

S.R. BATLIBOI & Co.

Chartered Accountants

14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai-400 028, India
Tel : +91 22 6192 0000
Fax : +91 22 6192 1000

Limited Review Report**The Board of Directors
JSW ISPAT Steel Ltd.**

1. We have reviewed the accompanying statement of unaudited financial results of JSW ISPAT Steel Ltd. ('the Company') for the quarter ended 31st December 2012 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *Attention is drawn to Note 1(a) of the accompanying statement of unaudited financial results regarding recognition of net deferred tax asset of Rs. 2,221.92 crores (including Rs 111.05 crores recognized during the quarter) on unabsorbed depreciation and brought forward business losses upto 31st December 2012, based on the future profitability projections made by the management. We are unable to express an opinion on the virtual certainty of achieving these projections as required by Accounting Standard 22, Accounting for Taxes on Income, and the consequential impact, if any, of the recognition of such deferred tax asset. This had also caused us to qualify our audit opinion on the financial statements for the year ended 30th June 2012 and review report for the quarter ended 30th September 2012.*

Had the impact of above item been considered, the loss for the quarter would have been Rs. 2352.66 crores (after adjusting deferred tax assets of Rs. 2,110.87 crores recognized upto 30th September 2012) instead of the reported net loss of Rs 130.74 crores.



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4. Based on our review conducted as above, *except for the effect of the observation in para 3 above*, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Financial Results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended) and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

S. R. Batliboi
For S. R. BATLIBOI & CO.
Firm Registration Number : 301003E
CHARTERED ACCOUNTANTS

The Ruby, 14th Floor
29 Senapati Bapat Marg
Dadar (W)
Mumbai - 400 028

Dated: 11 February 2013.

Hemal Shah
Per Hemal Shah
Partner

Membership No. 42650

