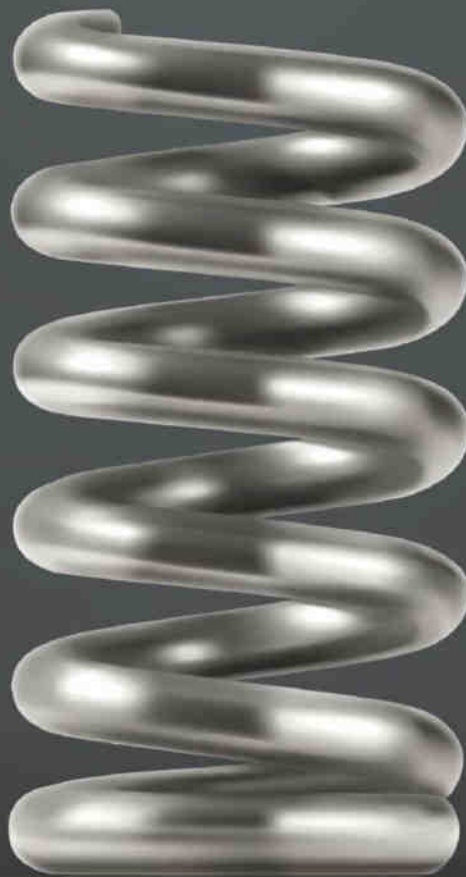


BOUNCING BACK WITH STAINLESS RESILIENCE



ANNUAL REPORT 2020-21
JINDAL STAINLESS LIMITED



WHAT'S INSIDE



Aerial View of Jindal Stainless Limited, Jajpur, Odisha

CORPORATE PROFILE

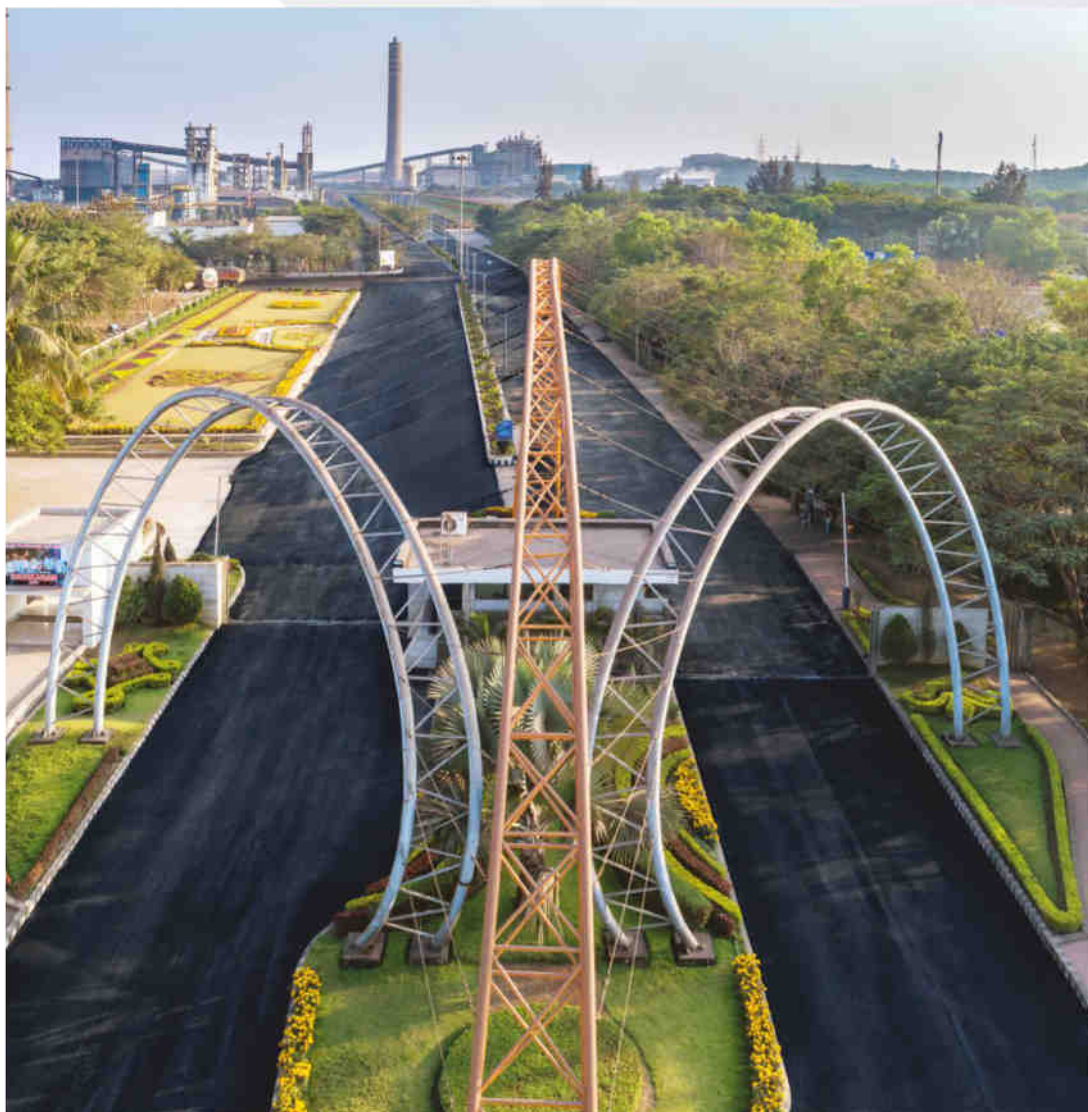
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VISION

Improving lives through trustworthy
and innovative stain-less solutions



IMPROVING LIVES

We will strive to improve lives of all our stakeholders (customers, suppliers, employees, shareholders and communities) and environment



THROUGH TRUSTWORTHY

We will strive to be the most trusted and respected organization in the way we conduct ourselves with our employees, suppliers, shareholders, customers and communities and reflect our core of being truly stainless



AND INNOVATIVE

We will always work towards innovating for better, be it processes, practices, solutions, delivering value-added and innovative solutions to the world in our areas of work



STAIN-LESS SOLUTIONS

We will strive to provide total solutions to our customers with reliable pre and post sale services and advisory. We will educate communities on properties (strong, versatile, corrosion-resistant) and use of stainless steel and encourage downstream industries

MISSION



To be a leading stainless steel company in the world
Forging reliable relationships with customers, suppliers,
employees and all other stakeholders
Building strong capabilities driving innovative practices, high
quality and competitive solutions



LEADING STAINLESS STEEL COMPANY IN THE WORLD

We will strive to be amongst the top stainless steel players in the world by increasing our capacity and its utilization resulting in revenue and net profit growth



RELIABLE RELATIONSHIPS WITH CUSTOMERS, SUPPLIERS AND ALL OTHER STAKEHOLDERS

We will build long lasting relationships and uphold our commitment to the highest standards thereby becoming the preferred choice for our customers, suppliers and stakeholders



INNOVATIVE PRACTICES

We will evolve best-in-class innovative practices (business, manufacturing and people) to help our customers, suppliers, employees, shareholders and communities



STRONG CAPABILITIES

We will build or buy appropriate technology, focus on research & development and enhance people capabilities



HIGH QUALITY

We will strive to offer stainless steel products and services of the highest quality that is required



COMPETITIVE SOLUTIONS

We will strive to provide agile, cost-competitive and efficient stainless steel solutions to our customers, giving us an edge over our competitors

FOUNDING PRINCIPLES



Shri OP Jindal

August 7, 1930 - March 31, 2005
Founder - OP Jindal Group

हाँ! एक सपना देखा था

देश की आज़ाद हवा में, बसा तिरंगा देखा था,
अपने बल पर उड़ान भरता, एक परिवार देखा था,
सुगम, सुरक्षित और बलवान, ऐसा विश्वास देखा था,
सफल उद्योगों से सुसज्जित, शिक्षित समाज देखा था,
हर परिवार का आँगन, स्त्रियों से महकता देखा था,
युवा का कौशल-विशाल, सोने सा दमकता देखा था,

आज सितारों से दिखता, तिरंगा जो लहराया है,
नींव जो रखी थी मजबूत, आज बनी देश की काया है,
बहुत सही मेहनत की धूप, तब मिली सुकून की छाया है,
आज होना नाज़ उन्हें, सपना जो सच हो आया है!



Smt. Savitri Devi Jindal
Chairperson Emeritus

“THE PROTECTION OF OUR ENVIRONMENT WILL REMAIN A CRUCIAL CONCERN AREA FOR WHICH WE PLAN ON TAKING RESOLUTE ALL-YEAR-ROUND STANCES”

At Jindal Stainless Limited (JSL), our CSR initiatives have always gone the extra mile 'Beyond Business'. Since the inception of our Company, we have always focused on a relationship-based approach. All of this would not have been possible without the support of all our stakeholders, employees, and the people associated with us at the grass-roots level. I am humbled to share that this year when our country was coping with the global pandemic of COVID-19, we were able to extend support to the most vulnerable sections of the society with no stable incomes. On one hand, food, sanitation supplies and essential resources were distributed to migrant and daily wage workers and their families during the lockdown period at several places, including Delhi-NCR and around our plant geographies. On the other hand, we ensured income generation for the farmers, despite COVID challenges by providing them with seeds, fertilizers, fungicides and pesticides at their doorsteps under strict COVID protocols with all inputs sanitized. This helped farmers ensure timely plantation taking advantage of the short window of opportunity available and

also work on market and backward linkages.

The steady growth of 'Project Asmita' with the opening of a boutique managed by community women has given a voice to rural women as it showcases their prowess in entrepreneurial pursuits. Such case studies and stories need to be shared and replicated across geographies. This project, with a small number of women, has trained other women in various technical processes, from sourcing and product design to product development and marketing. Such empowering projects are great indicators of the robust community governance structure that has been successfully implemented.

'Project Sahaj', managed by a Self Help Group (SHG), is a mini sanitary napkin manufacturing unit and is an example of a mechanism that caters to women's needs, creates awareness regarding the taboo topic, and shares good health and hygiene practices in the community. It is a part of JSL's efforts to end period poverty in the Jajpur district of Odisha.

To create sustainable and scalable livelihoods, JSL initiated 'Project Sanjeevani' to enhance the entrepreneurial skills of multi-sector micro-enterprises, through a network of 200 SHGs spread across 27 villages of Danagadi block, Jajpur. The first Producer Company 'Samparna Jeevika Producer Company Limited' was approved by the Ministry of Corporate Affairs and was incorporated on 31st March 2020.

Towards education and health care, JSL has opened up non-formal education centers for children from marginalized sections of society.

Towards health, JSL has various mobile clinics and programs addressing societal issues such as female feticide. A well designed HIV and AIDS program has been extremely beneficial especially to the trucker community. To invest in the future of our society, the CSR wing has also enabled computer literacy programs and tuition centers for the economically-developing sections of our society.

Additionally, JSL has also linked all its initiatives to Sustainable Development Goals (SDGs) through a technology-based platform. The way forward will be based on data that can help in accomplishment of a select pathway of growth and development. With such an innovative approach, I am certain that we will be able to bring out a clear picture using data to show how our social initiatives are progressing under the national agenda of reporting on SDGs.

The protection of our environment will remain a crucial concern area for which we plan on taking resolute all-year-round stances. We will continue to work with fortitude towards our targets and with our core value system firmly in place to pursue the larger agenda of helping people through stainless solutions. We have always believed in creating a legacy that will strengthen people from door-to-door and will empower them to achieve their dreams. At JSL, we commit to proactively respond to the expectations of all those who surround us and have displayed constant faith in all our endeavors.



CHAIRMAN SPEAKS

Ratan Jindal
Chairman

Dear Shareholders,

The financial year of 2020-21 has been a true test of the human spirit of survival against all odds. Almost every aspect of our lives was unsettled due to the pandemic of COVID-19. A global crisis of this stature brought about necessary focus on the importance of sustainable thinking in everything we do. It posed unprecedented challenges and forced us to come up with extraordinary solutions that emerge from an amalgamation of technological advancement, design thinking, and sustainability or green economy as the key facets.

Despite the challenges, uncertainties and complexities due to the pandemic, Jindal Stainless Limited (JSL) delivered a commendable performance in FY20-21. Your Company's upgraded ratings by major agencies like CRISIL and Ind-Ra are testimony to this superior performance. Post the payment of full recompense to lenders in cash and full redemption of the outstanding Optionally Convertible Redeemable Preference Shares (OCRPS), your Company announced its exit from the Corporate Debt Restructuring (CDR) mechanism in March 2020, which has been one of the most successful CDR exits in recent times.

The end of CY2020 saw the announcement of Jindal Stainless (Hisar) Limited's merger into JSL. The merged entity will have a stainless steel melt production capacity of 1.9 MTPA immediately, and 2.9 MTPA over the next couple of years. An integrated entity with enhanced downstream capabilities and consolidated strengths of the two companies, the merged entity will have an extensive network offering a seamless, single-window, pan-India, as well as global network access to customers and further boost the 'Just-in-Time' approach. With reinforced operational and management efficiencies and a diversified end-to-end

product portfolio, we are confident of unlocking immense value for shareholders and partners. JSL's product portfolio saw expansion in new domestic and global geographies across applications. We successfully developed specialised grades for armour and ballistic applications, along with nuclear, submarine, metro and railways, and automobile applications. We are also one of the few plants in the world with the capacity to use liquid chrome in making stainless steel.

The pandemic of COVID-19 brought economic activities to a near-standstill in the first quarter of FY21. With movement of people and business activities restricted to contain the spread of the disease, the global GDP shrank by 3.5% in CY2020. Conforming to the trend, global stainless steel melt shop production in CY2020 fell by 2.5% Y-o-Y, as reported by International Stainless Steel Forum. As per the Indian Stainless Steel Development Association, India's stainless steel melt shop production shrank by 19% Y-o-Y in the same period. The domestic industry continues to face risk from the imports from China and other nations with Chinese-backed investments in Indonesia, Vietnam, etc. Since India doesn't have any level playing trade barrier, and other stainless steel manufacturing countries have initiated or implemented ADD/CVD on Indonesia, India faces the risk of becoming a residual dumping ground for Indonesia and China. The industry, especially the MSME sector, is therefore threatened by policy moves like temporary withdrawal of duties like CVD on Chinese imports and revocation of provisional ADD on Indonesian imports in the current union budget. Accommodative monetary policies providing necessary fiscal stimulus to the domestic players, clubbed with good progress in vaccination, will be the only way to stimulate recovery for the domestic stainless steel industry.

Your Company is committed to its vision of creating innovative stainless solutions for the world and is consistently working towards improving value offerings for customers and cost competitiveness for stakeholders. Optimising operational efficiency and techno-management parameters continue to be key focus areas for the Company, to mitigate the impact of market volatility. Capacity expansion plans with moderate investments, with a keen focus on in-house innovations, will also take shape aligned with growing demand in the domestic and export markets. We are planning to double the melting capacity at Jajpur from 1.1 MTPA to 2.1 MTPA by FY23. Downstream enhancement through capacity expansion of HRAP (Hot Rolled Annealed Pickled) and CRAP (Cold Rolled Annealed Pickled) products to the tune of 1.5x and 1.7x is being planned in the same timeline. Backward integration through 1.4x capacity expansion of Ferrochrome capacity will also be accomplished in parallel. JSL is resolute on its commitment to the society at large and continues to serve by going beyond business during and after the trying phases of the pandemic. Along with supporting the local authorities with COVID awareness and management efforts, the Company continued its societal interventions as a responsible corporate citizen. Livelihood generation projects for women, community health service, and education and training projects helped communities tide over the uncertainties posed by the pandemic.

JSL's employees are the backbone of its resilience and strength, and I extend my sincere gratitude to each one of them. I would also like to thank all our shareholders, board of directors, customers, lenders, investors and all other stakeholders for their support and faith in the vision of the Company.



FROM THE MANAGING DIRECTOR'S DESK

Abhyuday Jindal
Managing Director

Dear Shareholders,

We have emerged from a phase that has impacted the personal and professional lives of almost everyone we know, and I want to start this message with wishing safety and good health to all of you and your loved ones. With lives and livelihoods severely affected in the past year, the global economy is now finding ways to coexist with the deadly disease. The silver lining of this crisis is the unification of the world in the common pursuit of emerging on the other side of the pandemic with technology-driven solutions that are more sustainable, more humane and yet, improve productivity.

The nation-wide lockdown at the beginning of the financial year 2020-21 necessitated a halt in production at your Company's Jajpur plant. For the entire industry, the first quarter was wiped out due to labour shortages, a wrecked supply chain, and national and regional lockdowns. However, I'm happy to share that the resilience of employees of Jindal Stainless Limited (JSL) helped carve the story of an inspirational rebound. On a yearly basis, FY21 standalone PAT, EBITDA and net revenue stood at INR 428 crores, INR 1,396 crores and INR 11,679 crores respectively. Sales volume and melt shop production were recorded at 8,24,825 tonnes and 8,73,907 tonnes respectively. With the merger of Jindal Stainless (Hisar) Limited into JSL progressing as planned, your Company will be one of the few stainless steel producers globally offering 120+ stainless steel grades and 360-degree approach for maximising value proposition to customers.

Your Company was accorded CRISIL Ratings of 'CRISIL A+/Stable' to the long-term credit facilities and 'CRISIL A1' to the short-term credit facilities, owing to significant improvements in overall operating efficiency, profitability and financial risk profile. A subsidiary of the Fitch Group, India Ratings and Research, i.e. Ind-Ra, has also revised your Company's long-term rating to IND A+. The improved ratings endorse efficient working capital management by the Company and consistent debt reduction through focus on

de-leveraging over the past few years.

Throughout the year, safety of our employees and stakeholders was a primary concern, while maintaining profitability and a consistent drive to optimise operational and management parameters to cater to customers with ever-evolving demand. We focused on replacing imported raw materials with indigenous ones. In-house fabrication, erection and commissioning of second slag skimmer and third auto-grinder were carried out to accelerate the production of Ti-stabilized grades. Several efforts were made to reinforce our commitment to environment protection like installation and commissioning of a bag plant for air pollution control and an effluent treatment plant for run-off water management, along with massive plantation drives.

Our R&D capabilities have led to the development of new grades for metro applications, export customers, etc. As per customer demand, important finishes were also developed in alternate grades. Consistent efforts to expand our product portfolio in auto, railways, utensils, and pipe & tube segments have yielded promising results. Lift and elevator segment, metro coach application, and railway foot-over-bridge application were the other focus areas for JSL's business development efforts.

We continued our MoU scheme with key customers in FY21 and saw an enthusiastic response from all customers across Channel Partners, Pipe & Tube and Re-Rollers segment. The wave of digitisation at JSL worked in tandem with our consistent thrust on customer relationship management. Continuous usage of the SAP's Hybris e-commerce platform by customers enabled the launch of new modules like transport management and digital tracking of cargo movement. The C4C (Cloud for Customer) module also helped improve pre-sales operations and quality settlement processes.

Our marketing activities were intensified post the lifting of restrictions after the first wave of the pandemic. The second phase of our 360-degree co-branding campaign, Jindal Saathi, for the

pipes & tubes (P&T) segment received a promising response from customers. We expanded the campaign from 28 cities in FY20 to over 100 cities in eastern India in FY21. Our 3-credit elective course on stainless steel in IITs and other leading institutes continued to gain momentum. Our industry-academia collaboration was further strengthened through our case study competition at IIT Kharagpur's techno-management fest, with focus on stainless solutions today to solve the problems of tomorrow.

The nature of our industry necessitates focus on the long-term perspective to ensure a level playing field for the domestic players. Policy decisions, like revocation of CVD against Chinese and Indonesian imports, can have detrimental effects in the long haul, especially on the MSME sector. These imports lead to poor quality products gaining market share, and with 35% of India's stainless steel producers being MSMEs, this is a worrisome trend. We are hopeful that our government will implement policies that safeguard domestic interests from unfair trade even in the future. This will ensure a level playing field for the industry, which has made India fully Atmanirbhar in all grades of stainless steel products.

I am humbled to share that your Company was consistently supplying over 40 tonnes of Liquid Medical Oxygen (LMO) daily to Odisha, Andhra Pradesh, and other states, as required. Free of cost vaccination drives for all employees and their families, and financial assistance policy for families of deceased employees were some of the initiatives undertaken to support the JSL family through these trying times.

As a leader of this esteemed organization, I am proud of the workforce at JSL, for the company has been able to tide over the challenges of the past year only through their relentless efforts and complete ownership of results. We remain grateful to our Board of Directors, shareholders, lenders, business associates, customers, and all the stakeholders for their continued patronage in making JSL a force to reckon with.



INFRASTRUCTURE & FACILITIES



STAINLESS STEEL MELTING
CAPACITY 11,00,000 TPA



COLD ROLLED ANNEALING
PICKLING LINE 4,50,000 TPA



FERRO ALLOYS
2,50,000 TPA



CAPTIVE POWER
PLANT 264 MW



Mill Plate Annealing
& Pickling 1,00,000 TPA