LODHA
& CO
Chartered Accountants

12, Bhagat Singh Marg, New Delhi - 110 001, India
Telephone : 91 11 23710176 / 23710177 / 23364671 / 2414
Fax : 91 11 23345168 / 23314309
E-mail : delhi@lodhaco.com

Limited Review Report on Quarterly Consolidated Financial Results of Jindal Steel & Power Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of Jindal Steel & Power Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results ("the Statement") of **Jindal Steel & Power Limited** ("the Company"), its subsidiaries (the Company and its subsidiaries together referred as 'Group'), its associates and its joint ventures for the quarter and nine months ended 31st December 2017, attached herewith, 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.

   This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 25th January 2018, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 Engagements (SRE 2410),'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of 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.
   a) We did not review the financial results of 1 subsidiary included in the consolidated quarterly financial results, whose financial results reflect total assets as at 31st December 2017 of Rs21,396.27 Crore, total revenue of Rs 1,243.21 Crore & Rs 3,339.52 Crore, for the quarter & nine months ended 31st December 2017 respectively, total loss after tax of Rs 173.29 Crore & Rs 381.37 Crore for the quarter & nine months ended 31st December 2017 respectively and total comprehensive loss of Rs 173.29 Crore & Rs 381.37 Crore for the quarter & nine months ended 31st December 2017 respectively, as considered in the consolidated financial results. These financial results have been reviewed by other auditor whose report has been furnished to us by the Management and our report on the consolidated results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor.

   b) We have relied on the management certified financial statements (un-reviewed) of 90 subsidiaries (including 2 numbers JVs considered for consolidation as per Ind AS 110), whose financial results reflect total assets as at 31st December 2017 of Rs 31,540.91 Crore, total revenue of Rs 1,708.20 Crore & Rs 4,577.16 Crore for the quarter & nine months ended 31st December 2017 respectively, total loss after tax of Rs27.16 Crore & Rs. 137.52

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Crores for the quarter & nine months ended 31st December 2017 respectively and total comprehensive loss of Rs 27.35 Crore & Rs. 138.08 Crores for the quarter & nine months ended 31st December 2017 respectively, as considered in the consolidated financial results. The consolidated financial results also include the Company's share of net profit of Rs NIL for the quarter & nine months ended 31st December 2017 respectively, as considered in the consolidated financial results, in respect of 2 associates and 1 joint venture. These Financial results /Financial information have not been reviewed by their auditors and have been furnished to us by the management and our opinion on the consolidated results, in so far as it relates to the amounts included and disclosure included in respect of these subsidiaries / JVs / Associates is based solely on such management certified financial results / financial information.

4. **Basis for Qualified Conclusion:**

We draw attention regarding impact on the net carrying value of fixed assets/investment made in mining assets not been considered for the reason stated in the Note No. 3 to the accompanying consolidated un-audited financial results and the management's view about additional levy paid of amounting to Rs. 1,355.79 Crore (being differential between Gross and Net) as stated in the Note No. 2 to the accompanying consolidated un-audited financial results, which shown as good and recoverable. These matters were also qualified by us in the limited review reports on the financial results for the quarter ended 31st December 2016 and quarter/ six months ended 30th September 2017 and in audit report on the consolidated Ind AS financial statement for the quarter/year ended 31st March 2017.

5. Based on our review conducted as above and based on the consideration of reports of the other auditors referred to in above paragraph 3(a),*except for the effects/ possible effects of our observation stated in para 4 above,* nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated financial results prepared in all material respects in accordance with the applicable Accounting Standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder 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 SEBI Circular dated 5th July 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

LODHA & CO. New Delhi Chartered Accountants

N.K. LODHA
Partner
Membership No. 85155
Place: New Delhi
Dated: 25th January 2018

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JINDAL STEEL & POWER LIMITED

Registered Office : O.P. Jindal Marg, Hisar - 125 005 (Haryana)
Corporate Office : Jindal Centre, 12, Bhikaiji Cama Place, New Delhi - 110 066
CIN: L27105HR1979PLC009913

JINDAL STEEL & POWER

(₹ crore except per share data)

STANDALONE & CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED ON 31ST DECEMBER, 2017

	PARTICULARS	Standalone Financial Results						Consolidated Financial Results					
		Quarter ended on 31st December, 2017	Quarter ended on 30th September, 2017	Quarter ended on 31st December, 2016	Year to date ended 31st December, 2017	Year to date ended 31st December, 2016	Year ended 31st March, 2017	Quarter ended on 31st December, 2017	Quarter ended on 30th September, 2017	Quarter ended on 31st December, 2016	Year to date ended 31st December, 2017	Year to date ended 31st December, 2016	Year ended 31st March, 2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income												
	(a) Revenue from Operations												
	i) Income from Operations	4,326.68	3,721.18	3,976.55	12,112.30	11,057.45	15,665.46	7,015.99	6,151.04	5,849.70	19,499.88	15,907.91	22,659.86
	ii) Other operating income	57.64	62.48	95.27	154.91	296.24	429.22	88.77	88.25	111.07	238.46	441.66	641.37
	Less: Captive Sales for own projects	(112.20)	(115.89)	(173.33)	(495.78)	(405.49)	(601.07)	(112.20)	(115.89)	(173.33)	(495.78)	(409.40)	(604.99)
	Total Revenue from Operations	4,272.12	3,667.77	3,898.49	11,771.43	10,948.20	15,493.61	6,992.56	6,123.40	5,787.44	19,242.56	15,940.17	22,696.24
	(b) Other income	-	-	-	-		8.88	1.04	1.38	0.31	2.42	0.99	9.99
	Total Income	4,272.12	3,667.77	3,898.49	11,771.43	10,948.20	15,502.49	6,993.60	6,124.78	5,787.75	19,244.98	15,941.16	22,706.23
2	Expenses												
	(a) Cost of materials consumed	1,683.73	1,503.15	1,281.27	4,635.81	3,496.11	5,026.65	2,216.99	2,235.25	1,682.48	6,385.76	4,451.45	6,535.46
	(b) Purchase of stock-in-trade	26.94	57.84	2.50	155.55	95.17	132.04	54.41	60.64	63.14	245.55	155.84	265.39
	(c) Change in inventories of finished goods, Work-in-progress and stock-in-trade	14.33	(17.91)	149.34	(164.91)	166.49	332.30	84.75	(47.44)	108.04	(191.77)	101.46	282.62
	(d) Employee benefits expenses	130.00	137.27	142.62	401.12	416.71	531.60	241.31	244.62	238.79	717.96	687.92	913.55
	(e) Finance Cost	594.20	578.28	539.98	1,704.77	1,795.05	2,323.98	966.96	926.77	835.25	2,794.31	2,559.76	3,440.74
	(f) Depreciation and amortisation expenses	465.02	495.76	542.14	1,441.41	1,554.97	2,043.65	963.24	997.65	1,027.44	2,923.11	2,943.14	3,949.02
	(g) Excise Duty	-	-	379.54	457.87	1,180.09	1,645.51	-	-	379.57	457.89	1,180.16	1,645.73
	(h) Other expenses	1,608.26	1,319.59	1,332.65	4,327.47	4,024.91	5,524.81	2,900.80	2,372.82	2,212.01	7,790.37	6,632.40	8,949.30
	(i) Cost of Captive Sales	(112.20)	(115.89)	(173.33)	(495.78)	(405.49)	(601.07)	(112.20)	(115.89)	(173.33)	(495.78)	(409.40)	(604.99)
	Total expenses	4,410.28	3,958.09	4,196.71	12,463.31	12,324.01	16,959.47	7,316.26	6,674.42	6,373.39	20,627.40	18,302.73	25,376.82
3	Profit / (Loss) before exceptional items and tax	(138.16)	(290.32)	(298.22)	(691.88)	(1,375.81)	(1,456.98)	(322.66)	(549.64)	(585.64)	(1,382.42)	(2,361.57)	(2,670.59)
4	Exceptional Items	-	149.72	-	149.72		-	-	149.72		149.72	625.72	372.31
5	Profit / (Loss) before tax	(138.16)	(440.04)	(298.22)	(841.60)	(1,375.81)	(1,456.98)	(322.66)	(699.36)	(585.64)	(1,532.14)	(2,987.29)	(3,042.90)
6	Tax expense:												
	Current tax	-						(2.83)	0.31		(1.70)		0.72
	Deferred tax	(64.42)	(184.81)	(111.69)	(334.91)	(505.44)	(470.53)	(42.84)	(200.19)	(130.59)	(332.53)	(545.43)	(503.40)
7	Net Profit / (Loss) after tax	(73.74)	(255.23)	(186.53)	(506.69)	(870.37)	(986.45)	(276.99)	(499.48)	(455.05)	(1,197.91)	(2,441.86)	(2,540.22)
8	Share of Profit/(Loss) of associates (Net of tax)	-						4.26	1.85	1.79	7.08	4.34	2.70
9	Total Profit/(Loss)	(73.74)	(255.23)	(186.53)	(506.69)	(870.37)	(986.45)	(272.73)	(497.63)	(453.26)	(1,190.83)	(2,437.52)	(2,537.52)
10	Other Comprehensive Income (OCI)												
	i) Items that will not be reclassified to profit or loss	1.03	1.03		3.09		4.12	0.84	0.65		2.53		4.01
	ii) Income tax relating to items that will not be reclassified to profit or loss	0.36	0.36		1.08		1.43	0.36	0.36		1.08		1.39
	iii) Items that will be reclassified to profit or loss	-						60.68	28.74		111.61		(127.52)
	iv) Income tax relating to items that will be reclassified to profit or loss	-						-	-		-		-
11	Total Comprehensive Income	(73.07)	(254.56)	(186.53)	(504.68)	(870.37)	(983.76)	(211.57)	(468.60)	(453.26)	(1,077.77)	(2,437.52)	(2,662.42)
12	Net profit attributable to:												
	a) Owners of the equity							(265.99)	(447.93)	(407.44)	(1,101.02)	(2,235.58)	(2,281.28)
	b) Non-Controlling interest							(6.74)	(49.70)	(45.82)	(89.81)	(201.94)	(256.24)
13	Other Comprehensive Income attributable to:												
	a) Owners of the equity							61.16	29.03	-	113.06	-	(127.60)
	b) Non-Controlling interest							-					2.70
14	Total Comprehensive Income attributable to:												
	a) Owners of the equity							(204.83)	(418.90)	(407.44)	(987.96)	(2,235.58)	(2,408.87)
	b) Non-Controlling interest							(6.74)	(49.70)	(45.82)	(89.81)	(201.94)	(253.55)
15	Earnings before Interest, Taxes and Depreciation (EBITDA)	921.06	783.72	783.90	2,454.30	1,974.21	2,901.77	1,606.50	1,373.40	1,276.74	4,332.58	3,140.34	4,709.18
16	Earnings before Interest, Taxes and Depriciation (EBITDA) (%)	22%	21%	20%	21%	18%	19%	23%	22%	22%	23%	20%	21%
17	Paid up Equity Share Capital (Face value of ₹ 1 per share)	91.64	91.50	91.49	91.64	91.49	91.50	91.64	91.50	91.49	91.64	91.49	91.50
18	Other Equity						21,674.70						29,959.03
19	Earnings Per Share (EPS) (for the Quarter not annualised)												
	(a) Basic	(0.81)	(2.79)	(2.04)	(5.54)	(9.51)	(10.78)	(2.91)	(4.90)	(4.45)	(12.03)	(24.44)	(27.73)
	(b) Diluted*	(0.81)	(2.79)	(2.04)	(5.54)	(9.51)	(10.78)	(2.91)	(4.90)	(4.45)	(12.03)	(24.44)	(27.73)

* anti-dilutive

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JINDAL STEEL & POWER LIMITED

Reporting of Segment wise Revenue, Results, Assets & liabilities

	PARTICULARS	Consolidated Financial Results					
		Quarter ended on 31st December, 2017	Quarter ended on 30th September, 2017	Quarter ended on 31st December, 2016	Year to date ended 31st December, 2017	Year to date ended 31st December, 2016	Year ended 31st March, 2017
1	Segment Revenue						
	(a) Iron & Steel	5,651.42	4,996.77	4,957.28	15,361.57	12,697.58	17,925.60
	(b) Power	1,861.41	1,430.08	1,554.27	5,113.33	4,813.86	6,378.44
	(c) Others	102.77	210.74	263.31	566.34	578.22	890.67
	Total	7,615.60	6,637.59	6,774.86	21,041.24	18,089.66	25,194.71
	Less: Inter-Segment Revenue	623.04	514.19	987.42	1,798.68	2,149.49	2,498.47
	Net Sales/ Income from Operations	6,992.56	6,123.40	5,787.44	19,242.56	15,940.17	22,696.24
2	Segment Results (Profit(+)/Loss(-) before Tax and Interest from each Segment)						
	(a) Iron & Steel	720.99	587.30	133.80	1,616.75	641.55	1,124.48
	(b) Power	134.99	75.33	298.85	539.51	283.96	299.89
	(c) Others	(129.41)	(174.20)	(7.31)	(441.34)	(265.70)	(59.83)
	Total	726.57	488.43	425.34	1,714.92	659.81	1,364.54
	Less :						
	i. Finance costs (Net)	966.96	926.77	835.25	2,794.31	2,559.76	3,440.74
	ii. Other un-allocable expenditure (net of un-allocable income)	82.27	111.30	175.73	303.03	461.62	594.39
	iii. Exceptional Items	-	149.72	-	149.72	625.72	372.31
	Total Profit Before Tax	(322.66)	(699.36)	(585.64)	(1,532.14)	(2,987.29)	(3,042.90)
3	Segment Assets						
	(a) Iron & Steel	44,978.56	45,765.26	46,554.92	44,978.56	46,554.92	44,549.68
	(b) Power	23,241.84	23,365.46	27,673.06	23,241.84	27,673.06	24,059.30
	(c) Others	2,268.87	1,900.43	2,628.15	2,268.87	2,628.15	2,048.06
	(d) Unallocated	19,546.18	19,628.48	16,671.27	19,546.18	16,671.27	19,940.89
	Total Assets	90,035.45	90,659.63	93,527.40	90,035.45	93,527.40	90,597.93
4	Segment Liabilities						
	(a) Iron & Steel	5,842.75	5,545.42	4,884.61	5,842.75	4,884.61	4,117.19
	(b) Power	1,253.58	1,013.27	997.64	1,253.58	997.64	851.70
	(c) Others	107.87	116.61	149.40	107.87	149.40	131.94
	(d) Unallocated	52,667.72	54,453.24	57,091.98	52,667.72	57,091.98	55,446.57
	Total Liabilites	59,871.92	61,128.54	63,123.63	59,871.92	63,123.63	60,547.40

NOTES

1 The unaudited financial results for the quarter/nine months ended 31st December,2017 have been reviewed by the Company's statutory auditors. These have been reviewed by the Audit Committee and taken on record by the Board of Directors at their meetings held on 25th January 2018

2 The Hon'ble Supreme Court of India by its Order dated 24 September 2014 cancelled number of coal blocks allocated to the Company by Ministry of Coal, Government of India and directed to pay an additional levy of ₹ 295 per MT on gross coal extracted. The Company had paid under protest such levy on coal extracted during the period from 1993 to 31 March 2015 of ₹ 2,082.23 crore (₹ 3,267.43 crore including a subsidiary). The management based on legal opinion had charged to the statement of profit and loss, as exceptional item, during the year 2014-15 ₹ 807.77 crore (₹ 1,911.64 crore including a subsidiary) computed on net extraction (run of mines less shale, rejects and ungraded middling) of coal by the Company. The balance amount of ₹ 1,274.46 crore (₹ 1,355.79 crore including a subsidiary) has been shown as recoverable from the Government Authority since the entire amount of additional levy has been paid under protest.

3 The Company has net book value of investment made in mining assets including land, infrastructure and clearance etc. of ₹ 425 crore (₹ 608.58 crore including a subsidiary) and filed claim for the same pursuant to directive vide letter dated 26 December, 2014 given by the Ministry of Coal on such mines. Meanwhile the Ministry of Coal has made interim payment to the Company of ₹ 22.72 crore towards the same.

4 Higher finance cost due to borrowing for payment of additional coal levy of ₹ 3,300 crore (approx.) and higher fuel cost, consequent to cancellation of coal blocks by Hon'ble Supreme Court of India continued to contribute to loss in financial results.

5 Hon'ble Supreme Court of India levied compensation on lessees of mines of Iron Ore and manganese in the State of Odisha for excess production (above environmental and/or forest clearances). Accordingly the Company has deposited ₹ 137.82 crore in December 2017, against the demand notice issued by the Department of Mines, Odisha, post separate hearing before Hon'ble Supreme Court. The Company did not agree to excess quantity as assessed by the State Government and Central Empowered Committee and filed review petition. Pending disposal of the same and based on the opinion of an expert, the Company believes that it has a credible case in its favour. Therefore amount paid is shown as recoverable.

6 During the quarter the Company has issued 14,20,000 equity shares of ₹ 1 each at issue price of ₹ 140.31 each (including premium of ₹ 139.31 per share) and 4,80,00,000 convertible warrants at issue price of ₹ 140.31 each to the promoter group companies. Warrants are convertible into equal number of fully paid equity shares of ₹ 1 each.

7 Effective 1st July, 2017, sales are recorded net of GST whereas earlier sales were recorded gross of excise duty which formed part of expenses. Hence, revenue from operation for quarter/ nine months ended 31st December, 2017 are not comparable with previous period corresponding figures.

8 Previous period figures have been regrouped/ reclassified/recast to make them comparable.

Date: 25th January 2018

Place: New Delhi

LODHA & CO. New Delhi Chartered Accountants

JINDAL STEEL & POWER LIMITED

By Order of the Board

NAVEEN JINDAL

CHAIRMAN