

Media Release

JSPL Credit Ratings Upgraded to Investment Grade with Stable Outlook

- CARE Ratings upgrade reaffirms improved liquidity position post equity infusion of Rs. 1893 crore, including Rs. 1200 crore through a QIP issue
 - CARE Ratings accounts for improved operational & financial performance; successful commissioning of Integrated Steel plant at Angul; and non-core asset divestments of over Rs. 2000 crore
 - Delay Free Track Record of Servicing of Debt Obligations
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New Delhi, 5th April 2018: In a major development reaffirming Jindal Steel and Power Limited's (JSPL) improved operational and financial performance during FY 2017-18, leading ratings firm **CARE has upgraded JSPL's bank and instrument facilities to Investment Grade with Stable Outlook.** The new ratings account for the improved liquidity position of the steel and power major post equity infusion of Rs. 1893 crore including the recent Rs. 1200 crore QIP issue. The promoters are committed to bring in equity of Rs. 693 crore, out of which Rs. 188 crore have already been infused through warrants.

“The Investment Grade ratings with Stable Outlook by CARE are a testimony to the relentless efforts put in by a 50000 strong workforce and continued confidence & support of our financial stakeholders”, said Mr. NA Ansari, CEO - JSPL. ***“Even while passing through the most challenging times, JSPL was fully committed to meet all obligations towards its financial stakeholders. JSPL will continue to strengthen its operational and financial performance, with the sequential execution of our asset sweating roadmap during the course of this fiscal”,*** Mr. Ansari added.

JSPL had faced challenging times post August 2014, soon after deallocation of captive coal blocks, around which the company had established large steel and

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power plants as an integral part of its pithead based business model. An additional levy of Rs. 3300 crore imposed alongwith the captive coal block de-allocation order of Honorable Supreme Court of India had a significant impact on JSPL. Soonafter, the rampant dumping of steel by certain international players had a huge impact on all steel players in the country. The unforeseen changes in the external environment had resulted in some short-term cash flow mismatches, despite which JSPL remained committed to meet all obligations towards its stakeholders.

“JSPL, like many steel and power majors, faced the most challenging times in its history over the past 3-4 years. Incidentally, through the most challenging period, JSPL successfully completed and commissioned the largest greenfield expansion project in its history at Angul, Odisha without taking any additional debt from January 2016 onwards”, Mr. N.A. Ansari said. “With the recently added capacities at Angul, and Oman steel business continuing to better their performance month-after-month, we are looking at a significant growth across all financial and operational parameters in order to regain the highest possible ratings, which JSPL’s banking and financial instruments had always enjoyed”, Mr. Ansari affirms.

During FY 2017-18, JSPL divested (i) equity stake in India Energy Exchange (IEX), (ii) Oxygen Plant assets, (iii) Wind Power assets and (iv) certain non-core assets, thereby generating over Rs. 2000 crore to improve the liquidity position significantly.

JSPL has an installed crude steel making capacity of 10.6 MTPA, including a 2 MTPA integrated steel plant at Sohar, Oman. The company operates finished steel capacities – judiciously spread across longs & flats – in Raigarh, Angul, Patratu and Oman. The 9 MTPA Pellet plant of JSPL at Barbil (Odisha) is the largest single location Pelletization complex in India. JSPL’s 5050 MW power generation assets include Jindal Power Limited’s (JPL) 3400 MW IPP at Tamnar (Chhattisgarh) and 1650 MW of Captive Power Generation facilities. The mining business of the company includes a 3.11 MTPA iron ore mine at Tensa (Odisha); and significant coal-mining operations spread across South Africa, Mozambique and Australia.

For further information, please contact:

Gaurav Wahi, Head- Group Communication at +91 88267 49938; gaurav.wahi@jindalsteel.com

Rajmoni Borah, Corporate Communication at +91 88009 00548; rajmoni.borah@jindalsteel.com



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