



July 2, 2021

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Sub: Press Release

Dear Sirs,

We are enclosing herewith copy of Press Release being issued by the Company today.

Kindly host the same on your website.

Thanking you,

Yours faithfully,

For **Jindal Stainless (Hisar) Limited**


(Bhartendu Harit)
Company Secretary



Encl. As above



Jindal Stainless (Hisar) Limited

CIN: L27205HR2013PLC049963

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CARE Ratings assigns 'CARE A+' rating to Jindal Stainless (Hisar) Limited

New Delhi, July 02, 2021: CARE Ratings has upgraded the long-term bank facilities of Jindal Stainless (Hisar) Limited (JSHL) to 'CARE A+'. The rating for short-term bank facilities of the Company has also been upgraded to 'CARE A1+'. Previous ratings assigned to JSHL by CARE in January 2021 were CARE A- and CARE A2+ respectively. The rating upgrade comes on the back of robust operational and financial performance exhibited by JSHL in FY21. This includes JSHL's long track record of successful operations, higher-than-envisaged sales realizations and margins, and its expertise in value-added products.

Commenting on this development, **Managing Director, JSHL, Mr Abhyuday Jindal** said, ***"Despite initial and recurrent challenges posed by the pandemic, JSHL has adapted with agility and efficiency. This rating upgrade is a testimony to our operational excellence and internationally acclaimed product mix. We're already strengthening our Specialty Products Division (SPD) at Hisar which will further give us a competitive edge in domestic and exports markets. JSHL has also been at the forefront of supplying Liquid Medical Oxygen to hospitals and oxygen filling centres in North India."***

Excerpts from the CARE Ratings report that drove the rating upgrade:

"Higher realizations and pick up in sales volumes: JSHL's blended sales realizations significantly improved...on the back of an increase in stainless steel prices and a better product mix with higher contribution from 300 series, 400 series and specialized products division (SPD). The company's focus on the sale of higher margin products and speciality steel led to improvement in operating profit margin....Furthermore, the PAT margin of JSHL improved from 3.80% in FY20 to 5.63% in FY21 on account of reduced interest expense owing to the reduction in the total debt. Going forward, CARE expects the company to maintain healthy PBILDT per tonne aided by a strong demand, better product-mix and the company's better ability to manage fluctuation in raw material pricing with increasing share of localized sourcing as against the imports."

"Sizeable deleveraging: With higher capacity utilizations, better sales realization and consequent generation of healthy cash accruals, the company has been able to reduce its total debt (including acceptances) to Rs. 2,487 crore as on March 31, 2021 (PY: Rs. 2,885 crore). The

continuous reduction in debt and accretion of profits to net worth has led to improved overall gearing of 1.09x as on March 31, 2021 (PY: 1.59x)... The interest coverage ratio and the total debt-to-PBILDT ratio of the company improved to 4.65x and 2.27x as on March 31, 2021 (PY: 3.15x and 3.01x respectively) on account of its higher operating profit and reduced interest expense in line with the reduction in debt."

"Emphasis on value added products: JSHL is engaged in the production of all grades of stainless steel namely, 200-grade, 300-grade and 400-grade... Furthermore, the company makes specialty stainless steel and other value-added products which yield relatively higher returns compared to other commoditized stainless-steel products. Over the past two years, the company has been increasing its focus on higher margin products such as 300-grade, 400-grade series and specialty stainless steel leading to higher profitability subsequent to which it is under process for capacity expansion of speciality steel division."

"Impending merger of JSHL in JSL: The merger of JSL and JSHL will create one of the largest stainless-steel entities with a total capacity of 1.90 MTPA. Subsequent to the merger, the combined entity is expected to have more diversified operations, wider presence both domestically as well as globally, higher bargaining power with the suppliers and will become one of the top ten global stainless-steel manufacturers... (the) merger once completed is expected to result in an improvement in business and financial profile at group level supported by the industry-leading large scale of operations and better financial flexibility and liquidity position."

Read the full report [here](#).

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MD's Twitter handle:

<https://twitter.com/abhyudayjindal>

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