

AUDITORS' REPORT ON LIMITED REVIEW OF UNAUDITED FINANCIAL RESULTS

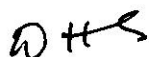
TO THE BOARD OF DIRECTORS OF JSW STEEL LIMITED

We have reviewed the accompanying statement of Unaudited Financial Results of **JSW STEEL LIMITED** ("the Company") for the quarter and nine months ended December 31, 2011 ("the Statement"). 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.

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 misstatements. 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 opinion.

Without qualifying our opinion we draw attention to note no. 2 (b) of the Statement relating to the Company's assessment of the carrying amounts of its long term strategic investment and loans extended to its subsidiary, JSW Steel (USA) Inc. of Rs. 200669 lacs which is dependent on the fructification of business plans and future cash flows.

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 referred to in Section 211 (3C) of the Companies Act, 1956 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.

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 undisputed investor complaints from the details furnished by the Management/Registrars.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

Registration No. 117366W

A handwritten signature in black ink that reads "P.B. Pardiwalla".

P.B. Pardiwalla

Partner

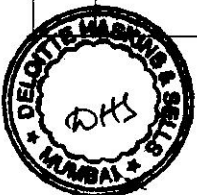
Membership No. 40005

MUMBAI, January 20, 2012

Registered Office : Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai- 400026.
Unaudited Financial Results for the Quarter and Nine Months ended 31st December, 2011

(Rs. in Lacs)

Sr. No	Particulars	Standalone					
		Unaudited					Audited
		Quarter Ended			Nine Months Ended		Year Ended
		31.12.2011	30.09.2011	31.12.2010	31.12.2011	31.12.2010	31.03.2011
1	Income						
	Domestic Turnover	706794	682826	552813	2018396	1498062	2142987
	Export Turnover	142964	141429	75833	418308	249662	366222
	Sale of Carbon Credits	-	-	-	-	3867	3867
	Total	849758	824255	628646	2436704	1751591	2513076
	Less: Excise Duty	63796	61749	51504	181779	138474	196752
	Net Sales	785962	762506	577142	2254925	1613117	2316324
2	Other Operating Income	1686	707	3613	2874	13249	20562
3	Total Income (1+2)	787648	763213	580755	2257799	1626366	2336886
4	Expenditure						
	a) (Increase)/ Decrease in Stock in Trade and Work in Progress	(14335)	(14325)	13131	(64297)	(41195)	(68298)
	b) Consumption of Raw Materials	531001	513810	361144	1506543	1045475	1480309
	c) Purchase of Traded Goods	-	-	-	7750	-	18223
	d) Power and Fuel	43921	38054	28735	120117	83929	113328
	e) Employees' cost	15023	14627	12769	47306	39775	53447
	f) Depreciation	44442	40388	34636	123619	99602	137871
	g) Other Expenditure	86776	81436	64959	246118	185974	261962
	Total	706828	673990	515374	1987156	1413560	1996842
5	Profit from Operations before Other income, Net Finance Charges and Exceptional Items(3-4)	80820	89223	65381	270643	212806	340044
6	Other Income	76	867	789	2631	7400	7702
7	Profit before Net Finance Charges and Exceptional Items (5+6)	80896	90090	66170	273274	220206	347746
8	Net Finance Charges	28184	23438	13198	71283	54237	69518
9	Profit after Net Finance Charges but before Exceptional Items (7-8)	52712	66652	52972	201991	165969	278228
10	Exceptional Items						
	Exchange Gain / (Loss) (refer note 3)	(50011)	(48481)	-	(98492)	-	-
11	Profit before Tax (9-10)	2701	18171	52972	103499	165969	278228
12	Tax Expense (refer note 4)	(14123)	5459	14742	16131	48168	77161
13	Net Profit after Tax (11-12)	16824	12712	38230	87368	117801	201067
14	Paid up Equity Share Capital (face value of Rs. 10 per share)	22312	22312	22312	22312	22312	22312
15	Reserves excluding Revaluation Reserves						1613271
16	Earnings per share (EPS)						
	Basic (Rs.)	7.18	5.33	17.21	38.07	58.50	97.17
	Diluted (Rs.)	7.18	5.33	16.97	38.07	57.62	96.33
17	Public shareholding						
	- Number of shares	138972461	138972473	138972546	138972461	138972546	138973539
	- Percentage of shareholding	62.29%	62.29%	62.29%	62.29%	62.29%	62.29%
18	Promoters and Promoter Group Shareholding						
	a) Pledged / Encumbered						
	Number of shares	84144739	84144727	84144654	84144739	84144654	84143661
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	47.62%	40.44%	18.01%	47.62%	18.01%	20.72%
	Percentage of shares (as a % of the total share capital of the company)	17.96%	15.25%	6.79%	17.96%	6.79%	7.81%
	b) Non-encumbered						
	Number of shares	44071741	50116927	68987768	44071741	68987768	66711517
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	52.38%	59.56%	81.99%	52.38%	81.99%	79.28%
	Percentage of shares (as a % of the total share capital of the company)	19.75%	22.46%	30.92%	19.75%	30.92%	29.90%



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Notes:✓

1 Segment-wise Revenue, Results and other information

(Rs. in Lacs)

Sr. No.	Particulars	Standalone					
		Unaudited			Unaudited		Audited
		Quarter Ended			Nine Month Ended		Year Ended
		31.12.2011	30.09.2011	31.12.2010	31.12.2011	31.12.2010	31.03.2011
1	Revenue by Business Segment :						
	Steel	828084	801293	596773	2365793	1664868	2391539
	Power	70508	65132	26719	183733	80471	109407
	Total	898592	866425	623492	2549526	1745339	2500946
	Less: Inter segment revenue	110944	103212	42737	291727	118973	164060
	Total Income	787648	763213	580755	2257799	1626366	2336886
2	Segment results before Net Finance Charges and tax:						
	Steel	16676	30742	59807	137702	193629	318540
	Power	13687	10145	6363	34244	25969	34426
	Total	30363	40887	66170	171946	219598	352966
	Less: Unallocable items						
	Net Finance Charges	28184	23438	13198	71283	54237	69518
	Unallocable expense net of unallocable income	(522)	(722)	-	(2836)	(608)	5220
	Profit before Tax	2701	18171	52972	103499	165969	278228
3	Segment Capital Employed :						
	(Segment assets less Segment liabilities)						
	Steel	2706386	2597144	2317128	2706386	2317128	2370638
	Power	207166	206550	160614	207166	160614	181147
	Unallocated	(1117496)	(1019888)	(801596)	(1117496)	(801596)	(829258)
	Total	1796056	1783806	1676146	1796056	1676146	1722527

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.



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2. a) During the quarter, the Company has made additional investments aggregating Rs. 6886 lacs in subsidiary, associate and joint venture companies.

b) In respect of the Company's long term, strategic investment in one of its subsidiaries, JSW Steel (USA) Inc., the Company has reviewed and assessed its business plans and expected future cash flows. Whilst the subsidiary may have a longer gestation period than originally envisaged, particularly on account of the US economic environment, the Company has concluded that the decline is temporary and no provision against the carrying amounts of the investment and loans of Rs. 200669 lacs is necessary at this stage.

In view of estimation uncertainties, assumptions will be monitored on a periodic basis by management and adjustments will be made in the event of any other than temporary adverse effect on the recoverable amounts of the assets.

3. Due to the unusual depreciation in the value of the rupee against US dollar over the last few months, the net foreign exchange loss has been considered by the Company to be exceptional in nature.
4. Tax expense is stated net of tax adjustment of earlier years. For the quarter ended 31.12.2011 and nine month ended 31.12.2011 such adjustment amounts to a tax credit of Rs. 18130 lacs.
5. 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.
6. Comparative financial information has been regrouped and reclassified, wherever necessary, to correspond to the figures of the current quarter / nine months.
7. Information on investor complaints (numbers):
- | | | |
|------|--------------------------------------|-----|
| i) | Pending at beginning of the quarter | - |
| ii) | Received during the quarter | 111 |
| iii) | Resolved/ replied during the quarter | 111 |
| iv) | Unresolved at end of the quarter | - |
8. The auditors of the Company have carried out a Limited Review of the Standalone Financial Results for the quarter ended 31 December 2011 in compliance with Clause 41 of the Listing Agreement. The Standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held 20 January 2012.

For JSW Steel Limited

Seshagiri Rao M.V.S
Jt. Managing Director & Group CFO
20 January 2012

