

JSHL/BM-1/2021-22

May 18, 2021

BSE Limited

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Subject: Press Release

Dear Sirs,

We are enclosing herewith copy of Press Release in respect of audited financial results of Jindal Stainless (Hisar) Limited for the quarter and year ended March 31, 2021.

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



Encl. As above

Jindal Stainless (Hisar) Limited

Financial Results for the Quarter ended March 31, 2021

Q4FY21 Highlights

Standalone performance:

- Sales volume at 182,474 tonnes, up by 23% YoY
- Revenue at INR 2,758 crore, up by 36% YoY
- EBITDA at INR 364 crore; EBITDA margin at 13.2%
- PAT rises by 141% to INR 226 crore
- Total debt stood at INR 1,376 crore; reduced by 32% in FY21

Consolidated performance:

- Revenue stood at INR 3,103 crore, up by 38% YoY
- EBITDA at INR 406 crore; EBITDA margin at 13.2%
- PAT at INR 350 crore, up by 233%

New Delhi, May 18, 2021: The unaudited financial results of Jindal Stainless (Hisar) Limited (JSHL) for Q4FY21 were taken on record by its Board of Directors here today. The Company registered higher sales volume owing to a revival in domestic demand for stainless steel. JSHL's sales volume stood at 182,474 tonnes, up by 23% over the corresponding period last year (CPLY). EBITDA and Profit after tax (PAT) of the company stood at INR 364 crore and INR 226 crore, respectively. Consistent deleveraging helped in the reduction of long-term debt by INR 387 crore during Q4FY21, which stood at INR 1250 crore. Interest cost fell by 39% over CPLY to INR 42 crore.

Improved business sentiments, along with sustained growth in the domestic economic activity, triggered stainless steel demand from segments like Auto, Railways, and Wagon, along with Metro Rail. Sales of JSHL's Specialty Products Division (SPD), a key differentiator and focus area for the Company, grew by 8% in Q4FY21 over CPLY. The company is in process of commissioning new facilities to further enhance SPD production that is expected to further consolidate its position in the high-end special products market.

Globally, the pandemic left imprints on the stainless steel melt shop production in every country other than China. The global stainless steel production stood at 50.90 million tonnes in CY2020, down by 2.5% over CPLY. Indian stainless steel production decelerated by 19% over CPLY and stood at 3.17 million tonnes in CY2020. Pent Up in demand aided by economic stimulus along with ample liquidity globally pushed the stainless steel raw material prices further. As a result, the prices of Scrap, Nickel, Copper, and Ferro Chrome surged significantly over the Q3FY21 prices. Logistical challenges, generated by international transport bottlenecks, also contributed to increasing input prices. Strong momentum in the raw material prices impacted prices of finished goods globally.

The domestic-export share of sales volumes during the quarter, on a YoY basis, was as follows:

| Geographical Segment | Q4FY21 | Q4FY20 |
|----------------------|--------|--------|
| Domestic | 92% | 89 % |
| Export | 8% | 11% |

Other key developments:

1. The merger process of JSHL into JSL is in the advanced stage. Necessary approval for the merger has been granted by the stock exchanges and SEBI to the Company ahead of the time limit. Presently, the first motion application has been filed by the Company before the National Company Law Tribunal.
2. After the government suspended the Countervailing Duty (CVD) on China and revoked the provisional CVD on Indonesia in the latest Union Budget, the domestic industry is expecting a significant rise in imports during the current FY. Unfairly priced imports from Indonesia and China are likely to distort the domestic market especially the MSME manufacturers.
3. Based on a healthy liquidity position, debt reduction plan, and proposed merger synergies, long-term credit facilities of JSHL were assigned IND A/RWE rating by India Ratings and Research (Ind-Ra). JSHL's short-term credit facilities were assigned IND A/RWE/INDA1 by the agency. The agency maintained its rating despite pandemic-induced disruptions in past quarters.
4. The Company has supported Haryana government by converting the OP Jindal Modern School in Hisar into an emergency COVID hospital. This 500-bed COVID hospital was inaugurated on May 16, 2021, and was completed in a record time of two weeks. All 500 beds are equipped with oxygen, supplied by JSHL's oxygen plant. Since the onset of the pandemic in 2020, JSHL has been consistently supplying LMO of ~9.5 MT per day to all medical facilities in and around the plant. As of today, the plant is supplying 50+ medical facilities in Haryana and Delhi-NCR. To support the government's relentless efforts, JSHL has also dedicated a 125-bed Isolation Ward and two Negative Pressure Isolation Rooms with 200 beds for COVID-19 patients in Jindal Institute of Medical Sciences, the 580-bedded multi super-specialty hospital in Hisar, Haryana.

Financial performance summary:

Figures in INR crore(s)

| Particulars | Standalone | | | | | | Consolidated | | | | | |
|-------------|------------|--------|--------|-------|-------|--------|--------------|--------|--------|-------|-------|--------|
| | Q4FY21 | Q4FY20 | Change | FY21 | FY20 | Change | Q4FY21 | Q4FY20 | Change | FY21 | FY20 | Change |
| Net Revenue | 2,758 | 2,030 | 36% | 8,400 | 8,340 | 1% | 3,103 | 2,246 | 38% | 9,400 | 9,379 | - |
| EBITDA | 364 | 174 | 110% | 1,003 | 862 | 16% | 406 | 182 | 123% | 1,127 | 935 | 21% |
| PBT | 298 | 51 | 484% | 636 | 402 | 58% | 432 | 68 | 535% | 880 | 497 | 77% |
| PAT | 226 | 94 | 141% | 478 | 320 | 49% | 350 | 105 | 233% | 694 | 393 | 77% |

On a yearly standalone basis, despite pandemic-related challenges, JSHL's sales volume was recorded at 576,631 tonnes, 4% lower than CPLY. The Company registered a PAT of INR 478 crore, EBITDA of INR 1,003 crore, and net revenue of INR 8,400 crore. Despite challenges, the company reduced its total debt by INR 643 crore during the year to INR 1376 crore. The interest cost for FY21 stood at INR 236 crore, a decline of 22% over the previous year.

Management's Comments:

Commenting on the performance of the Company, **Managing Director, JSHL, Mr Abhyuday Jindal**, said, *"Demand recovery, coupled with strong operational performance and consistent deleveraging of the balance sheet, led to a good Q4. By far, we have made good progress on the merger front and markets have responded well to it. In the post-pandemic age, we look forward to increased government procurement as one of the key growth drivers. Along with the focus on business growth, our priority has been also to support health infrastructure in the country to tide over this pandemic."*

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