JSL
JINDAL STAINLESS

May 28 2016

BSE Ltd.
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building, P J Towers,
Dalal Street, Fort, Mumbai – 400 001
# 022 - 2272 3121, 2037, 2041,
3719, 2039, 2272 2061
corp.relations@bseindia.com
**Security Code No.: 539597**

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot no. C/1, G Block
Bandra-Kurla Complex, Bandra (E),
Mumbai-400051
# 022 -2659 8237, 8238, 8347, 8348
cmlist@nse.co.in
**Security Code No. : JSLHISAR**

**Sub.: Press Release.**

Dear Sirs/Madam,

We are forwarding herewith the copy of Press Release in respect of Audited Financial Results for the year ended March 31, 2016.

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

Thanking You.

Yours Faithfully,

For **Jindal Stainless (Hisar) Limited**

**(Bhartendu Harit)**
**Company Secretary**

# Jindal Stainless (Hisar) Limited
# Corporate Release

## Key Performance Highlights for the Quarter & Year ended 31st March 2016

- **Q-o-Q Comparison:**
  - Stainless Steel Production Volume increased by 3%
  - Stainless Steel Sales Volume increased by 5%
  - EBITDA increased by 26% to Rs. 214 Crore
  - Profit after tax (PAT) at Rs. 12 Crore against loss in the last quarter

- **Y-o-Y Comparison (Standalone):**
  - EBITDA % increased to 12.5% despite of fall in Nickel prices
  - EBITDA margin increased by 12% to Rs. 801 Crore
  - PAT increase by 18% to Rs. 15 Crore

- **Y-o-Y Comparison (Consolidated):**
  - EBITDA increased by 16% to Rs. 858 Crore
  - PAT at Rs. 28 Crore against loss in the in the last financial year

- **Brief Performance Review:**

| Figures in Rs. Crores | Standalone | | | | | | Consolidated | | |
|---|---|---|---|---|---|---|---|---|---|
| | Unaudited | | | Audited | | | Audited | | |
| | Q-O-Q Comparision | | | Y-O-Y Comparision | | | Y-O-Y Comparision | | |
| Particulars | Q4 2015-16 | Q3 2015-16 | % Change | FY 2015-16 | FY 2014-15 | % Change | FY 2015-16 | FY 2014-15 | % Change |
| | A | B | (A-B)/B | C | D | (C-D)/D | E | F | (E-F)/F |
| Production - Stainless Steel (tons) | 165,823 | 160,830 | 3% | 654,305 | 693,040 | -6% | | | |
| Sales - Stainless Steel (tons) | 155,164 | 147,531 | 5% | 622,682 | 661,143 | -6% | | | |
| **Total Income from Operations (net)** | **1,487** | **1,484** | **0%** | **6,417** | **7,404** | **-13%** | **7,287** | **8,196** | **-11%** |
| **EBITDA** | **214** | **170** | 26% | **801** | **713** | 12% | **858** | **741** | 16% |
| **EBITDA %** | 14.4% | 11.5% | | 12.5% | 9.6% | | 11.8% | 9.0% | |
| Non- operating other income | 6 | 5 | | 25 | 23 | | 25 | 28 | |
| Financial Cost | 107 | 108 | -2% | 471 | 447 | 5% | 495 | 475 | 4% |
| **Profit before depreciation** | **114** | **67** | **69%** | **355** | **288** | **23%** | **388** | **295** | **32%** |
| Depreciation | 74 | 74 | | 295 | 292 | | 315 | 313 | |
| Exceptional Gain / (Loss) | (28) | 6 | | (45) | 16 | | (44) | 17 | |
| **Profit after tax (PAT)** | **12** | **(1)** | | **15** | **12** | **18%** | **28** | **(6)** | |

**Note:** Comparative figures for the quarter ending 31st March 2015 are not available, since Jindal Stainless(Hisar) Limited ("the Company") became operational on 01st November, 2015 pursuant to the Composite Scheme of Arrangement (the 'Scheme') amongst Jindal Stainless Limited ("JSL") and the Company and others 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 has been sanctioned by the Hon'ble High Court of Punjab & Haryana, Chandigarh (High Court) by its order dated 21st September 2015 (as modified on 12th October, 2015).

**Standalone Performance:**

**Quarter Performance review:**

1. Final quarter of financial year 2015-2016 reported PAT of Rs. 12 Crore. The production & sales levels witnessed improvement of 3% & 5% respectively compared to previous quarter. EBITDA margin has also substantially increased to 14.4% in quarter ended 31st March, 2016 as compared to the 11.5% in quarter ended 31st December, 2015.

**Yearly Performance review:**

2. Despite of the reduction in the production & sales volume, the company is able to achieve substantial improvement in the EBITDA margins. EBITDA % margin has been increased to 12.5% in financial year 2015-16 as against 9.6% in financial year 2014-15. Improvement in EBITDA margin on account of the various steps taken up by the Company including the change in the product mix by increasing value of high margin products.

3. In addition to this, PAT has improved by 18% with reported profit of Rs. 15 Crore in FY 2015-16 as against Rs. 12 Crore in FY 2014-15.

4. Pursuant to the sanctioning of the rupee term loan facilities, the Company, as on date, has paid part consideration of Rs. 2,359.24 Crore (including Rs. 1,184.93 Crore paid upto 31st March 2016) to JSL, out of total slump sale consideration of Rs. 2,600 Crore. The balance consideration amount is expected to be paid shortly. The Company with the assigned credit rating of "CARE BBB-" has availed the credit facilities at the competitive rate of interest from the consortium of lenders lead by State Bank of India, which will result in the reduction of interest cost on going forward.

5. In accordance with the terms of Asset Monetization Cum Business Reorganisation Plan ("AMP"), the Promoter has infused equity capital of Rs. 25 Crore and accordingly the Company has allotted 12,50,00,000 number Compulsory Convertible Warrants (CCW) to promoter group on preferential basis.

6. As prescribed in the Scheme, JSL is required to issue and allot equity shares to the Company for an amount of Rs. 366.19 Crore (being the amount due and payable by JSL to the Company as receivables due to the Company from JSL as of the 'Appointed Date 1' i.e. close of business hours before midnight of 31st March, 2014). The Board of Directors of the Company in the meeting held on 27th May, 2016 has, subject to approval by the Board of Directors of JSL, proposed to fix 8th June, 2016 as the record date for determination of price for allotment of the above said shares.

**C**onsolidated Performance Review:

7. EBITDA % margin of the company has improved to 11.8% in FY 2015-16 as against 9% in FY 2014-15.

8. PAT has also improved in FY 2015-16 with reported profit of Rs. 28 Crore as against the losses Rs. 1 Crore in FY 2014-15.

**Outlook:**

Economic recovery globally remains tepid on account of financial turbulence and stress in large emerging economies. Difficult macroeconomic environment, coupled with weak trade, maintains a frail outlook for revival. IMF has further trimmed down the global growth projections by 0.2 percentage points relative to the January 2016 World Economic Outlook. Slowdown in China, sliding commodity prices and slowdown in investments remain a challenge for economic activity to pickup.

World Steel Association forecasts a contraction in steel demand in 2016. Overall annual stainless steel production for 2015 saw a dip of 0.5 % from its earlier high of 41.5 million tonnes. Sluggish global demand and Chinese overcapacities have maintained pressure on prices globally forcing countries to resort to trade remedial measures like Anti Dumping and Safeguard duty to insulate domestic industry.

Indian Stainless steel industry continues to suffer from surge in imports forcing capacities to remain idle. Import prices are significantly lower than domestic prices, especially from countries like China and Korea. Measures such as Anti Dumping have failed to guard the domestic industry from unwarranted imports because of wide spread circumvention of anti-dumping duties. We anticipate Stainless steel demand to grow steadily in tune with the GDP growth, however, a normal monsoon and infrastructure spending would be instrumental to drive stainless steel demand in coming quarters.

**May 27, 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.*