

Jindal Pipes Singapore Pte Limited

May 28, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	160.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE BB; Stable

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated December 21, 2022, placed the rating(s) of Jindal Pipes Singapore Pte Limited (JPSPL) under the 'issuer non-cooperating' category as JPSPL had failed to provide information for monitoring of the rating. JPSPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter dated February 08, 2025; March 10, 2025; March 11, 2025; March 12, 2025 and March 17, 2025. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The rating assigned to the bank facilities of JPSPL has been revised on account of non-availability of requisite information due to non-cooperation by JPSPL.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers

At the time of last rating on March 15, 2024 the following were the rating strengths and weaknesses.

Key weaknesses

Risk of redeployment

The contract between JDIL and JPSPL is for the period of three years ending October 2022 where JDIL would pay VDPL daily charter hire charges and monthly security deposit. The contract is for three years however, the loan taken by JPSPL is for five years. Hence, the debt repayments after the expiry of the said contract depend on the timely redeployment of the rig at envisaged hire rates or higher rates. However, this risk is mitigated to some extent by long track record of JDIL in rig management business and management expects rig to be rehired on account of higher crude oil prices and increased drilling activity in oil sector leading to higher demand.

Risk of refinancing

High debt repayment at the end of tenure (i.e. April 2025) is required to be done as per the structure of the loan. However, assumed cash inflows from the expected rig deployment under next contract are likely to be insufficient to pay the same. Thus, the same is expected to be refinanced, thus, leading to re-financing risk. However, the rigs are normally financed with LTV of at least 50% and considering the valuation of Jindal Star, this risk is mitigated to some extent.

Key strengths

Strong parentage and strong management

JPSPL is promoted by JPL (holding 70% shares in JPSPL) and Maharashtra Seamless Ltd. (MSL – holding 30% shares in JPSPL). JPL and MSL along with JDIL belong to DP Jindal group. Maharashtra Seamless Ltd. holds leadership position in manufacturing of seamless pipes and tubes using CPE technology and is also present in renewable power segment and rig and drilling services.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

The company is supported by management team having a relevant experience in the industry and from the expertise of the group companies.

Robust Transaction structure

JPSPL owns a single rig which is leased to JDIL under a three-year charter agreement ending on October 2022. Subsequently JDIL has entered into a charter hire agreement with ONGC (rated CARE AAA; Stable / CARE A1+), wherein it receives monthly payment from ONGC which in turn makes payment to JPSPL. JDIL has more than three decades of experience in offshore drilling and allied services. It takes rigs on lease from group companies or third parties and provides drilling services to upstream companies in Mumbai Offshore (Bombay High) region. It has long track record of making back-to-back arrangement with customers and rig-owners in terms of scope of work, payment terms, etc.

Negative Lien of IndusInd Bank over cash flows

As per sanctioned terms of IndusInd Bank, all the cash flows receivable from ONGC to JDIL against drilling unit "Jindal Star" shall be used for the payments of charter hire revenue to JP SPL. The charter hire revenue in turn will be used by JPSPL for servicing the interest and principal of term loan of \$30.00 million. Further, IndusInd bank shall have a negative lien over the abovementioned charter hire agreement between ONGC and JDIL to the extent of cash flows required for servicing the interest & principal of JPSPL's loan.

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Policy in respect of non-cooperation by issuers](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Energy	Oil, Gas & Consumable Fuels	Oil	Oil Exploration & Production

Jindal Pipes Singapore Pte. Ltd. (JPSPL) is a private limited Singapore based entity, incorporated in June 2011 is engaged in the business of offshore drilling and owns a rig which is chartered out on a day rate basis. It is a part of D.P. Jindal Group. J PSPL is promoted by JPL (holding 70% shares in JPSPL) and Maharashtra Seamless Ltd. (MSL – holding 30% shares in JPSPL). The company owns 'Jindal Star' rig which is being currently deployed with ONGC through JDIL. Hence, the company mainly earns its revenue as rig hire charges. 'Jindal Star' rig owned by JPSPL has been taken on charter hire by Jindal Drilling and Industries Limited (JDIL) which further has been charter hired by Oil and Natural Gas Corporation (ONGC: rated CARE AAA; Stable / CARE A1+). Both contracts are for three years. Jindal Pipes Limited (JPL) has given an unconditional and irrevocable partial corporate guarantee to the extent of USD 21 million. The abovementioned rig has been deployed in November 2019 with ONGC through JDIL on charter hire basis.

Brief Financials (₹ crore)	March 31, 2020 (A)	March 31, 2021 (A)	9MFY22 (UA)
Total operating income	0.09	0.23	0.16
PBILDT	-0.06	0.17	NA
PAT	-1.43	-1.18	NA
Overall gearing (times)	0.67	0.60	NA
Interest coverage (times)	-0.38	1.44	NA

A: Audited UA: Unaudited; Note: these are latest available financial results
9MFY22: refers to the period April 01, 2021 to December 31, 2021.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: 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 and Rating Outlook
Fund-based - LT-Term Loan	-	-	-	30/04/2024	160.00	CARE BB-; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for 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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	160.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (15-Mar-24)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (21-Dec-22) 2)CARE A- (CE); Stable; ISSUER NOT COOPERATING* (23-Jun-22) 3)CARE A- (CE); Stable (25-Apr-22) 4)CARE A- (CE); Stable (07-Apr-22)
2	Un Supported Rating-Un Supported Rating (Long Term)	LT	-	-	-	-	-	1)Withdrawn (21-Dec-22) 2)CARE BBB; ISSUER NOT COOPERATING* (23-Jun-22) 3)CARE BBB (25-Apr-22) 4)CARE BBB (07-Apr-22)

*Issuer did not cooperate; based on best available information.

LT: Long term

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

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

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

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