

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: L27105HR1979PLC0009913

₹ Crore
 (except per share data)

| PARTICULARS | STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30th JUNE, 2019 | | | | Consolidated Financial Results | | | | | | | | | | | | | | | |
|--|---|------------|----------------------------------|------------|----------------------------------|------------|----------------------------------|------------|--|--|--|--|--|--|--|--|--|--|--|--|
| | Quarter ended on 30th June, 2019 | | Quarter ended on 30th June, 2018 | | Quarter ended on 30th June, 2019 | | Quarter ended on 30th June, 2018 | | | | | | | | | | | | | |
| | Unaudited | Audited | Unaudited | Audited | Unaudited | Audited | Unaudited | Audited | | | | | | | | | | | | |
| 1 Income | | | | | | | | | | | | | | | | | | | | |
| (a) Income | | | | | | | | | | | | | | | | | | | | |
| Value of Sales & Services (Revenue)* | 8,236.51 | 8,476.56 | 7,788.36 | 31,938.83 | 11,099.22 | 11,236.10 | 10,721.75 | 43,602.42 | | | | | | | | | | | | |
| Less: GST Recovered* | (1,118.21) | (1,141.99) | (991.65) | (4,075.50) | (1,120.13) | (1,144.93) | (993.59) | (4,082.92) | | | | | | | | | | | | |
| Less: Captive Sales for own projects | (33.52) | 67.78 | (62.81) | (147.36) | (33.51) | 67.78 | (62.81) | (147.36) | | | | | | | | | | | | |
| Revenue from Operation | 7,084.78 | 7,402.35 | 6,733.90 | 27,715.97 | 9,945.58 | 10,158.95 | 9,665.35 | 39,372.14 | | | | | | | | | | | | |
| (b) Other Income | - | - | - | 14.45 | 0.81 | 0.00 | 0.00 | 15.68 | | | | | | | | | | | | |
| Total Income | 7,084.78 | 7,402.35 | 6,733.90 | 27,730.42 | 9,946.39 | 10,158.95 | 9,665.35 | 39,387.82 | | | | | | | | | | | | |
| 2 Expenses | | | | | | | | | | | | | | | | | | | | |
| (a) Cost of materials consumed | 3,028.18 | 2,991.26 | 2,995.14 | 11,902.71 | 3,718.58 | 3,680.21 | 3,738.81 | 15,274.37 | | | | | | | | | | | | |
| (b) Purchase of stock-in-trade | 276.07 | 427.20 | 141.16 | 1,124.57 | 318.47 | 489.08 | 141.16 | 1,186.46 | | | | | | | | | | | | |
| (c) Change in inventories of finished goods, Work-in-progress and stock-in-trade | (59.17) | 97.36 | (103.07) | (109.71) | 45.55 | 175.67 | (108.72) | (225.97) | | | | | | | | | | | | |
| (d) Employee benefits expenses | 161.67 | 146.67 | 142.85 | 619.77 | 280.76 | 278.70 | 245.07 | 1,071.85 | | | | | | | | | | | | |
| (e) Finance Cost (Net) | 696.95 | 979.50 | 605.36 | 2,895.76 | 1,109.03 | 1,163.07 | 972.94 | 4,264.19 | | | | | | | | | | | | |
| (f) Depreciation and amortisation expenses | 567.05 | 575.69 | 576.69 | 2,307.06 | 1,053.57 | 2,373.31 | 1,039.94 | 5,480.35 | | | | | | | | | | | | |
| (g) Other expenses | 2,103.58 | 2,232.14 | 1,975.56 | 8,309.02 | 3,442.67 | 3,622.79 | 3,435.29 | 13,807.22 | | | | | | | | | | | | |
| (h) Cost of Captive Sales | (33.52) | 67.78 | (62.81) | (147.36) | (33.51) | 67.78 | (62.81) | (147.36) | | | | | | | | | | | | |
| Total expenses | 6,740.81 | 7,517.60 | 6,270.88 | 26,901.82 | 9,935.12 | 11,850.61 | 9,401.68 | 40,711.11 | | | | | | | | | | | | |
| Profit / (Loss) before exceptional items and tax | 343.97 | (115.25) | 463.02 | 828.60 | 11.27 | (1,691.66) | 263.67 | (1,323.29) | | | | | | | | | | | | |
| 3 Profit / (Loss) before exceptional items and tax | | | | | | | | | | | | | | | | | | | | |
| 4 Exceptional Items (Gain)/ Loss | - | 1,653.84 | - | 1,398.38 | - | 1,733.86 | - | 1,478.40 | | | | | | | | | | | | |
| 5 Profit / (Loss) before tax | 343.97 | (1,769.09) | 463.02 | (569.78) | 11.27 | (3,425.52) | 263.67 | (2,801.69) | | | | | | | | | | | | |
| 6 Tax expense: | | | | | | | | | | | | | | | | | | | | |
| Current tax (Net of MAT Credit Entitlement) | - | - | - | - | 0.81 | 50.63 | 0.13 | 51.58 | | | | | | | | | | | | |
| Deferred tax | 120.11 | (614.85) | 130.74 | (306.88) | 97.86 | (762.81) | 153.65 | (441.75) | | | | | | | | | | | | |
| 7 Net Profit / (Loss) after tax | 223.86 | (1,154.24) | 332.28 | (262.90) | (87.40) | (2,713.34) | 109.89 | (2,411.52) | | | | | | | | | | | | |
| 8 Share of Profit/(Loss) of associates (Net of tax) | - | - | - | - | - | - | - | - | | | | | | | | | | | | |
| 9 Total Profit/(Loss) | 223.86 | (1,154.24) | 332.28 | (262.90) | (87.40) | (2,713.34) | 109.89 | (2,411.52) | | | | | | | | | | | | |



Reporting of Segment wise Revenue, Results, Assets & Liabilities

| PARTICULARS | Consolidated Financial Results | | | |
|--|----------------------------------|-----------------------------------|----------------------------------|-------------------------------------|
| | Quarter ended on 30th June, 2019 | Quarter ended on 31st March, 2019 | Quarter ended on 30th June, 2018 | Year to date ended 31st March, 2019 |
| | | Restated # | Restated # | Restated # |
| 1 Segment Revenue | | | | |
| (a) Iron & Steel | 8,350.02 | 8,911.88 | 8,308.69 | 34,191.47 |
| (b) Power | 2,029.56 | 1,798.40 | 1,759.01 | 7,124.71 |
| (c) Others | 346.75 | 201.28 | 279.04 | 921.76 |
| Total | 10,726.33 | 10,911.56 | 10,346.74 | 42,237.94 |
| Less: Inter-Segment Revenue | 780.78 | 752.61 | 681.39 | 2,865.80 |
| Net Sales/ Income from Operations | 9,945.55 | 10,158.95 | 9,665.35 | 39,372.14 |
| 2 Segment Results (Profit(+)/Loss(-) before Tax and Interest from each Segment) | | | | |
| (a) Iron & Steel | 1,046.21 | 974.25 | 1,446.49 | 4,445.50 |
| (b) Power | 306.28 | 95.18 | 81.67 | 490.49 |
| (c) Others | (72.36) | (1,465.81) | (208.37) | (1,637.69) |
| Total | 1,280.13 | (396.38) | 1,319.79 | 3,298.30 |
| Less: | | | | |
| i. Finance costs (Net) | 1,109.03 | 1,163.07 | 972.94 | 4,264.19 |
| ii. Other un-allocable expenditure (net of un-allocable income) | 159.83 | 132.20 | 83.18 | 357.40 |
| iii. Exceptional Items | - | 1,733.86 | | 1,478.40 |
| Total Profit Before Tax | 11.27 | (3,425.52) | 263.67 | (2,801.69) |
| 3 Segment Assets | | | | |
| (a) Iron & Steel | 55,622.29 | 55,125.98 | 51,560.23 | 55,125.98 |
| (b) Power | 21,487.98 | 22,020.11 | 22,660.55 | 22,020.11 |
| (c) Others | 668.66 | 349.64 | 1,657.59 | 349.64 |
| (d) Unallocated | 11,640.17 | 11,505.15 | 14,131.87 | 11,505.15 |
| Total Assets | 89,419.10 | 89,000.88 | 90,010.24 | 89,000.88 |
| 4 Segment Liabilities | | | | |
| (a) Iron & Steel | 8,683.81 | 7,363.68 | 6,814.80 | 7,363.68 |
| (b) Power | 1,575.48 | 1,981.85 | 1,245.41 | 1,981.85 |
| (c) Others | 489.13 | 493.24 | 164.92 | 493.24 |
| (d) Unallocated | 46,460.99 | 47,378.10 | 51,914.88 | 47,378.10 |
| Total Liabilities | 57,209.41 | 57,216.87 | 60,140.01 | 57,216.87 |

* refer note no. 5



NOTES

- 1 The above financial results for the quarter ended 30th June 2019 have been reviewed by the Audit Committee and taken on record by the Board of Directors of Jindal Steel & Power Limited ("the JSPL" or "the Company") at their respective meetings held on 14th August 2019. The Statutory Auditors of the Company have reviewed these financial results pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
- 2 The Hon'ble Supreme Court of India vide its Order dated 24th September, 2014 had cancelled number of coal blocks in India including allocated to the Company by Ministry of Coal, Government of India. The Company has net book value of investment made in mining assets including land, infrastructure and clearance etc. of Rs. 425 crore (Rs. 608.58 crore including of a subsidiary company) as on 31st March, 2016 and filed claim for the same pursuant to directive vide letter dated 26th December, 2014 given by the Ministry of Coal on such mines. Meanwhile the Ministry of Coal has made interim payment to the Company of Rs. 22.72 crore towards the same, on this auditors have drawn attention.
- 3 (a) As per the audited Consolidated financial statements of the Wollongong Coal Limited, an overseas subsidiary (together referred to as "WCL Group") for the year ended 31st March 2019, subsequent to year end, its management and Board has decided to seal off area of a mine and consequently the estimated useful life for the relevant mine development asset has been revised to Nil, which is change in accounting estimate. Accordingly, impact of this accounted for in the financial statements of WCL Group for the year ended 31st March 2019 and on which auditors has submitted their report dated 23rd July 2019. This has resulted in increase in depreciation for the current period ended 30th June 2019 by Rs. 500.47 crores. Earlier, the parent company (JSPL) has consolidated its financial statements for the year ended 31st March 2019 on the basis of unaudited consolidated financial statements of said subsidiary companies on which auditors had drawn attention.
(b) In the quarter / year ended 31st March 2019 impairment loss on intangible assets in respect of two overseas subsidiary companies of Rs. 1,286.57 crores was provided in respective subsidiary companies unaudited financial statements on management estimate basis. During the current quarter, based on the receipt of audited financial statements of stated subsidiaries for the year ended 31st March 2019 (impairment loss which has been assessed by the independent consultants at Rs. 698.73 crores of stated overseas subsidiary companies and provided for) impairment charge been considered and accordingly excess charge of Rs. 587.84 crores which was debited to consolidated Statement of Profit & Loss for the year ended 31st March 2019 has been adjusted in depreciation and amortisation. Accordingly, depreciation / amortization cost of the current quarter is lower to that extent.
Net impact of above (a) and (b) being excess charged in the year ended 31st March 2019 of Rs. 87.37 crores credited to depreciation and amortization of current quarter.
- 4 As per the audited Consolidated financial statements of the overseas subsidiary Wollongong Coal Limited (WCL Group) (post restated financials for the year ended 31st March 2017 and 31st March 2018) net worth of the WCL Group have been fully eroded. WCL Group has reported a net loss of Rs. 1,896.15 crores in the financial year ended 31st March 2019 and current liabilities exceeded its current assets by Rs. 4,627.48 crores as on that date. However, the management of the said entity considered the Consolidated entity to be a going concern on the basis of funding and support from its Holding Company, settlement of legal claims; deferment / rescheduled of loans, early-re-start of operations at one of the colliery and operations within budget and cost-controlled regime.
- 5 As per the audited consolidated financial statements of Wollongong Coal Limited, an overseas subsidiary for the year ended 31st March 2019, the Wollongong Coal Limited and its subsidiaries (together referred to as "WCL Group") has changed its accounting policy with respect to the depreciation method applied to certain classes of property, plant and equipment (mainly intangibles) and applied the units of production method to all mine development and mining lease assets where previously only certain mine development assets applied this methodology. WCL Group considered that the new accounting policy provides more reliable and relevant information as it aligns depreciation methods with industry standards and more closely follows the pattern of expected future economic benefits to be received from the relevant assets. Considering the above, the WCL group undertook a detailed review of its Property, plant and equipment and also made changes to the classification of assets, liabilities, income and expenses to improve the clarity of financial reporting. For the reasons as stated above, the rectification adjustments was made in audited consolidated financial statements of WCL for the year ended 31st March 2019 with giving effect as at 1st April 2017 which has been audited by another auditors and their report dated 23rd July 2019 have been considered by the Parent Company (JSPL). These rectification adjustments have been given effect by Parent Company as on 1st April 2018 which has resulted in increase in Reserves and Accumulated losses (under Other Equity) by Rs. 342.95 crores (excluding losses attributable to Non-controlling interest of Rs. 225.03 crores) and decrease in intangible assets / Property, plant and equipment, other assets and liabilities by Rs. 567.98 crores as at 31st March 2019, in accordance with the IND AS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The aggregate effect of the change in accounting policies and correction of the prior period error on the consolidated financial statements of the Company for the year ended 31st March 2019 are as follows:

Rs. in crore

| Particulars | As at 31st March, 2019 | As at 31st March, 2019 |
|---|------------------------|------------------------|
| | Published | Restated |
| Property, plant and equipment and intangible assets | 69,000.20 | 68,417.11 |
| Trade and other receivables | 3,029.19 | 3,028.54 |
| Other current assets | 3,108.54 | 3,107.85 |
| Trade and other payables | 5,220.76 | 5,204.31 |
| Other Equity | 32,326.05 | 31,983.10 |
| Non controlling interest (JSPL) | (301.07) | (526.10) |

- 6 The Company has adopted Ind AS 116 'Leases' effective April 1, 2019 and applied the Standard to its leases. This has resulted in recognizing a Right-of-Use Asset and a corresponding Lease liability of Rs. 616.23 crores (Rs. 848.67 crores on consolidated basis) as at April 1, 2019. The adoption of the standard did not have any material impact on the financial results of the current quarter.
- 7 During the current quarter 97135 nos. (total till 30.06.2019 47,30,320 nos.) of stock options granted under the employee stock option plan have been lapsed/ surrendered.
- 8 Other Comprehensive income in consolidation result for the quarter/year ended 31st March 2019 includes revaluation gain on certain PPE and intangibles of Rs. 4,395.72 crores (quarter ended 31st March, 2019 Rs. 179.24 crores) in respect of two of the overseas subsidiaries (net of deferred tax impact of Rs. 811.19 crores).



- 9 The Company's financial performance continued to be impacted by higher finance cost due to borrowing for payment of additional coal levy of Rs. 3,300 crore (approx.) and higher fuel cost, consequent to cancellation of coal blocks by Hon'ble Supreme Court of India.
- 10 During the current quarter the Company has allotted 4,80,00,000 nos. fully paid up equity shares of Re. 1/- each at issue price of Rs. 140.31 per share (including premium of Rs. 139.31 per share), on exercise of option (against equal number of warrant held), to a promoter group company on receipt of balance 75% amount of Rs. 505.12 crores. Money received have been fully utilized for the purpose the issue was made.
- 11 The Company has on 23rd March 2019 and on 27th April 2019 granted 20,32,007 nos. and 20,56,704 nos. equity shares of Re. 1 each at an exercise price of Rs. 166.65/- per share and Rs. 175.15/- per share respectively as stock option under the Jindal Steel & Power Limited Employee Stock Purchase Scheme- 2018 to the employees of the Group (Jindal Steel & Power Limited and its subsidiaries) and has allotted 20,15,597 equity shares of Re. 1 each on May 13, 2019 and 20,53,995 nos. equity shares of Re. 1 each on 6th July 2019 to the eligible employees.
- 12 Subsidiary Company Jindal Power Limited has total investment of Rs. 1,097.15 crores in its 3 subsidiaries (step down Indian subsidiaries), incorporated as special purpose vehicles (SPV) to execute Hydro projects. Due to delay on the part of the State Governments to contribute its share in equity share capital, long delay in Government approvals and licenses, projects could not be started and amount spent till 30th June 2019 is shown under Capital Work-in progress. Based on the present status of the projects being undertaken by the stated subsidiaries and reports of Independent valuers, management believes that presently there is no need to make any provision on account of impairment.
- 13 Hitherto Revenue from operations (sales/ services) was stated net of Goods and Services Tax (GST). During the current quarter, value of sales/ services is shown inclusive of GST (GST relates to Companies / entities incorporated in India). Accordingly previous periods/ year figures been re-stated. This has no impact on profit / (loss) for the current period and previous period/ year.
- 14 The figures of the quarter ended 31st March 2019 are the balancing figures between the audited figures in respect of the financial year ended 31st March 2019 and published year to date figures upto third quarter of the relevant financial year.
- 15 Previous period figures have been regrouped/ reclassified/recast, wherever necessary, to make them comparable.

Date: 14th August, 2019

Place: New Delhi

By Order of the Board


NAVEEN JINDAL
CHAIRMAN

