Annexure-1

Limited Review Report

To The Board of Directors of
JINDAL STAINLESS LIMITED

1. We have reviewed the accompanying statement of unaudited quarterly financial results of JINDAL STAINLESS LIMITED ('the Company') for the quarter and half year ended 30th September 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. We have also reviewed statements of assets and liabilities of the company as on that date.

   Attention is drawn to the fact that the figures for the corresponding quarter and half year ended 30th September 2015 including the reconciliation of net loss for the corresponding quarter under IND AS vis-a-vis under previous GAAP, as reported in these financial results have been approved by the Company's Board of Directors have not been subjected to review.

   This statement is the responsibility of the Company's management and has been approved by the Board of Directors of the Company in their meeting held on 23rd November, 2016. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE 2410) "Review of Interim Financial Information performed by the Independent Auditor of the Entity" , issued by the Institute of The Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance about whether the financial results are free of material misstatement(s). A review is limited primarily to enquiries of the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. **Emphasis of Matters:**

   We draw attention to the following matters:

   a) Net worth of the company has been eroded as stated in note no. 4 of accompanying financial results. The company continues to prepare its accounts on a going concern basis for the reasons as stated in the said note.
   b) Pending necessary approvals for managerial remuneration for the period covered by this report read with Note no. 49(C)(i) of the REVISED audited accounts for the year ended 31st March 2016.
   c) Pending confirmations/reconciliation of balances of certain secured loans (read with Note No. 27 of the Revised audited accounts for the year ended 31st March 2016), loans & advances, trade receivables, trade payables & other liabilities read with Note no. 32(A)(iii)(g) & 32(B) and 40(A) of the REVISED audited accounts for the year ended 31st March 2016.
   d) Investments and loan & advances to certain subsidiary/other companies and Mat Credit entitlement, considered as good and fully realizable/ recoverable and no provision for diminution in value is considered necessary in the opinion of the management as stated in note no. 40(B) of the REVISED audited accounts for the year ended 31st March 2016.
   e) The company has made investment of Rs. 8.56 crore (As per Ind AS Rs. 8.47 Crore as on 30th September, 2016) [along with bank guarantee of Rs. 10.01 Crore] and Rs.0.10 Crore in

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MJSJ Coal Limited and Jindal Synfuels Limited respectively. The company continues to treat the investment as good and recoverable in view of the pending decision challenging the Order and other circumstances mentioned therein;

f) Mining Rights and effect of mining operations recorded in the financial statement of JSL for the reasons and as stated in note no. 5(d) of the accompanying financial results [Read with Note 27(5) of the REVISED audited accounts for the year ended 31st March 2016]

Our conclusion is not modified in respect of these matters.

4. Based on our review conducted as above and read with matters stated under Para 3, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in all material respects in accordance with the applicable Accounting Standards i.e. Ind AS prescribed u/s 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognised accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **LODHA & CO.**
Chartered Accountants
FRN: 301051E

N.K. LODHA
Partner
Membership No. 85155
Place: New Delhi
Dated: 23rd November 2016

For **S.S. KOTHARI MEHTA & CO.**
Chartered Accountants
FRN: 000756N

SUNIL WAHAL
Partner
Membership No. 87294

JINDAL STAINLESS

JINDAL STAINLESS LIMITED

CIN: L26922HR1980PLC010901

Regd. Office: O.P.Jindal Marg, Hisar-125 005 (Haryana)

Ph. No. (01662) 222471-83, Fax No. (01662) 220499, Email Id. for Investors: investorcare@jindalstainless.com, Website: www.jslstainless.com

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UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 30TH SEPTEMBER, 2016

Rs. in Crore, except per share data

S. No.	Particulars	Unaudited for the Quarter ended			Unaudited for the half year ended	
		30th Sep, 2016	30th Jun, 2016	30th Sep, 2015	30th Sep, 2016	30th Sep, 2015
		Post Scheme*	Post Scheme*	Post Scheme*	Post Scheme*	Post Scheme*
1	Income from Operations:					
	(a) Gross Sales / income from operations	2,072.55	2,144.72	1,651.04	4,217.27	3,368.31
	(b) Other Operating Income	5.65	8.18	0.72	13.83	1.18
	Total Income from Operations	2,078.20	2,152.90	1,651.76	4,231.10	3,369.49
2	Expenses					
	(a) Cost of Material Consumed	1,233.10	1,017.82	954.94	2,250.92	2,027.43
	(b) Purchase of Stock in Trade	6.78	137.53	-	144.31	-
	(c) Changes in Inventories of finished goods, work in progress and stock in trade	(98.76)	107.49	(4.40)	8.73	(66.57)
	(d) Employee benefits expense	27.51	25.36	22.49	52.87	44.63
	(e) Excise Duty expense	161.33	152.80	119.44	314.13	241.09
	(f) Depreciation and amortisation expense	76.41	75.53	71.68	151.94	143.34
	(g) Stores and Spares consumed	108.61	102.82	83.77	211.43	175.28
	(h) Power & Fuel	130.51	125.54	123.73	256.05	268.35
	(i) Other expenditure	275.19	264.39	207.54	539.58	422.10
	Total Expenses	1,920.68	2,009.28	1,579.19	3,929.96	3,255.65
3	Profit/(Loss) from operations before other income, finance costs and exceptional Items (1-2)	157.52	143.62	72.57	301.14	113.84
4	Other Income	10.83	4.18	8.55	15.01	14.59
5	Profit /(Loss) from Ordinary Activities before finance cost and exceptional items (3+4)	168.35	147.80	81.12	316.15	128.43
6	Finance costs	275.71	252.06	250.08	527.77	493.82
7	Profit /(Loss) from Ordinary Activities after finance cost but before exceptional items (5-6)	(107.36)	(104.26)	(168.96)	(211.62)	(365.39)
8	Exceptional items - Gain / (Loss) - *Refer note no 8*	7.96	(15.34)	(18.93)	(7.38)	(22.57)
9	Profit /(Loss) from Ordinary Activities before tax (7+8)	(99.40)	(119.60)	(187.89)	(219.00)	(387.96)
10	Tax expense	(34.40)	(41.39)	(65.02)	(75.79)	(134.26)
11	Net profit / (loss) from Ordinary Activities after tax (9-10)	(65.00)	(78.21)	(122.87)	(143.21)	(253.70)
12	Extraordinary items (net of tax)	-	-	-	-	-
13	Net profit / (loss) for the period (11-12)	(65.00)	(78.21)	(122.87)	(143.21)	(253.70)
14	Other Comprehensive Income (net of tax)	-	-	-	-	-
15	Total Comprehensive Income for the period (comprising Profit / (Loss) for the period (after tax) and other Comprehensive Income (after tax) (13+14)	(65.00)	(78.21)	(122.87)	(143.21)	(253.70)
16	Paid-up Equity Share Capital (face value of Rs. 2/- each)	79.89	46.24	46.24	79.89	46.24
17	Share Capital Suspense Account - *Refer note no 5(e)*		366.19	366.19		366.19
18.i	Earning per share (EPS) (before extraordinary items) (of Rs 2/-each)					
	a) - Basic	(2.81)	(3.38)	(5.32)	(4.57)	(10.98)
	b) - Diluted	(2.81)	(3.38)	(5.32)	(4.57)	(10.98)
	(EPS for the period not annualised)					
18.ii	Earning per share (EPS) (after extraordinary items) (of Rs 2/-each)					
	a) - Basic	(2.81)	(3.38)	(5.32)	(4.57)	(10.98)
	b) - Diluted	(2.81)	(3.38)	(5.32)	(4.57)	(10.98)
	(EPS for the period not annualised)					
19	Debt-Equity Ratio[1]				6.23	7.17
20	Debt Service Coverage Ratio[2]				0.56	0.43
21	Interest Service Coverage Ratio[3]				0.89	0.55
22	Capital Redemption Reserve				20.00	20.00
23	Debenture Redemption Reserve				56.69	57.94
24	Net Worth				1,348.41	1,502.66

** Post Scheme = Post implementation of all Sections (I to IV) of the Composite Scheme of Arrangement (Refer note 5(a))*

[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 + Other Equity (including fair valuation) - 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

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(Rs. in Crore)

	STATEMENT OF ASSETS AND LIABILITIES	
	PARTICULARS	As at 30th September 2016 (Unaudited)
A	ASSETS	
1	Non - current assets	
	(a) Property, Plant and Equipment	6,422.63
	(b) Capital Work in Progress	57.22
	(c) Investment Property	55.37
	(d) Goodwill	-
	(e) Other Intangible Assets	13.66
	(f) Intangible Assets under Development	-
	(g) Financial Assets	
	(i) Investments	481.17
	(ii) Loans	31.71
	(iii) Other financial assets	0.09
	(g) Deferred Tax Assets (net)	16.94
	(h) Other non current assets	94.95
	Total - Non Current assets	7,173.74
2	Current assets	
	(a) Inventories	1,747.95
	(b) Financial Assets	
	(i) Investments	0.41
	(ii) Trade receivables	931.80
	(iii) Cash and cash equivalents	14.79
	(iv) Bank Balances other than (iii) above	19.52
	(v) Loans	20.21
	(vi) Other financial assets	2,560.27
	(c) Current Tax Assets (Net)	47.86
	(d) Other current assets	276.22
	Total - Current assets	5,619.03
	TOTAL - ASSETS	12,792.77
B	Equity & Liabilities	
1	Equity	
	(a) Equity Share Capital	79.89
	(b) Other Equity	1,265.69
	Total Equity attributable to Equity holders of the Company	1,345.58
2	Non-current Liabilities	
	(a) Financial Liabilities	
	(i) Borrowings	5,720.89
	(ii) Other financial liabilities	26.42
	(b) Provisions	7.29
	(c) Deferred tax liabilities (net)	-
	(d) Other non-current liabilities	-
	Total non-current Liabilities	5,754.60
3	Current Liabilities	
	(a) Financial Liabilities	
	(i) Borrowings	2,109.86
	(ii) Trade payables	1,995.97
	(iii) Other financial liabilities	1,281.11
	(b) Other current liabilities	305.02
	(c) Provisions	0.63
	(d) Current Tax Liabilities (Net)	-
	Total - Current liabilities	5,692.59
	TOTAL - EQUITY AND LIABILITIES	12,792.77

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Notes:

1 The financial results of the company for the quarter / half year ended 30th September, 2016 have been reviewed by the audit committee and approved by the board of directors at their respective meetings held on 23rd November, 2016 and the limited review of the same has been carried out by the auditors. The Ind-AS compliant corresponding figures of quarter / half year ended 30th September, 2015 have not been subjected to Limited Review by the Auditors. The company has exercised necessary due diligence to ensure that such financial results provide a true & fair view of its affairs.

2 (a) 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.

(b) There is a possibility that these quarterly financial results along with the provisional financial statements as of and for the year ended March 31, 2016 may require adjustment before constituting the final Ind AS financial statements as of and for the year ending March 31, 2017 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application as permitted under Ind AS 101.

3 The format for unaudited quarterly results as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated 30th November 2015 has been modified to comply with requirements of SEBI's circular dated 5th July 2016, Ind-AS and Schedule III (Division II) to the Companies Act, 2013 applicable to companies that are required to comply with Ind-AS.

4 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 Company is taking necessary steps towards enhancement of net worth through better utilization of its production facilities and proposed conversion of Funded Interest Term Loan (FITL) by the Lenders of the Company into Equity Shares / Optionally Convertible Redeemable Preference Shares. Thus, these accounts have been prepared on a going concern basis. Due to adoption of Ind AS, on account of fair valuation of assets and liabilities, the net worth of the company became positive (refer note 6 (b))

5 (a) 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 March 31, 2014 [the same was given effect to in the revised financial statements for the year ended 31st March 2015] and Section III and Section IV of the Scheme has become 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 (HSM Plant) & Coke Oven Plants 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].

The details of profit & loss as published for the quarter and half year ended 30th September 2015, for comparison purposes, are as follows:

(Rs. in Crore)

Particulars	Quarter ended 30th June 2016 (As per Ind AS)		Quarter ended 30th September 2015 (As per Previous GAAP)		Half Year ended 30th September 2015 (As per Previous GAAP)	
	Reported	Recasted (Post Scheme)	Reported	Recasted (Post Scheme)	Reported	Recasted (Post Scheme)
Total Revenue (Including other income)	2129.80*	2,157.08	1,609.87	1,544.18	3,276.05	3,154.36
Total expenses	2,228.65	2,276.68	1,797.92	1,721.38	3,664.64	3,519.52
Profit/ (Loss) before taxes	(98.85)	(119.60)	(188.05)	(177.20)	(388.59)	(365.16)
Taxes	(34.21)	(41.39)	0.00	0.00	0.00	0.00
Profit/ (Loss) after tax	(64.64)	(78.21)	(188.05)	(177.20)	(388.59)	(365.16)

net of excise

(b) On section III and section IV become effective on 24th September 2016, accordingly interest under scheme on amount receivable is accounted for.

(c) The necessary steps and formalities in respect of completion of transfer of properties, licenses, approvals and investments in favour of JSHL, JCL & JUSL and modification of charges etc. are under implementation.

(d) The Department of Steel & Mines, Government of Odisha, while issuing No Objection Certificate to JSL has allowed transfer/right to use of the land to JUSL & JCL (a precedent condition for effectiveness Section III & Section IV of the Scheme), put / mentioned a condition that Section I & II of the Scheme will not be carried out in so far as the mining lease of JSL is concerned; accordingly transfer of the Mining Rights comprised in the Demerged Undertakings (as referred in the Scheme) has not been given effect, consequently :- (i) all mining activities in relation to the Mining Rights; (ii) all assets (excluding fixed assets) and liabilities (including contingent liabilities) in relation to the Mining Rights; and (iii) all revenue/expenditure & net profit; continue to be carried out by and recorded in the books of JSL post 1st November, 2015 on which the Section I and Section II of the Scheme became effective.

(e) On 3rd July 2016 the company has allotted 16,82,84,309 nos. fully paid up equity shares of Rs. 2 each at Rs. 21.76 per share (including premium of Rs 19.76) against Rs. 366.19 Crore amount to JSHL as prescribed by the Scheme.

(f) Impact of the above and proposed conversion of FITL into equity shares, being anti-dilutive, has not been considered.

6 (a) Reconciliation of Net Profit (Post-scheme recasted- read with note no. 5 above) on account of transition from Previous GAAP to IND AS for the quarter & half year ending 30th September 2015 is given below:

(Rs. in Crore)

Particulars	Quarter ended 30th September'15	Half Year ended 30th September'15
Net Profit/ (Loss) under previous GAAP	(177.20)	(365.16)
On Account of Measuring Investments at fair Value through Profit & Loss	0.01	0.01
On Account of Interest	(0.09)	(0.19)
Reassessment of depreciation on fair valuation and changes in useful life	10.50	22.40
Others	0.29	0.58
Deferred tax adjustment	(65.03)	(134.26)
Net Impact	(54.31)	(111.46)
Net Profit/ (Loss) under IND AS	(122.87)	(253.70)

(b) The company has considered revised fair value (pursuant to the Section III and Section IV of the Scheme becoming effective on 24th September 2016, read with Note 5 above) for Property i.e. Land, Building and Plant & Machinery situated in India and the impact of Rs. 1,817.83 Crore (inclusive of investment property Rs. 49.56 Crore) [As against Rs. 2,165.77 Crore (inclusive of investment property Rs.49.56 Crore) previously recorded], in accordance with stipulations of Ind AS 101 with resulted impact being accounted for in the reserves. Accordingly on re-assessment of lives of assets (as assessed and estimated by the management and a technical valuer), depreciation reflected in the statement of Profit and Loss is higher by Rs. 12.37 Crore for three months ended 30th September 2016 and Rs.23.48 Crore for half year ended 30th September 2016 and to that extent loss is higher.

7 The Company had challenged the legality of Orissa Entry Tax Act 1999 in the state of Odisha in the Hon'ble Odisha high Court / Supreme Court of India. On 16.04.2010 the Entry tax matters of the states have been referred to a larger 9-judges Constitutional Bench of the Supreme Court of India. The 9 judge bench while holding the constitutional validity of entry tax, has, vide its Order dated 11th November 2016, referred the same to divisional/ regular benches for testing and determination of the Article 304 (a) of the constitution vis a vis state legislation and levy of entry tax on goods entering the landmass of India from another country. The Company has been making necessary provisions towards liability in this regard. Interest/ penalty if any, will be accounted for as and when this is finally settled/ determined by the Regular Benches hearing the matters, where the appropriate proceedings are continuing.

8 The credit rating for non-convertible debentures (NCD) by CARE is "Single C". The previous due date for payment of interest and principal of NCD's was 1st September 2016 and 1st July 2016 respectively, which has already been paid as on date. The asset cover available for these NCD's is 1.16.

9 Net foreign exchange gain/loss has been considered by the Company as exceptional in nature.

10 As the company's business activity falls within a single primary business segment viz. 'stainless steel', the disclosure requirement of Ind-AS 108 is not applicable.

11 Figures of the previous periods have been regrouped / recast / reclassified wherever considered necessary.

By Order of the Board of Directors
For Jindal Stainless Limited

Subrata Bhattacharya

S. Bhattacharya
Whole Time Director

Place: New Delhi
Date: 23rd November, 2016

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