Press Release

Jindal Stainless Limited reports Q3FY19 PAT at Rs 52 crore

Highlights Q3FY19

Standalone (in Rs crore)

Particulars	Q3 FY18-19	Q2 FY18-19	Change
Net Revenue	**3,135**	**3,081**	**2%**
EBIDTA	**228**	**231**	**(2)%**
PAT	**52**	**(36)**	**--**

New Delhi, February 06, 2019: Jindal Stainless Limited (JSL) today reported a Profit After Tax (PAT) of Rs 52 crore for the third quarter of FY 19. The revenue during Q3FY19 stood at Rs 3,135 crore compared to Rs 3,081 crore in Q2FY19, registering an increase of 2%. Consistent fall in nickel prices led to losses on account of inventory. Some end-user segments also deferred their buying decision in anticipation of lower prices. Despite increase in cost of consumables such as graphite electrode, power, and fuel, EBIDTA stood flat. Higher volumes in process industry and, industrial pipe and tube segments helped to offset temporary dip in demand from segments like railway, automobile and consumer durable to a major extent. Exceptional gain during the quarter stood at Rs 75 crore (mainly foreign exchange).

"***Despite falling nickel prices and soft demand, we were able to maintain our performance in this quarter. This can be ascribed to our diversified product range. Our plant in Jajpur is equipped to cater to growing and varied demand from eastern India, right from kitchenware sector to prestigious projects such as Train 18. Growth in subsequent quarters looks healthy, with orders lined up from railway, automobile, consumer durable, and white good sectors. This, however, does not mitigate the stress faced by domestic stainless steel industry on account of spiraling imports from FTA nations. Imports from Indonesia alone have increased by nine times in the last one year. There's an urgent and immediate need of government intervention in the form of Anti Dumping or Anti Circumvention Duty for Indonesian imports,"*** observed Managing Director, Jindal Stainless Limited, Mr Abhyuday Jindal, on JSL's Q3 results.

Y-o-Y Highlights Q3 FY19

Standalone (in Rs crore)

Particulars	Q3 FY18-19	Q3 FY17-18	Change
Net Revenue	**3,135**	**2,989**	**5%**
EBIDTA	**228**	**386**	**(41)%**
PAT	**52**	**135**	**(61)%**

On a Y-o-Y level, while revenue grew by 5% from Rs 2,989 crore in Q3FY18, EBIDTA fell by 41% from a level of Rs 386 crore in corresponding period last year (CPLY). In CPLY, nickel prices were on the rise, while in Q3FY19, they were falling, which impacted the current quarter EBIDTA. Export volumes in the current quarter were temporarily lower than the average export volumes, due to the uncertainties around the trade sanctions and the quota system deployed by US and Europe respectively. The share of exports in Q3FY19 was 18% of the overall sales volume, as compared to 28% in CPLY. Going forward, export volumes are gradually expected to pick up.

Highlights Nine-month (April-December 2018)

Standalone (in Rs crore)

Particulars	**Apr-Dec FY18-19**	**Apr-Dec FY17-18**	**Change**
Net Revenue	**9,363**	**7,612**	**23%**
EBIDTA	**834**	**893**	**(7)%**
PAT	**107**	**204**	**(48)%**

During the 9-month period ending Dec 2018, the Company's revenue jumped by nearly 23% to Rs 9,363 crore from Rs 7,612 crore (CPLY). EBIDTA declined by 7% to Rs 834 crore from Rs 893 crore (CPLY). Sales volume saw an increase of 12% from 558,781 MT to 627,614 MT during this 9-month period.

Global economic dynamics like trade sanctions by US, EU and China, and weakening commodity prices, temporarily echoed in the sentiments of the domestic stainless steel industry. Imports into India from FTA nations such as Indonesia and Vietnam grew rapidly. Subsidized by Chinese government, several Chinese players ramped up capacity in Indonesia. Indonesian exports into India soared from nearly 8,601 tons in 2017-18 to 67,344 tons in 2018-19, all made duty-free under the India-ASEAN FTA. Already, with an import duty of 2.5% on key raw materials such as ferro-nickel and stainless steel scrap, and a basic customs duty of 7.5% on import of stainless steel flat products as against a duty of 12.5% for carbon steel products, domestic stainless steel producers have been at a twin disadvantage compared to their global peers. The industry is eagerly awaiting affirmative action by the government to get a fair playing ground.