**Press Release**

# Jindal Stainless Limited posts Q4 PAT at Rs 32 crore

**Key Highlights Q4FY19**

*Standalone (in Rs crore)*

| ***Particulars*** | ***Q4FY19*** | ***Q3FY19*** | ***Variance*** |
|---|---|---|---|
| Revenue (Net) | 3,251 | 3,128 | 4% |
| EBITDA | 302 | 228 | 33% |
| PAT | 32 | 52 | (38)% |
| Sales Volume (tonnes) | 224,865 | 204,083 | 10% |

**New Delhi, May 20, 2019:** The Board of Directors of Jindal Stainless Limited (JSL) in its meeting today approved the financial result of the Company for Q4FY19 and for the year ended March 31, 2019. The Company recorded its Q4FY19 Profit After Tax (PAT) at Rs 32 crore. It's noteworthy that the consortium of CDR (Corporate Debt Restructuring) lenders has agreed to allow CDR exit for the Company with effect from March 31, 2019, subject to requisite approvals from their respective competent authorities. The aggregate liability of recompense as on March 31, 2019 was determined at Rs 191 crore as per extant guidelines. The Company made an incremental provision for Rs 57 crore in Q4FY19 vs Rs 27 crore in Q3FY19. With this, the entire recompense liability as on March 31, 2019 is fully provided for. Accordingly, the PAT dipped by 38%.

Managing Director, Jindal Stainless Limited, Mr Abhyuday Jindal, said "***CDR exit will give us more opportunities to consolidate our financial and leadership position. We are now looking forward to an intervention by the Indian Government to create a level playing field for Indian manufacturers. The industry needs Government support to compete with rampant dumping by FTA and other countries. To the double disadvantage of Indian manufacturers, the domestic stainless steel industry is faced with the challenge of inverted import duty structure. While imports of finished goods from FTA countries are duty-free, Indian producers have to pay a 2.5% import duty on stainless steel scrap and ferro-nickel, the two most important raw materials, both of which are unavailable in the country. Further, in the absence of an effective safeguard duty structure, all trade remedial measures imposed by the Government are being circumvented through dumped, subsidized, or re-routed imports. We need active government support to bring alive the Make in India vision and create more jobs for the domestic economy."***

Despite a strained external trade environment, JSL continued to service growing domestic demand arising from Railways, Metro, Process Industry, Pipe & Tube, and Hollowware segments, and specialized & duplex grades of stainless steel. Given the Company's sector-focused approach, robust marketing plans, digitized and optimized production efficiencies, and heightened emphasis on customer service, it is expected that growth will continue undeterred in these segments.

**Key Highlights FY 18-19**

*(Standalone (in Rs crore)*

| ***Particulars*** | ***FY 18-19*** | ***FY 17-18*** | ***Variance*** |
|---|---|---|---|
| Revenue (Net) | 12,585 | 10,785 | 17% |
| EBITDA | 1,136 | 1,281 | (11)% |
| PAT | 139 | 318 | (56)% |
| Sales Volume (tonnes) | 852,479 | 778,933 | 9% |

The annual sales volume and net revenue grew by 9% and 17% respectively. Despite the pressure on margins exerted by subsidized imports, JSL could manage to maintain its leadership position in the domestic stainless steel market during FY 18-19. However, EBIDTA margins continued to be under pressure, which adversely impacted Company's profitability. The net worth of the Company stood at Rs 2,475 crore, up by around 5% over FY 17-18.

Decline in Nickel prices globally for seven consecutive months during FY 18-19 kept prices under pressure. Moreover, increased protectionism across US and EU further hindered international trade. For the domestic stainless steel industry, FY 2018-19 was fraught with severe distortion in prices as imports rose in a big way from FTA nations like Indonesia, Korea, and Japan. This was clearly reflected in India's trade balance with Indonesia, as Indonesian imports leaped by ~14 times in FY 18-19, as compared to the previous financial year. This surge in stainless steel imports from Indonesia became one of the biggest threats for domestic industry during FY 18-19.

In the lack of an anti-circumvention law on CVD, re-routing of Chinese origin material through various countries in ASEAN region continued unabated during the quarter and the year. Over and above this, the competitiveness of the industry was also affected on account of low import duty on finished stainless steel flat products (7.5%) as against the import duty on finished steel products (12.5%).