



JSHL/BM-3/2022-23
November 4, 2022

BSE Limited

Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building, P J Towers,
Dalal Street, Fort, Mumbai – 400 001
Email: 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
Email: cmlist@nse.co.in
Security Code No.: JSLHISAR

Subject: Press Release

Dear Sirs,

We are enclosing herewith copy of Press Release being issued by the Company today.

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

CIN: L27205HR2013PLC049963

Corporate Office: Jindal Centre, 12, Bhikaji Cama Place, New Delhi -110 066, India

Registered Office: O.P. Jindal Marg, Hisar - 125005 (Haryana), India

T: +91-1662-222471-83, F: +91-1662-220499

E: info@jshsr.com, W: www.jshstainless.com

Jindal Stainless (Hisar) Limited

Financial Results for the Quarter ended September 30, 2022

Q2FY23 Highlights

Standalone performance:

- Revenue at INR 3,448 crores; up by 1% YoY
- EBITDA at INR 295 crores; down by 41% YoY
- PAT at INR 181 crores; down by 46% YoY
- Sales volume registered at 183,421 metric tonnes
- Net lenders' debt reduced to INR 952 crores
- Net debt-to-equity ratio improved to ~0.2

Consolidated performance:

- Revenue stood at INR 3,926 crores; up by 5% YoY
- EBITDA at INR 323 crores; down by 43% YoY
- PAT at INR 253 crores; down by 49% YoY

Gurugram, November 3, 2022: Jindal Stainless (Hisar) Limited's (JSHL) Board of Directors announced the Q2FY23 financial results today. The Company's standalone Net Revenue, EBITDA, and PAT stood at INR 3,448 crores, INR 295 crores, and INR 181 crores respectively during Q2FY23. The net external debt of the Company reduced to INR 952 crores as on September 30, 2022, and its net debt-to-equity ratio improved to ~0.2. On a consolidated basis, JSHL's Q2FY23 Net Revenue, EBITDA and PAT were recorded at INR 3,926 crores, INR 323 crores, and INR 253 crores respectively.

The Indian government's decision to impose a duty on the exports of stainless steel products severely impacted JSHL's international sales. During Q2FY23, exports accounted for 8% of JSHL's total sales volume, down from 17% in the previous quarter. With an agile sales planning model, JSHL quickly adapted to the changed market dynamics and intensified its focus on domestic sales. Development and supply of niche value-added stainless steel grades and critical materials across various sectors aided this adaptive strategy. The Company registered a growth of nearly 54% in its domestic sales during Q2FY23 on QoQ basis. Demand was strong in the auto, lift and elevators, railway wagon, process industries, and ornamental pipe and tube segments.

During Q2FY23, raw material prices saw a downward trend, with Nickel prices falling by 24% QoQ and those of Ferro-chrome by 18% QoQ. This impacted the realization and profitability of domestic manufacturers, including JSHL.

Other key developments:

1. **Impact of export duty imposition:** Aligned with the vision of 'Make in India' and 'Local to Global', JSHL offers a high-end product mix for niche stainless steel solutions, adhering to

global quality standards. This has helped the Company remain a preferred supplier of specialised stainless steel products across the globe for years.

However, the imposition of export duty on stainless steel flat products has adversely impacted the Company's international sales. It is noteworthy that the export duty has been invoked at a time when the domestic industry is struggling with continuous dumping of stainless steel imports from China and Indonesia, and JSHL stands unguarded from the challenges brought forth in this situation.

The split of domestic and export volumes in JSHL's total sales during Q2FY23 was as follows:

Geographical Segment	Q2FY23	Q1FY23	Q2FY22
Domestic	92%	83%	86%
Export	8%	17%	14%

- 2. Update on JSL-JSHL merger:** Post approval from the Shareholders and creditors of JSL and JSHL on April 23, 2022, both the Companies had filed the second motion petition with Hon'ble NCLT, Chandigarh. While hearing the second motion application on July 13, 2022, the Hon'ble NCLT has directed issuance of notice(s) to the sectoral regulator(s). The next hearing is scheduled for November 11, 2022. The Companies expect the merger process to be completed within the current financial year.
- 3. Renewable Energy and ESG update:** JSHL successfully commissioned a 3.5 MW rooftop solar power generation project. The Company is set to become India's first stainless steel manufacturer to install a Green Hydrogen Plant with an objective to reduce carbon emissions and achieve its Environmental, Social, and Governance (ESG) goals. In addition to this, the Company has set an organisational goal to reduce its carbon emissions by over 1 lakh tonnes in FY23 for the merged entity.
- 4. Projects' update:** The Company's ongoing brownfield expansion projects of nearly doubling its Blade Steel capacity and nearly tripling its Precision Strips capacity are progressing as planned.

Financial Performance Summary (Figures in INR crores):

Particulars	Standalone					
	Q2FY23	Q1FY23	Change	H1FY23	H1FY22	Change
SS Sales Volume (MT)	183,421	132,172	39%	315,593	339,299	(7)%
Net Revenue	3,448	3,071	12%	6,519	5,927	10%
EBITDA	295	316	(7)%	611	883	(31)%

PAT	181	195	(7)%	375	577	(35)%
	Consolidated					
Particulars	Q2FY23	Q1FY23	Change	H1FY23	H1FY22	Change
Net Revenue	3,926	3,454	14%	7,380	6,520	13%
EBITDA	323	337	(4)%	660	979	(33)%
PAT	253	308	(18)%	561	857	(35)%

On a half-yearly basis, JSHL's H1FY23 standalone sales volume stood at 315,593 metric tonnes, down by 7% over H1FY22. Net Revenue, EBITDA, and PAT of the Company were recorded at INR 6,519 crores, INR 611 crores, and INR 375 crores respectively. During H1FY23, JSHL's consolidated Revenue, EBITDA and PAT stood at INR 7,380 crores, INR 660 crores and INR 561 crores.

Management Comments:

Commenting on the performance of the Company, **Managing Director, JSHL, Mr Abhyuday Jindal** said, *"The Indian stainless steel industry has suffered a setback due to the export duty levied by the Indian government. This duty comes at a time when the domestic market is being dumped with substandard stainless steel imports from China and Indonesia. We have made several presentations to the government and are hopeful of remedial actions to support the struggling domestic industry. However, with an agile market strategy and an efficient alignment of our sales mix, JSHL continued to deliver strong volumes in the domestic market. We are cognizant of our environmental responsibility and are committed to help the nation prepare for a sustainable future."*

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