



07<sup>th</sup> February, 2022

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**Sub.: Press Release**

Dear Sir(s),

We are enclosing herewith copy of Press Release in respect of un-audited financial results of the Company for the quarter and nine months ended 31<sup>st</sup> December, 2021.

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

Thanking You.

For **Jindal Stainless Limited**

**Navneet Raghuvanshi**  
**Head Legal & Company Secretary**

**Jindal Stainless Limited**

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## Jindal Stainless Limited

### Financial Results for the Quarter ended December 31, 2021

#### Q3FY22 Highlights

##### Consolidated performance:

- Revenue stood at INR 5,670 crore, up by 58% over Q3FY21
- EBITDA at INR 797 crore; up by 68% over Q3FY21
- PAT at INR 442 crore; up by 160% over Q3FY21

##### Standalone performance:

- Sales volume registered at 247,607 tonnes, down by 1% compared to Q3FY21
- Revenue at INR 5,368 crore, up by 56% over Q3FY21
- EBITDA at INR 739 crore, up by 66% over Q3FY21
- PAT recorded at INR 372 crore, up by 145% over Q3FY21
- Net lenders debt stood at INR 1,762 crore

**New Delhi, February 7, 2022:** The Board of Directors of Jindal Stainless Limited (JSL) announced the unaudited financial results of the Company for Q3FY22 here today. JSL continued to register profitable growth by harnessing export markets, while maintaining total sales level on a YoY basis. A sharp product mix, attuned to market demands, helped the Company remain agile and responsive to customer requirement. On a consolidated basis, JSL recorded a revenue of INR 5,670 crores during Q3FY22. EBITDA and PAT stood at INR 797 crore and INR 442 crore respectively. JSL's standalone revenue, EBITDA and PAT grew by 56%, 66% and 145% respectively. Net external debt stood at INR 1,762 crore as on December 31, 2021, with a robust debt/equity ~ 0.7.

The Company maintained its stronghold in the lifts and escalators segment. Riding on a bullish demand from the industrial and construction sectors, JSL also worked closely on various government infrastructure projects where stainless steel is a preferred alternative on a lifecycle costing approach. As part of its drive to increase its proportion of value-added products, JSL upped sales of its special grades (such as Duplex, Super Austenitic) and Chequered Plates. Company supplied customized and value-added grades for Desalination Plant at Dahej, Assam Bio refinery, HURL Fertilizer plants, and fleet mode nuclear projects, among others. However, shortage of semiconductor in the passenger vehicle segment and moderate demand from two-wheeler segment led to slight dip in the automotive sector during the quarter. The pipe and tube segment also witnessed a minor decline owing to a lower than expected market demand and higher raw material prices.

In order to counter imports of subsidized stainless steel from China and Indonesia, which have practically doubled on a year-to-date basis, JSL strategically increased its exports share from

15% in Q3FY21 to 26% during Q3FY22. The domestic-export share of sales volumes during the quarter, on a YoY basis, was as follows:

Geographical Segment	Q3FY22	Q2FY22	Q3FY21
Domestic	74%	77%	85%
Export	26%	23%	15%

#### Other key developments:

1. The impact of suspension of CVDs on stainless steel products from China and Indonesia in the Union Budget of 2021-22 has been damaging for the domestic industry. The first nine months FY22 witnessed an 84% increase in stainless steel flat product import volumes compared to the average monthly imports in the last fiscal. Expectedly, bulk of the imports came from China and Indonesia, increasing by 230% and 310% on a year-to-date basis in 2021-22 as compared to monthly average in FY 2020-21. The revocation of these duties was upheld again in Budget 2022, announced on Feb 1, for the apparent reason of containing high prices of metals. Between July 1, 2020 and January 1, 2022, prices of carbon steel scrap shot up by 92% from \$279 per ton to \$535 per ton, stainless steel scrap (304 grade) by 99% from euro 935 per ton to euro 1,860 per ton. Other raw material prices like nickel, ferrochrome and iron ore lumps too saw about 50%-100% price increase. Prices of raw materials continued to climb in Q3FY22; with nickel up by 23%, and ferro-chrome soaring by 122% on a YoY basis. Prices of finished stainless steel products like cold rolled coil (304 grade) went up by 61% from July 1, 2020 to January 1, 2022. However, this increase was less than that of Europe and USA where prices went up by 125% and 73% respectively. In China, prices went up by 41%. The decision to revoke duties will impact the survival of MSME stainless steel producers which comprise 30% of the manufacturing ecosystem, due to increased subsidised and dumped imports.
2. CRISIL Ratings upgraded the rating of JSL's long-term bank facilities to 'CRISIL AA-/Stable' from 'CRISIL A+/Stable' while reaffirming 'CRISIL A1+' rating to the short-term bank facilities. This upgrade underlines significant improvement in JSL's business risk profile and a sustainable improvement in the operating efficiency of the company, driven by better per tonne EBITDA levels. India Ratings and Research also upgraded JSL's long-term issuer rating to 'IND AA-' with a stable outlook.
3. The Company's petition for merger with JSPL is pending before Hon'ble NCLT, Chandigarh for approval.
4. In December 2021, Company launched India's first hot rolled Ferritic stainless steel chequered sheet with brand name **Jindal Infinity**. This is Jindal Stainless' second foray in the

branded category after the launch of *Jindal Saathi*, the co-branded stainless steel pipes and tubes products.

5. Renewable Energy and ESG efforts: The Company has successfully deployed CO<sub>2</sub> emission reduction processes like steam generation from waste heat, use of by-product coke oven gas in heating and annealing furnaces, reclaiming effluent water in industrial processes, recycling higher volumes of steel scrap, and deploying electric vehicles in internal transportation. JSL invited quotes from renewable energy power suppliers for its requirement and received bids, which are currently under evaluation. JSL is also identifying opportunities for generating and utilizing Green Hydrogen in its manufacturing process. The Company intends to integrate a robust ESG and Net-Zero strategy framework in its overall corporate strategy.
6. Projects update: All brownfield expansion projects announced in Q1FY22 are proceeding as per plan.

#### Financial Performance Summary (Figures in INR crore):

Particulars	Consolidated					
	Q3FY22	Q2FY22	Change	9MFY22	9MFY21	Change
SS Sales Volume (MT)	2,47,607	2,56,664	(4)%	7,42,123	5,69,726	30%
Total Revenue (net)	5,670	5,027	13%	14,729	8,275	78%
EBITDA	797	748	7%	2,146	882	143%
PAT	442	412	7%	1,159	127	814%
Particulars	Standalone					
	Q3FY22	Q2FY22	Change	9MFY22	9MFY21	Change
SS Sales Volume (MT)	2,47,607	2,56,664	(4)%	7,42,123	5,69,726	30%
Total Revenue (net)	5,368	4,815	11%	14,025	7,870	78%
EBITDA	739	711	4%	2,030	874	132%
PAT	372	363	3%	1,006	163	517%

On a sequential quarter basis, revenue and PAT in Q3FY22 grew by 11% and 3% respectively, in line with global commodity price increase. Even with 36% of domestic market captured by imports, JSL managed to maintain its profitability with better product mix and export planning. The interest cost stood at INR 89 crore in Q3FY22 vs INR 79 crore in Q2FY22 due to higher working capital utilization during the Q3.

On a 9-month basis, 9MFY22 PAT stood at INR 1,006 crores, while EBITDA was INR 2,030 crores. Sales volume was recorded at 742,123 tonnes and net revenue of the Company was INR 14,025 crores.

**Management Comments:**

Commenting on the performance of the Company, **Managing Director, JSL, Mr Abhyuday Jindal**, said, *“An intelligent product mix and the agility to step up exports helped JSL in maintaining profitability despite stiff and unfair competition from Chinese and Indonesian imports. We are always on the lookout for new avenues for stainless steel applications that can keep us ahead of competition and boost our share in domestic and export markets. Sharp focus on financial prudence and strong operating fundamentals have served us well, and we will continue to strategize business as per market dynamics.”*

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