

Maintains EBITDA/t guidance; capex on track

Despite challenging business environment, JSL reported better than expected Q1FY25 consol EBITDA of Rs12.1bn (CentrumE: Rs10.7bn) up 17% QoQ as well as EBITDA/t above estimate at Rs20,960 (CentrumE: Rs18,835/t) up 15.5% QoQ. The outperformance was largely favoured by low cost inventory during the quarter. The sales volume increased by 1.4% QoQ led by strong domestic demand but realisation/t remain flattish QoQ. Standalone EBITDA/t reported at Rs17,373/t (CentrumE: Rs15,995/t), up by 19.7% QoQ. The consolidated net debt increase by Rs10.1bn to Rs49.5bn. We estimate JDSL profitability to improve with EBITDA and PAT growing at 24%/38% CAGR over FY24-26E factoring incremental Rs12bn EBITDA through acquisitions. Further, strong RoE of 24% and net debt/EBITDA ratio of 0.3x by FY26 if no further capex is announced. On strong earnings outlook, we Upgrade our rating to BUY and increase our TP to Rs816 (Earlier: Rs647/sh), valuing at 9x (Earlier:7x) FY26E EV/EBITDA.

EBITDA rises QoQ in challenging quarter

During Q1FY25, JDSL sold 578kt of stainless steel (SS), up 1.4% QoQ. JDSL exports stood at 10% (11% in Q4FY24) of total volume due to weak demand in key export market. In domestic market stainless steel demand remain strong across the sectors, while in key export market like Europe and US, the demand remained muted due to geopolitical concerns. Gross Margins expanded to 33% vs 31% in Q4FY24 supported by low inventory cost. Management guided 20% increase in sales volume in FY24 and FY25. Further, maintained EBITDA/t guidance of Rs18,000-20,000/t.

Capex on track

During the quarter, the consolidated (incl. JUSL) net debt as on Mar-end 2024 stood at Rs49.47bn, up by 25.6% QoQ. JSL announced capex of Rs ~54bn to augment its melting and downstream facilities in order to reach a capacity of 4.2 mtpa. This included a 49% partnership in a joint venture for a 1.2 mtpa SS melting shop in Indonesia; expansion in downstream capacity in Jajpur, Odisha; and acquisition of a 54% equity stake in Chromeni Steels in Mundra, Gujarat. The acquisition and expansion projects will ensure raw material security, strengthen its position in value added market and extend its reach within India and overseas. As a result, overall capex guidance for FY25 is Rs 55bn.

We upgrade to BUY with target price of Rs816

Jindal stainless is facing near term challenges due to continuous fall in stainless steel and nickel prices as well as subdued export demand. However, with medium to long term view, we believe JDSL's profitability to remain solid on account of commissioning of capacity expansion as well as forward integration. We expect JDSL to clock standalone EBITDA/t > Rs20,000 on ramping up of capacities as well as higher value added product mix. JDSL is well positioned to capitalise on strong stainless steel demand and expect EBITDA growth of ~24% CAGR over FY24-26, strong operating cash flows and debt reduction. Hence, we upgrade our rating to BUY and raise target multiple from 7x to 9x FY26E EV/EBITDA for target price of Rs816.

Financial and valuation summary

YE Mar (Rs mn)	1QFY25A	1QFY24A	YoY (%)	4QFY24A	QoQ (%)	FY24A	FY25E	FY26E
Revenues	94,298	1,01,840	(7.4)	94,540	(0.3)	3,85,625	4,90,082	5,76,141
EBITDA	12,118	11,924	1.6	10,352	17.1	47,043	59,756	72,163
EBITDA margin (%)	0.0	0.0		0.0		12.2	12.2	12.5
Adj. Net profit	6,461	7,376	(12.4)	5,023	28.6	25,943	37,753	49,253
Adj. EPS (Rs)	7.8	9.0	(12.4)	6.1	28.6	31.5	45.8	59.8
EPS growth (%)						22.7	45.5	30.5
PE (x)						23.3	16.0	12.3
EV/EBITDA (x)						13.6	11.0	8.7
PBV (x)						4.2	3.4	2.7
RoE (%)						19.7	23.4	24.3
RoCE (%)						16.2	17.9	18.4

Source: Company, Centrum Broking

Please see Disclaimer for analyst certifications and all other important disclosures.

Result Update

India I Metals & Mining

02 August, 2024

BUY

Price: Rs736

Target Price: Rs816

Forecast return: 11%

Institutional Research

Market Data

Bloomberg:	JDSL IN
52 week H/L:	848/383
Market cap:	Rs606.3bn
Shares Outstanding:	823.4mn
Free float:	47.6%
Avg. daily vol. 3mth:	22,05,201

Source: Bloomberg

Changes in the report

Rating:	BUY; upgrade from ADD
Target price:	Rs816; up 26%

Source: Centrum Broking

Shareholding pattern

	Jun-24	Mar-24	Dec-23	Sep-23
Promoter	60.5	60.5	58.7	57.9
FIIs	22.5	20.8	22.6	23.4
DIIIs	6.3	6.6	5.8	6.0
Public/other	10.8	12.1	12.9	12.7

Source: BSE

Centrum estimates vs Actual results

YE Mar (Rs mn)	Actual Q1FY25	Centrum Q1FY25	Variance (%)
Revenue	94,298	100,781	-6.4
Adj EBITDA	12,118	10,743	12.8
EBITDA margin (%)	12.9	10.7	
Adj. PAT	6,461	5,267	22.7

Source: Bloomberg, Centrum Broking

Metals & Mining



Kunal Kothari

Research Analyst, Metals & Mining

+91 22 4215 9375

kuunal.kothari@centrum.co.in

Thesis Snapshot

Estimate revision

YE Mar (Rs mn)	FY25E New	FY25E Old	% chg	FY26E New	FY26E Old	% chg
Revenue	4,90,082	5,59,780	-12.5	5,76,141	6,48,032	-11.1
EBITDA	59,756	66,656	-10.4	72,163	78,637	-8.2
EBITDA margin	12.2	11.9		12.5	12.1	
Adj. PAT	36,628	41,803	-12.4	47,003	51,909	-9.5
Diluted EPS (Rs)	44.5	50.8	-12.4	57.1	63.0	-9.4

Source: Centrum Broking

Jindal Stainless versus NIFTY Midcap 100

	1m	6m	1 year
JDSL IN	(9.7)	23.4	86.6
NIFTY Midcap 100	4.0	19.8	56.0

Source: Bloomberg, NSE

Key assumptions

Key Assumptions	FY23	FY24	FY25E	FY26E
Volumes (mt)	1.76	2.17	2.60	3.00
EBITDA/t (Rs)	20,216	18,558	19,000	20,000
Net debt/EBITDA (x)	0.76	0.92	1.05	0.38

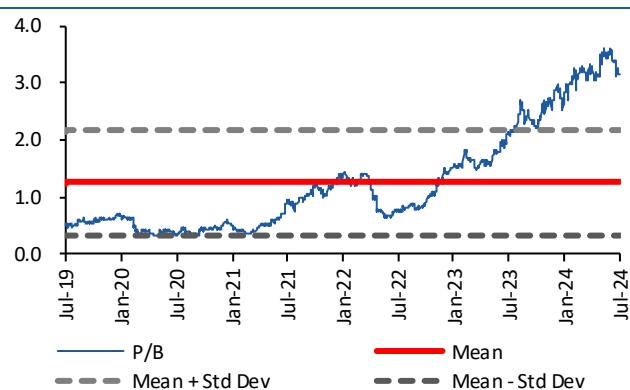
Source: Centrum Broking

Valuations

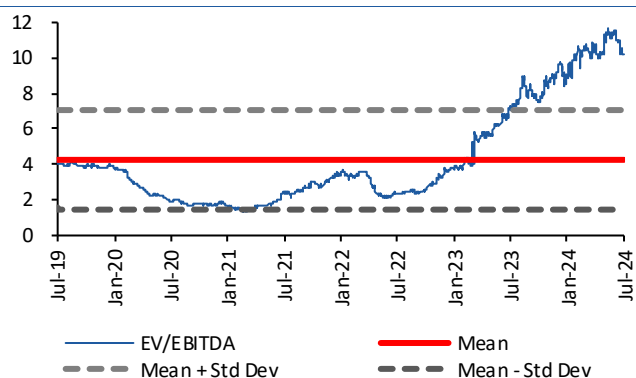
We recommend BUY rating with target price of Rs816 on SOTP valuation

Particulars (Rs mn)	FY26E
EBITDA	72,163
Multiple (x)	9.0
Enterprise Value	6,49,470
Average Net debt	22,567
Implied Market-cap	6,50,903
No. of shares (mn)	823
Target price (per share)	790
NPI @ 7x FY26E EV/EBITDA (per share)	25.5
Final Target Price per share	816

P/B mean and standard deviation



EV/EBITDA mean and standard deviation



Source: Bloomberg, Centrum Broking

Exhibit 1: Key concall takeaways and metrics

Centrum Quarterly Monitor	Q4FY24	Q1FY25	Our Comments
Demand environment	The stainless steel demand continue to remain robust in India. But, demand is muted in Europe and US due to Red Sea crisis.	The stainless steel demand continue to remain robust in India. But, demand is muted in Europe and US due to Red Sea crisis.	It has resulted into downward trend in prices and lower export demand.
Outlook and guidance	Management guided EBITDA/t to 18000-20000/t in FY25 and volume growth of 20% YoY in FY25 and FY26	Management guided EBITDA/t to 18000-20000/t in FY25 and volume growth of 20% YoY in FY25 and FY26	Maintaining guidance in challenging business environment is commendable.
Key interventions	<p>Jindal stainless Ltd announced Rs54bn capex:</p> <p>To purchase 100% stake in Sulawesi nickel processing industries holdings, Singapore for Rs7.15bn. It will form JV with Indonesia company with 49% stake and setup 1.2mtpa stainless steel melting capacity in next 2 years. It will increase total capacity by 40% from 3mtpa to 4.2mtpa.</p> <p>To initiate capex of Rs19bn to expand downstream capacity as well as Rs14.5bn for upgrading infrastructure facilities, including railway siding, renewable energy generation etc. at company's Jaipur plant. With the brownfield expansion in Odisha, company is able to increase their downstream capacity from below 50% to above 65%.</p> <p>To acquire 54% stake in Cromeni steels having 0.6mtpa cold rolling facility at Mundra for Rs13.4bn. The transaction is expected to complete by Q1FY25 end. Chromeni Plant is expected to operationalize in the next 6 month.</p> <p>Total Capex in FY25 will be around Rs 5,300 Cr and in FY26 will be around Rs 1,300 Cr</p>	<p>Company has taken board approval to raise Rs50bn for future expansion.</p> <p>Company has bought remaining stake in Chromeni steel (46%).</p>	Forward integration will drive higher margins in future
On margins and exceptional items	Gross Margin fall to 31% from 33% in Q3FY24 due to continuous fall in Nickel prices coupled with weak demand in key export market	Gross margin improved back to 33% from 31% last quarter supported by lower cost inventory QoQ.	Expect stable margins in range of Rs18000-20000

Source: Company

Other financial and Concall Highlights

- The stainless steel demand continue to remain healthy across all major segments in the domestic market.
- Volume stood at 0.58mt up 1.4% QoQ. Exports contributed 10% of total sales. Management maintains 20% YoY volume growth guidance in FY25 and FY26.
- JUSL sales volume stood at 0.5mt in Q1FY25.
- Sales mix of 200 series stood at 36%, 300 series at 46% and 400 series at 19%.
- Management guided EBITDA/t to 18,000-20,000/t in FY25.
- The Capex guidance for FY25 is Rs 5,500 crore out of which 2,200 crore already spent in Q1FY25
- JSL has completed 4.87% stake sale in Jindal coke ltd. Rest expected to conclude by September 2024.
- JCL EBITDA in Q1FY25 is Rs 173crore and Net Debt stood at Rs 375-400crore as on June 24
- The Rathi facility is now operational, with an expected EBITDA per tonne of INR 4,000 to 7,000 in FY25.
- Chromeni reported a loss of INR 34 crore this quarter and is expected to become operational by Q3 FY25
- Management maintaining Net debt/EBITDA below 1.5x
- JSL is entering channel financing to support its dealers and distributors

Exhibit 2: Key statistics

Standalone key monitarables	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	% ch qoq	% ch yoy
Sales volumes ('000t)	549	544	512	570	578	1.4	5.4
Blended realisation/t (Rs)	1,82,776	1,78,808	177,486	166,925	165,788	-0.7	-9.3
EBITDA/t (Rs)	20,375	19,679	19,937	14,505	17,373	19.8	-14.7
Average Nickel price (USD/t)	22,308	20,401	17,247	16,589	18,413	11.0	-17.5
Average Ferro Chrome price (Rs/t)	1,07,473	1,10,071	109,588	116,715	108,223	-7.3	0.7

Source: Centrum Broking, Company Data

Exhibit 3: Debt position change

(Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	QoQ (%)	YoY (%)
Total Long term debt	29,880	29,820	34,170	32,030	34,120	6.5	14.2
Short term borrowing	4,890	4,350	7,660	5,930	7,650	29.0	56.4
Total Debt	34,770	34,170	41,830	37,960	41,770	10.0	20.1
Cash and investments	5,200	12,680	10,970	13,780	11,210	-18.7	115.6
Net debt	29,570	21,490	30,860	24,180	30,560	26.4	3.3
JUSL	19,470	19,360	15,390	14,500	17,400	20.0	-10.6
Subsidiaries debt	4,110	4,660	2,000	700	1,510	115.7	-63.3
Total net debt	53,150	45,510	48,250	39,380	49,470	25.6	-6.9
Change in net-debt	23,440	(7,640)	2,740	(8,870)	10,090		

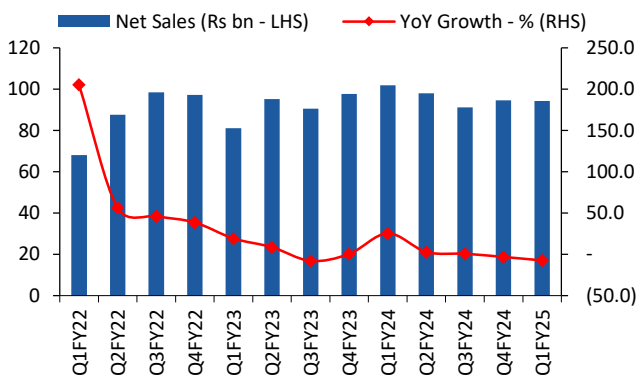
Source: Centrum Broking, Company Data

Exhibit 4: Per tonne analysis

DESCRIPTION	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
Average realisation/t	1,85,631	1,80,219	178,265	165,755	163,104
Costs					
Change in inventory	65	15,077.29	(11,284.24)	7,326.93	(7,658.83)
Raw material	1,29,969	1,12,215	131,372	106,856	116,464
Gross margin	55,596	52,927	58,178	51,572	54,299
Gross margin %	30%	29%	33%	31%	33%
Operating and manufacturing	14,081	10,808	10,272	10,748	10,857
Stores and Spares	8,028	7,185	8,677	8,858	8,360
Power cost	8,948	9,687	11,764	10,535	10,594
Employee cost	2,805	2,610	3,126	3,281	3,529
EBITDA/t	21,734	22,637	24,339	18,150	20,960

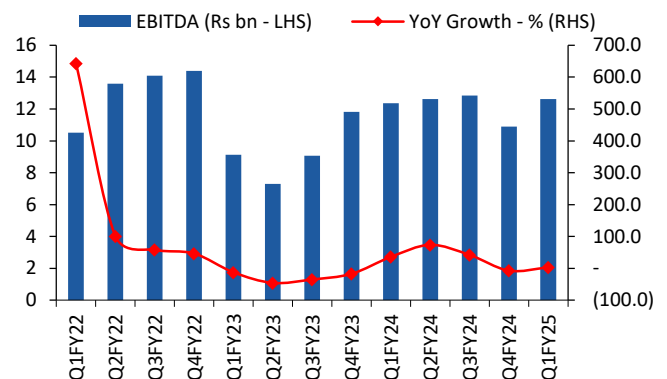
Source: Centrum Broking, Company Data

Exhibit 5: Revenue decline by ~7.4% YoY to Rs94.3bn



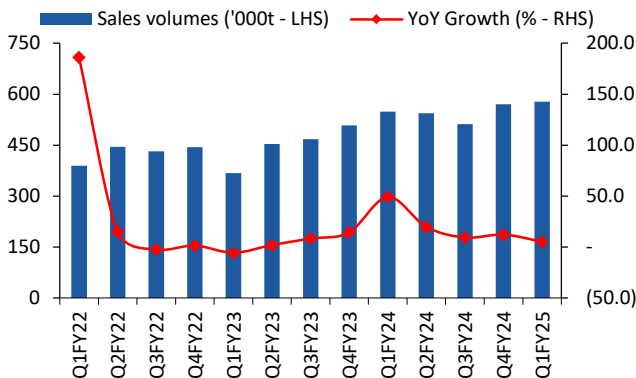
Source: Centrum Broking, Company Data

Exhibit 6: EBITDA increase by 2.2% YoY



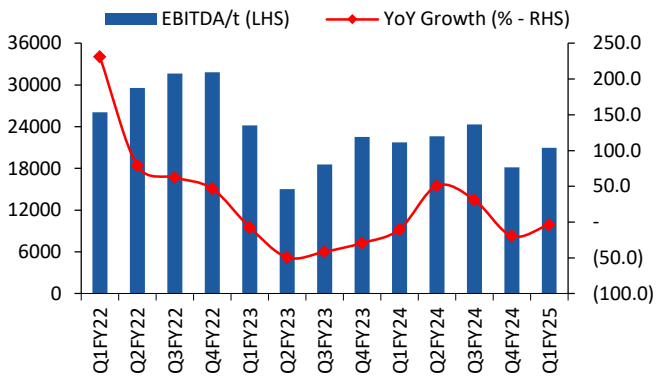
Source: Centrum Broking, Company Data

Exhibit 7: Volumes increases by 5.4% YoY



Source: Centrum Broking, Company Data

Exhibit 8: EBITDA/t down 3.6% YoY to Rs20,960/t



Source: Centrum Broking, Company Data

P&L					
YE Mar (Rs mn)	FY22A	FY23A	FY24A	FY25E	FY26E
Revenues	3,27,327	3,56,970	3,85,625	4,90,082	5,76,141
Operating Expense	2,45,851	2,81,704	3,07,161	3,77,606	4,44,512
Employee cost	5,541	5,393	6,430	5,681	5,965
Others	25,030	34,012	24,991	47,039	53,501
EBITDA	50,905	35,861	47,043	59,756	72,163
Depreciation & Amortisation	7,591	7,238	8,788	9,940	11,736
EBIT	43,314	28,623	38,255	49,816	60,427
Interest expenses	3,437	3,246	5,544	5,242	2,426
Other income	707	1,263	1,691	4,263	4,669
PBT	40,584	26,640	34,402	48,837	62,671
Taxes	10,497	6,901	8,990	12,209	15,668
Effective tax rate (%)	25.9	25.9	26.1	25.0	25.0
PAT	30,087	19,739	25,412	36,628	47,003
Minority/Associates	701	1,406	531	1,125	2,250
Recurring PAT	30,788	21,145	25,943	37,753	49,253
Extraordinary items	0	0	0	0	0
Reported PAT	30,788	21,145	25,943	37,753	49,253

Ratios					
YE Mar	FY22A	FY23A	FY24A	FY25E	FY26E
Growth (%)					
Revenue	173.1	9.1	8.0	27.1	17.6
EBITDA	257.4	(29.6)	31.2	27.0	20.8
Adj. EPS	801.1	(56.2)	22.7	45.5	30.5
Margins (%)					
Gross	34.8	31.4	30.7	33.8	33.4
EBITDA	15.6	10.0	12.2	12.2	12.5
EBIT	13.2	8.0	9.9	10.2	10.5
Adjusted PAT	9.4	5.9	6.7	7.7	8.5
Returns (%)					
ROE	47.3	19.4	19.7	23.4	24.3
ROCE	32.2	14.9	16.2	17.9	18.4
ROIC	34.1	15.7	18.1	19.0	19.6
Turnover (days)					
Gross block turnover ratio (x)	4.2	4.0	3.2	3.0	3.4
Debtors	27	38	31	24	25
Inventory	53	78	77	67	70
Creditors	47	69	70	59	61
Net working capital	52	54	58	48	54
Solvency (x)					
Net debt-equity	0.4	0.2	0.3	0.3	0.1
Interest coverage ratio	14.8	11.0	8.5	11.4	29.7
Net debt/EBITDA	0.7	0.8	0.8	0.9	0.3
Per share (Rs)					
Adjusted EPS	58.6	25.7	31.5	45.8	59.8
BVPS	186.9	144.9	174.4	217.8	273.9
CEPS	73.0	34.5	42.2	57.9	74.1
DPS	0.0	2.5	3.0	1.0	1.0
Dividend payout (%)	0.0	9.7	9.5	2.2	1.7
Valuation (x)					
P/E	12.5	28.5	23.3	16.0	12.3
P/BV	3.9	5.1	4.2	3.4	2.7
EV/EBITDA	12.6	17.6	13.6	11.0	8.7
Dividend yield (%)	0.0	0.3	0.4	0.1	0.1

Source: Company, Centrum Broking

Balance sheet					
YE Mar (Rs mn)	FY22A	FY23A	FY24A	FY25E	FY26E
Equity share capital	1,051	1,647	1,647	1,647	1,647
Reserves & surplus	97,180	1,17,665	1,41,932	1,77,737	2,23,916
Shareholders fund	98,231	1,19,312	1,43,579	1,79,384	2,25,563
Minority Interest	670	364	166	166	166
Total debt	40,073	39,582	60,523	70,523	53,523
Non Current Liabilities	4,329	4,997	5,051	5,051	5,051
Def tax liab. (net)	8,904	8,606	12,415	12,415	12,415
Total liabilities	1,52,206	1,72,861	2,21,734	2,67,538	2,96,718
Gross block	77,073	90,153	1,20,464	1,63,525	1,71,789
Less: acc. Depreciation	0	0	0	0	0
Net block	77,073	90,153	1,20,464	1,63,525	1,71,789
Capital WIP	5,179	7,609	10,846	10,846	10,846
Net fixed assets	91,714	1,07,341	1,43,564	1,86,625	1,94,889
Non Current Assets	8,630	6,250	7,660	7,660	7,660
Investments	5,549	6,694	9,123	9,123	9,123
Inventories	67,854	83,939	79,315	1,01,592	1,19,432
Sundry debtors	38,597	36,578	28,369	36,053	42,384
Cash & Cash Equivalents	3,269	12,315	23,324	18,755	30,956
Loans & advances	0	0	61	61	61
Other current assets	10,228	18,285	16,758	12,869	12,869
Trade payables	57,427	78,210	69,257	88,017	1,03,473
Other current liab.	16,140	20,309	17,120	17,120	17,120
Provisions	68	23	62	62	62
Net current assets	46,313	52,576	61,387	64,131	85,047
Total assets	1,52,206	1,72,861	2,21,734	2,67,538	2,96,718

Cashflow					
YE Mar (Rs mn)	FY22A	FY23A	FY24A	FY25E	FY26E
Profit Before Tax	41,590	27,740	35,925	48,837	62,671
Depreciation & Amortisation	7,591	7,238	8,788	9,940	11,736
Net Interest	3,437	3,246	5,544	5,242	2,426
Net Change – WC	(32,322)	2,026	7,501	(11,202)	(8,715)
Direct taxes	(8,568)	(7,537)	(7,373)	(12,209)	(15,668)
Net cash from operations	10,381	30,956	48,181	40,608	52,450
Capital expenditure	(9,711)	(16,557)	(14,749)	(53,000)	(20,000)
Acquisitions, net	0	0	0	0	0
Investments	0	0	0	0	0
Others	0	0	0	0	0
Net cash from investing	(9,853)	(24,817)	(33,402)	(53,000)	(20,000)
FCF	670	14,399	33,432	(12,392)	32,450
Issue of share capital	0	0	0	0	0
Increase/(decrease) in debt	(1,185)	2,691	922	10,000	(10,000)
Dividend paid	0	0	(2,857)	(823)	(823)
Interest paid	(3,253)	(2,959)	(5,330)	0	0
Others	967	(124)	(242)	0	0
Net cash from financing	(3,471)	(392)	(7,507)	9,177	(10,823)
Net change in Cash	(2,943)	5,748	7,273	(3,216)	21,627

Source: Company, Centrum Broking

Disclaimer

Centrum Broking Limited ("Centrum") is a full-service, Stock Broking Company and a member of The Stock Exchange, Mumbai (BSE) and National Stock Exchange of India Ltd. (NSE). Our holding company, Centrum Capital Ltd, is an investment banker and an underwriter of securities. As a group Centrum has Investment Banking, Advisory and other business relationships with a significant percentage of the companies covered by our Research Group. Our research professionals provide important inputs into the Group's Investment Banking and other business selection processes.

Recipients of this report should assume that our Group is seeking or may seek or will seek Investment Banking, advisory, project finance or other businesses and may receive commission, brokerage, fees or other compensation from the company or companies that are the subject of this material/report. Our Company and Group companies and their officers, directors and employees, including the analysts and others involved in the preparation or issuance of this material and their dependants, may on the date of this report or from, time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. Centrum or its affiliates do not own 1% or more in the equity of this company. Our sales people, dealers, traders and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. We may have earlier issued or may issue in future reports on the companies covered herein with recommendations/information inconsistent or different those made in this report. In reviewing this document, you should be aware that any or all of the foregoing, among other things, may give rise to or potential conflicts of interest. We and our Group may rely on information barriers, such as "Chinese Walls" to control the flow of information contained in one or more areas within us, or other areas, units, groups or affiliates of Centrum. Centrum or its affiliates do not make a market in the security of the company for which this report or any report was written. Further, Centrum or its affiliates did not make a market in the subject company's securities at the time that the research report was published.

This report is for information purposes only and this document/material should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities, and neither this document nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This document does not solicit any action based on the material contained herein. It is for the general information of the clients of Centrum. Though disseminated to clients simultaneously, not all clients may receive this report at the same time. Centrum will not treat recipients as clients by virtue of their receiving this report. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Similarly, this document does not have regard to the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive this document. The securities discussed in this report may not be suitable for all investors. The securities described herein may not be eligible for sale in all jurisdictions or to all categories of investors. The countries in which the companies mentioned in this report are organized may have restrictions on investments, voting rights or dealings in securities by nationals of other countries. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Persons who may receive this document should consider and independently evaluate whether it is suitable for his/ her/their particular circumstances and, if necessary, seek professional/financial advice. Any such person shall be responsible for conducting his/her/their own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this document.

The projections and forecasts described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. Projections and forecasts are necessarily speculative in nature, and it can be expected that one or more of the estimates on which the projections and forecasts were based will not materialize or will vary significantly from actual results, and such variances will likely increase over time. All projections and forecasts described in this report have been prepared solely by the authors of this report independently of the Company. These projections and forecasts were not prepared with a view toward compliance with published guidelines or generally accepted accounting principles. No independent accountants have expressed an opinion or any other form of assurance on these projections or forecasts. You should not regard the inclusion of the projections and forecasts described herein as a representation or warranty by or on behalf of the Company, Centrum, the authors of this report or any other person that these projections or forecasts or their underlying assumptions will be achieved. For these reasons, you should only consider the projections and forecasts described in this report after carefully evaluating all of the information in this report, including the assumptions underlying such projections and forecasts.

The price and value of the investments referred to in this document/material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. Future returns are not guaranteed and a loss of original capital may occur. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Centrum does not provide tax advice to its clients, and all investors are strongly advised to consult regarding any potential investment. Centrum and its affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Foreign currencies denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies effectively assume currency risk. Certain transactions including those involving futures, options, and other derivatives as well as non-investment-grade securities give rise to substantial risk and are not suitable for all investors. Please ensure that you have read and understood the current risk disclosure documents before entering into any derivative transactions.

This report/document has been prepared by Centrum, based upon information available to the public and sources, believed to be reliable. No representation or warranty, express or implied is made that it is accurate or complete. Centrum has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. The opinions expressed in this document/material are subject to change without notice and have no obligation to tell you when opinions or information in this report change.

This report or recommendations or information contained herein do/does not constitute or purport to constitute investment advice in publicly accessible media and should not be reproduced, transmitted or published by the recipient. The report is for the use and consumption of the recipient only. This publication may not be distributed to the public used by the public media without the express written consent of Centrum. This report or any portion hereof may not be printed, sold or distributed without the written consent of Centrum.

The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Neither Centrum nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

This document does not constitute an offer or invitation to subscribe for or purchase or deal in any securities and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. This document is strictly confidential and is being furnished to you solely for your information, may not be distributed to the press or other media and may not be reproduced or redistributed to any other person. The distribution of this report in other jurisdictions may be restricted by law and persons into whose possession this report comes should inform themselves about, and observe any such restrictions. By accepting this report, you agree to be bound by the foregoing limitations. No representation is made that this report is accurate or complete.

The opinions and projections expressed herein are entirely those of the author and are given as part of the normal research activity of Centrum Broking and are given as of this date and are subject to change without notice. Any opinion estimate or projection herein constitutes a view as of the date of this report and there can be no assurance that future results or events will be consistent with any such opinions, estimate or projection.

This document has not been prepared by or in conjunction with or on behalf of or at the instigation of, or by arrangement with the company or any of its directors or any other person. Information in this document must not be relied upon as having been authorized or approved by the company or its directors or any other person. Any opinions and projections contained herein are entirely those of the authors. None of the company or its directors or any other person accepts any liability whatsoever for any loss arising from any use of this document or its contents or otherwise arising in connection therewith.

Centrum and its affiliates have not managed or co-managed a public offering for the subject company in the preceding twelve months. Centrum and affiliates have not received compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for service in respect of public offerings, corporate finance, debt restructuring, investment banking or other advisory services in a merger/acquisition or some other sort of specific transaction.

As per the declarations given by him, Mr. Kunal Kothari, research analyst and and/or any of his family members do not serve as an officer, director or any way connected to the company/companies mentioned in this report. Further, as declared by him, he has not received any compensation from the above companies in the preceding twelve months. He does not hold any shares by him or through his relatives or in case if holds the shares then will not to do any transactions in the said scrip for 30 days from the date of release..

While we would endeavour to update the information herein on a reasonable basis, Centrum, its associated companies, their directors and employees are under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Centrum from doing so.

Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Centrum policies, in circumstances where Centrum is acting in an advisory capacity to this company, or any certain other circumstances.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Centrum Broking Limited or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market.

Ratings definitions

Our ratings denote the following 12-month forecast returns:

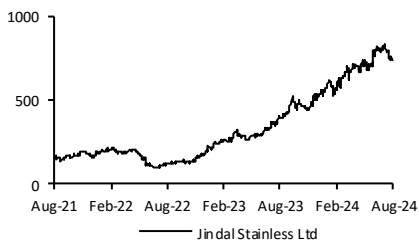
Buy – The stock is expected to return above 15%.

Add – The stock is expected to return 5-15%.

Reduce – The stock is expected to deliver -5-+5% returns.

Sell – The stock is expected to deliver <-5% returns.

Jindal Stainless



Source: Bloomberg

Disclosure of Interest Statement

1	Business activities of Centrum Broking Limited (CBL)	Centrum Broking Limited (hereinafter referred to as "CBL") is a registered member of NSE (Cash, F&O and Currency Derivatives Segments), MCX-SX (Currency Derivatives Segment) and BSE (Cash segment), Depository Participant of CDSL and a SEBI registered Portfolio Manager.	
2	Details of Disciplinary History of CBL	CBL has not been debarred/ suspended by SEBI or any other regulatory authority from accessing /dealing in securities market.	
3	Registration status of CBL:	CBL is registered with SEBI as a Research Analyst (SEBI Registration No. INH000001469)	
			Jindal Stainless
4	Whether Research analyst's or relatives' have any financial interest in the subject company and nature of such financial interest		No
5	Whether Research analyst or relatives have actual / beneficial ownership of 1% or more in securities of the subject company at the end of the month immediately preceding the date of publication of the document.		No
6	Whether the research analyst or his relatives has any other material conflict of interest		No
7	Whether research analyst has received any compensation from the subject company in the past 12 months and nature of products / services for which such compensation is received		No
8	Whether the Research Analyst has received any compensation or any other benefits from the subject company or third party in connection with the research report		No
9	Whether Research Analysts has served as an officer, director or employee of the subject company		No
10	Whether the Research Analyst has been engaged in market making activity of the subject company.		No
11	Whether it or its associates have managed or co-managed public offering of securities for the subject company in the past twelve months;		No
12	Whether it or its associates have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months;		No
13	Whether it or its associates have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months;		No

Member (NSE and BSE). Member MSEI (Inactive)

Single SEBI Regn. No.: INZ000205331

Depository Participant (DP)

CDSL DP ID: 120 – 12200

Single SEBI Regn. No.: IN-DP-537-2020

PORTFOLIO MANAGER

SEBI REGN NO.: INP000004383

Research Analyst

SEBI Registration No. INH000001469

Mutual Fund Distributor

AMFI REGN No. ARN- 147569

Website: www.centrumbroking.com**Investor Grievance Email ID:** investor.grievances@centrum.co.in**Compliance Officer Details:**

Ajay S Bendkhale

(022) 4215 9000/9023; Email ID: compliance@centrum.co.in

Centrum Broking Ltd. (CIN :U67120MH1994PLC078125)**Registered and Corporate Office:**

Level -9, Centrum House, C.S.T. Road,

Vidyanagari Marg, Kalina,

Santacruz (East) Mumbai – 400098

Tel.: - +91 22 4215 9000