08th Jnauary, 2021

BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building, P J Towers,
Dalal Street, Fort, Mumbai – 400 001
Ph. 022 - 2272 3121, 2037, 2041,
Email: corp.relations@bseindia.com

Security Code No.: 532508

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot no. C/1, G Block
Bandra-Kurla Complex, Bandra (E),
Mumbai-400051
Ph. 022 -2659 8237, 8238, 8347, 8348
Email: cmlist@nse.co.in

Security Code No. : JSL

Sub.: Press Release

Dear Sir(s),

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 Limited**

Navneet Raghuvanshi
Company Secretary

Enclosed as above

India Ratings & Research and CARE upgrade JSL rating from BBB to BBB+

New Delhi, January 8, 2021: Jindal Stainless Limited (JSL) has been accorded rating upgrades to 'IND BBB+' by India Ratings and Research, and 'CARE BBB+' with a stable outlook by CARE Ratings, for its credit facilities. Previously assigned ratings by the agencies were that of 'IND BBB' and 'CARE BBB' respectively, assigned in August, 2020. The rating upgrades come after a series of positive developments in the last few months, despite pandemic-induced disruptions.

Managing Director, JSL, Mr Abhyuday Jindal said, ***"The rating upgrade reflects an overall improvement in the financial profile of JSL. Both agencies have shared a positive response for the way JSL was able to cope with the effects of the pandemic. Our focus on strengthening our balance sheet, along with maintaining robust operating performance, have been the key drivers of this upward revision. The ratings acknowledge our well diversified product portfolio and sound risk-mitigation strategies."***

India Ratings & Research (Ind-Ra) ascribed the upward revision to Company's faster-than-expected balance sheet deleveraging, supported by better-than-expected capacity utilisation, higher-than-expected improvement in EBITDA/tonne, well managed working capital cycle and only modest capex outflows. The agency took note of operating performance of JSL led by strong domestic demand momentum. Ind-Ra has placed JSL on Rating Watch Positive (RWP), which reflects its optimistic expectation on the proposed JSL-JSHL merger, through 'industry-leading scale of operations and better financial metrics, greater financial flexibility and improved liquidity position'.

CARE Ratings points to a better than expected recovery in the operational performance and has found JSL's consistent debt reduction as one of the major reasons for this rating upgrade. The ability to increase production as per sustained market demand has also worked in JSL's favour. Furthermore, CARE has placed JSL on *credit watch with developing implications* on account of the recent announcement of the merger of JSHL with JSL, in compliance with SEBI guidelines on monitoring and review of ratings by Credit Rating Agencies.

Excerpts from the reports:

India Ratings reports JSL's key rating drivers as, *"…the entity would also have operational diversification, as JSL's Jajpur plant would benefit from efficient raw material procurement and export markets due to port proximity, while JSHL's Hisar plant would benefit from its proximity to domestic consumption hubs. Ind-Ra expects a meaningful improvement in the financial* *profile of the merged entity, given the loan knock off, resulting in lower leverage, greater financial flexibility, and better access to the banking system and capital markets. Ind-Ra expects the total balance sheet debt (including letters of credit (LC) acceptances) of the combined entity to be around INR 58 billion at end-FY21, (FY20: INR 67.5 billion), with EBITDA of around INR 20.6 billion (INR 20.7 billion), on account of the debt repayment and intercompany debt knock off, resulting in the net adjusted leverage being below 3x. Ind-Ra expects the consolidated EBITDA/tonne to increase to INR 13,600 in FY21 (FY19-FY20: around INR 12,500), against the agency's earlier expectations of INR 11,700 amidst COVID-19-led concerns, due to the strong uptick in gross margins from 2QFY21 onwards. The management has enhanced focus on strengthening the balance sheet over FY21, with accelerated long-term debt repayments using strong free cash flows achieved by strong profitability, optimized working capital cycle and minimal capex outflows. The agency expects its debt-service coverage ratio to be comfortable at about 1.3x and 1.6x over FY21 and FY22, respectively, as per the scheduled repayments."*

CARE Ratings reports JSL's key rating drivers as, "…*After a subdued operational performance in Q1FY21 (refers to the period of April 1 to June 30) due to covid-19 led disruptions, the company has witnessed substantial increase in sales volumes in Q2FY21 leading to a total sales volume of 3.19 lakh MT in H1FY21 (FY20: 9.16 lakh MT and H1FY20: 4.55 lakh MT)… JSL's overall gearing improved as on September 30, 2020, however, stood moderate at 1.65x (March 31, 2020: 1.94x)… CARE expects the merger is expected to bring in more financial flexibility to the group with a reduction in debt levels of JSL to the tune of Rs 900 crore due to cancellation of inter corporate deposits extended by JSHL to JSL.*