recognised provision for FDT of Rs. 10,429 millions (including paid under protest - Rs. 6,650 millions) and treated it as a contingent liability.

The State of Karnataka on 27 July 2016, has amended Section 98-A of the Forest Act retrospectively substituting the levy as Forest Development Fee (FDF) instead of FDT. In response to the writ petition filed by the Company and others, the Honourable High Court of Karnataka has vide its order dated 4 October 2017, held that the amendment is ultra-vires the Constitution of India and directed the State Government to refund the FDF collected. The State Government has filed an appeal before the SCI, and based on merits of the case duly supported by a legal opinion and a favorable order from the High Court, the Company has not recognised provision for FDF amount of Rs. 10,119 millions (including paid under protest - Rs.2,544 millions) pertaining to the private lease operators & NMDC and treated it as contingent liability.

8. Financial guarantees

The Company has issued financial guarantees to banks on behalf of and in respect of loan facilities availed by its group companies.

Refer below for details of financial guarantees issued:

Rs. in millions

Particulars	As at 31 December 2018	As at 31 March 2018
Guarantees	22,274	6,378
Standby letter of credit facility (to the extent of outstanding loan)	9,306	17,172
Less: Loss allowance against aforesaid	(5,608)	(6,420)
Total	**25,972**	**17,130**

9. Commitments

Rs. in millions

Particulars	As at 31 December 2018	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	109,995	98,010

Other commitments:

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

(b) The Company has imported capital goods under the export promotion capital goods scheme to utilise the benefit of a zero or concessional customs duty rate. These benefits are subject to future exports within the stipulated period. Such export obligations aggregate to

Rs. in millions

Particulars	As at 31 December 2018	As at 31 March 2018
Export promotion capital goods scheme	126,574	44,547

10. Segment Reporting

The Company is in the business of manufacturing steel products having similar economic characteristics, primarily with operations in India and regularly reviewed by the Chief Operating Decision Maker for assessment of Company's performance and resource allocation.

The information relating to revenue from external customers and location of non-current assets of its single, reportable segment has been disclosed as below

a) **Revenue from operations**

Rs. in millions

Particulars	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017	For the year ended 31 March 2018
Domestic	522,404	384,087	563,573
Export	47,860	93,039	113,658
Total	**570,264**	**477,126**	**677,231**

Revenue from operations have been allocated on the basis of location of customers.

b) **Non-current assets**

All non-current assets other than financial instruments of the Company are located in India

c) **Customer contributing more than 10% of Revenue**

Rs. in millions

Particulars	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017	For the year ended 31 March 2018
JSW Steel Coated Products Limited	78,861	71,777	97,928
Total	**78,861**	**71,777**	**97,928**

NOTES TO THE UNAUDITED CONDENSED STANDALONE INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

11. Earnings per share

Particulars	For the nine months ended 31 December 2018	For the nine months ended 31 December 2017
Profit attributable to equity shareholders (Rs. in millions) (A)	65,142	25,218
Weighted average number of equity shares for basic EPS (B)	**2,404,863,408**	**2,403,976,682**
Effect of Dilution :		
Weighted average number of treasury shares held through ESOP trust	12,357,032	13,243,758
Weighted average number of equity shares adjusted for the effect of dilution (C)	**2,417,220,440**	**2,417,220,440**
Earnings per share of Re. 1 each (EPS) (not annualized)		
Basic EPS (Amount in Rs.) (A/B)	**27.09**	**10.49**
Diluted EPS (Amount in Rs.) (A/C)	**26.95**	**10.43**

12. Related Party

A Relationships

1 Subsidiaries

JSW Steel (Netherlands) B.V.
JSW Steel (UK) Limited
JSW Steel (USA) Inc.
Periama Holdings, LLC
Purest Energy, LLC
Meadow Creek Minerals, LLC
Hutchinson Minerals, LLC
R.C. Minerals, LLC
Keenan Minerals, LLC
Peace Leasing, LLC
Prime Coal, LLC
Planck Holdings, LLC
Rolling S Augering, LLC
Periama Handling, LLC
Lower Hutchinson Minerals, LLC
Caretta Minerals, LLC
JSW Panama Holdings Corporation
Inversiones Eurosh Limitada
Santa Fe Mining
Santa Fe Puerto S.A.
JSW Natural Resources Limited
JSW Natural Resources Mozambique Limitada
JSW ADMS Carvo Lda
Nippon Ispat Singapore (PTE) Limited
Erebus Limited
Arima Holding Limited
Lakeland Securities Limited
JSW Steel Processing Centres Limited
JSW Bengal Steel Limited

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

	JSW Natural Resources India Limited
	JSW Energy (Bengal) Limited
	JSW Natural Resource Bengal Limited
	JSW Jharkhand Steel Limited
	Amba River Coke Limited
	JSW Steel Coated Products Limited
	Peddar Realty Private Limited
	JSW Steel (Salav) Limited
	Dolvi Minerals & Metals Private Limited
	Dolvi Coke Projects Limited
	JSW Industrial Gases Private Limited
	JSW Realty & Infrastructure Private Limited
	JSW Steel Italy S.R.L.
	JSW Utkal Steel Limited (w.e.f. 16.11.2017)
	Hasaud Steel Limited (w.e.f. 13.02.2018)
	Creixent Special Steels Limited (w.e.f. 27.02.2018, ceased w.e.f. 27.08.2018)
	Milloret Steel Limited (w.e.f. 08.03.2018, ceased w.e.f. 31.08.2018)
	Acero Junction Holdings, Inc. (w.e.f. 15.06.2018)
	JSW Steel USA Ohio, Inc. (w.e.f. 15.06.2018)
	Aferpi S.p.A. (w.e.f. 24.07.2018)
	Piombino Logistics S.p.A. (w.e.f. 24.07.2018)
	GSI Lucchini S.p.A. (w.e.f. 24.07.2018)
	JSW Retail Limited (w.e.f. 20.09.2018)
2	**Joint Ventures**
	Vijayanagar Minerals Private Limited
	Rohne Coal Company Private Limited
	JSW Severfield Structures Limited
	Gourangdih Coal Limited
	GEO Steel LLC
	JSW Structural Metal Decking Limited
	JSW MI Steel Service Centre Private Limited
	JSW Vallabh Tin Plate Private Limited
	Accialtalia S.p.A.
	Creixent Special Steels Limited (w.e.f. 28.08.2018)
	Monnet Ispat & Energy Limited (w.e.f. 31.08.2018)
3	**Key Management Personnel**
	Mr. Sajjan Jindal
	Mr. Seshagiri Rao M V S
	Dr. Vinod Nowal
	Mr. Jayant Acharya
	Mr. Rajeev Pai
	Mr. Lancy Varghese
4	**Other Related Parties**
	JSW Energy Limited
	JSW Energy (Barmer) Limited (formerly known as Raj West Power Limited)
	JSW Power Trading Company Limited
	JSW Green Energy Limited
	JSW Hydro Energy Limited (formerly known as Himachal Baspa Power Company Limited)
	JSW Solar Limited
	Jindal Stainless Limited
	JSL Architecture Limited

S.R.B.C.& CO.LLP MUMBAI CHARTERED ACCOUNTANTS

	JSL Lifestyle Limited
	Jindal Saw Limited
	Jindal Saw USA LLC
	Jindal Tubular (India) Limited
	Jindal Urban Waste Management Limited
	Jindal Fittings Limited
	Jindal Rail Infrastructure Limited
	Jindal Steel & Power Limited
	M/s Shadeed Iron & Steel Co. LLC
	Jindal Power Limited
	India Flysafe Aviation Limited
	JSW Infrastructure Limited
	JSW Jaigarh Port Limited
	South West Port Limited
	JSW Dharamatar Port Private Limited
	JSW Paradip Terminal Private Limited
	Jaigarh Digni Rail Limited
	JSW Cement Limited
	JSW Cement, FZE
	South West Mining Limited
	JSW Projects Limited
	JSW IP Holdings Private Limited
	JSOFT Solutions Limited
	Reynold Traders Private Limited
	JSW Techno Projects Management Limited
	JSW Global Business Solutions Limited
	Jindal Industries Private Limited
	JSW Foundation
	Jindal Technologies & Management Services Private Limited
	Epsilon Carbon Private Limited
	Epsilon Aerospace Private Limited
	JSW Living Private Limited
	JSW International Trade Corp PTE Limited
	Jindal Education Trust
	JSW Paints Private Limited
	Toshiba JSW Power System Private Limited
	MJSJ Coal Limited
	O P Jindal Foundation
	JSW Bengaluru Football Club Private Limited
	JSW GMR Cricket Private Limited
	Khaitan & Company#
	Vinar Systems Private Limited ##
5	**Post Employment Benefit Entity**
	JSW Steel EPF Trust
	Jindal Steel Group Gratuity Trust
	JSW Steel Limited Employee Gratuity Fund

Mr. Haigreve Khaitan is a partner in Khaitan & Company
Mr. Haigreve Khaitan is a director in Vinar Systems Private Limited

S.R.B.C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

NOTES TO THE UNAUDITED CONDENSED STANDALONE INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

B. Transactions with Related Parties **(Rs. in millions)**

Particulars	Subsidiaries	Joint ventures	Other related parties	Total
Purchase of goods / power & fuel / services	50,041	790	155,980	206,811
	39,972	*197*	*149,636*	*189,805*
Reimbursement of expenses incurred on our behalf by	1	1	21	23
	2	-	*20*	*22*
Sales of goods/power & fuel	83,715	5,657	23,971	113,343
	81,379	*3,766*	*13,546*	*98,691*
Other income/ interest income/ dividend income	3,253	73	499	3,825
	768	*26*	*280*	*1,074*
Purchase of assets	168	2,382	2,202	4,752
	17	*752*	*526*	*1,295*
Advance given/(received back)	-	1,250	(74)	1,176
	356	-	*2,164*	*2,520*
Lease deposit received	-	-	-	-
	-	-	-	-
Lease and other advances refunded	-	-	398	398
	-	-	*362*	*362*
Loan given	27,810	-	-	27,810
	26,537	-	-	*26,537*
Provision for loans and advances made during the year	-	-	-	-
	1,974	-	-	*1,974*
Donation/ CSR expenses	-	-	119	119
	-	-	*60*	*60*
Recovery of expenses incurred by us on their behalf	824	41	272	1,137
	1,130	*25*	*95*	*1,250*
Investments / share application money given during the period	556	3,705	-	4,261
	82	*455*	-	*537*
Interest expenses	-	-	-	-
	10	-	-	*10*
Guarantees and collaterals provided by the Company on behalf	24,509	-	-	24,509
	-	-	-	-
Guarantees and collaterals released	13,059	-	-	13,059
	4,032	-	-	*4,032*
Adjustment of receivable/(payable)	790	-	-	790
	-	-	-	-
Redemption/ sale of shares	502	-	-	502
	-	-	-	-
Finance lease interest cost	2,706	-	1,512	4,218
	2,809	-	*1,516*	*4,325*
Liabilities written back	31	31	215	277
	-	-	-	-
Finance lease obligation repayment	1,022	-	1,553	2,575
	896	-	*1,383*	*2,279*

Amount in italics is for nine months ended 31 December 2017

Remuneration to Key Managerial Person for Apr'18 to Dec'18 – Rs. 673 million (Apr'17 to Dec'17 - Rs. 709 million)

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C. Amount due to/ from related parties (Rs. in millions)

Particulars	Subsidiaries	Joint ventures	Other related parties	Total
Trade payables	2,483	4	17,427	19,914
	597	*4*	*24,142*	*24,743*
Advance received from customers	-	-	3	3
	-	*1*	*267*	*268*
Lease & other deposit received	96	130	270	496
	96	*130*	*269*	*495*
Lease & other deposit given	-	-	-	-
	-	-	*3*	*3*
Trade receivables	11,248	992	2,111	14,351
	6,101	*696*	*1,414*	*8,211*
Share application money given	5	380	-	385
	5	*4*	-	*9*
Capital / revenue advance	3,212	948	3,750	7,910
	6,500	*284*	*3,614*	*10,398*
Loan and advances given	77,099	4	-	77,103
	54,037	*4*	*(3)*	*54,038*
Interest receivable	6,294	-	-	6,294
	5,808	-	-	*5,808*
Allowances for loans and advances given	6,413	-	-	6,413
	5,224	-	-	*5,224*
Loans/advances/deposits taken	-	-	126	126
	-	-	*506*	*506*
Finance lease obligation	26,992	-	15,011	42,003
	28,014	-	*16,564*	*44,578*
Guarantees and collaterals provided by the Company on behalf	34,224	-	-	34,224
	24,821	-	-	*24,821*
Post-employment benefit plans	-	-	624	624
	-	-	*651*	*651*

Amount in italics is as at 31 March 2018

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13. Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1 April 2018 replaces the existing revenue recognition standards. The application of Ind AS 115 did not have any significant impact on Statement of Profit and Loss of the Company. However, the Company has determined that, in case of certain contracts, shipping services provided to customers is a separate performance obligation and accordingly the revenue attributable to such shipping services has been recognised as revenue from operations, which was hitherto netted off against the corresponding freight expense included in the other expenses in the statement of profit and loss. The Company has applied full retrospective approach and restated the previous period presented.

The restated revenue for the nine months ended 31 December 2017 is higher by Rs. 10,287 million and for the year ended 31 March 2018 by Rs. 14,888 million with the corresponding increase in Other expenses.

The restated revenue and restated other expenses for the nine months ended 31 December 2017 and for the year ended 31 March 2018 are :

Rs. in millions

Particulars	For the nine months ended 31 December 2017*	For the year ended 31 March 2018
Revenue from operations	477,126	677,231
Other expenses	98,998	139,934

Further, the export benefits, amounting to Rs. 2,285 million for the nine months ended 31 December 2017 and Rs. 3,004 million for the year ended 31 March 2018 which was earlier included as part of Revenue from sale of products has been reclassified to Other operating revenue.

The above adjustments have no impact on the balance sheet and cash flow statement for the previous period.

The Company has assessed and determined the following categories for disaggregation of revenue in addition to that provided under segment disclosure (refer note 10):

Rs. in millions

Particulars	For the nine months ended	
	31 December 2018	31 December 2017*
Revenue from contracts with customer - sale of products (including Freight income)	555,051	468,881
Other Operating revenue	15,213	8,245
Total	**570,264**	**477,126**

NOTES TO THE UNAUDITED CONDENSED STANDALONE INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

Rs. in millions

Particulars	For the nine months ended	For the nine months ended
	31-Dec-18	31-Dec-17
MS slabs	10,405	7,473
Hot rolled coils/steel plates/sheets	285,593	235,908
Galvanized coils/sheets	19,253	16,460
Cold rolled coils/sheets	77,777	66,682
Steel billets & blooms	12,136	13,914
Long rolled products	120,537	90,166
Others (including freight income on sale of products)	29,350	38,278
Total	**555,051**	**468,881**

* **Goods & Service Tax (GST)**

Post the implementation of GST with effect from 1 July 2017, Revenue from operations is required to be presented net of GST. Accordingly, Revenue from operations for the nine months ended 31 December 2018 is not comparable to the nine months ended 31 December 2017.

14. VAT Deferral Accrual

The Company's units at Dolvi in Maharashtra and Vijayanagar in Karnataka are eligible and have been availing VAT / CST deferral /refunds historically. The Company currently recognises income for such government grants, on the basis using SGST rates instead of VAT rates, in accordance with the relevant notifications issued by the State of Maharashtra and the State of Karnataka post implementation of GST, including incentives on sale to related parties.

The State Government of Maharashtra ('GOM') vide its Government Resolution dated 20 December 2018 has issued the modalities for sanction and disbursement of Incentives under GST regime. However, certain new conditions have been introduced in the Government Resolution, which seeks to deny claiming incentives on related party transactions. The management has evaluated the impact of such change in scheme on the Company and has obtained legal advice on the tenability of the changes in the said scheme. Based on such legal advice, the Company has made the representation to GOM and believes that said Incentives would continue to be made available to the Company under the GST regime, since the new conditions are not tenable legally and will contest these changes appropriately. The process of disbursing incentives sanctioned by the State Government of Karnataka is yet to be notified.

Accordingly, the Company has also recognized grant income in relation to sales to related parties of Rs. 3,755 million for nine months ended 31 December 2018. Further, the company had recognized, in previous year, grant income in relation to sales to related parties of Rs. 3,606 million for the year ended 31 March 2018. The cumulative amount receivable towards the same as at 31 December 2018 amounting to Rs. 7,361 million has been considered good and recoverable.

15. On 15 June 2018, the Company completed acquisition of 100% equity stake in Acero Junction Holdings, Inc (Acero) for a cash consideration of Rs 5,361 million (USD 80.85 million). Acero, along with its wholly owned subsidiary JSW Steel USA Ohio, Inc (JSWSUO) (Formerly known as Acero Junction, Inc.). JSWSUO has steelmaking assets consisting of 1.5 MTPA electric arc furnace, 2.8 MTPA continuous slab caster and a 3.0 MTPA hot strip mill at Mingo Junction, Ohio in the United States of America. The Company has accounted for an investment of Rs. 5,361 million (USD 80.85 million) in its financials relating to such acquisition.

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NOTES TO THE UNAUDITED CONDENSED STANDALONE INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

16. Pursuant to the Corporate Insolvency Resolution process under the Insolvency Bankruptcy Code, 2016 initiated on 18 July 2017, the National Company Law Tribunal ('NCLT') on 24 July 2018 (Order date) approved (with modifications) the resolution plan submitted by the consortium of JSW Steel Limited and AION Investments Private II Limited. The consortium completed the acquisition of Monnet Ispat & Energy Limited ("MIEL") through their jointly controlled entity Creixent Special Steels Limited ("CSSL") on 31 August 2018. The Company has made an investment of Rs. 3,751 million through equity and redeemable preference shares in CSSL to acquire joint control in MIEL and have an effective shareholding of 23.1% in MIEL.

17. On 24 July 2018, the Company through its wholly owned subsidiary in Italy, JSW Steel Italy S.r.l, completed acquisition of 100% shares each of Aferpi S.p.A ("Aferpi") and Piombino Logistics S.p.A ("PL") and 69.27% of the shares of GSI Lucchini S.p.A ("GSI") (collectively referred to as "Targets") for a consideration of Rs. 4,827 million (Euro 59.90 million) towards acquisition of equity shares and Rs. 997 million (Euro 12.38 million) towards acquisition of loans provided by erstwhile shareholders of the targets.

Aferpi produces and distributes special long steel products viz rails, wire rods and bars. It has a plant at Piombino in Italy, comprising a Rail Mill (0.32 mtpa), Bar Mill (0.4 mtpa), Wire Rod Mill (0.6 mtpa) and a captive industrial port concession. PL manages the logistic infrastructure of Piombino's port area. GSI is a producer of forged steel balls used in grinding mills with predominant application in mining processing.

18. On 23 October 2018, the Company has acquired an additional stake of 60.004% of the share capital of Dolvi Minerals and Metals Private Limited ("DMMPL"), a subsidiary, for a cash consideration of Rs. 1,092 million. Pursuant to the acquisition of shares of DMMPL, DMMPL along with its wholly owned subsidiary Dolvi Coke Projects Limited ("DCPL"), have become wholly owned subsidiaries of the Company.

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

20. The Resolution Plan submitted by the Company for Vardhman Industries Limited (VIL) was approved with some modification, by the Hon'ble NCLT New Delhi, by its order dated 19 December 2018 under Section 31 of the Insolvency and Bankruptcy Code, 2016 (NCLT Order). The Company has filed an application before the Hon'ble NCLT seeking certain clarifications/modifications to the NCLT Order. The Hon'ble NCLT, by its order dated 7 January 2019, has deferred the implementation of the resolution Plan until clarifications are processed by the Regular Bench. The hearing on the Clarification Application is concluded on 28 January 2019 and it is reserved for orders.

21. a) JSW Steel Ltd. ("JSWSL") has submitted a resolution plan for Bhushan Power & Steel Limited ("BPSL"), a company undergoing insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 ("Code").
The Committee of Creditors of BPSL has issued a Letter of Intent ("LoI") dated February 11, 2019 to JSWSL and the same has been accepted by JSWSL on February 13, 2019. The closure of the transaction shall be subject to obtaining necessary approval from the National Company Law Tribunal, New Delhi and satisfaction of conditions precedent under the resolution plan.

b) The Company on 27th February 2019, has entered into a five year Advance Payment and Supply Agreement ("APSA") agreement with Duferco S.A. (DSA) for supply of Steel Products. DSA would be providing an interest bearing advance amount of US $ 700 million under this agreement.

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NOTES TO THE UNAUDITED CONDENSED STANDALONE INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

22. Dividend distribution

On 16 May 2018 the board of directors recommended a final dividend of Rs. 3.20 per equity share be paid to shareholders for financial year 2017-18, which was approved by the shareholders at the Annual General Meeting held on 24 July 2018. The dividend amounting to Rs. 7,735 million has been paid on 27 July 2018.

23. Previous year / period figures have been re-grouped / re-classified wherever necessary.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

per VIKRAM MEHTA
Partner
Membership No.:105938

Place: Mumbai
Date : 28 February 2019

For and on behalf of the Board of Directors

RAJEEV PAI
Chief Financial Officer

SESHAGIRI RAO M.V.S
Jt.Managing Director & Group CFO
DIN 00029136

NANCY VARGHESE
Company Secretary
ICSI Membership No. FCS 9407
Place: Mumbai
Date: 28 February 2019

JAYANT ACHARYA
Director (Commercial & Marketing)
DIN 00108543