JSL/BM-3/2016-17 November 24, 2016

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Sub.: Press Release

Dear Sir/Madam,

We are forwarding herewith the copy of Press Release in respect of unaudited standalone financial results of the Company for the quarter and half year ended 30th September, 2016.

Kindly host the same on your website and acknowledge receipt of the same.

Thanking you,

Yours faithfully,
For **Jindal Stainless Limited**

(Raajesh Kumar Gupta)
Company Secretary

Jindal Stainless Limited (JSL)
Corporate Release

Performance (Standalone) for the Quarter & Half Year ended 30th September 2016

Key Highlights:

YoY Comparison

(Q2 2016-17 vs Q2 2015-16)

a. *EBITDA growth 62%, at Rs. 234 Cr.*
b. *Gross Revenue growth 26%*
c. *Stainless Steel Sales Volume growth 34%*
d. *Stainless Steel Production Volume growth 35%*

QoQ Comparision

(Q2 2016-17 vs Q1 2016-17)

a. *EBITDA growth 7%*
b. *Stainless Steel Sales Volume growth 1%*
c. *Stainless Steel Production Volume growth 7%*

Figures in Rs. Crores	Unaudited & Ind-AS complied							
	Y-o-Y Comparision			Q-o-Q Comparision		Y-o-Y Comparision		
Particulars	Q2 2016-17	Q2 2015-16	% Change	Q1 2016-17	% Change	H1 2016-17	H1 2015-16	% Change
	A	B	(A-B)/B	C	(A-C)/C	D	E	(D-E)/E
Production - Stainless Steel (tons)	185,047	137,036	35%	172,969	7%	358,015	293,199	22%
Sales Volume - Stainless Steel (tons)	168,548	126,028	34%	166,247	1%	334,795	256,850	30%
Total Income from Operations (Gross)	2,078	1,652	26%	2,153	-3%	4,231	3,369	26%
Total Income from Operations (net)	1,917	1,532	25%	2,000	-4%	3,917	3,128	25%
EBITDA*	**234**	**144**	**62%**	**219**	**7%**	**453**	**257**	**76%**
EBITDA % (on net income from	**12.2%**	**9.4%**		**11.0%**		**11.6%**	**8.2%**	
Other Non Operating Income	11	9		4		15	15	
Financial Cost	276	250	10%	252	9%	528	494	7%
Depreciation	76	72		76		152	143	
Exceptional Gain / (Loss)	8	(19)		(15)		(7)	(23)	
Profit / (Loss) before tax	(99)	(188)		(120)		(219)	(388)	
Profit / (Loss) after tax	**(65)**	**(123)**		**(78)**		**(143)**	**(254)**	

1. These results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act 2013 and other recognized accounting practices and policies to the extent applicable. Consequently, results for the quarter/ half year ended 30th September 2015 have been restated to comply with Ind-AS to make them comparable.

2. A Composite Scheme of Arrangement (the 'Scheme') amongst Jindal Stainless Limited (the Company/Transferor Company) and Jindal Stainless (Hisar) limited (JSHL), Jindal United Steel Limited (JUSL) and Jindal Coke Limited (JCL) under the provision of Sec 391-394 of the Companies Act, 1956 and other applicable provisions of Companies Act, 1956 and/ or Companies Act, 2013 was sanctioned by the Hon'ble High Court of Punjab & Haryana, Chandigarh (High Court) pursuant to its Order dated 21st September 2015 (as modified on 12th October, 2015).

   Section I and Section II of the Scheme became effective on 1st November, 2015, operative from the 'Appointed Date 1' (specified in the scheme for section I and II) i.e. close of business hours before midnight of 31st March, 2014 [the scheme effect was given to in the revised financial statements for the year ended 31st March 2015].

   Section III and Section IV of the Scheme became effective on 24th September 2016 [i.e. on receipt of approvals from the Orissa Industrial Infrastructure Development Corporation (OIIDCO) for the transfer/grant of the right to use in the land on which Hot Strip Plant & Coke Oven Plant are located to JUSL & JCL respectively as specified in the Scheme] operative from the 'Appointed Date 2' specified in the scheme for section III and IV i.e. close of business hours before midnight of March 31, 2015 [the effect of same has been given in the revised financial statements for the year ended 31st March 2016]. Accordingly, the revenue and expenditure in relation to these undertakings have been carved out from JSL w.e.f. Appointed Date 2 and accounted for in JUSL & JCL.

3. The stainless steel operations at Jajpur (Osisha) are continuing to ramp up on quarter on quarter basis. The capacity utilization improved to 93% in quarter ended 30th September 2016 as compared to 69% in corresponding quarter of previous year. This persistent growth could be possible on account of consistent efforts in optimization of operations resulting into increase in EBITDA margin to 12.2% in current quarter as against 9.4% in corresponding quarter of previous year. The grade wise production in both Cold rolled products has also improved.

4. EBITDA for the quarter and half year improved to Rs. 234 crore and Rs. 453 Crore respectively showing an increase of 62% and 76% over the same period in previous year. This EBITDA is exclusive of EBITDA pertaining to HSM Undertaking & Coke Oven Undertaking amounting to Rs. 69 Crore & Rs. 130 Crore respectively for the quarter and half year ended Sept 30, 2016, which has been transferred to JCL & JUSL consequent upon Section III & IV of the Scheme coming into effect.

5. The Net Loss for the quarter and half year ended 30th September 2016 stood at Rs. 65 Crore and Rs. 143 Crore respectively. The Company still continue to remain in losses as the benefit of reduction in interest cost on account of reduction in debt pursuant to Section III & IV of the Scheme has not been accrued till September 24, 2016 (i.e. effectiveness of Section III & IV of the Scheme). Accordingly, reduction in interest cost will get reflected in the coming quarters. In addition, the proposed conversion of FITL into equity/OCRPS will further strengthen the cash flows of the Company.

6. As at 31st March, 2016, as per previous GAAP, the net worth of the Company had been eroded in view of the accumulated losses of the Company. The net worth of the company became positive on account of fair valuation of assets and liabilities pursuant to the adoption of Ind AS and through the various steps taken by the Company towards better utilization of its production facilities and ramp up of stainless steel operations along with improved efficiencies. Further, the proposed conversion of FITL into equity/OCRPS will also improve the net worth of the Company.

Outlook:

Global growth prospects remain muted due to sluggish business environment in advance economies. The volatility in global markets has curbed the world trade growth. The impact of UK's exit from European Union, coupled with stagnant growth in US has dragged the overall economic sentiments, as per World Bank Group. However, growth in Asia, including India, will remain resilient, compared to rest of the world.

Downside risks to the outlook have become more pronounced as policies and political uncertainties are dampening business confidence.

Global stainless steel production in 2016 is expected to remain invariable as per International Stainless Steel Forum (ISSF). Indian stainless steel demand is likely to increase as consumption based reforms in infrastructure segment will drive stainless steel growth. However, with the most liberal trade rates in the world, India continues to suffer dumping from other countries, especially from China. Low-priced imports continue to distort the Indian stainless steel market prices resulting into under utilisation of existing capacities.

This release contains Company`s projections, expectations or predictions and are forward looking statements` within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company`s operations include economic conditions affecting demand and supply and price conditions in domestic and international market, changes in Government regulations, tax regimes, economic developments and other related and incidental factors. 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.