

## **CARE Ratings reaffirms 'CARE A-' rating with stable outlook for Jindal Stainless (Hisar) Limited**

**New Delhi, September 16, 2020:** The long-term credit facilities of Jindal Stainless (Hisar) Limited (JSHL) have been reaffirmed at 'CARE A-' rating with a stable outlook by CARE Ratings. The short-term credit facilities of the Company have also been reaffirmed at 'CARE A2+' rating. JSHL's rating was retained in light of the Company maintaining an accomplished track record in financial and operational domains. Additionally, JSHL's strength to serve diversified end-user industries, with an emphasis on value-added products, has proved to be favourable in the rating analysis of the Company. A healthy per-tonne operating profit, coupled with debt reduction and improved cash-flow, weighed positively for the Company on the rating scale.

**Commenting on this development, Managing Director, JSHL, Mr Abhyuday Jindal said, *"This development reinforces the strong fundamentals of JSHL. The operational capabilities of our Hisar facility stand unmatched in the domestic market and our high-end speciality products are acknowledged across the world. An overall steady performance and a diversified product portfolio were considered as strong parameters by CARE Ratings. I am confident that the government initiatives for ascertaining a level-playing field to the domestic manufacturers will help the industry emerge stronger."***

In the CARE Ratings report, JSHL's key rating drivers have been stated as, *"improved sales realizations from the value-added steel segments (comprising of 300-grade and 400-grade) resulted in an improvement in PBILDT per tonne from Rs. 14,894 in FY19 to Rs. 15,945 in FY20. The PAT margin improved from 2.89% in FY19 to 3.80% in FY20 as a result of better PBILDT margin and relatively lower interest expense. JSHL is engaged in the production of all grades of stainless steel namely, 200-grade, 300-grade and 400-grade. The 200-grade finds application in utensils, household goods, kitchen appliances, tubes, pipes, etc. the company also manufactures 300-grade, which finds application in railway coaches, high temperature applications, power plants and 400 grade, which finds application in razor blades, coins, automobiles and consumer durables. The company also makes speciality stainless steel and other value-added products which yield relatively higher returns compared to other commoditized stainless-steel products."*