

Jindal Stainless Ltd Q1 EBIDTA up by 14%

Performance Highlights

Standalone (in Rs crore)			
Particulars	Q1FY 17-18	Q1FY 16-17	Growth
Gross sales	2194	2153	2%
EBIDTA	251	219	14%
PAT	42	(78)	-

New Delhi, 9th August 2017: Jindal Stainless Limited (JSL), one of India's largest stainless steel producers, reported a profit after tax of Rs 42 crore in Q1 FY17-18. This marks a turnaround as compared to the loss of Rs 78 crore in the corresponding period last year (CPLY). EBITDA at Rs 251 cr was higher by 14% over CPLY. The growth comes on the back of better sales, operational efficiencies and a profitable product mix. JSL witnessed steady increase in revenues in Q1 at Rs 2,194 crore, reflecting an annual jump of 2%. Net worth of the company stood at Rs 2,020 crore as on 30th June, 2017.

The unaudited financial results of Jindal Stainless Limited for the Q1 FY 2017-18 were approved by its Board of Directors here today. Chairman and Managing Director of JSL, Mr Rattan Jindal said, "The outlook of stainless steel is promising, spurred by government's renewed focus on infrastructure development. The June quarter profit was impacted by destocking just ahead of the launch of GST. However, transition to the new tax regime is expected to pay off positively as it mainstreams the entire industry. Our capacity utilization ramp-up is well on track and we have strengthened our focus on product differentiation. Resulting from these and other operational initiatives, we expect sustainable financial performance in the coming quarters."

Operational parameters remained positive with increased melt production in the quarter, from 1,72,969 tonnes CPLY to 1,76,595 tonnes. Profit in the sequential quarter was impacted on account of planned periodic maintenance and destocking by certain segments due to GST transition. Process improvements went ahead in full swing during the quarter. To streamline goods movement, work on an Inland Container Depot (ICD) was commissioned which is expected to get operational by end of FY 17-18. Augmentation of the hot rolled annealed-pickled (HRAP) production in JSL is planned through debottlenecking and realignment of hot rolling process. Foreign subsidiaries of JSL, namely, PT Jindal Indonesia (PTJSI) and IBER Jindal Spain, also registered consistent performance.

As regards external environment, threat from sub-standard imports from China continued unabated. Imports of stainless steel flat products in India increased from over 19,000 tonnes in April '17 to over 42,000 tonnes in June '17, thereby distorting fair market pricing. The

anti-dumping duty levied on imports continues to be circumvented and have been rendered virtually ineffective, hampering the growth of Indian stainless steel industry.

Emphasis on product innovation led to the development of wider duplex & special grade for automotive segments in the last year. JSL developed special finish for the outer panels of metro rail. The company bagged the Fame Excellence Award 2017 under 'Gold Category' towards Excellence in Environment Protection and outstanding contribution for national economic & social development. Community outreach activities at JSL maintained focus on the tenets of sustainable support. Education, skill training, women empowerment, entrepreneur development and integrated health care remained central to the organisation.