

August 26, 2024^(Revised)

Jindal Steel & Power Limited: Update on Material Event

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based (Cash Credit)	2,000.00	2,000.00	[ICRA]AA (Stable); outstanding
Long-term fund-based (Term Loans)	14,859.95	14,859.95	[ICRA]AA (Stable); outstanding
Short-term non-fund-based bank facilities	18,140.05	18,140.05	[ICRA]A1+; outstanding
Non-convertible debentures (NCDs)	5,000.00	5,000.00	[ICRA]AA (Stable); outstanding
Total facilities	40,000.00	40,000.00	

*Instrument details are provided in Annexure-1

Rationale

In a recent ruling, the Hon'ble Supreme Court of India upheld the state governments' power to tax mineral rights and mineral-bearing lands under Entries 49 and 50 of List II in the Constitution's Seventh Schedule. On August 14, 2024, the Supreme Court ruled that states have the discretion to decide on the retrospective application of the tax. However, any tax demand will not impact transactions conducted before April 1, 2005. In case of retrospective tax demand, payments will be spread over 12 years, starting from April 1, 2026. Additionally, interest and penalties on demands for the period before July 25, 2024, will be waived for all assesses. The states are yet to come out with their decision on imposition of such retrospective tax.

ICRA will assess the impact of the Supreme Court ruling on Jindal Steel & Power Limited given that it is involved in mining operations and take appropriate action when further clarity emerges from the states with respect to taxation of mineral rights following the Supreme court ruling.

Please refer to the following link for the previous detailed rationale that captures the key rating and their description, liquidity position, rating sensitivities and key financial indicators: [Click here](#).

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Iron & Steel
Parent/Group Support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of JSPL. As on March 31, 2024, the company had 11 subsidiaries, 39 stepdown subsidiaries, 4 associates and 3 joint ventures.

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) and Patratu (Jharkhand). JSPL's integrated operations in India encompass capacities of 10.45 mtpa of iron making, 9.0 mtpa of pellets, 9.6 mtpa of liquid steel and 6.55 mtpa of finished steel. JSPL's product range includes TMT bars, plates, coils, parallel flange beams and columns, rails, angles and channels, wire rods, fabricated sections among other finished and semi-finished products. While about 70% of JSPL's domestic iron manufacturing capacity (~7.33 mtpa) is achieved through the blast furnace route, the balance (~3.12

mtpa) is achieved through direct-reduced iron (DRI). JSPL also has a captive thermal power generation capacity of about 1,634 MW at its Raigarh and Angul plants.

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.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2025)			Chronology of rating history for the past 3 years										
	Type	Amount Rated (Rs Crore)	Aug 26, 2024	FY2024		FY2023		FY2022						
				Date	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	
Term Loans	Long Term	14,859.95	[ICRA]AA (Stable)	25-Oct-23	[ICRA]AA (Stable)	-	-	24-Jan-22	[ICRA]AA-(Stable)	27-Sep-21	[ICRA]A+(Positive)	15-Apr-2021 06-May-21	[ICRA]A (Stable)	
				21-Sep-23	[ICRA]AA (Stable)	-	-	-	-	-	-	-	-	-
				06-Apr-23	[ICRA]AA-(Positive)	-	-	-	-	-	-	-	-	-
Cash Credit	Long term	2,000.00	[ICRA]AA (Stable)	25-Oct-23	[ICRA]AA (Stable)	-	-	24-Jan-22	[ICRA]AA-(Stable)	27-Sep-21	[ICRA]A+(Positive)	15-Apr-2021 06-May-21	[ICRA]A (Stable)	
				21-Sep-23	[ICRA]AA (Stable)	-	-	-	-	-	-	-	-	-
				06-Apr-23	[ICRA]AA-(Positive)	-	-	-	-	-	-	-	-	-
Non-fund-based	Long term	-	-	-	-	-	-	24-Jan-22	[ICRA]AA-(Stable)	27-Sep-21	[ICRA]A+(Positive)	15-Apr-2021 06-May-21	[ICRA]A (Stable)	
Non-fund-based	Short term	18,140.05	[ICRA]A1+	25-Oct-23	[ICRA]A1+	-	-	24-Jan-22	[ICRA]A1+	27-Sep-21	[ICRA]A1+	15-Apr-2021 06-May-21	[ICRA]A1	
				21-Sep-23	[ICRA]A1+	-	-	-	-	-	-	-	-	-
				06-Apr-23	[ICRA]A1+	-	-	-	-	-	-	-	-	-
Fund-based	Short term	-	-	-	-	-	-	-	-	-	-	-	-	
Unallocated	Long term /Short term	-	-	-	-	-	-	-	-	-	-	15-Apr-2021 06-May-21	[ICRA]A (Stable)/ [ICRA]A1	
				-	-	-	-	-	-	-	-	-	-	
				06-Apr-23	[ICRA]AA-(Positive)/[ICRA]A1+	-	-	-	-	-	-	-	-	
NCDs	Long term	5,000.00	[ICRA]AA (Stable)	25-Oct-23	[ICRA]AA (Stable)	-	-	-	-	-	*	15-Apr-2021 06-May-21	[ICRA]A (Stable)	

*: Rating withdrawn

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term fund-based (Cash Credit)	Simple
Long-term fund-based (Term Loans)	Simple
Short-term non-fund-based bank facilities	Very Simple
Non-convertible debentures (NCDs)	Very simple*

* Subject to change as per the terms of NCDs at the time of placement

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term fund-based (Cash Credit)	--	-	-	2,000.00	[ICRA]AA (Stable)
NA	Long-term fund-based (Term Loans)	FY2015	-	Upto FY2030	14,859.95	[ICRA]AA (Stable)
NA	Short-term non-fund-based bank facilities	--	-	-	18,140.05	[ICRA]A1+
Unplaced	Non-convertible debentures (NCDs)	--	--	--	5,000.00	[ICRA]AA (Stable)

Source: Jindal Steel & Power Limited

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Jindal Steel & Power (Mauritius) Limited	100.00%	Full Consolidation
Pt Jindal Overseas	99.00%	Full Consolidation
Skyhigh Overseas Limited	100.00%	Full Consolidation
Jindal Steel Bolivia Sa	51.00%	Full Consolidation
Gas to Liquids International S.A	87.56%	Full Consolidation
JSPL Mozambique Minerai LDA	100.00%	Full Consolidation
Avion Mineriaux Limited	100.00%	Full Consolidation
Jindal Africa Investments (Pty) Limited	100.00%	Full Consolidation
Osho Madagascar Sarl	100.00%	Full Consolidation
Jindal Madagascar Sarl	100.00%	Full Consolidation
Jindal Investimentos Lda	100.00%	Full Consolidation
Belde Empreendimentos Mineiros Lda.	100.00%	Full Consolidation
Eastern Solid Fuels (Pty) Ltd.	100.00%	Full Consolidation
Jindal Mining SA (Pty) Limited	73.94%	Full Consolidation
Jindal Steel & Power (Australia) Pty Limited	100.00%	Full Consolidation
Jindal Tanzania Limited	99.00%	Full Consolidation
Jindal (BVI) Ltd	100.00%	Full Consolidation
Jindal (Barbados) Energy Corp	100.00%	Full Consolidation
Jindal (Barbados) Mining Corp	100.00%	Full Consolidation
Jindal (Barbados) Holdings Corp	100.00%	Full Consolidation
Jindal Transafrica (Barbados) Corp	100.00%	Full Consolidation
Meepong Energy (Mauritius) Pty Limited	100.00%	Full Consolidation
Meepong Resources (Mauritius) Pty Limited	100.00%	Full Consolidation
Bon-Terra Mining (Pty) Limited	100.00%	Full Consolidation
Jindal Resources (Botswana) (Pty.) Limited	100.00%	Full Consolidation
Meepong Energy (Pty) Ltd.	100.00%	Full Consolidation
Meepong Service (Pty) Ltd	100.00%	Full Consolidation
Meepong Water (Pty) Ltd.	100.00%	Full Consolidation
Trans Africa Rail (Pty) Ltd	100.00%	Full Consolidation
Jindal Mining Namibia (Pty) Limited	100.00%	Full Consolidation
Jindal Botswana (Pty) Limited	100.00%	Full Consolidation
Blue Castle Ventures Limited	100.00%	Full Consolidation
Brake Trading (Pty) Limited	85.00%	Full Consolidation
Jindal Processing KZN (Pty) Limited	85.00%	Full Consolidation

Company Name	Ownership	Consolidation Approach
Wollongong Resources Pty Limited	100.00%	Full Consolidation
Wongawilli Resources Pty Limited	100.00%	Full Consolidation
Oceanic Coal Resources NL	100.00%	Full Consolidation
Southbulli Holding Pty Limited	100.00%	Full Consolidation
JB Fabinfra Limited	100.00%	Full Consolidation
Trishakti Real Estate Infrastructure and Developers Limited	94.87%	Full Consolidation
Jindal Iron Ore Pty Limited	74.00%	Full Consolidation
Jindal Botswana (Pty) Limited Jindal Africa Sa	100.00%	Full Consolidation
Raigarh Pathalgaon Expressway Limited	100.00%	Full Consolidation
Jindal Africa Consulting (Pty) Limited	100.00%	Full Consolidation
JSP Mettalics Limited	100.00%	Full Consolidation
Jindal Steel Odisha Limited	100.00%	Full Consolidation
Jindal Steel Chattisgarh Limited	100.00%	Full Consolidation
Jindal Steel JindalGarh Limited	100.00%	Full Consolidation
Jindal Steel USA Inc	100.00%	Full Consolidation
Jindal Synfuels Limited	70.00%	Full Consolidation
Shresht Mining and Metals Private Limited	50.00%	Equity Method
Urtan North Mining Company Limited	66.67%	Full Consolidation
Goedehoop Coal (Pty) Limited	50.00%	Equity Method
Jindal Steel Andhra Limited	49.00%	Equity Method
Jindal Paradip Port Limited	51.00%	Full Consolidation
Sunbreeze Renewables Nine Private Limited	26.00%	Equity Method
JSP Green Wind 1 Private Limited	26.00%	Equity Method

Source: Annual report

Corrigendum

Rationale dated August 26, 2024 has been revised with the changes as below:

Annexure II on page 6 and 7 updated as per FY2024 annual report

ANALYST CONTACTS

Girishkumar Kadam

+91 22 6114 3441

girishkumar@icraindia.com

Vikram V

+91 40 6939 6410

vikram.v@icraindia.com

Sumit Jhunjunwala

+91 33 7150 1111

sumit.jhunjunwala@icraindia.com

Devanshu Gupta

+91 124 4545 321

devanshu.gupta@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries:

+91 9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House 148, Barakhamba Road New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.