

Jindal Stainless (Hisar) Limited reports Q4FY19 PAT at Rs 66 crore

Highlights Q4FY19

Standalone (in Rs crore)

Particulars	Q4 FY18-19	Q3 FY18-19	Variance
Net Revenue	2,361	2,233	6%
EBIDTA	217	201	8%
PAT	66	55	19%

New Delhi, May 24, 2019: Jindal Stainless (Hisar) Limited (JSHL) registered an increase of 6% in its net revenue for the sequential quarter, up from Rs 2,333 in Q3FY19 to Rs 2,361 in Q4FY19. EBIDTA and PAT in Q4FY19 stood at Rs 217 crore and Rs 66 crore, growing by 8% and 19% respectively. Encouraged by stainless steel demand from railway, metro, and value added segments like blade steel, precision strips, and coin blanks, JSHL continued to maintain its top line, despite challenges in export markets amid increased trade protectionism across the globe.

Managing Director, JSHL, Mr Abhyuday Jindal said, “JSHL is India’s only producer of specialized grades of stainless steel products. These offerings, coupled with augmented domestic stainless steel demand, helped the company maintain its revenue despite challenging macroeconomic situations. The misuse of existing free trade agreements has not only placed domestic industries under competitive disadvantage, but has also widened India’s trade deficit. Exports from countries like China are already subject to anti-dumping duties from several developed nations, including US and European countries. This leaves India as a soft target for excess dumping from China & Indonesia. We seek immediate support from the government to safeguard the interests of domestic stainless steel industry, and to prevent India from becoming a dumping ground for substandard and heavily subsidized imports.”

JSHL remained steadfast in its commitment to nation building and government’s *Make in India* initiative. The company developed new grades of steel for Defence and Aerospace, including ISRO. These grades find application in mine protecting vehicle, mine trawl, armoured vehicle, nuclear submarine missile launcher etc. These new applications have already been commercialized to a limited extent, and are poised for large scale commercialization as well.

Highlights FY 2018-19

Standalone (in Rs crore)

Particulars	FY18-19	FY17-18	Variance
Net Revenue	8,956	9,259	(3)%
EBIDTA	900	1,139	(21)%
PAT	261	396	(34)%

Net Revenue in FY19 was recorded at Rs 8,956 crore. EBIDTA was registered at Rs 900 crore while PAT for FY19 stood at Rs 261 crore. During FY19, weakened global trade sentiments influenced by rising trade tensions among US and China and volatility in commodity prices impacted the overall performance. Profitability was further impacted on account of sharp jump (2.5x yoy) in graphite electrode prices.

The subsidiaries of JSHL, Jindal Stainless Lifestyle Limited (JSLL) and Jindal Stainless Steelway Limited (JSSL) continued to cater end-users through customized and retail product offerings.

JSLL put up a good growth performance in line with the Company's strategy to grow end-consumer facing business. *Arttd'inox*, the flagship brand of JSLL for aesthetic and high-end residential solutions, launched several new designs in stainless steel tableware & home décor products range. PAT posted by JSLL more than doubled to Rs 49 crore in FY19 as compared to Rs 22 crore in FY18. The net revenue for JSLL rose by 27%, up from Rs 356 crore in FY18 to Rs 453 crore in FY19.

As the service centre arm for JSHL, JSSL kept its promise of offering value added, convenient, customized, just-in-time services to the doorsteps of its customers. JSSL's revenue in FY19 stood at Rs 1,560 crore, exhibiting a growth of 9% over FY18. PAT was registered at Rs 20 crore in FY19.

The Indian stainless steel industry has been at the receiving end of unfair trade practices by ASEAN countries. This can be seen from an increase in imports from Indonesia which jumped by nearly 14 times as compared to last year. At present, Indonesian imports remain the biggest threat to the Indian stainless steel market. Moreover, a 2.5% import duty on key raw materials like stainless steel scrap and ferro-nickel render the domestic market uncompetitive on a global scale. A lower import duty on stainless steel finished products exposes the Indian market to the risk of easy dumping of goods. The government must take into account the higher level of protection granted to carbon steel in the form of 12.5% import duty, which should also be considered for stainless steel.