Jindal Stainless Limited reports Q1 EBITDA at Rs 78 crore

Q1FY21 key highlights

Standalone (in Rs crore)

Particulars	Q1 FY 20-21	Q1 FY 19-20	% Change
PAT	**(87)**	**67**	**-**
Net Revenue	**1,262**	**3,067**	**(59)%**
EBITDA	**78**	**314**	**(75)%**

New Delhi, September 08, 2020: Jindal Stainless Limited (JSL) today announced financial results for its first quarter ended June 30, 2020. The Company recorded a loss of Rs 87 crore in Q1FY21 compared to the corresponding period last year (CPLY), primarily on account of COVID-19 induced business environment. Q1FY21 net revenue and EBITDA were severely hit, standing at Rs 1,262 crore and Rs 78 crore respectively. Sales volume contracted by 60%, from 222,119 MT in CPLY to 88,814 MT in Q1FY21. The widespread disruption in supply chains and temporary suspension of manufacturing activity pulled down melt production to 90,329 tonnes, lower by 63% over CPLY. Interest cost during the quarter fell by 8% over CPLY to Rs 131 crore. Even though April'20 was a complete wash-out for domestic manufacturing, imports of stainless steel in April'20 were even higher than the pre-COVID levels of Jan'20. While the overall imports jumped by 44% during this period, those from Indonesia witnessed an eightfold leap. The domestic industry awaited relief measures from the Government to alleviate these distorted trade practices.

Commenting on company and sector performance in the first quarter of FY21, Managing Director, JSL, Mr Abhyuday Jindal, said, "***Domestic stainless steel industry was no exception to the slowdown caused by COVID-19. For JSL too, it was an unprecedented quarter, with operations completely suspended in April. Through agile business planning and a global outreach, we were able to revive our exports in the May-June period, which helped offset the adverse impact of a depressed domestic market to some extent. We have undertaken several business, operational, and strategic initiatives to minimise the impact of the pandemic, and hope to recover by end of September'20 with improved business sentiments.***" The share of exports in total sales in Q1FY21 was 33%, as against 20% in CPLY.

With the gradual easing of nationwide lockdown in May-June, JSL's operations have been inching towards normalcy. An uptick in healthcare and two-wheeler segments along with likely improvement in retail segment during festive season is expected to boost the demand for stainless steel in the coming months. This is over and above the conventional applications of stainless steel in construction, transportation, and process industries, which are slowly resuming pace.

In line with the government's vision to go *Atmanirbhar*, JSL is cutting down on imports of input materials by significantly enhancing their procurement from local sources. This is expected to mitigate price and inventory fluctuations, release working capital, and strengthen the domestic raw materials industry. A fully equipped and rail-linked Inland Container Depot, Jindal Stainless Logistics Park, has further helped JSL in expediting supply chain movement and curtailing costs.