Jindal Steel and Power Limited

July 06, 2021

Ratings

Facilities/Instruments	**Amount (Rs. crore)**	**Ratings[1]**	**Rating Action**
Long Term Bank Facilities	14,599.41 (Reduced from 18,286.01)	CARE A+; Stable (Single A Plus; Outlook: Stable)	Revised from CARE A-; Stable (Single A Minus; Outlook: Stable)
Short Term Bank Facilities	9,481.94 (Enhanced from 6,682.33)	CARE A1+ (A One Plus)	Revised from CARE A2+ (A Two Plus)
Total Bank Facilities	**24,081.35 (Rs. Twenty-Four Thousand Eighty-One Crore and Thirty-Five Lakhs Only)**		
Non-Convertible Debentures	-	-	Withdrawn
Non-Convertible Debentures	-	-	Withdrawn
Non-Convertible Debentures	-	-	Withdrawn
Non-Convertible Debentures	-	-	Withdrawn
Total Long-Term Instruments	**0.00**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The revision in the ratings assigned to the bank facilities of Jindal Steel and Power Limited (JSPL) factors in significant deleveraging of the company at the consolidated level attributed to repayment of a portion of its debt and divestment of its stake in Oman operations, supplemented further by the company's decision to offload its entire stake in its thermal power generating subsidiary, Jindal Power Limited (JPL). The company's faster-than-expected deleveraging has been supported by unprecedentedly strong operating performance marked by significantly higher-than-envisaged profitability per tonne and healthy sales volumes thereby resulting in healthy cash flows especially with the company garnering greater value from exports and value-added products which has been utilized to pay off debts in view of the management's focus to deleverage. CARE believes that, going forward, the company shall continue to report healthy sales volumes and spreads in the absence of any immediate signs of abatement of the industry upcycle, and hence it shall continue to deleverage further in the short to medium term.

The rating also takes cognizance of the announcement of expansion project at Angul being undertaken in the newly incorporated subsidiary of JSPL – Jindal Steel Odisha Limited (JSOL). CARE believes that the debt-funded project in its subsidiary would not result in any material increase in leverage at the consolidated level as fresh debt drawdowns shall happen over a period and would be more than compensated by the debt repayments, thereby keeping the overall projected leverage at healthy levels.

The ratings continue to derive strength from the long track record of JSPL's promoters and management in the steel business, and their considerable technical expertise and commercial acumen garnered through several cycles. The ratings also factor in the integrated nature of its manufacturing process supported by proximity to coal and iron ore mines, sizable scale-up of its operations with the introduction of cost-efficient processes in recent past, and emphasis of the management on high-margin products with a significant proportion of value-added long steel products which have demonstrated less susceptibility to cyclical price movements. However, the ratings continue to be constrained by the sizable repayment obligation of overseas subsidiaries and their dependence on JSPL to service their debt obligations, inherent cyclical nature of steel industry and susceptibility of profit margins to volatile raw material prices – with inadequate captive mines - and fluctuating steel prices, the risk being mitigated to an extent by the predominance of value-added products in its sales mix.

Furthermore, the ratings continue to take into consideration announcement of the sale of JSPL's entire stake (96.42%) in JPL to one of the promoter companies – Worldone Private Limited (WPL). The all-cash consideration JSPL is expected to receive from the transaction is Rs. 3,015 crore. As a part of the deal, the inter-corporate deposits (ICDs) and capital advances extended by JPL to JSPL are expected to be converted into 9.7% interest-bearing unsecured loans, with a definite schedule laid out for principal repayment. The proposed sale is subject to necessary approval of shareholders of the companies, regulatory approvals, approval from lenders of JSPL and JPL, contractual approvals and other approvals, consents, permissions and sanctions as may be necessary in line with the extant relevant guidelines.

[1] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications.*

CARE has withdrawn the ratings assigned to the NCD issues of Jindal Steel and Power Limited with immediate effect, as the company has repaid the NCD issues in full and there is no amount outstanding under the issues as on date.

Rating Sensitivities

Positive Factors - Factors that could lead to positive rating action/upgrade:

- Sustenance of strong operating performance with PBILDT per tonne above Rs.14,000 in FY22 and onwards.
- Improvement in consolidated gearing below 0.75 times and debt-to-PBILDT to below 1.6 times on sustained basis

Negative Factors- Factors that could lead to negative rating action/downgrade:

- Weaker than envisaged operating performance due to lower volumes or PBILDT per tonne below Rs.10,000.
- Increase in consolidated debt to PBILDT beyond 2.0 times.
- Any material increase in exposure towards subsidiaries, beyond envisaged levels.

Detailed description of the key rating drivers

Key Rating Strengths

Sizeable deleveraging, on a consolidated basis: With divestment in its Oman operations and repayment of scheduled debt obligation, the company has been able to reduce its total debt (Including LC Acceptances) to Rs. 32,082 crore as on March 31, 2021 (PY: Rs. 39,255 crore). The continuous reduction in debt and accretion of profits to net worth in FY21 (refers to the period April 01 to March 31) has led to improved overall gearing of 1.13x as on March 31, 2021 (PY: 1.35x). The interest coverage ratio and the total debt to PBILDT ratio of the company improved to 4.67x and 2.22x respectively as on March 31, 2021 (PY: 1.89x and 4.93x respectively) on account of its higher operating profit and reduced interest expense in line with the reduction in debt. The net debt-to-PBILDT of the company also improved to 1.72x as on March 31, 2021 from 4.82x as on March 31, 2020 the same is expected to improve further as the company has recently announced divestment of its entire stake in JPL, which is expected to reduce the total debt of the company by around Rs. 2,000 crore. In Q1FY22 (refers to the period from April 01 to June 30), payment of around Rs. 1,685 crore was made by the company for JSPML, further, from the surplus operating cash flows, the company has also made prepayment to the tune of Rs. 2,674 crore by June 15, 2021. Going forward, CARE expects the company's deleveraging to continue on the back of generation of healthy cash accruals and management stated intent to reduce debts.

Strong operating performance: The company reported significant improvement in its scale of operations and profitability in FY21. JSPL (standalone) sold 7.28 MT of steel in FY21 in comparison to 6.06 MT in FY20. Owing to increase in the steel prices and better mix of product with higher contribution from value added products the sales realization improved from Rs. 41,842/tonne in FY20 to Rs. 44,580/Tonne in FY21 while the sales realization in Q4FY21 was significantly higher at ~Rs. 54,322/tonne. The focus of the company was more towards export sales during H1FY21 as the demand from the domestic market was low due to Covid-19 induced lockdown in India, the company reported total export sales of 2.54 MT in FY21 against 0.78 MT in FY20, the increase in export sales helped the company to generate better volumes and income despite subdued domestic demand. JSPL reported higher than expected PBILDT/tonne (standalone) of Rs. 25,464 in Q4FY21 and Rs. 18,194 in FY21 in comparison to Rs. 9733 in FY20, mainly attributable to improving sales realization, availability of duty paid iron ore stock at Sarda Mines Private Limited (SMPL) and lower coking coal prices. Resultantly, the PBILDT margin of the company improved from 21.48% in FY20 to 37.05% in FY21. The company's ability to maintain growth in the sales volumes and report healthy PBILDT/tonne, and to generate adequate accruals to achieve envisaged deleveraging shall remain a key monitorable.

Proposed divestment in JPL: JPL is an independent power producer (IPP) with installed capacity of 3400 MW as on March 31, 2021. JSPL holds 96.42% stake in JPL and in April, 2021 announced divestment of its entire stake JPL to one of the promoter companies – Worldone Private Limited (WPL). The total value of the ICDs and capital advances extended by JPL to JSPL is Rs. 4386 crore and the same will be converted into 9.7% interest bearing unsecured loan once the deal is finalized. Several investors of JSPL requested the company to review terms of the proposed deal. The company is evaluating the proposal again and has postponed its Extra-ordinary General Meeting which was convened in May 2021. JPL issued bonus 5% non-convertible preference shares with face value of Rs. 6803 crore to JSPL during FY21 (present value of Rs. 2964 crore as on March 31, 2021). While the completion of divestment of JPL would help JSPL reduce its consolidated debt, any cancellation of the deal shall not materially impact its credit profile considering the large size of overall operations and balance sheet.

Experienced promoters with a long track record: JSPL, part of the Naveen Jindal group, was constituted in April 1998 by hiving off the Raigarh and Raipur manufacturing facilities of Jindal Strips Limited (JSL) into a separate company and, therefore, has a long track record of operations. Mr. Naveen Jindal (Chairman) holds experience of around 30 years in steel and power business. Mr. Jindal is supported by Mr. V.R. Sharma, Managing Director (experience of around 38 years in steel, cement and power industry), further, the top management of the company is supported by a team of highly qualified professionals. The promoters of the company have demonstrated their support in form of regular equity infusions; more recently through a qualified institutional placement (QIP) in FY18 of Rs. 1,200 crore followed by issue of share warrants to promoters of Rs. 673 crore (issued in FY18 with 25% upfront receipt and converted into equity share in FY20 with receipt of remaining 75%) and fresh equity infusion of Rs 20 crore.

Emphasis on high margin value added products: The company has a healthy balance in its product mix, with value added products accounting for 66% of its sales in FY21 (PY: 62%). The company manufactures value-added products through its rail and universal beam mill, plate mill, medium and light section mill and bar mill. In addition, the company has a wire rod mill, a pelletization and a cement plant. The high level of operational integration and presence in the value-added product segments enable the company to have competitive cost of production, and report better overall realizations and higher operating profits thereby limiting margin contraction during down-cycle. Besides, the presence of the company across the entire steel value chain provides it the flexibility to sell its products at various stages of production. Notably, the company is largely into long products and specialty grade flats, where the threat of imports is lesser. Besides, the company has established itself as one of the preferred suppliers of rails (including speciality rails) to Indian Railways and its controlled entities including Dedicated Freight Corridor Corporation of India Limited (DFCCIL) and metro projects. JSPL has the capability to manufacture one of the longest rails in India.

Operational integration and efficiency-accretive investments in the recent past: The company sources a part of its iron ore requirement from its captive mines at Tensa, Orissa with extraction capacity of 3.11 MTPA. Although, the company has fully utilized its duty paid iron ore stock from SMPL, it has adequate iron ore stock for its current requirement while future requirement is proposed to be met from sourcing arrangements with OMC/NDMC and private mine owners in Odisha. The proximity of the mines to its manufacturing facility has helped the company to save freight cost and will continue to ensure the better availability of adequate quantity of iron ore. The company meets part of its non-coking coal requirements from coal linkage while the remaining requirement is met through e-auction/imports of coal. Wollongong Coal Limited (Step-down subsidiary of JSPL) has recently received approval for its Russell Vale coking coal mines, Australia and it is expected to start mining from Q2FY22. As an initiative to introduce cost-efficient processes of capacity expansion, a coal gasification plant was set up in Angul, Odisha in May 2014. The facility uses high ash coal available in the vicinity of the site and converts it into synthetic gas, which is used along with coke oven gases for the production of direct-reduced iron (DRI).

Key Rating Weaknesses

Sizable repayment obligation of overseas subsidiaries: JSPL through its wholly owned subsidiary, Jindal Steel and Power (Mauritius) Limited (JSPML), has made overseas investments in the group. JSPML's investments span across operating assets in South Africa, Mozambique and Australia. This includes coking coal mines in Australia, anthracite coal mines in South Africa and coking and thermal coal mines in Mozambique. The overseas subsidiaries of JSPL in Mauritius and Australia (with debt outstanding of Rs. 2,653 crore and Rs. 1,626 crore as on June 26, 2021 respectively), are dependent on JSPL's Indian operations for funds to repay their debt obligations. While JSPL's India operations generates sufficient surplus cash flows to take care of overseas debt repayments, the company's ability to timely arrange requisite regulatory approvals to remit funds to repay overseas debt and to refinance it with longer maturities shall remain a key monitorable. It is pertinent to note that the company presently has the approval to raise more than USD 1.27 billion of USD Bonds as well as to remit funds to its overseas subsidiaries to meet its debt obligations and other operating expenses.

Sizable capacity expansion project: JSPL has recently announced about proposed enhancement in its existing steel manufacturing capacity by 7.3 MTPA from 8.6 MTPA to 15.90 MTPA and enhancement in its pellet capacity from 9 MTPA to 21 MTPA. With an estimated cost of ~Rs. 18,000 crore the project is expected to be funded through debt equity proportion of 7:3. This project shall be undertaken in separately incorporated subsidiary (Jindal Steel Odisha Limited-JSOL) wherein JSPL will invest Rs.5,400 crore over the next two years as equity contribution and remaining funds will be sourced by raising debt. However, in line with its stated strategy and vision, the company will not let its consolidated debt to increase and the fresh debt availed for capex would be in line with the debt repayments at the consolidated level. The pellet and hot strip mill project is expected to partially (6 MTPA) complete by FY23 and remaining 6 MTPA in FY24 while the steel manufacturing plant is expected to complete by FY25. The company's ability to timely complete the project without any time cost overrun and ramp up the operations as envisaged shall remain key monitorable.

Susceptibility of profit margins to volatility in raw material prices: The company is dependent on third party suppliers for both the key raw materials viz. iron ore and coking coal which is largely met through imports. These raw materials have shown a volatile trend in prices over the years although the risk may get mitigated to an extent if the company is able to generate sufficient volumes from its coking coal mines in Australia which it plans to start from Q2FY22. The volatility in prices of raw materials is bound to impact the profitability of steel players in India. The company's basic steelmaking process involves a mix of DRI and blast furnace capacities which provides some flexibility during times of high coking coal prices. Additionally, the company has secured itself partially for its future coking coal requirements with its mines in Australia and Mozambique. However, future benefits to the company would hinge upon its ability to economically ramp up production at these mines, and ship it back to India for consumption at its Indian operations.

Cyclical nature of steel industry: The steel industry is sensitive to business cycles, including changes in the general economy, interest rates and seasonal changes in the demand and supply conditions in the market. Furthermore, the producers of steel products are essentially price-takers in the market, which directly expose their cash flows and profitability to volatility of the steel industry. However, greater process integration, access to raw material inputs and a higher share of value-added products serve to de-risk steelmakers from the inherent cyclicality.

Industry growth prospects

The imposition of localised lockdowns hit demand from several user industries such as automobiles and consumer durables. While domestic demand weakened due to the localised lockdown, demand from the export market remained robust. Export of finished steel jumped 30% in May 2021 over the previous month. Share of export in total finished steel production increased up to 15% from 11% in the preceding month. Exports to Italy, Turkey, Spain, Hong Kong and Nepal from India has risen sharply in recent months due to sharp rise in international steel prices. CARE expects domestic demand to be lower in the Q1FY22 however in Q2 demand is expected to return with unlocking of restrictions. Capacity utilisation rate of user industries will start to improve as more people get vaccinated and return to work in the coming months thereby pushing steel demand. Steel producers are likely to cover up the lost production in the subsequent months and therefore there is no change in our annual crude steel output forecast of 9-11% growth for FY22. Domestic steel prices continue to remain at a sharp discount to international steel prices which indicates there is room for further price hike.

Liquidity: Strong

JSPL's liquidity position improved and stood strong marked by healthy cash accruals of Rs. 12,334 crore during FY21 (PY: Rs. 3,731 crore) and free cash and cash equivalent of ~Rs 7,000 crore as on March 31, 2021. The company expects gross cash accruals of ~Rs. 12,600 crore against scheduled debt repayment obligation of Rs. 6861 crore (excl. JPL) in FY22. Free cash and cash equivalent of the company after making the payment of instalment of JSPML in April and prepayment of debt in May and June, 2021 stood at ~Rs. 1,650 crore as on June 26, 2021, while the unutilized CC limit was of ~Rs. 1250 crore. Working capital cycle of the company remained well managed resulting in healthy cash flow from operations. Average fund based working capital utilization of the company stood low at ~40% for the trailing 12 months ended May, 2021.

Analytical approach: CARE has adopted a consolidated approach on account of operational and financial linkages among the entities. The list of entities whose financials have been combined is mentioned in Annexure -5

Applicable Criteria

Criteria on assigning Outlook and credit watch to Credit Ratings
Policy on Withdrawal of ratings
CARE's Policy on Default Recognition
Financial ratios – Non-Financial Sector
Rating Methodology-Manufacturing Companies
Criteria for Short Term Instruments
Rating Methodology-Steel Industry
Rating Methodology- Consolidation
Liquidity Analysis of Non - Financial Sector Entities
Factoring Linkages Parent Sub JV Group

About the Company

JSPL, part of the O P Jindal group, was formed in April 1998 by hiving off the Raigarh and Raipur manufacturing facilities of Jindal Strips Ltd. (JSL) into a separate company. JSPL is amongst the leading integrated steel producers (ISPs) in the country. The company's key business activities include manufacturing of sponge iron, steel products and power generation with its operations spread across Chhattisgarh (Raigarh and Raipur), Odisha (Barbil and Angul) and Jharkhand (Patratu) in India. JSPL has an installed capacity of 8.6 MTPA of liquid steel, 9.0 MTPA of pellet, and 6.55 MTPA of finished steel manufacturing in India as on March 31, 2021. The company also has power generation capacity of 1,634 MW (including captive) as on March 31, 2021, the surplus power from which is sold on merchant basis. Besides, it has a presence outside India with major operations in South Africa, Indonesia, Mozambique and Australia through its various subsidiaries. The company recently announced about divestment of its entire stake in one of its subsidiary JPL (96.42% stake). The total capacity of JPL was 3,400 MW.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A-Abridged)
Total operating income	37,043	38,989
PBILDT	7,956	14,444
PAT (after discontinued operations)	-400	4,267
Overall gearing (times)	1.35	1.13
Interest coverage (times)	1.89	4.67

A: Audited

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: *Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3*

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	1,712.00	CARE A+; Stable
Non-fund-based - ST-BG/LC	-	-	-	9,481.94	CARE A1+
Fund-based - LT-Term Loan	-	-	June 30, 2034	11,970.46	CARE A+; Stable
Fund-based - LT-Term Loan		-	March 31, 2027	916.95	CARE A+; Stable
Debentures-Non Convertible Debentures	November 09, 2009	9.80% pa	-	0.00	Withdrawn
Debentures-Non Convertible Debentures	November 24, 2009	9.80%-10.48% p.a.	-	0.00	Withdrawn
Debentures-Non Convertible Debentures	December 29, 2009	9.80% p.a.	-	0.00	Withdrawn
Debentures-Non Convertible Debentures	January 25, 2010	9.80% pa	-	0.00	Withdrawn

Name of the Instrument with ISIN No.(NCD)	Date of Issuance	Coupon Rate	Rating assigned along with Rating Outlook
INE749A07466	25-Jan-10	9.80%	Withdrawn
INE749A07458	19-Feb-10	9.80%	Withdrawn
INE749A07433	26-Mar-10	9.80%	Withdrawn
INE749A07417	9-Nov-09	9.80%	Withdrawn
INE749A07425	8-Dec-09	9.80%	Withdrawn
INE749A07474	8-Jan-10	9.80%	Withdrawn
INE749A07276	29-Dec-09	9.80%	Withdrawn
INE749A07409	24-Nov-09	9.80%	Withdrawn
INE749A07441	24-Dec-09	9.80%	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (30-Dec-20) 2)CARE BBB-; Stable (06-Jul-20) 3)CARE BBB- (CWN) (17-Apr-20)	1)CARE BBB-; Stable (30-Aug-19)	1)CARE BBB-; Stable (08-Feb-19) 2)CARE BBB-; Stable (04-Apr-18)

2.	Fund-based - LT-Term Loan	LT	11970.46	CARE A+; Stable	1)CARE A-; Stable (06-May-21) 2)CARE A-; Stable (01-Apr-21)	1)CARE BBB+; Stable (30-Dec-20) 2)CARE BBB-; Stable (06-Jul-20) 3)CARE BBB- (CWN) (17-Apr-20)	1)CARE BBB-; Stable (30-Aug-19)	1)CARE BBB-; Stable (08-Feb-19) 2)CARE BBB-; Stable (04-Apr-18)
3.	Debentures-Non Convertible Debentures	LT	-	-	1)CARE A-; Stable (06-May-21) 2)CARE A-; Stable (01-Apr-21)	1)CARE BBB+; Stable (30-Dec-20) 2)CARE BBB-; Stable (06-Jul-20) 3)CARE BBB- (CWN) (17-Apr-20)	1)CARE BBB-; Stable (30-Aug-19)	1)CARE BBB-; Stable (08-Feb-19) 2)CARE BBB-; Stable (04-Apr-18)
4.	Fund-based - LT-Cash Credit	LT	1712.00	CARE A+; Stable	1)CARE A-; Stable (06-May-21) 2)CARE A-; Stable (01-Apr-21)	1)CARE BBB+; Stable (30-Dec-20) 2)CARE BBB-; Stable (06-Jul-20) 3)CARE BBB- (CWN) (17-Apr-20)	1)CARE BBB-; Stable (30-Aug-19)	1)CARE BBB-; Stable (08-Feb-19) 2)CARE BBB-; Stable (04-Apr-18)
5.	Non-fund-based - ST-BG/LC	ST	9481.94	CARE A1+	1)CARE A2+ (06-May-21) 2)CARE A2+ (01-Apr-21)	1)CARE A2 (30-Dec-20) 2)CARE A3 (06-Jul-20) 3)CARE A3 (CWN) (17-Apr-20)	1)CARE A3 (30-Aug-19)	1)CARE A3 (08-Feb-19) 2)CARE A3 (04-Apr-18)
6.	Fund-based - ST-Working Capital Limits	ST	-	-	-	1)Withdrawn (30-Dec-20) 2)CARE A3 (06-Jul-20) 3)CARE A3 (CWN) (17-Apr-20)	1)CARE A3 (30-Aug-19)	1)CARE A3 (08-Feb-19) 2)CARE A3 (04-Apr-18)
7.	Debentures-Non Convertible Debentures	-	-	-	-	-	-	1)CARE BBB-; Stable (04-Apr-18)
8.	Debentures-Non Convertible Debentures	LT	-	-	1)CARE A-; Stable (06-May-21) 2)CARE A-; Stable (01-Apr-21)	1)CARE BBB+; Stable (30-Dec-20) 2)CARE BBB-; Stable (06-Jul-20) 3)CARE BBB- (CWN) (17-Apr-20)	1)CARE BBB-; Stable (30-Aug-19)	1)CARE BBB-; Stable (08-Feb-19) 2)CARE BBB-; Stable (04-Apr-18)

9.	Debentures-Non Convertible Debentures	LT	-	-	1)CARE A-; Stable (06-May-21) 2)CARE A-; Stable (01-Apr-21)	1)CARE BBB+; Stable (30-Dec-20) 2)CARE BBB-; Stable (06-Jul-20) 3)CARE BBB- (CWN) (17-Apr-20)	1)CARE BBB-; Stable (30-Aug-19)	1)CARE BBB-; Stable (08-Feb-19) 2)CARE BBB-; Stable (04-Apr-18)
10.	Fund-based/Non-fund-based-LT/ST	-	-	-	-	-	-	-
11.	Debentures-Non Convertible Debentures	LT	-	-	1)CARE A-; Stable (06-May-21) 2)CARE A-; Stable (01-Apr-21)	1)CARE BBB+; Stable (30-Dec-20) 2)CARE BBB-; Stable (06-Jul-20) 3)CARE BBB- (CWN) (17-Apr-20)	1)CARE BBB-; Stable (30-Aug-19)	1)CARE BBB-; Stable (08-Feb-19) 2)CARE BBB-; Stable (04-Apr-18)
12.	Fund-based - LT-Term Loan	LT	916.95	CARE A+; Stable	1)CARE A-; Stable (06-May-21) 2)CARE A-; Stable (01-Apr-21)	1)CARE BBB+; Stable (30-Dec-20) 2)CARE BBB; Stable (06-Jul-20) 3)CARE BBB (CWN) (17-Apr-20)	1)CARE BBB; Stable (30-Aug-19)	1)CARE BBB; Stable (08-Feb-19) 2)CARE BBB; Stable (04-Apr-18)

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Nil

Annexure 4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Debentures-Non Convertible Debentures	Simple
2.	Fund-based - LT-Cash Credit	Simple
3.	Fund-based - LT-Term Loan	Simple
4.	Non-fund-based - ST-BG/LC	Simple

Annexure-5: List of entities whose financials have been consolidated (as on March 31, 2021)

	Subsidiaries and Associates	Percentage Stake
	Subsidiaries	
1	Jindal Power Limited	96.43
2	Jindal Steel Bolivia SA	51.00
3	Jindal Steel & Power (Mauritius) Limited	100.00
4	Skyhigh Overseas Limited	100.00
5	Everbest Power Limited	100.00
6	Jindal Angul Power Limited	100.00
7	JB Fabinfra Limited	100.00
8	Trishakti Real Estate Infrastructure and Developers Limited	94.87
9	Raigarh Pathalgaon Expressway Ltd	100.00
10	Jindal Steel Odisha Limited (Incorporated in April, 2021 as a wholly owned subsidiary of JSPL)	100.00
	Subsidiaries of Jindal Power Limited	
11	Attunli Hydro Electric Power Company Limited	74.00
12	Etalin Hydro Electric Power Company Limited	74.00
13	Jindal Hydro Power Limited	99.25

	Subsidiaries and Associates	Percentage Stake
14	Jindal Power Distribution Limited	99.96
15	Ambitious Power Trading company Limited	79.34
16	Jindal Power Transmission Limited	99.25
17	Jindal Power Ventures (Mauritius) Limited	100.00
18	Kamala Hydro Electric Power Co. Limited	74.00
19	Kineta Power Limited	75.01
20	Uttam Infralogix Limited	100.00
21	Jindal Realty Limited	100.00
	Subsidiaries of Skyhigh Overseas Limited	
22	Gas to Liquids International S.A	87.56
23	Moonhigh Overseas Limited (w.e.f. 04-04-2020)	100.00
	Subsidiary of Jindal Power Ventures (Mauritius) Limited	
24	Jindal Power Senegal SAU	100.00
	Subsidiary of Uttam Infralogix Limited	
25	Panther Transfreight Limited	100.00
	Subsidiary of Jindal Realty Limited	
26	Jagran Developers Private Limited	100.00
	Subsidiaries of Jindal Steel & Power (Mauritius) Limited	
27	Blue Castle Ventures Limited	100.00
28	Brake Trading (Pty) Limited	85.00
29	Fire Flash Investments (Pty) Limited	65.00
30	Harmony Overseas Limited	100.00
31	Jindal (BVI) Limited	97.44
32	Jindal Africa Investments (Pty) Limited	100.00
33	Jindal Africa SA	100.00
34	Jindal Botswana (Pty) Limited	100.00
35	Jindal Investimentos LDA	100.00
36	Jindal Investment Holding Limited.	100.00
37	Jindal KZN Processing (Pty) Limited	85.00
38	Jindal Madagascar SARL	100.00
39	Jindal Mining & Exploration Limited	100.00
40	Jindal Mining Namibia (Pty) Limited	100.00
41	Jindal Steel & Minerals Zimbabwe Limited	100.00
42	Jindal Steel & Power (BC) Limited	100.00
43	Jindal Steel & Power (Australia) Pty Limited	100.00
44	Jindal Tanzania Limited	100.00
45	JSPL Mozambique Minerals LDA	97.50
46	Jubiliant Overseas Limited	100.00
47	Landmark Mineral Resources (Pty) Limited	60.00
48	Osho Madagascar SARL	100.00
49	PT Jindal Overseas	99.00
50	Jindal Shadeed Iron & Steel L.L.C(Ceased to be subsidiary w.e.f. 31.03.2021)	-
51	Jindal Iron Ore (Pty) Limited (Formerly known as Sungu Sungu Pty limited)	74.00
52	Trans Asia Mining Pty. Limited	100.00
53	Vision Overseas limited	100.00
54	Wollongong Coal Limited	61.02
55	Jindal Steel DMCC	100.00
56	Jindal Mauritania SARL (Liquidated as on 02.05.2019)	100.00
57	Jindal Africa Consulting (Pty) Limited	100.00
	Others	
58	Belde Empreendimentos Mineiros LDA, a subsidiary of JSPL Mozambique Minerals LDA	100.00
59	Eastern Solid Fuels (Pty) Limited, a subsidiary of Jindal Mining & Exploration Limited	100.00
60	PT BHI Mining Indonesia, a subsidiary of Jindal Investment Holding Limited	99.00
61	PT Sumber Surya Gemilang, a subsidiary of PT. BHI Mining Indonesia	99.00
62	PT Maruwai Bara Abadi, a subsidiary of PT. BHI Mining Indonesia	75.00

	Subsidiaries and Associates	Percentage Stake
63	Jindal Mining SA (Pty) Limited, a subsidiary of Eastern Solid Fuels (Pty) Limited	73.94
64	Bon-Terra Mining (Pty) Limited, a subsidiary of Jindal Energy SA (Pty) Limited	100.00
65	Jindal (Barbados) Holding Corp, a subsidiary of Jindal (BVI) Limited	100.00
66	Jindal Energy (Bahamas) Limited, a subsidiary of Jindal (BVI) Limited	99.98
67	Jindal Energy (Botswana) Pty Limited, a subsidiary of Jindal (BVI) Limited	100.00
68	Jindal Energy (SA) Pty Limited, a subsidiary of Jindal Africa Investments (Pty) Limited	100.00
69	Jindal Transafrica (Barbados) Corp, a subsidiary of Jindal (BVI) Limited	100.00
70	Jindal Resources (Botswana) Pty Limited, a subsidiary of Jindal Transafrica (Barbados) Corp	100.00
71	Trans Africa Rail (Pty) Limited, a subsidiary of Jindal Transafrica (Barbados) Corp	100.00
72	Sad-Elec (Pty) Limited, a subsidiary of Jindal Energy (SA) Pty Limited	100.00
73	Jindal (Barbados) Mining Corp, a subsidiary of Jindal (Barbados) Holding Corp	100.00
74	Jindal (Barbados) Energy Corp, a subsidiary of Jindal (Barbados) Holding Corp	100.00
75	Meepong Resources (Mauritius) (Pty) Limited, a subsidiary of Jindal (Barbados) Mining Corp	100.00
76	Meepong Resources (Pty) Limited, a subsidiary of Meepong Resources (Mauritius) (Pty) Limited	100.00
77	Meepong Energy (Mauritius) (Pty) Limited, a subsidiary of Jindal (Barbados) Energy Corp	100.00
78	Meepong Energy (Pty) Limited, a subsidiary of Meepong Energy (Mauritius) (Pty) Limited	100.00
79	Meepong Service (Pty) Limited, a subsidiary of Meepong Energy (Pty) Limited	100.00
80	Meepong Water (Pty) Limited, a subsidiary of Meepong Energy (Pty) Limited	100.00
81	Peerboom Coal (Pty) Limited, a subsidiary of Jindal Africa Investment (Pty) Limited (under winding up)	70.00
82	Shadeed Iron & Steel Company Limited, a subsidiary of Jindal Shadeed Iron & Steel LLC(Ceased to be subsidiary w.e.f. 31.03.2021)	-
83	Southbulli Holding Pty Limited, a subsidiary of Wollongong Coal Limited	100.00
84	Oceanic Coal Resources NL, a subsidiary of Wollongong Coal Limited	100.00
85	Wongawilli Coal Pty Limited, a subsidiary of Oceanic Coal Resources NL	100.00
86	Koleka Resources (Pty) Limited, a subsidiary of Jindal Africa Investment (Pty) Limited (under winding up)	60.00
87	Legend Iron Limited, a subsidiary of Jindal Shadeed Iron & Steel L.L.C(Ceased to be subsidiary w.e.f. 31.03.2021)	-
88	Cameroon Mining Action SA, a subsidiary of Legend Iron Limited (Ceased to be subsidiary w.e.f. 31.03.2021)	-
89	Enviro Waste Gas Services Pty Ltd., Subsidiary of Wollongong Coal Limited	100.00
	Associates	
90	Goedehoop Coal (Pty) Limited	50.00
91	Thuthukani Coal (Pty) Limited	49.00
92	Jindal Steel Andhra Limited (incorporated during the year)	49.00
	Joint Ventures	
93	Jindal Synfuels Limited	70.00
94	Shresht Mining and Metals Private Limited	50.00
95	Urtan North Mining Company Limited	66.67

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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