

JSHL/BM-3/2020-21

November 4, 2020

BSE Limited

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Subject: Press Release

Dear Sirs,

We are enclosing herewith copy of Press Release in respect of unaudited financial results of Jindal Stainless (Hisar) Limited for the quarter and half year ended September 30, 2020.

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 Q2 PAT rises by 35% to Rs 111 crore

Q2FY21 key highlights

Standalone (in Rs crore)

Particulars	Q2 FY21	Q2 FY20	Growth
Net Revenue	2,076	1,971	5%
EBITDA	248	241	3%
PAT	111	82	35%

New Delhi, November 04, 2020: Jindal Stainless (Hisar) Limited (JSHL) today reported its financial results for the second quarter and half year ended September 30, 2020. JSHL recorded a 35% growth in Profit After Tax (PAT) at Rs 111 crore as compared to Rs 82 crore in the corresponding period last year (CPLY). Net revenue and EBITDA were registered at Rs 2,076 crore and Rs 248 crore respectively. With its agile business model, JSHL responded swiftly to the recovery in domestic demand. Sales volumes grew by 9% to 155,470 tonnes in Q2FY21 against 143,139 tonnes in CPLY. Melt production in Q2FY21 also increased by 11% to 153,370 tonnes over CPLY, reaching pre-COVID levels. Sales of JSHL's Specialty Products Division, which produces razor blade steel, precision strips, and coin blanks, witnessed a 14% rise in Q2FY21 over CPLY.

Commenting on the second quarter performance of the Company, **Managing Director, JSHL, Mr Abhyuday Jindal**, said, *"The Company's ability to cater to ever-changing market dynamics is pivoted on strong planning fundamentals, helping JSHL respond to crises and upswings alike. With sales volumes back to pre-COVID levels in Q2 this year, we look forward to government spending on public infrastructure as the next big push for the sector. The Specialty Products Division of JSHL will continue to remain at the centre of our growth strategy."*

With an objective to realize greater synergies and maximize value for stakeholders, the Board also approved to constitute a Committee of Board of Directors of the Company. This Committee would explore and evaluate various options of consolidation of stainless steel businesses of JSHL and of Jindal Stainless Limited and/or other group entities of the Company by way of scheme of arrangement or otherwise.

On a half yearly basis, H1FY21 PAT stood at Rs 62 crore while EBITDA was Rs 288 crore, down by 63% and 40% respectively over CPLY. H1FY21 sales volumes were recorded at

202,885 tonnes, a decline of 31% compared to CPLY. Net revenue of the Company was Rs 2,819 crore in H1FY21. Interest costs in H1FY21 declined by 15% over CPLY to Rs 133 crore. Operating performance in H1FY21 was weighed down by the pandemic-impacted first quarter of the financial year.

The remarkable turnaround of auto sector, both in passenger vehicles and two-wheeler segments, aided sales volumes of the company. With revival in construction activities, and a boost from the company's co-branding program, the decorative pipes and tubes segment received further fillip. As retail demand picked up in Q2, the hollowware (kitchen and tableware) segment bounced back, growing fivefold over the sequential quarter. With the Indian Railways modernising and strengthening its infrastructure like foot-over and rail-over bridges, stainless steel is gaining acceptance as the safest and the most economical choice. The Company continued to cater to demand from metro rail systems from India and abroad. To optimize costs and enhance customer service, an increase in sales from the Hisar warehouse is planned from the third quarter onward. Adequate infrastructure upgradation is under implementation towards this end.

Considering the injury caused to the domestic stainless steel industry due to dumping from Indonesia, the government has imposed an interim Countervailing Duty (CVD) on Indonesian-origin material. This has brought temporary relief to the domestic industry, and corrective actions for the long-term are awaited by domestic manufacturers.