



26<sup>th</sup> July, 2021

BSE Limited  
Corporate Relationship Department,  
1st Floor, New Trading Ring,  
Rotunda Building, P J Towers,  
Dalal Street, Fort, Mumbai – 400 001  
Ph. 022 - 2272 3121, 2037, 2041,  
Email: corp.relations@bseindia.com

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

**Security Code No.: 532508**

**Security Code No. : JSL**

**Sub.: Press Release**

Dear Sir(s),

We are enclosing herewith copy of Press Release in respect of unaudited financial results of the Company for the quarter ended 30<sup>th</sup> June, 2021.

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

Thanking You.

For **Jindal Stainless Limited**

  


**Navneet Raguvanshi**  
**Company Secretary**

**Jindal Stainless Limited**

**CIN:** L26922HR1980PLC010901

**Corporate Office:** Jindal Centre, 12 Bhikaji Cama Place, New Delhi - 110066, India

**T:** +91 11 26188345, 41462000, 61462000 **F:** +91 11 41659169 **E:** info@jindalstainless.com

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

**Website:** www.jindalstainless.com, www.jslstainless.com

## Jindal Stainless Limited

### Financial Results for the Quarter ended June 30, 2021

#### Q1FY22 Highlights

##### Standalone performance:

- Sales volume registered at 237,852 tonnes, up by 168% YoY
- Revenue at INR 3,841 crore, up by 204% YoY
- EBITDA at INR 580 crore, up by 647% YoY
- PAT recorded at INR 271 crore (vs loss of INR 87 crs in Q1FY21)
- Net debt stood at INR 2,495 crore; reduced by ~30% since Mar'20
- Interest cost reduced by 38% YoY
- Net lender's debt (excluding group cos debt) stood at INR 1,445 crore (as on June 30, 2021)

##### Consolidated performance:

- Revenue stood at INR 4,033 crore, up by 193% YoY
- EBITDA at INR 601 crore; up by 839% YoY
- PAT at INR 306 crore

**New Delhi, July 26, 2021:** The Board of Directors of Jindal Stainless Limited (JSL) today approved the financial results of the Company for Q1FY22, which registered a strong growth over corresponding period last year (CPLY) owing largely to a low base effect. Sales volume grew by 168% over CPLY to 237,852 tonnes in Q1FY22. JSL's EBITDA and profit after tax (PAT) stood at INR 580 crore and 271 crore respectively. The Company further accelerated its deleveraging strategy during the quarter and reduced its long-term external debt (excluding group company JSHL's debt) by INR 210 crore. Net Lenders' debt (excluding group company JSHL's debt) as on June 30, 2021 stood at INR 1445 crore. During Q1FY22, interest cost reduced by 38% over CPLY to INR 81 crore.

Q1FY22 witnessed further increase in raw material prices and freight cost globally. Ferro Chrome and nickel prices continuously rose globally. Stainless steel demand in Q1FY22 was impacted by state-wise lockdowns due to second COVID wave. Demand in key segments like Auto, Pipe & Tube segment, Railways and special grades started to stabilize towards the end of the quarter. Outlook for stainless steel demand remains robust on the back of faster vaccination drive, improvement in availability of liquidity, and overall economic recovery spurred by improved business sentiments and infrastructure stimulus by government.

The Company increased its share of export sales to cover the temporary challenges in domestic market during the Covid restrictions/localized lockdowns in Q1FY22. The domestic-export share of sales volumes during the quarter, on a YoY basis, was:

Geographical Segment	Q1FY22	Q1FY21	% Change
Domestic	80%	67%	19
Export	20%	33%	(39)

#### Other key developments:

1. The Board of Directors approved a brownfield expansion plan for JSL to leverage ready availability of world class infrastructure in Jajpur, such as land, roads, railways, utilities etc. Equipped with necessary environmental and statutory clearances, JSL offers immense opportunity for organic growth, largely addressing the risks pertaining to cost, time, technology, and process in any expansion activity.
2. The estimated capex of this brownfield expansion is INR 2,150 crore, which is less than one-third of greenfield capex cost for the corresponding enhancement. The three-pronged expansion plan constitutes expansion of melting capacity, and commensurate strengthening of backward and forward linkages:
  - a. **Melting Capacity:** 2x expansion of steel melting capacity – from existing 1.10 MTPA (million tonnes per annum) to 2.10 MTPA – at an estimated capex of INR 530 crore. Estimated completion by Q3FY23.
  - b. **Downstream enhancement:** Commissioning Combo Line for downstream expansion. 1.5x expansion of HRAP (Hot Rolled Annealed Pickled) capacity and 1.7x expansion of CRAP (Cold Rolled Annealed Pickled) capacity. HRAP and CRAP capacities to be enhanced from 0.8 MTPA and 0.45 MTPA to 1.25 MTPA and 0.75 MTPA respectively at an estimated capex of INR 1,250 crore. Estimated completion by Q4FY23.
  - c. **Backward integration:** 1.4x expansion of Ferro chrome capacity – from 0.25 MTPA to 0.35 MTPA to scale up backward integration and cost efficiency at an estimated capex of INR 315 crore. Estimated completion by Q3FY24.

Remaining capex will be expended on enhancing quality assurance for new generation grades in high-end segments, balancing of units, and other necessary improvement activities.

3. Merger process: After obtaining necessary approvals from the stock exchanges and SEBI, Company has filed first motion application before the NCLT. The petition is expected to come up for hearing soon.

4. After the suspension of Countervailing Duty (CVD) in the Union Budget in February 2021, share of imports in the domestic market in Q1FY22 increased to 34% over the sequential quarter, which was 24% in Q4F21. Domestic industry is pursuing its case of a level playing field with government continuously.
5. In a first-ever development, CRISIL Ratings has assigned '**CRISIL A+/Stable**' rating to the long-term credit facilities of Jindal Stainless Limited (JSL). Short-term credit facilities of JSL have been rated 'CRISIL A1'. Additionally, India Ratings and Research (Ind-Ra) has upgraded Jindal Stainless Limited's (JSL) long-term credit rating to '**IND A+**', three levels up from their earlier rating of 'IND BBB+'. The short-term credit rating of the company has also been upgraded to 'IND A1+'. Accelerated deleveraging, prepayments of debt along with a strong operating performance were key reasons for the upgrade.
6. JSL has increased its capacity to despatch upto 50 MT of Liquid Medical Oxygen (LMO) daily from the Company's Jajpur facility to meet the demand of LMO in Odisha, Andhra Pradesh, Haryana and other states, as required.

#### Financial performance summary:

Figures in INR crore(s)

Particulars	Standalone					Consolidated				
	Q1FY22	Q1FY21	Change	Q4FY21	Change	Q1FY22	Q1FY21	Change	Q4FY21	Change
Net Revenue	3,841	1,262	204%	3,810	1%	4,033	1,376	193%	3,914	3%
EBITDA	580	78	647%	521	11%	601	64	839%	542	11%
PBT	418	(125)		406	3%	456	(167)		434	5%
PAT	271	(87)		265	2%	306	(124)		293	5%

On a consolidated level, Q1FY22 PAT stood at INR 306 crore, while EBITDA was INR 601 crore and net revenue of the Company was INR 4,033 crore. Due to better preparedness in terms of safe practices, improved cost management, supply chain optimisation, production alignment with demand and enhanced automation, JSL was able to curtail the impact of second COVID wave. As a result, financial performance improved even on a sequential quarter basis as well

#### Management Comments:

Commenting on the performance of the Company, **Managing Director, JSL, Mr Abhyuday Jindal**, said, ***"Our plan for the near future is unleashed today; we are going to double our melt capacity in next 18 months. The expansion will strengthen our ability to serve domestic and international customers across different market segments. With the post pandemic recovery, rigorous internal efficiencies, ongoing merger, and slated expansion plans...JSL is geared to maximise the value for all its stakeholders."***

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