# Jindal Steel and Power Limited

April 04, 2024

| Facilities/Instruments | Amount (₹ crore) | Rating[1] | Rating Action |
|---|---|---|---|
| Long-term bank facilities | 18,360.00 (Enhanced from 12,860.00) | CARE AA; Stable | Reaffirmed |
| Short-term bank facilities | 16,640.00 (Reduced from 18,140.00) | CARE A1+ | Reaffirmed |
| Long-term / Short-term bank facilities | - | - | Withdrawn@ |
| Non-convertible debentures | 5,000.00 | CARE AA; Stable | Reaffirmed |

Details of instruments/facilities in Annexure-1.

@the facilities have been subsumed under Jindal Steel Odisha Limited, term loan facility, hence being withdrawn under Jindal Steel and Power Limited.

## Rationale and key rating drivers

The reaffirmation of ratings assigned to the instruments and bank facilities of Jindal Steel and Power Limited (JSPL) considers the sustenance of operating performance in 9MFY24 with total operating income (TOI) at ₹36,540 crore and Profit after Tax (PAT) of ₹5,010 crore. The sustained improvement in sales volumes and TOI over the last three years has resulted in significant improvement in cash flow from operating activities, which was majorly utilised towards significant de-leveraging by the company. The ratings also factor in the operationalisation of Gare Palma IV/6 coal mine to feed supply to its Raigarh steel plant. CARE Ratings Limited (CARE Ratings) notes that with the operationalisation of all the coal mines (recently acquired by JSPL), the company will be self-sufficient for its thermal coal requirement, going forward. JSPL will continue to benefit from the integrated nature of its operations supported by its proximity to coal and iron ore mines, cost-saving initiatives adopted by the company, and the likely scale-up of operations with the expansion of facilities.

JSPL is on track for completion of its announced capex under Jindal Steel Odisha Limited (100% subsidiary company). The company had commissioned its pellet plant-1 in Q2FY24, whereas the hot-stripped-mill (HSM) plant of 5.5 mtpa and slab caster 1 was commissioned in Q4FY24. The project is being implemented in three phases, with the last phase getting completed by March 31, 2025. The entire capex is expected to get commissioned by the end of FY25, thereby increasing the crude steel capacity from 9.60 mtpa as on March 31, 2023 to 15.60 mtpa by March 31, 2025.

The ratings continue to derive strength from the long track record of JSPL's promoters and management in the steel business and the emphasis of the management on high-margin products. The ratings further consider the stable operating performance demonstrated by the company from Q3FY23 onwards despite industry headwinds. In 9MFY24, JSPL has recorded consolidated sales of 5.66 mtpa, supported by marginal increase in price realisations. Going forward, CARE Ratings expects that although raw material prices will continue to remain volatile, domestic steel players are better placed to partially pass on the increase amid strong domestic demand and improving exports volumes post removal of the export duty in November 2022.

The ratings further favourably factor in the improvement in the financial risk profile of the company led by consistent reduction in the consolidated debt levels leading to improvement in gearing and debt metrics, and a strong liquidity position. Going forward, strong domestic demand is expected to aid the growth in volumes, while the company is expected to experience healthy spreads on the back of various cost-saving measures. Despite undertaking large-sized capex activity, management has retained its stance of maintaining net debt to profit before interest, lease rentals, depreciation and taxation (PBILDT) below 1.50x and liquidity of around ₹3,000 crore. The same should enable JSPL to maintain a comfortable financial risk profile, notwithstanding the expansion project in the subsidiary, in line with the expansion plans of JSPL.

The company reported healthy operational performance in FY23 (refers to the period from April 1 to March 31) despite challenges such as volatile raw material prices, weak demand, levy of duty on export of iron ore, pellets and steel intermediaries and fall in steel prices. The performance in FY23 moderated as compared with FY22, mainly on account of normalisation of the industry upcycle globally and the imposition of export duty by the Government of India (GoI), resulting in lower realisations and spreads compared to those witnessed in FY22.

However, ratings continue to be constrained by the inherent cyclical nature of the steel industry and the susceptibility of profit margins to volatile raw material prices and fluctuating steel prices. This apart, ratings are also constrained by the risks related to the execution of an expansion project in Angul, Odisha, in a subsidiary company.

[1]Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

### Rating sensitivities: Factors likely to lead to rating actions.

**Positive factors**

- Strong leadership position in the domestic steel market with a diversified product profile resulting into strong operating profits on a sustained basis.
- Consistent improvement in the net debt/PBILDT to below 1.00x.

**Negative factors**

- Weaker-than-envisaged operating performance due to lower sales volume or profitability resulting in deterioration of the net debt/PBILDT to above 2.00x on a sustained basis
- Any unforeseen large debt-funded capex or acquisitions, thereby impacting the overall capital structure to above 1.00x.

### Analytical approach: Consolidated

CARE Ratings has adopted the consolidated approach on account of the operational and financial linkages of JSPL with its subsidiaries. The list of entities whose financials have been considered in JSPL's consolidated financials is mentioned in Annexure-6.

### Outlook: Stable

Stable outlook considers satisfactory utilisation of the plant amid the favourable demand scenario in the domestic market. Robust demand outlook coupled with ramping-up of capacity shall enable the company to sustain its healthy business risk profile over the medium to long-term period.

### Detailed description of the key rating drivers

#### Key strengths

**Strong operational performance**

In FY23, JSPL reported TOI of ₹52,680 crore (PY: ₹51,226 crore) and PBILDT of ₹9,761 crore (PY: ₹15,509 crore). Saleable steel quantity improved to 7.68 mtpa in FY23 from 7.64 mtpa in FY22. Industry players have earned superior profits in FY22 due to strong demand and high realisations. However, FY23 was a mixed year with volatile raw material prices, low demand in Q1 & Q2 and sequential fall in realisation in Q2 & Q3 of FY23. Export sales were also impacted due to export duty on iron ore, pellets and steel intermediaries. JSPL made 13% export sales in FY23 compared with 33% in FY22. However, stabilisation from Q3FY23 and improved demand and increase in realisation from Q4FY23 resulted in adequate profits posted by the company for FY23. In 9MFY24, the company reported saleable steel volume of 5.66 mtpa with PBILDT/tonne of approximately ₹13,500. Improved realisation in Q3FY24 along with benefit on raw material prices enabled the company to sustain its operating performance in the nine month period. CARE Ratings will continue to monitor the company's ability to maintain growth in the sales volume and report the envisaged PBILDT per tonne and generate adequate accruals to support its capex while keeping its consolidated debt level under control.

**Cost-saving initiatives**

The company is setting up slurry pipeline from the Barbil plant to Angul Plant covering a distance of nearly 200 km, which is expected to result in saving of transportation cost as well as reduce the transportation time. Additionally, one of the group company has won contract to build western dock at Paradip port. CARE Ratings notes the company's expectation that this shall provide a dedicated berth for the company's vessel helping it to save the demurrage charges on account of non-availability of berth for the vessel and reducing the lead time at the port for loading/unloading of material.

**Increase in raw material security and capacity**

JSPL has operationalised Gare Palma IV/6 coal mine, one out of the three won recently by the company. With the commencement of mining operations in all the three mines, the company is expected to meet its 100% thermal coal requirement captively. Currently, 60% of iron ore requirement is met from captive mines at Kasia and Tensa in Odisha. The allocated iron ore and coal mines are expected to reduce JSPL's dependence on other mines for the procurement of raw materials, thereby strengthening the company's raw material security. The mines allocated are easily accessible from the respective manufacturing facilities of JSPL. Of the total coking coal requirement, 50% is met from overseas mines in Mozambique, Australia, and South Africa. CARE Ratings notes that the continuous efforts of the company to increase raw material security by investment in mines is expected to aid margin improvement going forward by reducing dependency on outside market for raw material and insulating from raw material price fluctuation.

### Emphasis on high-margin value-added products

The company has a healthy balance in its product mix, with value-added products accounting for 64% of its sales in FY23 (PY: 59%). It manufactures value-added products through its rail and universal beam mills, plate mills, medium and light section mills, and bar mills. In addition, the company has a wire rod mill, pelletisation and a cement plant. The high level of operational integration and the presence in value-added product segments enable the company to have a competitive cost of production and report better overall realisations and higher operating profits, thereby limiting margin contractions during the down cycles. Besides, the presence of the company across the entire steel value chain provides it with the flexibility to sell its products at various stages of production. CARE Ratings notes that 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 specialty rails) to the Indian Railways and its controlled entities, including the Dedicated Freight Corridor Corporation of India Limited (DFCCIL) and metro projects.

### Comfortable financial risk profile, backed by sizeable deleveraging

With significant deleveraging and accretion of profits to the net worth, the overall gearing of JSPL continued to remain comfortable, at 0.41x, as on March 31, 2023 (0.46x as on March 31, 2022). JSPL has reduced its gross debt from ₹32,674 crore as on March 31, 2021 [including letter of credit (LC) acceptance of ₹2,764 crore], to ₹15,781 crore [including LC acceptance of ₹2,735 crore], as on March 31, 2023, through repayment and pre-payment of its debt obligations through internal accruals. The outstanding total debt stood at ₹15,772 crore, as on June 30, 2023 (including debt availed in JSOL). The reduction in debt and higher operating profit has led to an interest coverage of more than 4x on a consistent basis in last three years. CARE Ratings expects the interest cover to remain above 4x over the projected period led by improvement in profitability despite increase in debt due to ongoing capex. The net debt/PBILDT continued to remain comfortable at 1.10x as on March 31, 2023 (0.85x as on March 31, 2022) and expected to remain below 1.50x in the projected period. The total debt is expected to increase in FY24 to FY26 on account of debt availed to fund the ongoing capex in JSOL, however, the capital structure and debt coverage indicators are expected to remain in a comfortable position.

### Experienced promoters with a long track record

Being a part of the Naveen Jindal group, JSPL has a long track record of operations. It was constituted in April 1998 by hiving off the Raigarh and Raipur manufacturing facilities of Jindal Strips Limited (JSL) into a separate company. Naveen Jindal, Chairman, has an experience of around 30 years in the steel and power business. He is supported by a team of highly qualified professionals. As on December 31, 2023, 12.92% of the promoter's 61.20% equity stake in JSPL is pledged which has significantly reduced from 34.26% as on June 30, 2023. There is no share pledge by the promoter Naveen Jindal, his immediate family or companies held majorly by Naveen Jindal & family. The shares pledged are held by the larger O. P. Jindal family/group

## Key weaknesses

### Sizeable capacity expansion project

JSPL had initiated the enhancement of its existing steel manufacturing capacity from 9.6 mtpa to 15.6 mtpa and the enhancement in its pellet capacity from 9 mtpa to 21.6 mtpa. With an estimated cost of around ₹24,000 crore, the project is expected to be funded through a mix of debt-to-equity. This project is being undertaken in a separately incorporated subsidiary – JSOL. The company has incurred a total cost of around ₹13,500 crore up to February 29, 2024, by way of equity infusion from JSPL and capex LC issuances. The pellet plant-1 was commissioned in Q2FY24, while the Hot Strip Mill-1 and slab caster-1 was commissioned in Q4FY24. The pellet plant-2 (6 mtpa) is expected to get commissioned in FY25 with the entire project being expected to attain commercial operations date (COD) by FY25. JSPL has received all the necessary clearances for the project. CARE Ratings notes that timely completion of the project without any material time or cost overruns and ramp-up of the operations to earn envisaged returns will continue to remain a key monitorable.

### Susceptibility of profit margins to volatility in raw material prices

The company is partially dependent on third-party suppliers for both the key raw materials, iron ore and coking coal, which is largely met through open market and imports, respectively. These raw materials have shown a volatile trend in prices over the years. The volatility in the 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 direct reduced iron (DRI) and blast furnace capacities, which provide some flexibility during times of high coking coal prices. Additionally, the company has partially secured itself for its future coking coal requirements with operationalisation of its mines in Australia and Mozambique, non-coking coal mines in Odisha and Chhattisgarh, and iron ore requirements through its Tensa and Kasia iron ore mines. Currently, 60% of iron ore and 50% of coking coal requirement is met captively. JSPL has started mining at Gare Palma IV/6 recently, and with operationalisation of all the three mines, 100% of thermal coal will be met captively. CARE Rating envisages future benefits to the company to hinge upon its ability to economically ramp-up its production at these overseas coking coal mines.

### Cyclical nature of the steel industry

The steel industry is sensitive to the business cycles, including changes in the general economy, interest rates, and seasonal changes in the demand and supply conditions in the market. Producers of steel products are essentially price-takers in the market, which directly exposes their cash flows and profitability to the 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 select steelmakers from the inherent cyclicality.

### Regulatory risk

The GoI has scrapped the duty levied by it on the export of iron ore, pellets, and steel intermediaries in November 2022. Despite the removal of this export duty, the revenue and profitability of steel players operating in the industry remain susceptible to the regulations and policies formulated by the governments around the world.

### Steel outlook for FY24

India's domestic steel demand is expected to grow at a compounded annual growth rate (CAGR) of 8.30% over the next three years. The growth prospects and steel industry outlook in India is favourable. Recent changes in the export taxes and import duties on steel, complemented by the rising demand for affordable housing, infrastructure development and construction projects, have led to a pan-India need for steel metal.

## Liquidity: Strong

The liquidity position is marked strong with cash & cash equivalents (includes margin money) at ₹3,439 crore as on December 31, 2023 (₹5,482 crore as on March 31, 2023). The projected cash accruals for FY24 as supported by cash and cash equivalent as on March 31, 2023, are adequate to cover its repayment and capex requirement for FY24. The company has a cumulative sanctioned limit of ₹18,240 crore (includes fund-based limits of ₹1,600 crore and non-fund-based limits of ₹16,640 crore) as on February 29, 2024, with an average utilisation of fund-based limits at 13%. This provides enough headroom to cover the raw material fluctuations or any other short-term need.

**Assumptions/Covenants:** Not applicable

## ESG factors:

CARE Ratings believes that JSPL's environment, social, and governance (ESG) profile supports its already-strong credit risk profile. The steel sector has a significant impact on the environment owing to high power and water consumption and waste generation and also carbon emission. The sector's social impact is characterised by health hazards, leading to a higher focus on employee safety and wellbeing and the impact on the local community, given the nature of its operations. JSPL has continuously focused on mitigating its environmental and social risks. Key highlights of the ESG initiatives are as below:

- The company has set up a coal gasification technology at the Angul facility to reduce carbon emissions and aims to reduce carbon emissions below 2.0 tonne per tcs by 2030.
- The company has taken various measures to communicate the vision, values, and purpose of the organisation to the employees through top-down communication and bottom-up communications.
- The company has developed an employee development framework to build key competencies at different career group levels that will develop the talent pool in the organisation for future roles.
- There is a growing importance of ESG among investors and lenders. JSPL's commitment to ESG principles should play a key role in enhancing stakeholder confidence.

## Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Withdrawal Policy
Short Term Instruments
Iron & Steel

## About the company and industry

### Industry classification

| Macro-economic Indicator | Sector | Industry | Basic Industry |
|---|---|---|---|
| Commodities | Metals & Mining | Ferrous metals | Iron & Steel |

JSPL, part of the Naveen Jindal faction of the OP Jindal group, is currently among the leading integrated steel producers (ISP) in the country. The company's key business activities include iron ore and coal mining, manufacturing of pellets, sponge iron, hot metal, semi-steel products, finished 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 a total installed iron-making capacity of 10.42 MTPA, a liquid steel capacity of 9.60 MTPA, and a finished steel capacity of 6.65 MTPA as on December 31, 2023. The company also has a captive power generation capacity of 2,684 MW (includes 1,050 MW of under construction CPP) at Raigarh and Angul. Besides, it has a presence outside India with major operations in South Africa, Mozambique, and Australia through its various subsidiaries.

### Consolidated financials

| Brief Financials (₹ crore) | March 31, 2022 (A) | March 31, 2023 (A) | 9MFY24 (UA) |
|---|---|---|---|
| Total operating income | 51,226 | 52,680 | 36,540 |
| PBILDT | 15,509 | 9,761 | 7,755 |
| PAT | 6,766 | 3,974 | 5,010 |
| Overall gearing (times) | 0.46 | 0.41 | - |
| Interest coverage (times) | 7.73 | 6.04 | 7.96 |

A: Audited; UA: Unaudited; Financials are reclassified as per CARE Ratings' standards.
Note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA:** Not applicable
**Any other information:** Not applicable
**Rating history for the last three years:** Please refer to Annexure-2
**Covenants of the rated instruments/facilities:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3
**Complexity level of various instruments rated for this company:** Please refer to Annexure-4
**Lender details:** Please refer to Annexure-5

### Annexure-1: Details of instruments/facilities

| Name of the Instrument | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|---|---|---|---|---|---|---|
| Debentures-Non Convertible Debentures | **Proposed** | - | - | - | 5000.00 | CARE AA; Stable |
| Fund-based - LT-Cash Credit | | - | - | - | 1600.00 | CARE AA; Stable |
| Fund-based - LT-Term Loan | | - | - | June 30, 2034 | 16760.00 | CARE AA; Stable |
| Non-fund-based - LT/ ST-Letter of credit | | - | - | - | 0.00 | Withdrawn |
| Non-fund-based - ST-BG/LC | | - | - | - | 16640.00 | CARE A1+ |

### Annexure-2: Rating history for the last three years

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings | | | Rating History | | | |
|---|---|---|---|---|---|---|---|---|
| | | Type | Amount Outstanding (₹ crore) | Rating | Date(s) and Rating(s) assigned in 2023-2024 | Date(s) and Rating(s) assigned in 2022-2023 | Date(s) and Rating(s) assigned in 2021-2022 | Date(s) and Rating(s) assigned in 2020-2021 |
| 1 | Debentures-Non Convertible Debentures | LT | - | - | - | - | - | 1)Withdrawn (30-Dec-20)<br><br>2)CARE BBB-; Stable (06-Jul-20)<br><br>3)CARE BBB- (CW with Negative Implications) (17-Apr-20) |
| 2 | Fund-based - LT-Term Loan | LT | 16760.00 | CARE AA; Stable | 1)CARE AA; Stable (27-Oct-23) | 1)CARE AA-; Positive (28-Mar-23)<br><br>2)CARE AA-; Stable (06-Jan-23)<br><br>3)CARE AA-; Stable (10-Oct-22) | 1)CARE AA-; Stable (13-Dec-21)<br><br>2)CARE A+; Stable (06-Jul-21)<br><br>3)CARE A-; Stable (06-May-21) | 1)CARE BBB+; Stable (30-Dec-20)<br><br>2)CARE BBB-; Stable (06-Jul-20)<br><br>3)CARE BBB- (CW |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | 4)CARE A-; Stable (01-Apr-21) | with Negative Implications) (17-Apr-20) |
| 3 | Debentures-Non Convertible Debentures | LT | - | - | - | - | 1)Withdrawn (06-Jul-21)<br><br>2)CARE A-; Stable (06-May-21)<br><br>3)CARE A-; Stable (01-Apr-21) | 1)CARE BBB+; Stable (30-Dec-20)<br><br>2)CARE BBB-; Stable (06-Jul-20)<br><br>3)CARE BBB- (CW with Negative Implications) (17-Apr-20) |
| 4 | Fund-based - LT-Cash Credit | LT | 1600.00 | CARE AA; Stable | 1)CARE AA; Stable (27-Oct-23) | 1)CARE AA-; Positive (28-Mar-23)<br><br>2)CARE AA-; Stable (06-Jan-23)<br><br>3)CARE AA-; Stable (10-Oct-22) | 1)CARE AA-; Stable (13-Dec-21)<br><br>2)CARE A+; Stable (06-Jul-21)<br><br>3)CARE A-; Stable (06-May-21)<br><br>4)CARE A-; Stable (01-Apr-21) | 1)CARE BBB+; Stable (30-Dec-20)<br><br>2)CARE BBB-; Stable (06-Jul-20)<br><br>3)CARE BBB- (CW with Negative Implications) (17-Apr-20) |
| 5 | Non-fund-based - ST-BG/LC | ST | 16640.00 | CARE A1+ | 1)CARE A1+ (27-Oct-23) | 1)CARE A1+ (28-Mar-23)<br><br>2)CARE A1+ (06-Jan-23)<br><br>3)CARE A1+ (10-Oct-22) | 1)CARE A1+ (13-Dec-21)<br><br>2)CARE A1+ (06-Jul-21)<br><br>3)CARE A2+ (06-May-21)<br><br>4)CARE A2+ (01-Apr-21) | 1)CARE A2 (30-Dec-20)<br><br>2)CARE A3 (06-Jul-20)<br><br>3)CARE A3 (CW with Negative Implications) (17-Apr-20) |
| 6 | Fund-based - ST-Working Capital Limits | ST | - | - | - | - | - | 1)Withdrawn (30-Dec-20)<br><br>2)CARE A3 (06-Jul-20)<br><br>3)CARE A3 (CW with Negative Implications) (17-Apr-20) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 7 | Debentures-Non Convertible Debentures | LT | - | - | - | - | 1)Withdrawn (06-Jul-21)<br><br>2)CARE A-; Stable (06-May-21)<br><br>3)CARE A-; Stable (01-Apr-21) | 1)CARE BBB+; Stable (30-Dec-20)<br><br>2)CARE BBB-; Stable (06-Jul-20)<br><br>3)CARE BBB- (CW with Negative Implications) (17-Apr-20) |
| 8 | Debentures-Non Convertible Debentures | LT | - | - | - | - | 1)CARE A+; Stable (06-Jul-21)<br><br>2)Withdrawn (06-Jul-21)<br><br>3)CARE A-; Stable (06-May-21)<br><br>4)CARE A-; Stable (01-Apr-21) | 1)CARE BBB+; Stable (30-Dec-20)<br><br>2)CARE BBB-; Stable (06-Jul-20)<br><br>3)CARE BBB- (CW with Negative Implications) (17-Apr-20) |
| 9 | Debentures-Non Convertible Debentures | LT | - | - | - | - | 1)Withdrawn (06-Jul-21)<br><br>2)CARE A-; Stable (06-May-21)<br><br>3)CARE A-; Stable (01-Apr-21) | 1)CARE BBB+; Stable (30-Dec-20)<br><br>2)CARE BBB-; Stable (06-Jul-20)<br><br>3)CARE BBB- (CW with Negative Implications) (17-Apr-20) |
| 10 | Fund-based - LT-Term Loan | LT | - | - | - | 1)Withdrawn (06-Jan-23)<br><br>2)CARE AA-; Stable (10-Oct-22) | 1)CARE AA-; Stable (13-Dec-21)<br><br>2)CARE A+; Stable (06-Jul-21)<br><br>3)CARE A-; Stable (06-May-21) | 1)CARE BBB+; Stable (30-Dec-20)<br><br>2)CARE BBB; Stable (06-Jul-20)<br><br>3)CARE BBB (CW with |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | 4)CARE A-; Stable (01-Apr-21) | Negative Implications) (17-Apr-20) |
| 11 | Non-fund-based - LT/ ST-Letter of credit | LT/ST | - | - | 1)CARE AA; Stable / CARE A1+ (27-Oct-23) | 1)CARE AA-; Positive / CARE A1+ (28-Mar-23)<br><br>2)CARE AA-; Stable / CARE A1+ (06-Jan-23)<br><br>3)CARE AA-; Stable / CARE A1+ (10-Oct-22) | 1)CARE AA-; Stable / CARE A1+ (13-Dec-21) | - |
| 12 | Debentures-Non Convertible Debentures | LT | 5000.00 | CARE AA; Stable | 1)CARE AA; Stable (27-Oct-23) | - | - | - |

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities:** Not Applicable

**Annexure-4: Complexity level of the various instruments rated**

| 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 - LT/ ST-Letter of credit | Simple |
| 5 | Non-fund-based - ST-BG/LC | Simple |

**Annexure-5: Lender details**

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| To view the lender wise details of bank facilities please click here |

**Annexure-6: List of all the entities consolidated**

| Sr No | Name of the entity | % holding | Extent of consolidation | Rationale for consolidation |
|---|---|---|---|---|
| 1 | Jindal Steel Bolivia SA | 51.00 | Full | CARE Ratings has considered consolidated financials including all its subsidiaries since they are in |
| 2 | Jindal Steel & Power (Mauritius) Limited | 100.00 | Full | |
| 3 | Skyhigh Overseas Limited | 100.00 | Full | |
| 4 | Everbest Power Limited | 100.00 | Full | |
| 5 | Jindal Angul Power Limited | 100.00 | Full | |
| 6 | JB Fabinfra Limited | 100.00 | Full | |

| | | | | |
|---|---|---|---|---|
| 7 | Trishakti Real Estate Infrastructure and Developers Limited | 94.87 | Full | the similar line of business and are under the same management. |
| 8 | Raigarh Pathalgaon Expressway Ltd | 100.00 | Full | |
| 9 | Jindal Steel Odisha Limited | 100.00 | Full | |
| 10 | JSP Metallics Limited | 99.00 | Full | |
| 11 | Jindal Steel Chhattisgarh Limited | 100.00 | Full | |
| 12 | Jindal Steel Jindalgarh Limited | 100.00 | Full | |
| 13 | Jindal Steel (USA) Inc | 100.00 | Full | |
| 14 | Gas to Liquids International S.A | 87.56 | Full | |
| 15 | Moonhigh Ovegrseas Limited (w.e.f. 04-04-2020) | 100.00 | Full | |
| 16 | Blue Castle Ventures Limited | 100.00 | Full | |
| 17 | Brake Trading (Pty) Limited | 85.00 | Full | |
| 18 | Harmony Overseas Limited | 100.00 | Full | |
| 19 | Jindal (BVI) Limited | 97.44 | Full | |
| 20 | Jindal Africa Investments (Pty) Limited | 100.00 | Full | |
| 21 | Jindal Africa SA | 100.00 | Full | |
| 22 | Jindal Botswana (Pty) Limited | 100.00 | Full | |
| 23 | Jindal Investimentos LDA | 100.00 | Full | |
| 24 | Jindal Investment Holding Limited. | 100.00 | Full | |
| 25 | Jindal KZN Processing (Pty) Limited | 85.00 | Full | |
| 26 | Jindal Madagascar SARL | 100.00 | Full | |
| 27 | Avion Mineraux Limited (formerly known as Jindal Mining & Exploration Limited) | 100.00 | Full | |
| 28 | Jindal Mining Namibia (Pty) Limited | 100.00 | Full | |
| 29 | Jindal Steel & Minerals Zimbabwe Limited | 100.00 | Full | |
| 30 | Jindal Steel & Power (Australia) Pty Limited | 100.00 | Full | |
| 31 | Jindal Tanzania Limited | 100.00 | Full | |
| 32 | JSPL Mozambique Minerals LDA | 97.50 | Full | |
| 33 | Landmark Mineral Resources (Pty) Limited | 60.00 | Full | |
| 34 | Osho Madagascar SARL | 100.00 | Full | |
| 35 | PT Jindal Overseas Limited | 99.00 | Full | |
| 36 | Jindal Iron Ore (Pty) Limited (Formerly known as Sungu Sungu Pty limited) | 74.00 | Full | |
| 37 | Wollongong Resources Pty Ltd | 61.02 | Full | |
| 38 | Jindal Africa Consulting (Pty) Limited | 100.00 | Full | |
| 39 | Belde Empreendimentos Mineiros LDA, a subsidiary of JSPL Mozambique Minerals LDA | 100.00 | Full | |
| 40 | Eastern Solid Fuels (Pty) Limited, a subsidiary of Jindal Mining & Exploration Limited | 100.00 | Full | |
| 41 | Jindal Mining SA (Pty) Limited, a subsidiary of Eastern Solid Fuels (Pty) Limited | 73.94 | Full | |
| 42 | Jindal (Barbados) Holding Corp, a subsidiary of Jindal (BVI) Limited | 100.00 | Full | |
| 43 | Jindal Energy (Bahamas) Limited, a subsidiary of Jindal (BVI) Limited | 99.98 | Full | |
| 44 | Jindal Transafrica (Barbados) Corp, a subsidiary of Jindal (BVI) Limited | 100.00 | Full | |

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| 45 | Jindal Resources (Botswana) Pty Limited, a subsidiary of Jindal Transafrica (Barbados) Corp | 100.00 | Full | |
| 46 | Trans Africa Rail (Pty) Limited, a subsidiary of Jindal Transafrica (Barbados) Corp | 100.00 | Full | |
| 47 | Jindal (Barbados) Mining Corp, a subsidiary of Jindal (Barbados) Holding Corp | 100.00 | Full | |
| 48 | Jindal (Barbados) Energy Corp, a subsidiary of Jindal (Barbados) Holding Corp | 100.00 | Full | |
| 49 | Meepong Resources (Mauritius) (Pty) Limited, a subsidiary of Jindal (Barbados) Mining Corp | 100.00 | Full | |
| 50 | Meepong Energy (Mauritius) (Pty) Limited, a subsidiary of Jindal (Barbados) Energy Corp | 100.00 | Full | |
| 51 | Meepong Energy (Pty) Limited, a subsidiary of Meepong Energy (Mauritius) (Pty) Limited | 100.00 | Full | |
| 52 | Meepong Service (Pty) Limited, a subsidiary of Meepong Energy (Pty) Limited | 100.00 | Full | |
| 53 | Meepong Water (Pty) Limited, a subsidiary of Meepong Energy (Pty) Limited | 100.00 | Full | |
| 54 | Southbulli Holding Pty Limited, a subsidiary of Wollongong Coal Limited | 100.00 | Full | |
| 55 | Oceanic Coal Resources NL, a subsidiary of Wollongong Coal Limited | 100.00 | Full | |
| 56 | Wongawilli Resources Pty Limited | 100.00 | Full | |
| 57 | Enviro Waste Gas Services Pty Ltd., Subsidiary of Wollongong Coal Limited | 100.00 | Full | |
| 58 | Jindal Paradip Port Limited | 51.00 | Full | |
| | **Associates** | | | |
| 1 | Goedehoop Coal (Pty) Limited | 50.00 | Proportionate | |
| 2 | Jindal Steel Andhra Limited | 49.00 | Proportionate | |
| 3 | JSP Green Wind 1 Private Limited | 26.00 | Proportionate | |
| | **Joint Ventures** | | | |
| 1 | Jindal Synfuels Limited | 70.00 | Proportionate | |
| 2 | Shresht Mining and Metals Private Limited | 50.00 | Proportionate | |
| 3 | Urtan North Mining Company Limited | 66.67 | Proportionate | |

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

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