Deloitte Haskins & Sells

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**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
JSW STEEL LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **JSW STEEL LIMITED** ("the Company") for the Quarter and Six Months ended 30 September 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. 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 of the Statement 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. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. We draw attention to Note 4 of the Statement relating to the Company's assessment that no provision against carrying amounts of its long term strategic investment and loans relating to its subsidiary, JSW Steel (USA) Inc., aggregating to Rs.415,122 lacs is presently necessary, for the reason stated in the note.

   Our report is not qualified in respect of this matter.

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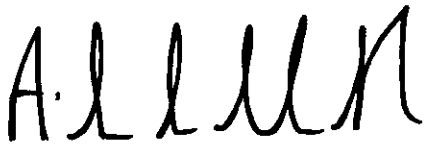
5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Six Months Ended 30 September 2013 of the Statement, from the details furnished by the Registrars.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No.177366W)



A Siddharth
Partner
(Membership No. 31467)

Mumbai, 29 October, 2013

JSW Steel Limited

Registered Office : JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai- 400051

PART I - Standalone Financial Results for the Quarter and Half Year ended 30th September, 2013

(Rs. in Lacs)

Sr. No	Particulars	Standalone					
		Unaudited			Unaudited		Audited
		Quarter Ended			Half Year Ended		Year Ended
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
1	**Income from operations**						
	a) Sale of Products						
	Domestic Turnover	986256	923377	753779	1909633	1588692	3116640
	Export Turnover	246273	98638	211946	344911	368009	759701
	Total	1232529	1022015	965725	2254544	1956701	3876341
	Less: Excise Duty	101704	98514	82352	200218	170311	337578
	Net Sales	1130825	923501	883373	2054326	1786390	3538763
	b) Other Operating Income	17742	12314	3717	30056	4460	10418
	Total Income from operations (net) (a+b)	1148567	935815	887090	2084382	1790850	3549181
2	**Expenses**						
	a) Cost of materials consumed	621703	607455	618938	1229158	1197377	2259037
	b) Purchases of traded goods	11909	27967	-	39876	908	1000
	c) Changes in inventories of finished goods, work-in- progress and stock-in-trade	62430	(86146)	(53486)	(23716)	(72225)	(17246)
	d) Employee benefits expense	19509	20929	17585	40438	35001	67097
	e) Depreciation and amortisation expense	68519	64394	48117	132913	94895	197389
	f) Power and Fuel	88075	84197	49591	172272	100791	196409
	g) Other Expenses	121545	106499	101947	228044	199204	412002
	Total Expenses	993690	825295	782692	1818985	1555951	3115688
3	**Profit from Operations before Other income, Finance Costs and Exceptional Items(1-2)**	154877	110520	104398	265397	234899	433493
4	Other Income	12081	7226	7826	19307	15053	26088
5	**Profit before Finance Costs and Exceptional Items (3+4)**	166958	117746	112224	284704	249952	459581
6	Finance Costs	68897	64180	42075	133077	82741	172448
7	**Profit after Finance Costs but before Exceptional Items (5-6)**	98061	53566	70149	151627	167211	287133
8	Exceptional Items (refer note 3)	(83938)	(85292)	42238	(169230)	(16967)	(36721)
9	**Profit / (Loss) before Tax (7-8)**	14123	(31726)	112387	(17603)	150244	250412
10	Tax Expense	3998	(9650)	30161	(5652)	41118	70290
11	**Net Profit / (Loss) after Tax (9-10)**	10125	(22076)	82226	(11951)	109126	180122
12	Paid up Equity Share Capital (face value of Rs. 10 per share)	24172	24172	22312	24172	22312	22312
13	Reserves excluding Revaluation Reserves				-	-	1937419
14	Earnings per share (EPS)						
	Basic (Rs.)	3.85	(9.47)	36.49	(5.62)	48.18	79.28
	Diluted (Rs.)	3.85	(9.47)	36.49	(5.62)	48.18	79.28
15	Debt Service Coverage Ratio (refer (i) below)				1.18	1.21	1.50
16	Interest Service Coverage Ratio (refer (ii) below)				2.30	3.39	2.93

i) Debt Service Coverage Ratio : Profit before Net Finance Charges and Exceptional Items / (Net Finance Charges + Long Term Debt repaid net of debt refinanced during the (Net Finance Charges : Finance Costs - Interest Income - Net Gain / (Loss) on sale of current investments)

ii) Interest Service Coverage Ratio : Profit before Net Finance Charges and Exceptional Items/ Net Finance Charges

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JSW Steel Limited

Registered Office : JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai- 400051

Part II - Selected Information for the Quarter and Half Year ended 30th September, 2013

(A)	PARTICULARS OF SHAREHOLDING						
Sr. No	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
1	Public shareholding						
	- Number of shares	154101673	155104173	138224074	154101673	138224074	138224125
	- Percentage of shareholding	63.75%	64.17%	61.95%	63.75%	61.95%	61.95%
2	**Promoters and Promoter Group Shareholding**	87620371	86617871	84893126	87620371	84893126	84893075
	a) Pledged / Encumbered						
	Number of shares	46967693	44102893	42060673	46967693	42060673	45598708
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	53.60%	50.92%	49.55%	53.60%	49.55%	53.71%
	Percentage of shares (as a % of the total share capital of the company)	19.43%	18.24%	18.85%	19.43%	18.85%	20.44%
	b) Non-encumbered						
	Number of shares	40652678	42514978	42832453	40652678	42832453	39294367
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	46.40%	49.08%	50.45%	46.40%	50.45%	46.29%
	Percentage of shares (as a % of the total share capital of the company)	16.82%	17.59%	19.20%	16.82%	19.20%	17.61%

(B)	INVESTOR COMPLAINTS	3 months ended 30.09.2013
	Pending at the beginning of the quarter	-
	Received during the quarter	99
	Disposed of during the quarter	99
	Remaining unresolved at the end of the quarter	-

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JSW Steel Limited

2. STATEMENT OF ASSETS AND LIABILITIES :

(Rs. in Lacs)

	Particulars	Standalone	
		As at 30.09.2013 (Unaudited)	As at 31.03.2013 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholder's Funds		
	(a) Share capital	106719	56318
	(b) Reserves and surplus	2187628	1937419
	Sub-total - Shareholder's funds	2294347	1993737
2	Minority interest	-	-
3	Non-current Liabilities		
	(a) Long-term borrowings	2153637	1543426
	(b) Deferred tax liabilities (net)	123117	345023
	(c) Other Long-term Liabilities	41177	19406
	(d) Long-term provisions	6213	3951
	Sub-total -Non-current liabilities	2324144	1911806
4	Current Liabilities		
	(a) Short-term borrowings	365092	110953
	(b) Trade payables	1367216	927436
	(c) Other current liabilities	666562	487398
	(d) Short-term provisions	-	30205
	Sub-total -Current liabilities	2398870	1555992
	TOTAL - EQUITY AND LIABILITIES	7017361	5461535
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	4275864	3271333
	(b) Goodwill on consolidation	-	-
	(c) Non-current Investments	387041	449561
	(d) Deferred tax assets (net)	-	-
	(e) Long-term loans and advances	464685	308399
	(f) Other non-current assets	658	8
	Sub-total -Non-current assets	5128248	4029301
2	Current assets		
	(a) Current investments	7380	14045
	(b) Inventories	582880	479910
	(c) Trade receivables	373906	186220
	(d) Cash and cash equivalents	78158	140179
	(e) Short-term loans and advances	846789	611880
	Sub-total -Current assets	1889113	1432234
	TOTAL - ASSETS	7017361	5461535

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Notes :

1 Segment-wise Revenue, Results and Capital Employed

(Rs. in Lacs)

Sr. No.	Particulars	Standalone					
		Unaudited Quarter Ended			Unaudited Half Year Ended		Audited Year Ended
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
1	**Revenue by Business Segment :**						
	Steel	1173329	957718	908878	2131047	1826852	3607813
	Power	93420	103873	101542	197293	207942	412950
	Total	1266749	1061591	1010420	2328340	2034794	4020763
	Less: Inter segment revenue	118182	125776	123330	243958	243944	471582
	Total Income	1148567	935815	887090	2084382	1790850	3549181
2	**Segment results before Finance Costs and tax:**						
	Steel	32577	(7805)	122458	24772	168244	288642
	Power	38362	33033	24183	71395	49693	108188
	Total	70939	25228	146641	96167	217937	396830
	Less: Unallocable items						
	Finance Costs	68897	64180	42075	133077	82741	172448
	Unallocable expense net of unallocable income	(12081)	(7226)	(7821)	(19307)	(15048)	(26030)
	Profit / (Loss) before Tax	14123	(31726)	112387	(17603)	150244	250412
3	**Segment Capital Employed :**						
	(Segment assets less Segment liabilities)						
	Steel	4369773	4256985	3027699	4369773	3027699	3246853
	Power	185410	221588	194681	185410	194681	199134
	Unallocated	(2260836)	(2205935)	(1266798)	(2260836)	(1266798)	(1452250)
	Total	2294347	2272638	1955582	2294347	1955582	1993737

The Company is primarily engaged in the business of manufacture and sale of Iron and Steel Products. The Company has identified two primary business segments, namely, Steel and Power (used mainly for captive consumption), which in the context of Accounting Standard 17 on "Segment Reporting" constitute reportable segments.

3. Due to significant movement and volatility in value of Indian rupee against US dollar, the net foreign exchange gain / (loss) has been considered by the Company as exceptional in nature.

4. In respect of the Company's long term, strategic investment in one of its subsidiaries, JSW Steel (USA) Inc., the Company periodically reviews and assesses its business plans and expected future cash flows. The Company has also considered recent independent valuations of the underlying fixed assets. Whilst the subsidiary may have a longer gestation period than originally envisaged, the Company has concluded that the decline is temporary and no provision against the carrying amounts of the investment and loans of Rs. 415122 lacs relating to the subsidiary is presently necessary.

5. During the quarter ended September 30, 2013, the Company has made additional investments aggregating to Rs. 17121 lacs in subsidiaries, associate and joint venture companies.

6. On 3rd May 2013 the Bombay High Court sanctioned a Composite Scheme of Amalgamation and Arrangement under sections 391 to 394 of the Companies Act, 1956 amongst JSW Steel Limited, JSW ISPAT Steel Limited, JSW Building Systems Limited, JSW Steel Coated Products Limited and their respective shareholders and creditors with effect from July 1, 2012, being the appointed date. The certified copy of the scheme is filed with the Registrar of Companies (RoC) on June 1, 2013. Accordingly, effect of the scheme is considered in the results for the quarter and six months ended September 30, 2013. Consequent to the merger, the results are not fully comparable with corresponding periods of the previous year.

7. Paid up equity share capital does not include an amount of Rs. 6103 lacs being the amount originally paid up on the equity shares forfeited in an earlier year.

8. Comparative financial information has been regrouped and reclassified, wherever necessary, to correspond to the figures of the current quarter/period.

9. The auditors of the Company have carried out a Limited Review of the Standalone Financial Results for the quarter and six months ended September 30, 2013 in compliance with Clause 41 of the Listing Agreement. The Standalone and Consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 29, 2013.

For JSW Steel Limited

Seshagiri Rao M.V.S
Jt. Managing Director & Group CFO
29 October 2013

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