

Jindal Stainless (Hisar) Ltd earns CARE rating upgrade from 'BBB+' to 'A-'

New Delhi, July 25, 2018: The ratings agency, CARE, upgraded the rating of India's leading stainless steel major, Jindal Stainless (Hisar) Ltd. from 'BBB+' to 'A-' in an announcement today. Positive evaluations expressed by CARE through this rating upgrade for Jindal Stainless (Hisar) Ltd. (JSHL) are a manifestation of the company's enhanced profitability and robust balance sheet, along with superior operational performance. Commenting on this favourable development, Managing Director of JSHL, Mr Abhyuday Jindal said, *"We are pleased with the CARE rating upgrade. This rating elevation reinforces the strong credentials of JSHL from both operational and financial perspectives. The stable trend reflects JSHL's ability to maintain adequate liquidity and exhibit efficient capital management. JSHL's track record has been commendable and our future growth strategy for expanding our product range is on track."*

Elucidating the key drivers for JSHL's improved ratings, the report reads, *'JSHL reported improvement in overall financial risk profile characterized by improved gearing and debt coverage indicators during FY18 aided by improved profitability and cash accruals. The Profit Before Interest, Leasing, Depreciation and Tax (PBILDIT) and Profit After Tax (PAT) margins of the company remained healthy at 13.26% and 4.20% respectively in FY18. The gross cash accruals improved to Rs 707.78 crore during FY18 as against Rs 521.32 crore during FY17. The debt coverage indicators also improved during FY18 with interest coverage of 3.16x and total debt to PBILDIT of 3.07x as against 2.36x and 4.56x respectively during FY 17.'*

The CARE report further elaborated on the stability of the Company, given its proven track record and strong position in the domestic market. The report says, *'The company reported healthy growth in total operating income and profitability aided by improved domestic demand scenario backed by imposition of countervailing duty. Improved income and profitability resulted in healthy cash generation and improvement in debt coverage indicators. The ratings continue to derive strength from the experienced promoter group and management with established track record of operations, JSHL's established market position in the stainless steel manufacturing industry and diversified end user industries.'*

About Jindal Stainless (Hisar) Ltd:

Jindal Stainless (Hisar) Limited is one of India's largest stainless steel producers. Jindal Stainless (Hisar) Limited has achieved both backward and forward integration of its operations, starting from melting, casting, hot rolling to cold rolling and other value additions. JSHL is a fully integrated Stainless Steel plant with a capacity of 8,00,000 tpa. It is also the world's largest producer of Stainless Steel strips for razor blades and India's largest producer of coin blanks, serving the needs of Indian and international mints. Our Specialty Products Division caters to the high end precision and specialty stainless steel requirements of reputed Indian and international customers. The product range includes Slabs & Blooms, Hot Rolled Coils, Strips, Plates, Coin Blanks, Precision Strips and Cold Rolled Coils.

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