JINDAL STAINLESS

JSHL/BM-2/2016-17

August 12, 2016

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Sub.: Press Release

Dear Sir/Madam,

We are forwarding herewith the copy of Press Release in respect of unaudited standalone financial results of the Company for the quarter ended 30th June, 2016.

Kindly host the same on your website and acknowledge receipt of the same.

Thanking you,

Yours faithfully,
For **Jindal Stainless (Hisar) Limited**

(Bhartendu Harit)
Company Secretary

JINDAL STAINLESS (HISAR) LIMITED

Jindal Stainless (Hisar) Limited (JSHL)
Corporate Release

Performance (Standalone) for the Quarter ended 30th June 2016

Key Highlights: QoQ Comparison

- EBIDTA at Rs. 238 Cr. rise by 11%
- EBIDTA margin rises to 15.9% from 14.4%
- PAT at Rs. 49 Cr. growth 318%

Figures in Rs. Crores	Unaudited			Audited
	Q-o-Q Comparision			
Particulars	Q1 2016-17	Q4 2015-16	% Change	FY 2015-16
	Ind AS	Previous GAAP		Previous GAAP
	A	B	(A-B)/B	C
Production - Stainless Steel (tons)	162,460	165,823	-2%	654,305
Sales - Stainless Steel (tons)	149,162	155,164	-4%	622,682
Total Income from Operations (net)	**1,497**	**1,487**	**1%**	**6,417**
EBIDTA *	**238**	**214**	**11%**	**801**
EBIDTA %	15.9%	14.4%		12.5%
Non- operating other income	6	6		25
Financial Cost	99	107	-7%	471
Profit before depreciation	**145**	**114**	**27%**	**355**
Depreciation	66	74		295
Exceptional Gain / (Loss)	(3)	(28)		(45)
Profit after tax (PAT)	**49**	**12**	**318%**	**15**

** EBITDA = Earning before Interest, Tax, Depreciation & Amortization and Other Income*

1. Results of quarter ended 30th June 2016 have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act 2013 and other recognized accounting practices and policies to the extent applicable.

2. A Composite Scheme of Arrangement (the 'Scheme') amongst Jindal Stainless Limited (JSL) and Jindal Stainless (Hisar) Limited (JSHL/the Company), Jindal United Steel Limited (JUSL) and Jindal Coke Limited (JCL) under the provisions of

Section 391-394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and / or Companies Act, 2013 was sanctioned by the Hon'ble High Court of Punjab & Haryana, Chandigarh (High Court) pursuant to its Order dated 21st September 2015 (as modified on 12th October, 2015 by the High Court). Section I and Section II of the Scheme became effective on 1st November, 2015, operative w.e.f. 'Appointed Date 1' specified in the Scheme for Section I and II i.e. close of business hours before midnight of 31st March 2014; accordingly the same was given effect to in the financial statements (Post Scheme) for the year ended 31st March 2015. In view of above, comparative figures for the quarter ending 30th June 2015 are not available, hence not given.

3. There is fall in production volume as the company is moving towards selling of more high value added products and dumping of stainless steel products in India, especially from China, is still increasing which is putting pressure on the capacity utilization of Indian stainless steel industry. However, there has been improvement in the EBITDA due to shift of product mix.

4. Pursuant to above EBIDTA margin has improved to 15.9% in quarter ended 30th June 2016 as against 14.4% in quarter ended 31st March 2016 and EBIDTA has rises to Rs. 238 Crore in quarter ended 30th June 2016 from Rs. 214 Crore in quarter ended 31st March 2016, showing an increase of 11%.

5. Pursuant to the part implementation of Assets Monetization Plan (AMP) of JSL and sanctioning of the credit facilities in the Company the interest cost of the Company has been reduced by 7% to Rs. 99 Crore in quarter ended 30th June 2016 as against Rs. 107 Crore in quarter ended 31st March 2016.

6. Improvement in the performance of the Company is mainly on account of various steps taken by the Company like more focus on Value Added Products viz cold rolled products, blade steel, development & commercial production of defence and energy sector related product, usage of alternative raw materials & fuels and reduction in the cost of poor quality.

7. Increase of 318% in PAT to Rs. 49 Crore in quarter ended 30th June 2016 as against Rs. 12 Crore in quarter ended 31st March 2016.

8. JSHL has received the BIS certification under the BIS standards for manufacturing stainless steel flat products. Acquiring quality license for the manufacturing stainless steel is in line with Hon'ble Prime Minister's call for "ZERO DEFECT – ZERO EFFECT" manufacturing in India. Further, the Stainless Steel Products (Quality Control) Order, 2016 dated 10th June 2016 will help to curb the import of sub standard stainless steel in India.

Outlook:

Significant macroeconomic developments across the globe have kept the world economy on the edge. Impact of Britain's exit from European Union has lead to uncertainty in an already fragile business environment. Fallout of U.K referendum has its impact on advanced economies like Japan, while emerging economies like China, Brazil and Russia have shown modest growth. Though India is relatively unaffected by the Brexit, the potential long-term impact can be gauged only after couple of quarters. Consequently, International Monetary Fund (IMF) has cut its global forecast by 0.1 percent to 3.4 percent for 2016. Slow growth across advance economies coupled with a sluggish trade in first half of 2016 indicate a bleak outlook for the global economy in coming quarter. Overall, commodity prices also remain soft on weak demand.

Influenced by global factors, overall steel price trend has been less yielding globally. By and large world crude steel production remained stagnant with the exception of China in the April – June'16 quarter and capacities operating at an average of barely 70%. Stainless steel demand has remained stagnant globally in first half of year 2016, while early data suggests annual production will reach new record leading to pressure on prices. As a result of dumping by Chinese mills, U.S and EU countries have resorted to trade remedial measures.

Despite surging imports into Indian markets, especially from china, domestic growth momentum is expected to be steady which will reinforce the stainless steel demand. While the green shoots are visible at home in comparison to the rest of the world, suitable trade remedial measures by the government is the need of the hour to curb persistent dumping from China.

12th August 2016

This release contains Company`s projections, expectations or predictions and are forward looking statements` within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company`s operations include economic conditions affecting demand and supply and price conditions in domestic and international market, changes in Government regulations, tax regimes, economic developments and other related and incidental factors. The Company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the Company.