

THE STAINLESS  
IDENTITY  
OF A PROGRESSIVE  
INDIA



ANNUAL REPORT 2021-22

JINDAL STAINLESS LIMITED



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## 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

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



## 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



## 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



### **Shri OP Jindal**

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

#### THE STAINLESS VISION THAT TRANSFORMED THE NATION

Shri OP Jindal was the harbinger of a swadeshi revolution in India. His dream was to make the nation self-reliant in terms of stainless steel production and consumption.

Shri OP Jindal, bred from the soil of a hardworking nation, became one of the most successful and legendary industrialists by dedicating his life to the service of the nation. Although he donned the hat of being a Politician along with that of an Industrialist, he is most fondly remembered as a Philanthropist and a People's Leader.

Shri OP Jindal's legacy is testimony to the relentless sacrifices he made to achieve the vision of making India a country that stands tall with pride and courage.

We are committed to realise his vision with passion and dedication.



## “Improving lives and empowering communities through trustworthy Innovative Stain-less solutions”

Our CSR initiatives are carried out with the vision of improving lives on a platform of trust and inclusion and hence go that extra mile - 'Beyond Business'. Since the beginning, Jindal Stainless Limited (JSL) has focused on a relationship-based approach. Assuredly all this would not have been possible without the support of all stakeholders, including our employees and communities around our plant location along with the people associated at the grassroots level.

It gives me immense pleasure to share that despite major hurdles and challenges faced by the Company, JSL serves society with servitude fulfilling the dreams of the architect Late Shri O. P. Jindal Ji, who during his lifetime served people with great humility. I am equally grateful to share that this year when our country is coping with COVID19 restrictions, we were able to start the production and maintain the supply of Liquid Medical Oxygen(LMO), a life-saving component to protect patients affected with the Coronavirus, to Hissar and Delhi/NCR. Alongside such support, we continued to align all our projects to the new norm, ensuring our support to the vulnerable sections of society at large.

I am particularly happy to note that the farmers are being encouraged to double their income through very innovative ways with a focus on bringing down the input costs and increasing productivity and output costs. We were able to impact the farming communities by providing them with advisory services, relevant training and the much-required input linkages that have helped in increasing farmer incomes.

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 development. 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, is a mini sanitary napkin manufacturing unit, and it is a definitive 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 part of JSL's efforts to end the period of poverty in the Jajpur district of Orissa. The unit has emerged as a sanitary napkin production centre owned and managed by women and has established its name in the area.

On the Entrepreneurship Development front, to create sustainable and scalable livelihoods, JSL facilitated the formation of a producer company named 'SAMPARNA JEEVIKA PRODUCER COMPANY LIMITED' approved by the Ministry of Corporate Affairs to further accelerate the business prospects of the 200 SHGs associated with it. The Producer company was established with a vision to enhance the entrepreneurial skills of multi-sector livelihoods and micro-enterprises directly benefiting the rural households in 27 villages of Danagadi block, Jajpur.

Toward education and health care, JSL has opened up non-formal education centres for children from marginalized sections of society. In health, JSL runs a static clinic and provides teleconsultation with the doctors. It also runs programs addressing societal issues such as female feticide. JSL's well-designed Club-Foot Elimination program has been extremely beneficial, especially to families belonging to the low-income group. The Company's 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 centres for the economically-developing sections of our society.

In addition, JSL has also linked all its initiative to the SDGs through a technology-based platform. It is such an alignment that the way forward is based on the data that can help in the 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 of how our social initiatives

are progressing on the National agenda of reporting SDGs with data each year.

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 responding to the expectations of all those who surround us and have displayed constant faith in all our endeavours.

**Smt Savitri Devi Jindal**  
Chairperson Emeritus



# CHAIRMAN SPEAKS

Dear Shareholders,

The financial year of 2021-22 (FY22) has been a defining year for our personal as well as professional lives. The devastating second wave of the COVID-19 pandemic paved the way for the other disruptive challenges that followed in the global economy. However, I believe that it was one of the finest tests of the human spirit of endurance against all odds. Not only did we survive such unprecedented trials, we also found a way to convert them into opportunities, and step forward on the path to prosperity together. I want to express my gratitude to each one of you for having faith in Jindal Stainless Limited (JSL) and standing by your Company during triumphs

**Ratan Jindal**  
Chairman

and tribulations alike.

Despite the challenges, uncertainties and complexities due to the pandemic as well as geopolitics, JSL delivered a commendable performance in FY22. On one hand, major credit rating agencies like CRISIL and Ind-Ra upgraded your Company's ratings on the back of strong operating and financial performance. On the other, your Company was also conferred with coveted awards such as the National Award for Manufacturing Competitiveness (NAMC) by the International Research Institute for Manufacturing. You will also be happy to note that shareholders and creditors of JSL and JSHL (Jindal Stainless (Hisar) Limited) approved the 'Scheme of Arrangement' for the merger between the two Companies on April 23, 2022 by an overwhelming majority. The Companies have filed the second motion petition with Hon'ble NCLT, and expect other relevant processes to be completed within FY23.

On the global front, the year was riddled with uncertainties and challenges. There was a continuous increase in commodity prices overall, including those of key raw materials for stainless steel, Nickel and Ferro Chrome. Recovery post the second and third waves of the COVID-19 pandemic was followed by geopolitical disruptions like the Russia-Ukraine conflict, which led to supply-chain issues around the world. Rallying commodity prices and surging energy costs put pressure on the global manufacturing ecosystem, and India was not far from the impact of these developments. However, it is commendable that world stainless steel melt shop production in CY 2021 grew by an impressive 11% year-on-year to 56.2 million metric tons (MMT) (as per International Stainless Steel Forum).

JSL maintained a strong performance on the back of adaptive strategies in supply chain, raw material procurement, and product basket management, with a keen focus on the value-added segment. Faster vaccination drive, improvement in liquidity, and overall economic recovery spurred by improved business sentiments and infrastructure stimulus by the government played a key role in helping the demand for stainless steel stay robust through the year. Major domestic end-use segments like Pipe & Tube, Railways & Wagons, and Metro Rail gave thrust to stainless steel demand in almost all quarters. However, segments like Auto, Lifts & Elevators, and special grades like duplex and super austenitic were more susceptible to the challenges arising in the geopolitical environment. Auto segment sales especially suffered on account of the long waiting period necessitated by semiconductor shortage.

JSL's diversified market presence, product mix, and agility for harnessing export markets helped in mitigating the challenges faced by certain sectors in the domestic market due to the continuous surge in subsidized imports of stainless steel from China and Chinese-

funded investments in Indonesia. With imports from China and Indonesia becoming more than 3X and 4X respectively on a Y-o-Y basis in FY22, the impact of suspension of CVDs on stainless steel products from these countries in the Union Budget has been damaging for the domestic industry. The incessant rise in raw material prices also added to the cost pressures felt by the domestic stainless steel industry. The decision to revoke duties has been especially making the survival of MSME stainless steel producers difficult, which comprise nearly 35% of the manufacturing ecosystem. The Company urges the government to ensure that future policy decisions are aimed at providing a level playing field to domestic manufacturers.

Your Company's strategy to combat external challenges and market volatility has been to optimise operational efficiency and techno-management parameters of its existing infrastructure. Further to this approach, brown field expansion is underway at the Company's manufacturing facility in Jajpur to double the melt capacity to 2.1 MTPA from existing 1.1 MTPA at less than 1/3rd of green field capex. It is noteworthy that your Company has ready infrastructure and operations that can be easily scaled up to a melt capacity 3.2 MTPA. Commissioning and stabilizing the expanded facilities will remain a focus area for JSL in the foreseeable future.

With customer-centricity as the focal point, JSL started working closely with major domestic players across key segments to customize products as per their requirement. Under its 'Local to Global' initiative, JSL is in the process of providing customized product solutions for international operations of select domestic customers having a global presence. The Company supplied various critical grades like Super Duplex and Cobalt-restricted stainless steel for several indigenous nuclear applications and key fertilizer projects.

Resolute on its commitment to the society at large, JSL 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

Dear Shareholders,

I'm humbled to work alongside the dedicated team of Jindal Stainless Limited (JSL) that ensured steady performance despite global challenges and adverse market conditions. The Company's FY22 performance is reflective of its passionately progressive approach to business, and does justice to its legacy of creating innovative stainless steel solutions for the country.

A sharp product mix, attuned to market demands, helped your Company remain agile and responsive to customer requirements. JSL's strategic decision to focus on product mix and strengthen its niche value-added product portfolio resulted in a robust performance despite challenges arising from the pandemic and geopolitics like the Russia-Ukraine conflict. FY22 standalone sales volume stood at 1,011,292 metric tonnes, up by 23% over FY21. Net revenue, PAT and EBITDA of the Company registered remarkable growth and stood at INR 20,312 crores, INR 1,674 crores and INR 2,791 crores respectively. Prudent financial management led the interest cost to fall by 32% over FY21

**Abhyuday Jindal**  
Managing Director

to INR 317 crores. During FY22, JSL's consolidated EBITDA, PAT and revenue stood at 2,987 crores, 1,909 crores, and 21,223 crores.

On the operational front, your Company continued its pursuit of excellence. From catering to global clients with strict product requirements, to getting certified as per Construction Product Regulation (CE Mark) and re-certified for integrated quality management systems as per ISO, the year was full of milestones. I'm delighted to share that your Company earned a major rating upgrade from CRISIL Ratings, with the agency assigning 'CRISIL AA-/Stable' to the long-term bank facilities, and reaffirming short-term bank facilities at 'CRISIL A1+'. India Ratings and Research (Ind-Ra) also upgraded the long-term issuer rating assigned to JSL to 'IND AA-' with a stable outlook. These upgrades underline significant improvements in the business risk profile, healthy liquidity, operating efficiencies, and financial prudence of the Company with deleveraged balance sheet.

Innovating in the field of raw material mining, JSL signed an MoU with Tata Steel Mining Limited (TSMIL) to jointly unearth the Chrome Ore locked-up in the boundary between our mines located in Sukinda of Jaipur district, Odisha. This is a win-win partnership for the State of Odisha, TSMIL and JSL.

Throughout the year, safety of our employees and stakeholders was a primary concern, while maintaining profitability and consistently optimising operational and management parameters to cater to customers with ever-evolving demand. I'm proud to share that the year at JSL was successful in the implementation of improvement projects with in-house fabrication, installation and commissioning, like Rewinding Line, productivity and quality improvement for the Hollowware segment at Z-mills, and third Auto Grinder at SMS. Multiple digitization initiatives at Ferro Alloys unit have been yielding promising results. Along with strengthening a culture for constant process improvement, such initiatives go a long way in enhancing productivity and improving customer service.

Our R&D capabilities have led to the development of new grades and finishes to further our presence in niche segments, with Inconel and Super Duplex grades, and Scotch Finish being key examples. You will be pleased to note that in FY22, your Company launched India's first hot rolled Ferritic stainless steel chequered sheet with the brand name Jindal Infinity. JSL also developed the most cost-effective and high-quality stainless steel for structural applications – Jindal Durasafe, especially for coastal areas. Jindal Durasafe has been used in India's foray into stainless steel foot-over-bridges at Naupada and Sriakulam in Andhra Pradesh, and at Bhayander, Mumbai in Maharashtra. Furthermore, JSL is now producing JBS grade for razor blades, which could hitherto be manufactured only at Jindal Stainless (Hisar) Limited.

Our marketing activities were intensified post the lifting of restrictions after the second wave of the pandemic. The third 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 100 cities in FY21 to over 200 cities in FY22 across the country. It is noteworthy that the market research conducted over 4 months after the completion of the campaign revealed

more than 80% awareness and recall levels of the Jindal Saathi Seal.

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 and levy of export duty on Indian stainless steel products, 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. With the domestic industry fully Atmanirbhar in all grades of stainless steel products, the government's intervention will ensure the industry's survival against external factors.

Committed to its environment, social, and governance (ESG) goals, your Company's growth thrust is powered by environmentally-responsible practices and sustainable initiatives. JSL has successfully deployed CO2 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 also procured renewable energy in bulk to reduce CO2 emissions by ~1300 metric tonnes and continued its process improvement measures to further bring down its carbon footprint. The Company's plans for exploring renewable energy and low carbon energy transition are on track. JSL is also actively monitoring its operational performance through third-party scrutinizers; including stack, ambient air quality, work zone, effluent analysis, surface water and ground water analysis.

Creating and sustaining an ecosystem that recognizes the importance of stainless steel in charting our nation's growth story is not only important for your Company but for the entire domestic stainless steel industry. Furthering its efforts on this front, JSL continued its thrust on the Stainless Academy initiative. With a course on stainless steel already running in 11 leading institutes like IITs, JSL signed MoUs with educational bodies like NIFTEM to promote the metal's usage in food processing equipment, and with SCTEV&T for introducing the course on stainless steel in all polytechnics across Odisha. Fabricator training efforts benefitted about 12,000 fabricators across the nation, and workshops for hands-on trainings across other avenues like Production Units of Indian Railways, ITIs, and for Central Jail inmates in various cities helped create a large workforce that is equipped with the skills needed to fabricate stainless steel offerings.

As a responsible corporate, your Company was supplying 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.

JSL has been able to tide over the challenges of the past year only through the relentless efforts and complete ownership of results by the workforce of the Company. I'm proud to work with such a determined and resilient group of people. 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.





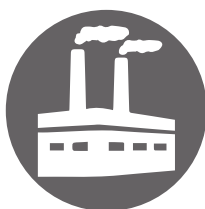
STAINLESS STEEL  
MELTING CAPACITY  
**11,00,000**  
**TPA**



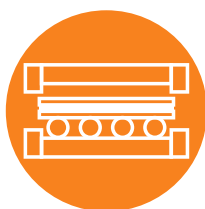
FERRO ALLOYS  
**2,50,000**  
**TPA**



COLD ROLLED  
ANNEALING  
PICKLING LINE  
**4,50,000**  
**TPA**



CAPTIVE  
POWER PLANT  
**264 MW**



MILL PLATE  
ANNEALING & PICKLING  
**1,00,000**  
**TPA**

# PRODUCT BASKET



Stainless steel is well known for its extensive bouquet of unique properties such as corrosion-resistance, high strength-to-weight ratio, and the ability to withstand extreme temperatures. The metal contains 10.5% or more chromium and is synonymous with strength and hygiene. The resistance to corrosion is attributed to the naturally occurring chromium-rich oxide film formed on the surface of stainless steel. Although extremely thin, this invisible, inert film is tightly adherent to the metal and thus acts as a protective shield in corrosive environments. The film is expeditiously self-repairing in nature, and the indentation due to abrasion, cutting or machining is hastily repairable in the presence of oxygen. In addition, stainless steel objects rarely turn

into waste at the end of their useful life as this metal is nearly 100% recyclable. Qualities like low lifecycle cost, high strength-to-weight ratio, aesthetic brilliance and easy cleaning ability make stainless steel the wonder metal and a preferred choice for various applications.

Jindal Stainless Limited is one of India's leading stainless steel producers in India with a capacity of 1.1 MTPA, eventually scalable up to 3.2 MTPA.

The Company's manufacturing facility in Jajpur, Odisha, has state-of-the-art equipment from globally reputed technology suppliers. The facility comprises 250,000 TPA of Ferro Alloy division with a captive power generation unit of 264 MW. The product range includes Slabs, HR Coils, CR Coils and Plates.