

## Jindal Stainless (Hisar) Limited reports Q1 loss of Rs 50 crore

Company aims to rev up average capacity utilisation from 17% in Q1 to over 75% in Q2

### Q1FY21 key highlights

Standalone (in Rs crore)

Particulars	Q1 FY 20-21	Q1 FY 19-20	% Change
<b>PAT</b>	<b>(50)</b>	<b>84</b>	-
<b>Net Revenue</b>	<b>743</b>	<b>2147</b>	<b>(65)%</b>
<b>EBITDA</b>	<b>40</b>	<b>237</b>	<b>(83)%</b>

**New Delhi, September 11, 2020:** Jindal Stainless (Hisar) Limited (JSHL) took on record its financial results for the first quarter ended June 30, 2020. The performance was severely impacted due to nationwide lockdown, limited operations, and disruption in supply chain on account of the outbreak of pandemic, and its cascading effects on economic activities. The Company reported a loss of Rs 50 crore in Q1FY21 compared to the corresponding period last year (CPLY). Net revenue and EBITDA stood at Rs 743 crore and Rs 40 crore respectively. Finance cost however, fell by 15% over CPLY to Rs 68 crore. During the quarter, sales volume dipped by 69% over CPLY to 47,414 MT in Q1FY21, while, the melt production dropped by 79% to 33,276 MT. The Company was also adversely impacted due to continued subsidised imports of stainless steel flat products and pipes & tubes, chiefly from FTA/ASEAN countries. Total imports from Indonesia alone rose by 18% over the sequential quarter.

Commenting on the results, Managing Director, JSHL, Mr Abhyuday Jindal, said, ***“This quarter was unprecedented for not just stainless steel, but the entire economy. We are closely monitoring the situation and calibrating our decisions accordingly. Though we started seeing signs of recovery towards the end of the quarter, our chief focus was to optimise costs on all fronts. The long term potential for stainless steel in India remains intact and we expect a stronger recovery in domestic demand sooner than later.”***

JSHL adopted a two-fold approach to optimise its sourcing and distribution functions. On one hand, the Company developed domestic sourcing partners to mitigate input price fluctuation, reduce working capital requirement, and cut down on lead time. On the other hand, the Company consolidated its distribution network and expanded capacity of warehouses in critical locations to maintain its competitive edge. JSHL sustained its focus on improving its product mix of value-added products.

The stainless steel industry in India has been recovering at an encouraging pace. Demand in the auto segment is picking up speed, especially that for two-wheelers. Resumption in construction activities has been supportive to the decorative pipes & tubes segment. As unfinished projects start taking shape again, industrial fabrication is expected to bounce back to pre-COVID levels. The upcoming festive season is also likely to lift demand from retail facing segments such as hollowware (utensils and tableware). Conventional demand drivers of stainless steel, namely construction, transportation, and process industries, are also inching towards normalcy.