

Jindal Stainless (Hisar) Ltd Q1 FY19 PAT up at Rs 79 crore

Q1 FY 19 key highlights

Standalone (in Rs crore)

| Particulars | Q1 FY 18-19 | Q1 FY17-18 | Growth |
|--------------------|--------------|--------------|--------------|
| PAT | 79 | 74 | 7% |
| Net Revenue | 2,133 | 2,218 | (4) % |
| EBIDTA | 252 | 251 | 0% |

New Delhi, 26th July, 2018: Maintaining its momentum in the first quarter of FY 19, Jindal Stainless (Hisar) Ltd. (JSHL) registered profit after tax (PAT) of Rs 79 crore, up by 7% over corresponding period last year (CPLY). JSHL's performance remained steady in spite of a traditionally weak quarter. Stainless steel flat products demand grew in all segments including railways, automobiles and infrastructure, coupled with a moderate enhancement in market size. Sales volumes grew marginally by 3% from 165,115 MT to 170,422 MT over CPLY. Net revenue for Q1 FY19 was at Rs 2,133 crore, marginally down from the levels of FY 18. However, the company maintained EBIDTA levels at Rs 252 crore in Q1 FY19.

Commenting on the performance of the quarter, Managing Director of JSHL, Abhyuday Jindal, said, "Overall JSHL's key financial and operational performance remained steady in the first quarter. Despite a steep increase in Nickel and electrode prices, we were able to report healthy margins owing to our focus on specialty products. Given the global environment, we expect raw material prices to remain volatile over the next few quarters. However, the outlook for the stainless steel market remains strong due to underpenetrated Indian market. In addition, the Company's continued focus on specialty products will assist us in maintaining healthy margins going forward. JSHL is at the forefront of new-age application development and is constantly evaluating opportunities to further strengthen its leadership position." The domestic market is expecting significant stainless steel demand from Indian Railways, as it prepares to increase stainless steel coach production considerably. Besides this, the new BS-VI norms for automobiles, which are set to be effective will also boost stainless steel consumption in the auto segment.

On a sequential basis, the net revenue declined. The EBITDA slipped on account of dip in sales along with an increase in raw material and consumables prices, such as nickel and electrodes. Stainless steel industry has been impacted by the unwarranted imports in Q1 FY 19. The domestic industry is impacted by the ongoing circumvention of countervailing duty imposed last year on stainless steel imports from China. Imports are now being routed through Free Trade Agreements (FTA) countries like Indonesia and Vietnam, harming the domestic industry. Moreover, a 2.5% import duty on key raw materials like stainless steel scrap and ferro-nickel, both of which are domestically unavailable, creates an uneven ground for domestic players. Electrode prices jumped nearly five times in last one year. Higher input costs reduce the competency of domestic players in the market. The industry has sought government intervention to address this critical issue and reassess its policy.

Performance of JSHL's subsidiaries remained firm in Q1 FY19. Jindal Stainless Steelway Ltd and JSL Lifestyle Limited registered net revenues of Rs 338 crore and Rs 114 crore and PBT of Rs 18 crore and Rs 17 crore respectively, during the quarter.

About Jindal Stainless (Hisar) Ltd:

Jindal Stainless Hisar Ltd. (JSHL) is the largest specialty stainless steel producer in India with a diversified value added product portfolio. The Company operates pioneer its stainless steel plant at Hisar, Haryana with a total melting capacity of 0.8 million tonnes per annum. JSHL's dedicated R&D division helps it to continuously innovate and develop high-value specialty products. Over the last 4 decades, the Company has been a market leader in domestic Stainless Steel production with a variety of products used in various applications. It is also the world's largest producer of stainless steel strips for razor blades and India's largest producer of coin blanks, serving the needs of Indian and international mints. Our Specialty Products Division caters to the high-end, precision and specialty stainless steel requirements of reputed Indian and international customers. The product range includes Slabs & Blooms, Hot Rolled Coils, Strips, Plates, Coin Blanks, Precision Strips and Cold Rolled Coils.