

Jindal Stainless Limited clocks Rs 153 crore PAT in FY19-20

Key Highlights FY19-20

Standalone (in Rs crore)

Particulars	FY19-20	FY18-19	% Change
Revenue (Net)	12,320	12,585	(2)%
EBITDA	1,175	1,136	3%
PAT	153	139	10%

New Delhi, June 6, 2020: Jindal Stainless Limited (JSL) today reported its financial result for the year ended March 31, 2020. The Company recorded FY19-20 Profit After Tax (PAT) at Rs 153 crore as compared to Rs 139 crore over the corresponding period last year (CPLY), registering an increase of 10%. Company's EBITDA in FY19-20 was recorded at Rs 1,175 crore, an uptick of 3% over CPLY. The revenue of the Company in FY19-20 remained almost flat at Rs 12,320 crore. Sales volume in FY19-20 stood at 915,900 MT, rising by 7% over CPLY. On a yearly basis, the Company recorded the highest ever stainless steel production at 973,995 MT. During FY19-20, JSL obtained all requisite approvals from authorities and successfully exited the Corporate Debt Restructuring (CDR) framework.

Commenting on the FY19-20 performance, Managing Director, Jindal Stainless Limited, Mr Abhyuday Jindal, said ***"JSL recorded steady operational performance in FY19-20. As GDP growth slowed down in the last quarter of the fiscal, we witnessed erosion in margins. Going forward, we are turning our focus on growing markets, such as the two-wheeler and healthcare industries. The domestic stainless steel industry, which has long required relief from imports from ASEAN and FTA countries, has both the capacity and the capability to cater to Indian demand. We are hopeful for affirmative government action under the Atmanirbhar package. Successful implementation of the Vocal for Local call by the government will go a long way in ensuring job generation and demand revival in the economy."***

It's worth noting that stainless steel imports from Indonesia more than trebled from 75,187 MT in FY18-19 to 2,60,881 MT in FY19-20, severely impacting pricing in the Indian market, and exerting pressure on margins. To counter imports and diversify markets, the Company grew its exports to 188,679 MT during FY19-20, up by 21% over CPLY. To expand its presence in the domestic pipe and tube market and make genuine stainless steel products available to Indian consumers, the Company launched a co-branding scheme *Jindal Saathi* in the last fiscal, and will carry it forward in the current fiscal.

Key Highlights Q4FY20

Standalone (in Rs crore)

Particulars	Q4FY 20	Q4FY19	% Change
Revenue (Net)	2,904	3,251	(11)%
EBITDA	241	302	(20)%
PAT	(22)	32	

JSL's Q4FY20 witnessed a decline in growth on all accounts, largely due to muted economic sentiments given the COVID-19 outbreak. A steadily falling Nickel price during Q4 over Q3 negatively impacted inventory valuation, which further affected profitability. Sales volume also saw a decline of 2% over Q4FY19 and stood at 221,179 MT in Q4FY20.

COVID-19 impact:

The outbreak of Coronavirus Disease 2019 (COVID-19), declared a pandemic by the World Health Organization, has caused rampant socio-economic disruption worldwide. India, too, has been reasonably impacted by this pandemic. The nationwide lockdown imposed by the central and state governments to control the spread of the disease led to a shutdown of the manufacturing facilities of the Company from March 25th, 2020 until May 4th, 2020. In compliance with the directives issued by the government, the Company resumed partial operations on May 5th, 2020 in a phased manner. The Company ensured the health and safety of all involved stakeholders by enforcing all published government guidelines for social distancing and safety. As per the resumption plan of the Company, operations will be ramped-up gradually aligned with the market outlook.

Impact on the nationwide economic sentiment will be reflected by the stainless steel sector as well, as it has a direct correlation with the GDP growth of the country. Moreover, disruption in the overall economic activity has led to interruption in the manufacturing process, upsetting the supply chain and planning. Further, the Company believes that due to strong business fundamentals, this pandemic may not have a significantly adverse impact on the operations and performance of the Company in the long term. Furthermore, the Company has also constituted an internal cross-functional COVID task force that is monitoring the situation on a real time basis for immediate course corrections and stabilising business operations.

Since the beginning of May '20, early signs of economic recovery can be seen with the easing of lockdown. JSL is also eyeing global orders at this moment. The expected alienation of Chinese goods in the global markets may provide demand impetus to the domestic stainless steel industry. Further, the government's economic recovery package, *Atmanirbhar Bharat Abhiyan*, is expected to improve business sentiment in the country. Plans like the National Infrastructure Pipeline, and equipment and infrastructure development in the health and medical industry will be especially beneficial for the domestic stainless steel industry.