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JSWSL: SECT: MUM: SE: 2025-26  
December 16, 2025

<b>1. National Stock Exchange of India Ltd.</b> Exchange Plaza Plot No. C/1, G Block Bandra – Kurla Complex Bandra (E), Mumbai – 400 051 <b>NSE Symbol: JSWSTEEL</b>  <b>Kind Attn: Listing Department</b>	<b>2. BSE Limited</b> Corporate Relationship Dept. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001. <b>Scrip Code No.500228</b>  <b>Kind Attn: Listing Department</b>
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**Sub: Intimation of rating action by India Ratings and Research (India Ratings/Ind-Ra) under Regulation 30 (6) & 51(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations 2015")**

Dear Sir,

Pursuant to Regulation 30(6) and 51(2) of the Listing Regulations 2015 as amended, we wish to inform you that India Ratings vide their Press Release dated December 15, 2025 has placed the 'AA' Ratings on Long Term Issuer Rating and Non-Convertible Debentures on 'Rating Watch **with Positive Implications**'. Please find below the details of the change.

<b>Name of the Company</b>	<b>Credit Rating Agency</b>	<b>Type of Credit Rating</b>	<b>Existing</b>	<b>Revised</b>
JSW Steel Limited	India Ratings	Long-Term Issuer Rating and Non-Convertible Debentures	IND 'AA' Outlook: Stable	IND 'AA' Rating Watch <b>with Positive Implications</b>

A copy of the Press Release issued by India Ratings covering the rationale for rating action is enclosed herewith.

This is for your information and records.

Yours faithfully,  
For **JSW STEEL LIMITED**

**Manoj Prasad Singh**  
Company Secretary  
(In the Interim Capacity)

Enclosed: as above



# India Ratings Places JSW Steel and its NCDs on Rating Watch with Positive Implications

Dec 15, 2025

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Iron & Steel

India Ratings and Research (Ind-Ra) has placed JSW Steel Limited's (JSWL) Long-Term Issuer Rating and its non-convertible debentures (NCDs) on Rating Watch with Positive Implications as follows:

## Details of Instruments

Instrument Description	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (billion)	Rating assigned along with Outlook/Watch	Rating Action
Long-Term Issuer Rating	-	-	-	-	IND AA/Rating Watch with Positive Implications	Placed on Rating Watch
Non-convertible debentures*	-	-	-	INR100	IND AA/Rating Watch with Positive Implications	Placed on Rating Watch

\*Unutilised

## Analytical Approach

Ind-Ra continues to take a fully consolidated view of JSWL and [its subsidiaries](#) because of the close operational and strategic linkages among them.

## Detailed Rationale of the Rating Action

The Rating Watch with Positive Implications follows JSWL’s announcement on 3 December 2025 that its board has approved forming a strategic joint venture (JV) between Japan-based JFE Steel Corporation (JFE) and its step-down subsidiary, Bhushan Power and Steel Limited (BPSL), for crude steel business with a planned capacity of 4.5 million tonnes per annum (mtpa). As part of the transaction, BPSL’s steel business will be transferred through a slump sale to JSW Sambalpur Steel Limited (JSWSSL), a subsidiary of JSW Kalinga Steel Limited (JSWKSL), for a cash consideration of INR244.83 billion (subject to adjustments). JFE will invest INR157.50 billion in two equal tranches, for a 50% stake in JSWKSL (JV) at an equity valuation of INR315 billion. Furthermore, aggregate debt of INR166 billion would be raised at JSWSSL and JSWKL.

The transaction is likely to generate total cash inflows of around INR320 billion for JSWL and reduce net debt of about INR50 billion through the deconsolidation of BPSL, resulting in an overall net debt reduction of around INR370 billion at JSWL.

Ind-Ra believes the transaction would entail forgoing BPSL's capacity, around 10% of JSWL's consolidated EBITDA (BPSL's share) and a reduction in JSWL's consolidated debt of about INR370 billion. This would improve JSWL's overall credit profile over FY26-FY27 with the consolidated net leverage (including acceptances) reducing by around 1x. Post-transaction, Ind-Ra will calculate JSWL's adjusted net leverage (including acceptance) by adjusting the consolidated EBITDA and JSWL's net debt based on JSWL's holding. The ratio will likely reduce to 2x-2.5x over FY27-FY28 compared to the earlier expectation of 3.5x over FY26-FY28. However, the extent of consolidation will depend on financial terms and the assessment of linkages between JSWL and JSKWL (including its subsidiaries) which will be a key monitorable to resolve the Rating Watch. The transaction also requires regulatory and shareholder approvals, including clearance from the Competition Commission of India, which typically takes six-to-nine months.

## List of Key Rating Drivers

Not applicable

## Detailed Description of Key Rating Drivers

For the last published RAC, please [click here](#).

## Liquidity

**Adequate:** At end-September 2025, JSWL had unencumbered cash and cash equivalents of around INR186 billion and consolidated unutilised fund-based and non-fund-based working capital lines of INR330 billion and an undrawn term loan of INR53 billion. Ind-Ra expects the working capital requirements to remain high in FY26, due to its incremental volumes after the ramp-up of volumes in Vijaynagar and phase-II of BSPL. JSWL targets a capex of around INR200 billion each year over FY26-FY28, of which it completed INR68 billion at end-September-2025.

JSWL has scheduled repayments of INR67.5 billion in 2HFY26, INR169 billion in FY27 and INR171 billion in FY28. Given the capex budget for FY26-FY27, the agency expects JSWL to refinance a part of its debt maturities well in advance, given its track record of raising funds through capital markets and banks. The company's liquidity profile is also supported by its healthy financial flexibility and strong access to the capital markets.

## Rating Sensitivities

The Rating Watch with positive Implications indicates that the ratings may be upgraded or affirmed post completion of transaction and will be contingent on Ind-Ra's assessment of JSKW with JSWKPL along with the terms of the financing structure.

## Any Other Information

**Standalone Financial Profile:** JSWL contributed 76% to the total consolidated revenue during FY25 (FY24: 77%, FY23: 79%) and 80% to the consolidated EBITDA (78%; 83%). JSWL earned revenue of INR1,277 billion in FY25 (FY24: INR1,351.8 billion, FY23: INR1,316.9 billion) and EBITDA margins of 14% (16%; 12%). JSWL's standalone debt accounted for 70% of the consolidated debt at end-March 2025.

## ESG Issues

**ESG Factors Relevant to Rating:** GHG Emissions and Air Quality under Environment has relevance and moderate impact to the credit rating of JSWL. Increased environmental compliance costs and capital expenditures in overseas subsidiaries may have a modest impact on the group's margins and cash flows in conjunction with other factors. For more information on Ind-Ra's ESG Relevance Disclosures, please click [here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click [here](#).

## About the Company

JSWL, a part of the JSW Group, is an integrated manufacturer of a range of steel products with an export presence in over 100 countries. JSWL has a total steel-making capacity of 35.7mtpa in India and the US (including capacities under joint control). The company’s products include hot-rolled steel strips, sheets/plates, mild steel (MS) cold-rolled coils/sheets, MS galvanised plain/corrugated/colour-coated coils/sheets, steel billet, bars and rods. The company’s largest facility in Vijaynagar, Karnataka, has a capacity of 17.5mtpa, followed by Dolvi, Maharashtra (10mtpa); Jharsuguda, Odisha (4.5mtpa under BPSL); Salem, Tamil Nadu (1mtpa) and JISPL (1.2mtpa).

The products are used across end-user segments including industrials, infrastructure, automotive, and electrical applications among others. Additionally, company has a 1.5-mntpa capacity in Ohio, US. The company also has a plate and pipe mill business in the US and rolled products and grinding balls business in Italy, which are operated through its international subsidiaries. The promoters held around 45% stake in JSWL as on 30 September 2025. It is among the leading producers and exporters of coated flat steel products in India. For value-added steel products, the company has a 100% subsidiary - JSW Coated Products Limited (JSCPL) - with manufacturing facilities at Vasind, Tarapur Khopoli, Bawal, Indore, Rajpura and Kalmeshwar in Maharashtra specialising in galvanised sheets, galvalume products, and high-end colour-coated sheets.

### Key Financial Indicators

Particulars (Consolidated; INR billion)	1HFY26	FY25	FY24
Revenue	883	1,688.2	1,750.1
Operating EBITDA	146.9	229.0	282.4
Operating EBITDA margin (%)	16.6	13.6	16.1
Interest coverage (x)	3.2	2.7	3.5
Adjusted net leverage (including acceptances; x)	3.6	4.5	3.4
Source: JSWL; Ind-Ra			

### Status of Non-Cooperation with previous rating agency

Not applicable

### Rating History

Instrument Type	Rating Type	Rated Limits (billion)	Current Ratings/Outlook	Historical Rating/Outlook				
				12 November 2025	13 May 2025	6 March 2025	7 March 2024	8 March 2023
Issuer rating	Long-term	-	IND AA/Rating Watch with positive Implication	IND AA/Stable	IND AA/Rating Watch with Developing Implications	IND AA/Stable	IND AA/Stable	IND AA/Stable
Non-convertible debentures	Long-term	INR100	IND AA/Rating Watch with positive Implication	IND AA/Stable	IND AA/Rating Watch with Developing Implications	IND AA/Stable	IND AA/Stable	IND AA/Stable

### Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Non-convertible debentures	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity- indicators>.

## Contact

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## About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

## Solicitation Disclosures

Additional information is available at [www.indiaratings.co.in](http://www.indiaratings.co.in). The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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## APPLICABLE CRITERIA AND POLICIES

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### Evaluating Corporate Governance

### Corporate Rating Methodology

### Policy for Placing Ratings on Rating Watch

## The Rating Process

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