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Ref: JSWSL: SEC: MUM:SE: 2017-18
June 29, 2017

1. National Stock Exchange of India Ltd. Exchange Plaza Plot No. C/1, G Block Bandra - Kurla Complex Bandra (E), Mumbai - 400 051 NSE Symbol: JSWSTEEL <i>Kind Attn.: Mr. Hari K, President (Listing)</i>	2. BSE Limited Corporate Relationship Dept. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001. Scrip Code No.500228 <i>Kind Attn: The General Manager (CRD).</i>
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Sub: JSW Steel proposes Slurry Pipe Line to transport iron ore and coal in Karnataka

Dear Sirs,

Enclosed herewith is a press release dated 29.06.2017 on the above subject, which is self-explanatory.

This is for your information and in compliance with applicable Regulation of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

Yours faithfully,
For JSW STEEL LIMITED

Lancy Varghese
Company Secretary

CC:

1. The Calcutta Stock Exchange Association Ltd., 7 Lyons, Range, Kolkata - 700 001. FaxNo.033-22102210	2. Singapore Exchange Securities Trading Limited 11 North Buona Vista Drive, #06-07, The Metropolis Tower 2, Singapore 138589, Hotline: (65) 6236 8863. Fax: (65) 6535 0775
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JSW Steel proposes Slurry Pipe Line to transport iron ore and coal in Karnataka

JSW Steel Limited has been operating its 12 MTPA integrated steel plant at Vijayanagar works in the State of Karnataka. The plant has been set up with substantial investments relying upon consistent supply of iron ore at a fair price.

The Hon'ble Supreme Court of India, in the backdrop of measures undertaken to curb illegal mining in this region, imposed several restrictions which inter-alia includes a cap of mining 30 MTPA of iron ore per annum within the state of Karnataka. Even after a lapse of over 4 years, the current rate of iron ore production in Karnataka is still around 27 MTPA, far lower than the demand by the user industries. The objective of these restrictions imposed by the Hon'ble Supreme Court is to curb illegal mining, facilitate sale of iron ore in a transparent manner and to make available adequate amount of iron ore to the user industry. The apex court has also given a special dispensation to the state owned mining entities viz. National Mining Development Corporation and Mysore Minerals Limited to produce in excess of their statutorily permitted quantities within the overall ceiling of 30 MTPA. As the demand for iron ore is far in excess of supply, the mining companies have started charging differential price for the iron ore produced and sold in Karnataka relative to the prices prevailing in Odisha / Chhattisgarh, contrary to the intent of making available legally mined ore at competitive price.

For instance, the price of 63% grade iron ore loaded into wagon (including royalty) in the state of Odisha is Rs.1,575/- per tonne. The base price for a similar grade in the state of Karnataka on comparable basis is Rs.3,050/- per tonne. In addition to this differential price of Rs.1,475/- per tonne, the Govt. of Karnataka charges Forest Development Tax / Fees (currently under litigation) of 12%.

Taking advantage of the scarcity of iron ore in Karnataka and inability of the user industry to source iron ore from outside Karnataka due to prohibitive freight cost, the mining companies are squeezing

the iron and steel industry which is already under severe margin pressure. Transportation of iron ore through Slurry Pipeline is an environmentally friendly initiative and globally this shift towards pipeline transportation is evident. Accordingly, the proposed Slurry Pipeline not only contribute to alternate sourcing of iron ore from outside Karnataka at competitive price but is also highly environment friendly with no pollution.

As the availability of iron ore at a fair price within Karnataka is of paramount importance for long term sustainability of the company and environment friendly transportation of iron ore, the Board of Directors has given an approval to set up a Slurry Pipeline to transport iron ore from coastal Karnataka to the Vijayanagar works.

This Slurry Pipeline can be set up within 24 months at an estimated cost of Rs.2,100 crores. This will facilitate transporting iron ore through Slurry Pipeline at a very competitive 15% cost of alternate means of transport. This strategic project will enable the company to source almost 50% of the current requirement of iron ore at Vijayanagar works from outside Karnataka either from imports or from Odisha / eastern sector at prices lower than the prevailing prices in Karnataka. The only way to check this arbitrary pricing of iron ore in Karnataka is to increase the supplies from alternate sources. JSW Steel will work towards establishing the slurry pipeline in a time bound manner. Simultaneously, the company is also exploring the feasibility to set up slurry pipelines for transporting coal from coastal Karnataka to Vijayanagar works.

JSW Steel is a part of the diversified JSW Group, which has presence in Steel, Energy, Infrastructure, Cement and JSW Ventures. JSW Steel is the leading integrated steel company in India with an installed steel-making capacity of 18 MTPA. JSW Steel's plant at Vijayanagar is one of the largest single location steel producing facilities in the country with a capacity of 12 MTPA. JSW Steel has a strong product assortment covering the entire gamut of flat and long steel products manufactured through technology in the form of Corex and Blast furnaces.

Forward looking and cautionary statements:

Certain statements in this release concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition within Steel Industry including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our internal operations, reduced demand for steel, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which – has made strategic investments, withdrawal of fiscal governmental incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic

conditions affecting our industry. The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Company.

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