

April 17, 2020 ^{Revised}

Jindal Steel & Power Limited: Ratings placed on watch with negative implications

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based bank facilities	15,357.78	15,357.78	[ICRA]BBB-@; rating placed on watch with negative implications
Long-term non-fund-based bank facilities	1,100.00	1,100.00	[ICRA]BBB-@; rating placed on watch with negative implications
Short-term non-fund-based bank facilities	4,700.00	4,700.00	[ICRA]A3@; rating placed on watch with negative implications
Short-term fund-based bank facilities	1,261.87	1,261.87	[ICRA]A3@; rating placed on watch with negative implications
Long-term/Short-term Unallocated	2,750.00	2,750.00	[ICRA]BBB-@[ICRA]A3@; ratings placed on watch with negative implications
Total Bank Facilities	25,169.65	25,169.65	
Non-convertible Debentures (NCD)	1,447.20	1,447.20	[ICRA]BBB-@; rating placed on watch with negative implications

*Instrument details are provided in Annexure-1

Rationale

The rating action follows a delay by Jindal Steel and Power Limited (JSPL) in arriving at a conclusive arrangement to reschedule/ refinance the international debt repayment obligations of its overseas subsidiary. ICRA notes that such debt has been guaranteed by JSPL. On [February 14, 2020](#), ICRA had assigned a positive outlook to JSPL's long-term rating, factoring in an expected improvement in its business and financial risk profile, following a favourable ruling by the Hon'ble. Supreme Court (SC) that allowed JSPL to access the substantial stock of royalty-paid iron ore fines at the mine of Sarda Mines Private Limited (SMPL). While revising the outlook, ICRA had noted that the company was at advanced stages of refinancing the debt stock of its Mauritius based subsidiary Jindal Steel & Power (Mauritius) Limited (JSPML), while also working on alternative asset monetisation plans. The SC verdict was expected to significantly strengthen JSPL's cashflows in the near to medium term, and the refinancing / asset monetisation initiatives were expected to significantly reduce the company's consolidated repayment obligations over FY2020-FY2022. Nevertheless, a delay in refinancing/reschedulment of the international debt was identified as a negative trigger for JSPL's rating.

Apart from uncertainty about the refinancing/ reschedulement, the rating action also factors in the near-term impact of the Covid-19 outbreak on global and domestic steel demand as well as realisations which is expected to impact JSPL's business performance in the domestic steel sector. This could hinder its ability to extend the required funding support to international subsidiaries. While ICRA will continue to monitor the developments on this front, the company's inability to reschedule or refinance its debt obligations in the books of its international subsidiaries at favourable terms in a timely manner would create downward pressure on JSPL's ratings.

ICRA has noted the continued healthy ramp-up of JSPL's domestic steel operations, as demonstrated by a volumetric growth of ~12% on a YoY basis in FY2020. ICRA expects liquid balances available in JSPL's standalone balance sheet, its strong market positioning, its comfortable order book as well as its ability to raise additional credit facilities to help it withstand the near-term operational and liquidity challenges in the domestic entity. The ratings also continue to factor JSPL's established position as one of the leading steel producers in India with a sizeable presence in pelletisation, mining

and power generation. Its operational profile is characterised by its large-scale and cost-competitive operations, experienced promoters and management, healthy track record in steel and power sectors, favourably-located plants in proximity to various coal and iron ore mines, and diversified and value-added product portfolio. The ratings, however continue to be constrained by the inherent vulnerability of the steel business to volatility in metal prices as well as the price and supply risks associated with coal and iron ore procurement in the absence of commensurate captive mines. Going forward, JSPL's ability to harness the potential of its enhanced steel capacities as well as international mining assets, while achieving healthy profitability and managing working capital cycle efficiently, will remain crucial determinants of its cash flows and, hence, the credit profile.

Key rating drivers and their description

Credit strengths

Cost competitiveness emanating from large-scale integrated operations and attractive plant locations – JSPL's steel manufacturing operations are vertically integrated, encompassing captive iron ore mines for partial capacity, coal washing, coke manufacturing, pelletisation, sponge iron manufacturing, power generation, and production of semi and finished steel products. Also, its plants are favourably located, in proximity to various coal and iron ore mines. The strengths are further augmented by healthy ramp-up in the company's Angul plant, as well as resumption of its CGP-DRI plant in January 2020. The integrated and large-scale operations augur well for its operating efficiencies. Further, the recent favourable rulings by the Hon'ble. Supreme Court, allowing JSPL to lift royalty-paid iron ore fine stocks of ~12.2 MT, is expected to ensure raw material security for the company's pellet/steel plant over the next two years, thereby supporting its profitability.

Established track record and diversified operations with forward integration into value-added products – JSPL has an established track record of nearly two decades in the successful commissioning of greenfield/brownfield capacities in the steel and power segments as well as in running its plants at healthy capacity utilisation. In addition, the company has diversified its product portfolio over the years to include high value-added, finished steel products such as heavy and medium structurals and rails besides other finished and semi-finished products (such as TMT bars, plates, coils, parallel flange beams and columns, rails, angles and channels, wire rods and fabricated sections). The multiple sale points across the steel value chain (sponge iron, pellets, pig iron, steel semis, finished steel, power, etc) aid flexibility in catering to market requirements while optimising capacity utilisation and profitability. This is corroborated by a strong volumetric growth reported by the company in FY2020 (~12% YoY growth in steel sales) despite subdued demand trends (domestic steel consumption grew by ~4% YoY in 11M FY2020 over 7.5% in FY2019), with ramp up in Angul operations. Although OPBDITA/MT declined to ~Rs 9,646/MT in 9M FY2020, compared to ~Rs 12,472/MT in 9M FY2019, it remained better compared to peers in the industry supported by a favourable product mix and operational efficiencies. Besides product diversification benefits on a standalone basis, the company has a diversified operational and geographical presence across subsidiaries as well. These comprise a 3,400-MW thermal power generation capacity in Raigarh (Chhattisgarh) under Jindal Power Limited (JPL), a 2.4-MTPA steel unit in Oman, and coking/ anthracite coal mines in Mozambique, Australia and South Africa.

Credit challenges

Delay in refinancing debt obligations in international subsidiaries—ICRA notes that JSPL has been working on various liquidity alternatives to bridge the gap for meeting debt obligations in its overseas subsidiaries, by way of divestment of non-core assets, dollar bond issuance in its Mauritius subsidiary, restructuring of Australian debt, increasing focus on export prepayment facility, and raising funds against iron ore fines inventory etc. However, increased global uncertainties and volatility and resultant credit squeeze in markets across the globe owing to the Covid-19 outbreak impacted the company's ability to mobilise the funds in a timely manner. Besides, the exceptional circumstances owing to the country-wide lockdown has also constrained the company's financial flexibility to extend funding support to international entities

in a timely manner. As a result, JSPML did not pay the USD 153 million instalment due on March 31, 2020. However, ICRA notes that JSPML's lenders agreed for a standstill prior to the due date and the company is actively engaged with the lenders to reschedule the said debt. Further delays or less favourable outcome in the refinancing/ re-scheduling/ deleveraging initiatives in its international subsidiaries, could adversely affect company's consolidated credit profile and may warrant a review of the ratings outstanding. ICRA notes that JSPL has demonstrated its ability to raise long-term funds as well as refinance its debt obligations in the past. The same is corroborated by its successful Qualified Institutional Placement (QIP) issuance of Rs. 1,200 crore in March 2018, priority loan of Rs. 1,500 crore raised during FY2019¹ and fund-raising through warrant/equity issuance to promoter entities (Rs. 693 crore received during Q3 FY2018 and Q1 FY2020). JSPL had also divested non-core assets for raising funds (~Rs 2,051 crore), during FY2018 and FY2019. However, tough market conditions have increased challenges for the company. In this regard, ICRA notes that there has been a decline in the promoters' pledged shareholding (including shares locked under a Non-Disposal Undertaking²) in JSPL from 65.58% as on December 31, 2019 to 61.03% as on April 17, 2020 (out of 60.48% equity stake held by the promoters in the company)³, with reduction in the loan-against-shares exposure recently. While there has been a reduction, pledged shareholding continues to weigh on the company's financial flexibility.

Leveraged capital structure and modest debt metrics— Large debt-funded capex undertaken by JSPL in the past (FY2012-FY2018) for setting up a steel and power plant in Angul and a pellet plant in Barbil (Odisha), resulted in high indebtedness. In addition, JSPL made sizeable overseas investments towards a steel capacity in Oman and thermal/coking coal mines in Mozambique, South Africa and Australia, besides domestic investments in power generation under its subsidiary, JPL⁴. Large borrowings for these investments, particularly in some of the overseas operations which have not generated commensurate returns, continue to keep JSPL's consolidated balance sheet highly leveraged, and debt metrics modest, as reflected by Debt/OPBDITA of ~4.8 times in 9M FY2020. Together with sizeable repayment obligations, this keeps the company's debt coverage metrics modest, as reflected in an interest cover of 1.9 times and ~2 times in FY2019 and FY2020E respectively. Nevertheless, it is pertinent to note that the capital structure is gradually improving. The consolidated debt declined to Rs. 36,000 crore as on December 31, 2019 from a peak level of over Rs. 47,000 crore as on March 31, 2016, with scheduled amortisation of term borrowings and optimisation of working capital. Simultaneously, leverage (as reflected by Debt/ OPBDITA) has corrected from over 14 times to ~4.8 times during the same period, with scale up in operations and profits. Going forward, company's ability to withstand the near-term challenges, to sustain its operations while efficiently managing the working capital and keeping its reliance on incremental debt low, will remain key drivers for its credit profile. Besides extent and pace of deleveraging in international subsidiaries will remain a crucial determinant of its credit profile.

Inherent vulnerability of the steel business to volatility in prices – JSPL operates in a cyclical industry with global overcapacity. While the company's cost-competitiveness coupled with a high level of integration in steel manufacturing operations reduces the susceptibility of its profitability to downturns in the steel industry, it is not totally protected from the vagaries of the sector and had earlier witnessed volatility in its operating profitability owing to the tough operating environment. Resultant pressures on operating cash flows made the company dependent on the monetisation of its non-core assets as well as refinancing of its debt obligations.

Susceptibility of profitability to volatility in raw material prices— Till FY2015, JSPL had access to captive pit-head coal for its steel as well as power operations, which helped it in achieving strong profitability. However, these coal blocks were

¹ Priority loan of Rs. 1,500 crore tied up in FY2018

² to the extent of 14.80% of promoter shareholding

³ In comparison, pledged shareholding for the Naveen Jindal promoter group (NJPG) in JSPL has declined from 76.12% as on December 31, 2019 to 64.53% as on April 17, 2020 (out of ~39% equity stake held by NJPG in the company).

⁴ ICRA has [ICRA]BBB+(Stable)/A2 ratings outstanding for the bank lines and [ICRA]BBB+(Stable) rating outstanding for the NCDs of JPL. For details, please refer to ICRA's website www.icra.in

deallocated, making the company dependent on external sources for coal from April 2015. At present, JSPL sources a part of its iron ore requirement from its captive mines in Tensa (Odisha), while the balance (70-80% requirement) is sourced from private mine owners in the state. Thermal coal requirements are met partially from coal linkage for the captive power and steel plant while the rest is met through e-auctions and imports. Coking coal requirements are met through imports. Thus, while the raw material risk is partially mitigated by JSPL's access to captive iron ore mines for part of the capacity, the lack of captive coal mines for steel and power operations and lack of captive iron ore mines for the Angul operations, keeps it exposed to price and supply risks for its key raw materials. While ICRA notes that access to sizeable iron-ore stocks and availability of iron ore from SMPL mines is likely to mitigate availability risks over the next two years, price risk remains to the extent of reliance on purchases from SMPL and the market. Also, a longer-term outlook will remain dependent on the company's ability to tap additional resources for meeting raw material requirements captively and iron ore requirements from mines in proximity. Nevertheless, the location of JSPL's plants in mineral-rich states provides comfort. In this context, any additional linkages from mines in proximity can help it mitigate raw-material related risks. ICRA also notes that JSPL, through its overseas subsidiaries, has sizeable coking coal and thermal coal mining assets across Mozambique, Australia, and South Africa that, if tapped adequately, can significantly reduce the its exposure to volatility in raw material prices.

Liquidity position: Stretched

The scheduled consolidated long-term debt repayment obligations for JSPL are sizeable at ~Rs. 5,300 crore in FY2021. Besides, JSPL has sought moratorium on its domestic facilities under the COVID-19 - Regulatory Package announced by the RBI on March 27, 2020, while JSPML has sought moratorium on its instalment which was due on March 31, 2020. An unfavourable outcome of JSPML's discussions with its lenders which results in invocation of the guarantee could exert severe pressures on JSPL's liquidity position. ICRA notes that sub-optimal performance of the international subsidiaries and their inability to attain a self-sustained level of operations, continue to keep these entities dependent on refinancing/ rescheduling of debt obligations and/or monetisation of non-core assets. With continued uncertainty regarding the company's ability to reschedule/refinance its international debt obligations at favourable terms as well as the impact of the ongoing virus outbreak, consolidated liquidity profile remains stretched.

ICRA notes that JSPL's liquidity position on a standalone basis is supported by the company's increased reliance on short-term export prepayment facilities, contraction in working capital cycle and liquidation of sizeable iron ore inventory post the favourable court ruling. Despite heightened concerns on operations and cash flow cycle, amid the Covid-19 triggered market disruptions, ICRA expects JSPL's standalone cash flow from operations and liquidity to be adequate in the near term, to support its standalone repayment obligations as well as meet its fixed operating expenses.

Rating sensitivities

Positive triggers – Successful timely completion of the refinancing/ rescheduling/ deleveraging initiatives in overseas subsidiaries, which result in a significant improvement in the company's consolidated capitalisation and debt-coverage metrics, would be positive triggers for the rating. Additionally, a sustained growth in volumes, while achieving healthy profitability and an improvement in liquidity profile with reduced reliance on short-term funding could also be upgrade triggers.

Negative triggers – There could be a negative pressure on JSPL's rating in case of further delays or less favourable outcome in the refinancing/ re-scheduling/ deleveraging initiatives in its international subsidiaries. Besides, a prolonged impact of Covid-19 on steel demand and realisations which significantly affects the operating profits leading to lower than estimated cash accruals could also be a downgrade trigger. Additionally, any sizeable debt-funded capex and/or investment which affects the company's capitalisation and coverage metrics and/or elongation in working capital cycle which affects liquidity profile, would be negative triggers. Specific metrics that could trigger a negative rating action include a Debt to OPBDITA ratio of more than 4.0 times, on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Entities in the Ferrous Metals Industry
Parent/Group Support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of JSPL. As on March 31, 2019, the company had 9 subsidiaries, 83 stepdown subsidiaries, two associates and three Joint Ventures, which are all enlisted in Annexure-2.

About the company

JSPL is one of India's leading primary steel producers with a significant presence in power generation and mining. Its manufacturing units are situated in Raigarh (Chhattisgarh), Angul (Odisha), Barbil (Odisha), Patratu (Jharkhand), and Oman. While JSPL's integrated operations in India encompass capacities of 8.45 mtpa of iron making, 9.0 mtpa of pellets, 8.6 mtpa of liquid steel and 6.55 mtpa of finished steel, the operations in Oman include capacities of 1.8 mtpa of iron making, 2.4 mtpa of liquid steel and 1.4 mtpa of finished steel. JSPL's product range includes TMT bars, plates, coils, parallel flange beams and columns, rails, angles and channels, wire rods, and fabricated sections among other finished and semi-finished products.

While about 63% of JSPL's domestic iron-making capacity (~5.33 mtpa) is through the blast furnace route, the balance (~3.12 mtpa) is through direct-reduced iron (DRI). In comparison, the iron-making capacity (~1.8 mtpa) at its overseas operations in Oman uses the gas-based hot-briquetted iron (HBI) route.

JSPL also has a captive thermal power capacity of about 1,634 MW at its Raigarh and Angul plants. Besides, Jindal Power Ltd (JPL), a 96.43% subsidiary of JSPL, which is an independent power producer, has an installed thermal power capacity of 3,400 MW. In addition to steel-manufacturing capacities, JSPL's international operations include interests in coking coal mining assets in Australia, thermal/coking coal mining assets in Mozambique and anthracite coal mining assets in South Africa.

Key financial indicators (audited) – Consolidated

	FY2019	9M FY2020*
Operating Income (Rs. crore)	39,372.1	28,184.8
PAT (Rs. crore)	(2,411.5)	(705.3)
OPBDIT/OI (%)	21.2%	20.0%
RoCE (%)	2.2%	NA
Total Outside Liabilities/Tangible Net Worth (times)	2.1	NA
Total Debt/OPBDIT (times)	4.7	4.8
Interest Coverage (times)	1.9	1.8
DSCR (excl. short-term debt/ prepayments)	1.0	0.9

Source: Company financials, ICRA research

*Based on abridged financials

Status of non-cooperation with previous CRA: Not applicable

Any other information: JSPL did not honour its scheduled payment obligations falling due on March 31, 2020, pertaining to the Rs. 25,169.65-crore bank facilities rated, as it is seeking a moratorium on payments from its lenders as part of the COVID-19 - Regulatory Package announced by the Reserve Bank of India (RBI) on March 27, 2020. However, despite the missed payment and despite the absence of a formal approval from the lenders allowing for a payment relief, ICRA has not recognized this instance as a Default as of now. This is based on ICRA's expectation that a formal approval for rescheduling the loan would be received soon, as permitted by the RBI as part of the relief measures announced recently. Non-recognition of default in this case is as per the guidance provided by the SEBI circular SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/ 53 dated March 30, 2020. It may however be noted that if the lenders do not approve of the moratorium in due course, ICRA would review the above stance on default recognition.

ICRA also notes that JSPL's overseas subsidiary - JSPML did not pay a USD 153 million instalment due on March 31, 2020, towards a debt which is guaranteed by JSPL. However, ICRA notes that JSPML's lenders agreed for a standstill prior to the due date, because of which the corporate guarantee has not been invoked and that the company is actively engaged with lenders to reschedule the said debt.

Rating history for past three years

	Instrument	FY2021			Rating History for the Past 3 Years				
		Type	Amount Rated	Amount Outstanding	Current Rating	FY2020	FY2020	FY2019	FY2018
					17-Apr-20	14-Feb-2020	29-Jul-2019	03-May-2018	21-Apr-2017
1	Term Loans	LT	12,757.78	12,757.78*	[ICRA]BBB-@	[ICRA]BBB-(Positive)	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)	[ICRA]D
2	Cash Credit	LT	2,600.00	-	[ICRA]BBB-@	[ICRA]BBB-(Positive)	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)	[ICRA]D
3	Non-fund-based	LT	1,100.00	-	[ICRA]BBB-@	[ICRA]BBB-(Positive)	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)	[ICRA]D
4	Non-fund-based	ST	4,700.00	-	[ICRA]A3@	[ICRA]A3	[ICRA]A3	[ICRA]A3	[ICRA]D
5	Fund-based	ST	1,261.87	-	[ICRA]A3@	[ICRA]A3	[ICRA]A3	[ICRA]A3	[ICRA]D
6	Unallocated	LT/ST	2,750.00	-	[ICRA]BBB-@/ [ICRA]A3@	[ICRA]BBB-(Positive)/ [ICRA]A3	[ICRA]BBB-(Stable)/ [ICRA]A3	--	--
7	NCDs	LT	1,447.20	-	[ICRA]BBB-@	[ICRA]BBB-(Positive)	[ICRA]BBB-(Stable)	[ICRA]BBB-(Stable)	[ICRA]D

Amount in Rs. crore

Outstanding as on March 31, 2019

@: Placed on rating watch with negative implications

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [click here](#)

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	Feb 2019	-	-	2,600.00	[ICRA]BBB- @
NA	Short-term Loans	NA	-	-	1,261.87	[ICRA]A3@
NA	Bank Guarantee	Feb 2019	-	-	1,100.00	[ICRA]BBB-@
NA	Letter of Credit	Feb 2019	-	-	4,700.00	[ICRA]A3@
NA	Long-term/Short-term Unallocated	NA	-	-	2,750.00	[ICRA]BBB- @/[ICRA]A3@
NA	Term Loans	FY2009	-	FY2036	12,757.78	[ICRA]BBB- @
INE749A07185	NCD	Oct 12, 2009	9.8%	Apr 12, 2020	100.00	[ICRA]BBB- @
INE749A07193	NCD	Oct 22, 2009	9.8%	Apr 22, 2020	150.00	[ICRA]BBB- @
INE749A07219	NCD	Nov 24, 2009	9.8%	May 24, 2020	150.00	[ICRA]BBB- @
INE749A07268	NCD	Dec 24, 2009	9.8%	Jun 24, 2020	150.00	[ICRA]BBB- @
INE749A07284	NCD	Jan 25, 2010	9.8%	Jul 25, 2020	150.00	[ICRA]BBB- @
INE749A07300	NCD	Feb 19, 2010	9.8%	Aug 19, 2020	150.00	[ICRA]BBB- @
INE749A07318	NCD	Mar 26, 2010	9.8%	Sep 26, 2020	150.00	[ICRA]BBB- @
INE749A07276	NCD	Dec 29, 2009	9.8%	Dec 29, 2021	37.20	[ICRA]BBB- @
INE749A07151	NCD	Aug 24, 2009	9.8%	Feb 24, 2020	50	[ICRA]BBB- @
INE749A07169	NCD	Sep 8, 2009	9.8%	Mar 8, 2020	40	[ICRA]BBB- @
INE749A07177	NCD	Oct 8, 2009	9.8%	Apr 8, 2020	80.00	[ICRA]BBB- @
INE749A07201	NCD	Nov 9, 2009	9.8%	May 8, 2020	80.00	[ICRA]BBB- @
INE749A07227	NCD	Dec 8, 2009	9.8%	Jun 8, 2020	80.00	[ICRA]BBB- @
INE749A07250	NCD	Jan 8, 2010	9.8%	Jul 8, 2020	80.00	[ICRA]BBB- @

Source: Jindal Steel & Power Limited

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Jindal Power Limited	96%	Full Consolidation
Jindal Steel Bolivia SA	51%	Full Consolidation
Jindal Steel & Power (Mauritius) Limited	100%	Full Consolidation
Skyhigh Overseas Limited	100%	Full Consolidation
Everbest Steel and Mining Holdings Limited	100%	Full Consolidation
Jindal Angul Power Limited	100%	Full Consolidation
JB Fabinfra Limited	100%	Full Consolidation
Trishakti Real Estate Infrastructure and Developers Limited	95%	Full Consolidation
Raigarh Pathalgaon Expressway Ltd	100%	Full Consolidation
Attunli Hydro Electric Power Company Limited	74%	Full Consolidation
Etaln Hydro Electric Power Company Limited	74%	Full Consolidation
Jindal Hydro Power Limited	100%	Full Consolidation
Jindal Power Distribution Limited	99%	Full Consolidation
Ambitious Power Trading company Limited	79%	Full Consolidation
Jindal Power Transmission Limited	99%	Full Consolidation
Jindal Power Ventures (Mauritius) Limited	100%	Full Consolidation
Kamala Hydro Electric Power Co. Limited	74%	Full Consolidation
Kineta Power Limited	75%	Full Consolidation
Uttam Infralogix Limited	100%	Full Consolidation
Jindal Realty Limited	100%	Full Consolidation
Jagran Developers Private Limited	100%	Full Consolidation
Gas to Liquids International S.A	88%	Full Consolidation
Jindal Power Senegal SAU	100%	Full Consolidation
Panther Transfreight Limited	51%	Full Consolidation
All Tech Building System Limited	100%	Full Consolidation
Blue Castle Ventures Limited	100%	Full Consolidation
Brake Trading (Pty) Limited	85%	Full Consolidation
Enduring Overseas Inc	0%	Full Consolidation
Fire Flash Investments (Pty) Limited	65%	Full Consolidation
Harmony Overseas Limited	100%	Full Consolidation
Jin Africa Limited	0%	Full Consolidation
Jindal (BVI) Limited	100%	Full Consolidation
Jindal Africa Investments (Pty) Limited	100%	Full Consolidation
Jindal Africa Consulting (Pty) Limited	100%	Full Consolidation
Jindal Shadeed Iron & Steel L.L.C	99.99%	Full Consolidation
Jindal Africa SA	100%	Full Consolidation
Jindal Botswana (Pty) Limited	100%	Full Consolidation
Jindal Investimentos LDA	100%	Full Consolidation
Jindal Investment Holding Limited.	100%	Full Consolidation
Jindal KZN Processing (Pty) Limited	85%	Full Consolidation
Jindal Madagascar SARL	100%	Full Consolidation
Jindal Mining & Exploration Limited	100%	Full Consolidation
Jindal Mining Namibia (Pty) Limited	100%	Full Consolidation
Jindal Steel & Minerals Zimbabwe Limited	100%	Full Consolidation
Jindal Steel & Power (Australia) Pty Limited	100%	Full Consolidation
Jindal Tanzania Limited	100%	Full Consolidation
Jindal Zambia Limited	0%	Full Consolidation
JSPL Mozambique Minerals LDA	98%	Full Consolidation
Landmark Mineral Resources (Pty) Limited	60%	Full Consolidation

Company Name	Ownership	Consolidation Approach
Osho Madagascar SARL	100%	Full Consolidation
PT Jindal Overseas	99%	Full Consolidation
Sungu Sungu Pty limited	74%	Full Consolidation
Trans Asia Mining Pty. Limited	100%	Full Consolidation
Vision Overseas limited	100%	Full Consolidation
Wollongong Coal Limited	60%	Full Consolidation
Jindal Steel DMCC	100%	Full Consolidation
Jindal Mauritania SARL	100%	Full Consolidation
Jindal Africa Liberia Limited	0%	Full Consolidation
Belde Empreendimentos Mineiros LDA	100%	Full Consolidation
Eastern Solid Fuels (Pty) Limited	100%	Full Consolidation
PT BHI Mining Indonesia	99%	Full Consolidation
PT Sumber Surya Gemilang	99%	Full Consolidation
PT Maruwai Bara Abadi, a subsidiary of PT.	75%	Full Consolidation
Jindal Mining SA (Pty) Limited	74%	Full Consolidation
Bon-Terra Mining (Pty) Limited	100%	Full Consolidation
Jindal (Barbados) Holding Corp	100%	Full Consolidation
Jindal Energy (Bahamas) Limited	100%	Full Consolidation
Jindal Energy (Botswana) Pty Limited,	100%	Full Consolidation
Jindal Energy (SA) Pty Limited,	100%	Full Consolidation
Jindal Transafrica (Barbados) Corp	100%	Full Consolidation
Jindal Resources (Botswana) Pty Limited	100%	Full Consolidation
Trans Africa Rail (Pty) Limited	100%	Full Consolidation
Sad-Elec (Pty) Limited	100%	Full Consolidation
Jindal (Barbados) Mining Corp	100%	Full Consolidation
Jindal (Barbados) Energy Corp	100%	Full Consolidation
Meepong Resources (Mauritius) (Pty) Limited	100%	Full Consolidation
Meepong Resources (Pty) Limited	100%	Full Consolidation
Meepong Energy (Mauritius) (Pty) Limited	100%	Full Consolidation
Meepong Energy (Pty) Limited	100%	Full Consolidation
Meepong Service (Pty) Limited	100%	Full Consolidation
Meepong Water (Pty) Limited	100%	Full Consolidation
Peerboom Coal (Pty) Limited	70%	Full Consolidation
Shadeed Iron & Steel Company Limited	100%	Full Consolidation
Southbulli Holding Pty Limited	100%	Full Consolidation
Oceanic Coal Resources	100%	Full Consolidation
Wongawilli Coal Pty Limited	100%	Full Consolidation
Koleko Resources (Pty) Limited	60%	Full Consolidation
Legend Iron Limited	100%	Full Consolidation
Cameroon Mining Action (CAMINA) SA	90%	Full Consolidation
Enviro Waste Gas Services Pty Ltd.	100%	Full Consolidation
Jindal Synfuels Limited	70%	Full Consolidation
Urtan North Mining Private Limited	67%	Full Consolidation
Jubilant Overseas Ltd	100%	Full Consolidation
Shresht Mining and Metals Pvt Ltd	50%	Equity method-
Goedehoop Coal (Pty) Limited	50%	Equity method
Thuthukani Coal (Pty) Limited	49%	Equity method
Nalwa Steel & Power Limited (ceased to be associate wef March 2018)	0%	--
Jindal Steel & Power (BC) Limited	100%	Full Consolidation

Corrigendum: Document dated April 17, 2020 has been corrected with revisions as detailed below:

- Under Credit Challenge, “Delay in refinancing debt obligations in international subsidiaries (Page 3)”, details of promoters’ pledged/ encumbered shareholding have been updated

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