Press Release

Jindal Stainless Limited H1FY19 revenue surges by 35%

H1 FY 19 key highlights

Standalone (in Rs crore)

Particulars	H1 FY18-19	H1 FY17-18	Change
Net Revenue	**6,228**	**4,623**	**35%**
EBIDTA	**606**	**507**	**20%**
PAT	**54**	**69**	**-21%**

New Delhi, 26th October, 2018: The Board of Directors of Jindal Stainless Limited (JSL) took on record the unaudited financial results of the company here today. The revenue of the company continued to grow both on a quarterly and half-yearly basis, by 18% and 35% over corresponding period last year (CPLY) respectively. The company built up inventory in Q1 to support a planned maintenance shutdown in Q2. This, along with steep hike in nickel prices during Q1, impacted sales of finished inventory in Q2, thereby causing inventory losses. These factors slowed down the overall EBIDTA for Q2FY19. The production volumes for Q2 and H1 FY19 stood at 0.2 MT and 0.46 MT, registering a respective increase of 2% and 22% over CPLY. This was in tune with the company's target to increase its annual capacity from the present level of 0.8 MT to 1.1 MT by the end of FY19.

Commenting on the performance of the quarter, Managing Director, JSL, Abhyuday Jindal, said, **"Our Q2 results are a reflection of the cyclical nature of core sector, including its determinants such as input prices and forex volatility. Our focus is to increase annual production by 15% in the next two years to cater to the growing needs of domestic markets. Our product mix is well distributed among different segments, and all of them are showing a healthy growth rate. Besides, we are increasingly moving towards more value added products in railways, automobiles, and other sectors. We are also increasing our presence in the ferretic segment, which will balance the impact of raw material price volatility. This portfolio enhancement, clubbed with gradually growing demand, will help in improved operating performance going forward."** Having become eligible to exit from Corporate Debt Restructuring Scheme (CDR), JSL expects to be out of CDR by end of FY19.

The global stainless steel industry remained under pressure due to persisting trade wars and currency volatility. Protectionist measures initiated by US and EU have further necessitated affirmative action by Indian government. The route of Free Trade Agreements (FTAs) continued to be used as a mechanism to circumvent Countervailing Duty and Anti-Dumping Duty imposed by Indian government to safeguard home industries. Steep capacity ramp up by Indonesian mills, driven by Chinese investment, and compounded by zero duty imports from ASEAN countries, poses a serious threat to Indian stainless steel makers. Currently at 3MT per annum, the Indonesian capacity is expected to reach 6MT by 2020, which will further aggravate the situation. The import duty of 2.5% on both stainless steel scrap and ferro-nickel, key raw materials not available in India, continued to affect competency and status of domestic stainless steel players.

Q2 FY 19 key highlights

Standalone (in Rs crore)

Particulars	Q2 FY18-19	Q2 FY17-18	Change
Net Revenue	**3,081**	**2,608**	**18%**
EBIDTA	**231**	**256**	**-10%**
PAT	**(36)**	**27**	**-**

On a sequential basis, the company registered a marginal dip (-2%) in revenue, from Rs 3,147 crore in Q1FY19 to Rs 3,081 crore in Q2FY19. Exceptional loss of Rs 53 crore, primarily on account on mark-to-market forex loss, resulted in a net loss of Rs 36 crore in Q2FY19. Production volume dipped from 0.26 MT to 0.2 MT as a result of planned maintenance shutdown. In a notable development during the quarter, JSL secured approvals to produce and supply for the elevator segment; the maiden despatch for which was also initiated.