

Jindal Stainless (Hisar) Limited registers PAT at Rs 94 crore in Q4FY20

Key Highlights Q4FY20

Standalone (in Rs crore)

Particulars	Q4FY 20	Q4FY19	% Change
Revenue (Net)	2,030	2,361	(14)%
EBITDA	174	217	(20)%
PAT	94	66	43%

New Delhi, June 10, 2020: Jindal Stainless (Hisar) Limited (JSHL) registered a Profit After Tax (PAT) of Rs 94 crore in Q4FY20, witnessing an increase of 43% over the corresponding period last year (CPLY). As the company adopted a new tax regime, there has been a positive impact on tax expenses of Rs 57 crore and Rs 22 crore respectively for the quarter and year ended 31 March 2020. During Q4FY20, EBITDA and Revenue were recorded at Rs 174 crore and Rs 2,030 crore respectively.

Commenting on the financial performance, Managing Director, Jindal Stainless (Hisar) Limited, Mr Abhyuday Jindal, said, ***“The performance of JSHL was stable despite global uncertainties and weak growth in the last quarter of the FY20. Our Specialty Products Division, which supplies high-end stainless steel products like precision strips, blade steel, and coin blanks to global markets, grew by 13% on an annual basis. Import intensity remained high during the quarter, amounting to nearly 30% of the entire market share, forcing domestic industries to operate at reduced capacities. With the recent announcements by the Government in favour of domestic industries, we are expectant that undue pressure exerted by subsidized and irrational imports will abate at last.”***

The Indian stainless steel industry continued to reel under the impact of imports from FTA countries. Stainless steel imports from Indonesia jumped from 75,187 MT in FY18-19 to 2,60,881 MT in FY19-20, leading to a steep increase in channel inventories, which impacted margins for domestic players.

Key Highlights FY19-20

Standalone (in Rs crore)

Particulars	FY19-20	FY18-19	% Change
Revenue (Net)	8,340	8,956	(7)%
EBITDA	862	900	(4)%
PAT	320	262	22%

Annually, the Company's PAT stood at Rs 320 crore, registering a 22% increase over the CPLY. EBITDA during FY20 stood at Rs 862 crore, while Revenue was Rs 8,340 crore. Annual sales volume was impacted on account of global slowdown and trade wars. Demand from auto and utensils segment was subdued throughout the year, and COVID-19 impacted trade in the last quarter. Sales degrew by 10%, from 6.67 lakh tonnes in FY18-19 to 6 lakh tonnes

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in FY19-20, also due to continuous dumping of irrationally priced imports, forcing Indian manufacturers to under-utilize capacities.

COVID-19 impact:

The effects of the worldwide socio-economic disruption caused by the pandemic of Corona virus Disease 2019 (COVID-19) can be observed in India as well. The government-imposed countrywide lockdown necessitated for controlling the spread of the disease led to a shutdown of the manufacturing facilities of the Company from March 25, 2020 until May 6, 2020. Resumption of partial operations in a phased manner began on May 7, 2020 in the Company, in accordance with the government directives on the matter. To ensure the health and safety of all involved stakeholders, the Company enforced all published government guidelines for social distancing and safety. Ramping-up of operations will be done gradually as per the resumption plan of the Company, aligned with the market outlook.

With the stainless steel sector having a direct correlation with the GDP growth of the country, disruption in the overall economic activity in the country on account of COVID-19 subdued economic sentiment for this sector as well. However, strong business fundamentals of the Company will help avoid a significantly adverse impact on the operations and performance of the Company in the long term. An internal cross-functional COVID Task Force has also been constituted by the Company for monitoring the situation on a real time basis for immediate course corrections and stabilising business operations.

Early signs of economic recovery can already be seen since the beginning of May 2020. The company is also focusing on export orders at the moment. The gap expected to be created by subsidised Chinese industries vacating global markets may provide thrust to the Indian stainless steel industry. *Atmanirbhar Bharat Abhiyan*, the government's economic recovery package, is expected to further improve business sentiment in the country. The domestic stainless steel industry will especially benefit from plans like the National Infrastructure Pipelines and equipment and infrastructure development in the health and medical industry.