March 10, 2016

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Security Code:- 532286	**Security Code:-JINDALSTEL**

Sub.: Press Release

Dear Sirs,

With respect to recent press reports on our Company attached please find the press release of the Company for your information.

Thanking you.

Yours faithfully,
for **Jindal Steel & Power Limited**

Jagdish Patra
Vice President &
Group Company Secretary

PRESS RELEASE

JINDAL STEEL & POWER

1. JSPL has had an excellent track record and distinction of being the biggest wealth creator as per Boston Consulting Group as per 2004-2009 study. JSPL financials have been impacted adversely due to the cancellation of coal blocks and payment of additional levy on coal of more than Rs 3300 crs in FY 14-15 & 15-16 as a result of Supreme Court order.

2. Steel sector globally has been impacted due to reduced demand from China and its over capacity. Steel industry in India has been impacted in terms low sales realization due to cheap imports affecting financial results of Indian steel companies in the last 4 quarters.

3. Government focus on increasing infrastructure mainly in Rail, Road Airports and other rural infra sectors and also thrust on 'Make In India 'campaign in Defence production etc. has already created demand growth which is likely to go beyond 6-7% growth going forward. Government support in announcing Minimum Import Price(MIP) started giving results in ensuring steel industry is able to realise fair and sustainable prices for the industry. In the Power sector, through 'UDAY Scheme' Government focus in enabling Utilities to sign long term PPAs is likely to create additional demand for power. Improvement in grid connectivity and availability of enough coal from Coal India's better production situation are gradually helping power industry to operate at higher PLF.

4. JSPL's investment in enhancing steel capacities in Angul and Power capacity in Jindal Power (JPL) Tamnar have been completed /commissioned and are in stable level of operation. With these additional capacities and better outlook for steel demand /fair sales price realisation and better outlook for power demand / realization, JSPL will be in a better position to generate higher cash flows as compared to last 4 quarters. Our efforts in bringing cash into company through divestment of assets and Strategic Collaborations through JVs as previously advised will add to our cash flows, and also result in reduction in Bank Borrowings. We have used these difficult time as an opportunity, under the dynamic leadership of our management, to drastically cut costs to become extremely efficient and nimble footed.

5. JSPL has an excellent track record of meeting all its financial commitments and current reduction in credit rating, in its opinion, merely presents rating down grade on technical grounds. JSPL met all its financial commitments till November-December 2015. In discussion with banks, we have launched 5/25 scheme, and also exploring various options with all lenders to reschedule payments considering likely short /medium term cash flow mis- matches. When these are completed, there will not be any overdue situation.

6. Considering better cash flow outlook from better demand /realization for steel/Power, rescheduled financial commitments through 5/25 scheme and others and cash flow from Disinvestments / JV's, JSPL will be in much stronger position to meet all its liabilities and emerge as financially strong and sustainable company in 2016-2017. We are confident that we will come out in greater strength to maintain leadership in cost and profitability performance, to create returns/value for all our stakeholders. We are confident of overcoming the challenges created due to unforeseen circumstances and coming out stronger; and remain committed to Building the Nation of our Dreams.

Dated March 10, 2016

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