

Financial Results for the quarter ending September 30, 2013

Jindal Stainless Limited
Press Release

Key Performance Highlights for the Quarter ended 30th September 2013

Highlights for the Quarter (Y-o-Y)

- Stainless Steel melting production volume up by 8% to 264,746 tons
- Total Income from Operations (net) up by 23% to Rs. 3,039 crore
- Exports up by 24% to Rs. 889 crore
- EBITDA up by 110% to Rs.246 crore
- Net profit/(loss) stood at Rs.(412) crore
- Smt. Savitri Jindal resigns from the Board.
- **Mr. Ratan Jindal takes over as the Chairman & MD of Jindal Stainless**

Operational & Financial Performance

Figures in Rs. Crore	Y-o-Y Comparison			Q-o-Q Comparison		Half Yearly Comparison			12 Months
	Q2 FY2013-14	Q2 FY2012-13	% change Y-o-Y	Q1 FY2013-14	% change Q-o-Q	H1 FY2013-14	H1 FY2012-13	% change Y-o-Y	FY 2012-13
	A	B	(A-B)/B	C	(A-C)/C	D	E	(D-E)/E	F
Production Volumes									
Stainless Steel (tons)	2,64,746	2,45,603	8%	2,87,602	-8%	5,52,349	4,79,896	15%	10,32,611
Ferro Alloys (tons)	41,196	26,616	55%	43,427	-5%	84,622	61,356	38%	1,03,459
Net Power (MU)	251	311	-19%	366	-31%	618	596	4%	1,138
Sales Volumes (tons)									
Stainless Steel (tons)	2,61,479	2,19,502	19%	2,47,139	6%	5,08,619	4,21,380	21%	9,17,076
Total Income from Operations (net)	3,039	2,464	23%	2,830	7%	5,869	4,681	25%	10,286
EBIDTA	246	117	110%	226	9%	472	349	35%	615
Non-operating other income	13	10		9		22	24		44
Interest	296	251	18%	289	3%	585	458	28%	990
Depreciation	168	171	-2%	167	0%	335	342	-2%	701
Exceptional Gain / (Loss)	(223)	68		(254)		(477)	(141)		(167)
Profit before tax	(428)	(227)		(475)		(903)	(568)		(1,199)
Profit after tax	(412)	(152)		(475)		(887)	(384)		(821)

Smt. Savitri Jindal became a member of the Haryana Legislative Assembly and Patron of the OP Jindal Group in 2005. Since then she has displayed unflinching commitment for upliftment of the socially deprived by promoting Govt. sponsored schemes in specific areas of development relevant to them. She is a social activist, who not only as a MLA, but also as the Patron of the OP Jindal Group, has actively involved herself in various social initiatives of the Group aimed at eradication of poverty, illiteracy and in providing quality health care to the needy.

In order to devote more of her time to her various social initiatives, she had earlier tendered her resignation from the Board of JSW and JSPL. But with General Elections coming up in 2014, coupled with her existing commitments to social causes, she felt that she would not be able to do proper justice to her responsibilities as a Board Member of Jindal Stainless. Hence, she has resigned from the board, with effect from October 28, 2013, but, shall continue to extend her guidance as an Emeritus Group Chairperson.

Corresponding Quarter Comparison (Jul'13-Sept'13 v/s Jul'12-Sept'12)

During the 2nd quarter ended 30th September 2013, the Company has achieved stainless steel melting production of 264,746 tons, ferro alloys production of 41,196 tons which are around **8% & 55%** up respectively as compared to previous year corresponding period figures. The stainless steel sales volume also witnessed an increase of around 19% to 261,479 tons during the same period. However, net power generation is of 251 million units which is around 19% down y-o-y.

Total income from operations (net) for the 2nd quarter ended 30th September 2013 grew by 23% to Rs.3,039 crore in comparison to the previous year corresponding period figure of Rs. 2,464 crore.

EBITDA for the 2nd quarter ended 30th September 2013, was at Rs.246 crore which is 110% higher than the previous year corresponding period figure of Rs. 117 crore. The quarter also witnessed a growth of 9% in EBITDA in comparison to 1st Quarter ending 30th June, 2013 EBITDA figure of Rs.226 crore.

Interest cost for the quarter has increased by around 18% to Rs. 296 crore as compared to previous year corresponding period figure of Rs. 251 crore, on account of conversion of certain foreign currency loans into INR loans & higher utilization of working capital facilities. This quarter also witnessed exceptional loss of Rs. 223 crore in comparison to exceptional gain of Rs. 68 crore in the corresponding period, due to sudden depreciation of rupee against major currencies, which has resulted in net loss of Rs.412 crore.

Half Year Comparison (Apr'13-Sept'13 v/s Apr'12-Sept'12)

During the half year ended 30th September 2013 the stainless steel melting production, ferro alloys and net power generation were up by 15%, 38% & 4% respectively as compared to half year ended 30th September 2012. Total income from operations (net) was up by 25% in comparison to half year ended 30th September 2012. EBITDA is up by 35% to Rs. 472 crore in comparison to half year ended 30th September 2012.

Outlook

Macroeconomic dynamics of the Indian economy continue to face multiple headwinds namely inflation, large fiscal and current account deficits and a volatile currency. The headwinds are negatively impacting spending capacity of both the public and the private sectors of the economy. Indian stainless steel industry, amongst others, has been fighting hard to stay afloat, but continued influx of cheap imported stainless steel, in spite of a depreciated local currency, has kept the margin under pressure and capacity utilization to lower than the optimum levels.

Regulatory framework coupled with a volatile currency is not only increasing the raw-material cost for domestic manufacturer but is also causing uncertainty in business. Recently announced increase in basic customs duty on import of steel scrap has placed domestic stainless steel players at a huge competitive disadvantage vis-à-vis other countries like China. Chinese manufacturers enjoy substantial advantage over competition due to favorable duty structure wherein import duty on key inputs of stainless steel is almost negligible and there are enough trade barriers against import of finished goods giving the domestic manufacturers in that country a substantial edge over their counterparts in the other parts of the world.

We estimate that the stainless steel industry would continue to grow between 5-6% globally. In India, in spite of various odds, stainless steel industry can be expected to grow at around 8-9% provided the government is able to correct the unfavorable duty structure.

October 28, 2013

This release contains Company's projections, expectations or predictions and are forward looking statements` within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand and supply and price conditions in domestic and international market, changes in Government regulations, tax regimes, economic developments and other related and incidental factors. The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Company.