

JINDAL STAINLESS LIMITED

CIN: L26922HR1980PLC010901

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AUDITED STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED 31st MARCH, 2015

Part I

(Rs in crore, except per share data)

	Particulars	Standalone		Consolidated	
		31st March 2015	31st March 2014	31st March 2015	31st March 2014
		(Post Scheme)	(Pre Scheme)	(Post Scheme)	(Pre Scheme)
1	Income from Operations:				
	(a) Net Sales / Income from Operations (Net of excise duty)	6,000.67	11,922.57	6,935.13	12,815.51
	(b) Other Operating Income	10.27	24.41	12.83	53.55
	Total Income from Operations (net) [1(a)+1(b)]	6,010.94	11,946.98	6,947.96	12,869.06
2	Expenses				
	(a) Cost of Material Consumed	3,945.06	7,862.51	4,624.37	8,530.62
	(b) Purchase of Stock in Trade	-	26.31	-	28.15
	(c) Changes in Inventories of finished goods, work in progress and stock in trade	189.91	119.63	235.54	18.89
	(d) Employee benefits expense	115.63	239.33	159.48	314.48
	(e) Depreciation and amortisation expense	392.55	687.66	411.11	728.39
	(f) Stores and Spares consumed	311.26	713.22	351.41	767.61
	(g) Power & Fuel	637.48	1,272.06	669.35	1,310.00
	(h) Other expenditure	507.59	834.32	539.41	889.25
	Total Expenses	6,099.48	11,755.04	6,990.67	12,587.39
3	Profit/(Loss) from operations before other Income, finance cost and exceptional Items (1-2)	(88.54)	191.94	(42.71)	281.67
4	Other Income	52.79	46.12	54.16	45.23
5	Profit/(Loss) from Ordinary Activities before finance cost and exceptional items (3+4)	(35.75)	238.06	11.45	326.90
6	Finance cost	915.81	1,234.70	942.49	1,295.13
7	Profit/(Loss) from Ordinary Activities after finance cost but before exceptional items (5-6)	(951.56)	(996.64)	(931.04)	(968.23)
8	Exceptional items - Gain / (Loss) - Refer note no 3 & 5	1,173.19	(416.90)	1,184.16	(418.74)
9	Profit/(Loss) from Ordinary Activities before tax (7+8)	221.63	(1,413.54)	253.12	(1,386.97)
10	Tax expense	(1.45)	(23.45)	0.01	(20.67)
11	Net profit/(loss) from Ordinary Activities after tax (9-10)	223.08	(1,390.09)	253.11	(1,366.30)
12	Extraordinary items	-	-	-	-
13	Net profit/(loss) for the period (11-12)	223.08	(1,390.09)	253.11	(1,366.30)
14	Share of profit / (loss) of associates	-	-	-	(0.37)
15	Minority Interest	-	-	(0.28)	(1.56)
16	Net profit/(loss) after taxes, minority interest and share of profit/(loss) of associates (13+14+15)	223.08	(1,390.09)	252.83	(1,368.23)
14	Paid-up Equity Share Capital (face value of Rs. 2/- each)	45.28	43.08	45.28	43.08
15	Cumulative Compulsory Convertible Preference Share Capital	0.96	3.16	0.96	3.16
16	Share Capital Suspense Account	366.19	-	366.19	-
17	Reserves excluding revaluation reserve as per balance sheet of previous accounting year	(218.21)	147.34	(213.82)	15.73
18.i	Earning per share (EPS) (before extraordinary items) (of Rs 2/-each)				
	a) - Basic	10.21	(68.03)	11.57	(66.96)
	b) - Diluted	7.24	(68.03)	8.17	(66.96)
18.ii	Earning per share (EPS) (after extraordinary items) (of Rs 2/-each)				
	a) - Basic	10.21	(68.03)	11.57	(66.96)
	b) - Diluted	7.24	(68.03)	8.17	(66.96)
18	Debt Redemption Reserve	59.19	61.06	59.19	61.06
19	Debt Equity Ratio¹	56.07	62.84	56.84	253.98
20	Debt Service Coverage Ratio²	0.30	0.69	0.34	0.74
21	Interest Service Coverage Ratio³	0.39	0.75	0.45	0.81

¹ Debt Equity Ratio = Total Debt/Net Worth ; Total Debt = Long Term Borrowings + Short Term Borrowings + Current maturities of long term borrowings; Net Worth = Equity Share Capital + Share Capital Suspense account + Reserve & Surplus - Mines Development Expenses to the extent not w/off (if any)

² Debt Service Coverage Ratio = Earning before Depreciation, Interest, Tax & Exceptional Items / (Finance cost + Term Loan Repayments during the period)

³ Interest Service Coverage Ratio = Earning before Depreciation, Interest, Tax & Exceptional Items / Finance cost

Part II

	Particulars	Year ended	
		31st March 2015	31st March 2014
A	PARTICULARS OF SHAREHOLDING		
1	Public Shareholding		
	- Number of Shares	99,010,121	99,003,421
	- Percentage of Shareholding	47.43	50.06
2	Promoters and promoter group shareholding		
(a)	Pledged / Encumbered :		
	Number of shares	78,856,625	65,306,625
	% of shares (as a % of the total shareholding of promoter and promoter	71.84	66.12
	% of shares (as a % of the total share capital* of the company)	34.84	30.32
(b)	Non -encumbered:		
	Number of shares	30,903,925	33,460,625
	% of shares (as a % of the total shareholding of promoter and promoter	28.16	33.18
	% of shares (as a % of the total share capital* of the company)	13.65	15.54

*Total share capital includes 17,604,334 shares represented by 88,02,167 GDS.

Notes:

- 1 The standalone and consolidated financial results of the Company for the year ended 31st March, 2015 which have been extracted from the Revised Financial Statements audited by the statutory auditors have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 6th November, 2015.
- 2 The Company over the last few years has been incurring losses due to which its net worth has been substantially eroded. The Company is taking necessary steps towards enhancement of net worth through better utilisation of its production facilities and monetisation of certain assets. Accordingly, the accounts have been prepared on the going concern basis, keeping in view the optimism on changing market conditions.
- 3 A Composite Scheme of Arrangement (here-in-after referred to as the 'Scheme') amongst Jindal Stainless Limited (the Company/Transferor Company) and its three wholly owned subsidiaries namely Jindal Stainless (Hisar) Limited (JSHL), Jindal United Steel Limited (JUSL) and Jindal Coke Limited (JCL) under the provisions of Section 391-394 and other applicable provisions of Companies Act, 1956 and / or Companies Act, 2013 has been sanctioned by the Hon'ble High Court of Punjab & Haryana, Chandigarh (High Court) pursuant to order dated 21st September 2015 (as modified on 12th October, 2015 by the High Court). 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 March 31, 2014 and Section III and Section IV of the Scheme will become effective on receipt of necessary approvals for transfer/grant of the right to use in the land on which the HSM and the Coke Oven Plant are located as specified in the Scheme, operative from the 'Appointed Date 2' i.e. close of business hours before midnight of March 31, 2015.

Pursuant to the Section I and Section II of the Scheme becoming effective, the Demerged Undertakings (comprising of FA Division and Mining Division) and the Business Undertaking 1 (comprising of Hisar Unit including investments in the domestic subsidiaries as listed in Part B of Schedule 2 of the Scheme) have been transferred to and vested in JSHL with effect from the 'Appointed Date 1' i.e. close of business hours before midnight of March 31, 2014; accordingly the same has been given effect to in these accounts.

The financial statements of the Company for the year ended 31st March, 2015 were earlier approved by the Board of Directors at their meeting held on 30th May, 2015, on which the Statutory Auditors of the Company had issued their report dated 30th May, 2015. These financial statements have been reopened and revised to give effect to the Scheme as stated herein above. In view of above, the audited financial results for the year ended 31st March 2014 are not comparable.

As prescribed by the Scheme, the Company is required to issue equity shares to JSHL for an amount of Rs. 366.19 Crores (being the amount due and payable by the Company to JSHL as receivable due to JSHL from JSL as of the 'Appointed Date 1' i.e. close of business hours before midnight of March 31, 2014) at a price to be determined in accordance with Chapter VII of the SEBI (ICDR) Regulations 2009 with the record date (i.e. 21st November, 2015 jointly decided by the boards of directors of the Company and JSHL) being considered as relevant date as specified in the Scheme; Accordingly, pending allotment of the aforesaid equity shares by the Company to JSHL, the same has been shown as "Share Capital Suspense Account". Accordingly Diluted EPS has been considered after taking into account 7,46,47,337 nos. (estimated on fair value basis) of equity shares to be allotted against amount of Rs. 366.19 Crore appearing under "Share Capital Suspense Account".

On transfer of Business Undertaking 1, the differential between the book values of assets & liabilities transferred and the lump sum consideration received as stated above amounting to Rs. 1160.22 Crores has been credited in the Statement of profit & loss and included under Exceptional Item.

The difference of Rs. 585.13 Crores between the book values of assets and liabilities pertaining to the Demerged Undertakings transferred has been adjusted against Security Premium Account.

Share capital of JSHL comprising of 250,000 equity shares having face value of Rs. 2 each, 100% held by the Company has been cancelled. Accordingly the said investment amounting to Rs. 5.00 Lacs has been charged off in the Statement of Profit & Loss and has been included under Exceptional Item.

- 4 Discontinuing Operations - Section III and Section IV of the Scheme:

Particulars	Rs in crore
	Year ended 31st March 2015
Total Revenue (Including other income)	906.67
Total expenses	974.25
Profit before taxes	(67.58)
Taxes	-
Profit after tax	(67.58)

- 5 Net foreign exchange gain/loss has been considered by the Company as exceptional in nature as per existing practice. Further, exceptional item includes provision for diminution in value of investment and advance in subsidiary companies, Jindal Stainless Madencilik Sanayi VE Ticaret A.S., Turkey amounting to Rs. 16.24 Crore and Jindal Aceros Inoxidable S.L., Spain amounting to Rs. 0.14 Crore for the year ended 31st March 2015. The company has entered MOU for disposal of its shareholding in the Turkish company, while it is in process of filing of winding up petition for the Spanish company.
- 6 Pursuant to the requirement of the schedule II of Companies Act, 2013, the Company has, effective 1st April 2014, reviewed and revised the estimated useful lives of its fixed assets. Consequent thereto, the depreciation charge for the year ended on 31st March 2015 is lower by Rs. 126.57 Crore. Further based on transitional provision of schedule II, an amount of Rs. 3.53 Crore has been adjusted against the retained earnings.
- 7 The Company has made investment of Rs. 8.56 Crore (along with bank guarantee of Rs. 10.01 Crore) in MJSJ Coal Limited (MJSJ) and Rs. 0.10 Crore in Jindal Synfuels Limited (Jindal Synfuels), wherein JSL hold 9% and 10% stake respectively (both joint venture companies). The Hon'ble Supreme Court of India vide order dated 24.09.2014 has cancelled 214 out of 218 coal blocks allotted to various companies/entities, including the coal blocks allotted to MJSJ & Jindal Synfuels. No mining activity/production had commenced in these coal blocks, therefore cancellation of these coal blocks allotted to the MJSJ and Jindal Synfuels will not have any material impact on the current operations of the Company. The Company has filed review petition on 18.11.2014 challenging the order dated 24.09.2014 passed by Hon'ble Supreme Court and the matter is pending adjudication in respect of coal block allotted to MJSJ. After the enactment of the Coal Mines (Special Provisions) Act, 2015 dated 30th March 2015 allowing compensation to the prior allottees in respect of land and mining infrastructure, the management does not anticipate any material variance between carrying value of assets in investee companies and the expected compensation.
- 8 As the company's business activity falls within a single primary business segment viz. 'stainless steel', the disclosure requirement of Accounting Standard (AS-17) on "Segment Reporting" is not applicable.
- 9 The previous period figures have been regrouped wherever necessary.

Place: New Delhi
Date: 6th November, 2015

By Order of the Board of Directors
For Jindal Stainless Limited

Rajinder Parkash
Executive Director

(Rs in crore.)

STATEMENT OF ASSETS AND LIABILITIES

	PARTICULARS	Standalone - Audited		Consolidated - Audited	
		31st March 2015	31st March 2014	31st March 2015	31st March 2014
		(Post Scheme)	(Pre Scheme)	(Post Scheme)	(Pre Scheme)
A	EQUITY AND LIABILITIES				
	1. Shareholders' Funds				
	a. Share Capital	46.24	46.24	46.24	46.24
	b. Share Capital Suspense Account	366.19	-	366.19	-
	c. Reserves and surplus	(218.21)	147.34	(213.82)	15.73
	Shareholders' Funds	194.21	193.58	198.61	61.97
	2. Share Application Money pending allotment		-	-	-
	3. Minority Interest		-	3.82	21.64
	4. Non-current liabilities				
	a. Long Term borrowings	8,070.23	8,508.56	8,070.23	8,576.15
	b. Deferred tax liabilities (net)	-	-	-	-
	c. Other long term liabilities	209.07	276.50	209.07	276.60
	d. Long term provisions	5.21	7.40	8.19	11.98
	Non-current liabilities	8,284.51	8,792.46	8,287.49	8,864.73
	3. Current Liabilities				
	a. Short term borrowings	2,333.14	2,402.98	2,732.35	3,020.55
	b. Trade Payables	1,315.73	2,839.48	1,379.06	2,941.31
	c. Other current liabilities	1,399.77	1,460.70	1,414.78	1,517.63
	d. Short term provisions	2.30	3.45	2.30	3.50
	Current Liabilities	5,050.94	6,706.61	5,528.49	7,482.99
	EQUITY AND LIABILITIES	13,529.66	15,692.65	14,018.41	16,431.33
B	ASSETS				
	1. Non-current Assets				
	a. Fixed Assets	7,531.52	9,591.01	7,696.12	9,930.12
	b. Goodwill on consolidation	-	-	0.12	6.71
	c. Non-current Investments	103.13	169.77	14.06	17.78
	d. Deferred tax Assets Net	-	-	10.31	15.99
	d. Long term loans and advances	161.82	142.10	164.81	128.85
	e. Other non-current assets	0.20	12.11	0.20	14.68
	Non-current liabilities	7,796.67	9,914.99	7,885.62	10,114.13
	2. Current Assets				
	a. Current Investments	0.31	0.69	0.31	0.69
	b. Inventories	1,720.57	3,304.88	1,957.85	3,703.51
	c. Trade receivables	956.78	1,689.36	1,084.60	1,694.92
	d. Cash and cash equivalents	41.14	48.66	47.54	72.82
	e. Short term loans and advances	3,012.86	730.05	3,041.16	840.84
	f. Other current assets	1.33	4.02	1.33	4.42
	Current Assets	5,732.99	5,777.66	6,132.79	6,317.20
	ASSETS	13,529.66	15,692.65	14,018.41	16,431.33