

May 13, 2025

JSW Steel Limited: Update on material event

Summary of rating(s) outstanding

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Based – Term Loans/Standby Letter of Credit Facilities	28645.00	28645.00	[ICRA]AA(Stable); Outstanding
Short-term Fund-based Limits	5,107.66	5,107.66	[ICRA]A1+; Outstanding
Short-term Non-fund Based Limits	36,603.0	36,603.0	[ICRA]A1+; Outstanding
Long-term/Short-term – Fund-based/ Non-fund Based Limits	11,009.34	11,009.34	[ICRA]AA (Stable)/ [ICRA]A1+; Outstanding
Long-term/Short-term – Unallocated Limited	420.00	420.00	[ICRA]AA (Stable)/ [ICRA]A1+; Outstanding
Non-convertible Debenture Programme	4375.0	4375.0	[ICRA]AA(Stable); Outstanding
Non-convertible Debenture Programme^	466.0	466.0	[ICRA]AA(Stable); Outstanding
Non-convertible Debenture Programme^	3,034.0	3,034.0	[ICRA]AA(Stable); Outstanding
Commercial Paper Programme	5,000.0	5,000.0	[ICRA]A1+; Outstanding
Total	94,660.0	94,660.0	

*Instrument details are provided in Annexure-I; Note: Amounts in Rs. Crore; ^Proposed

Rationale

Material event

On May 2, 2025, the Hon'ble Supreme Court set aside the September 5, 2019 order of the National Company Law Tribunal (NCLT) as well as the February 17, 2020 order of the National Company Law Appellate Tribunal (NCLAT) related to the approval of the resolution plan of JSW Steel Limited for the takeover of Bhushan Power & Steel Limited (BPSL) through the Insolvency and Bankruptcy Code (IBC) route and directed the NCLT to initiate liquidation proceedings against BPSL.

The impact

BPSL's 4.5-million-tonne-per-annum (mtpa) installed steelmaking facility accounted for 12.6% of JSW Steel's consolidated 35.7-mtpa capacity and ~9.9% of its consolidated 9M FY2025 EBITDA. The potential liquidation of BPSL is expected to, therefore, impact JSW Steel's near-term earnings. However, the Hon'ble Supreme Court's judgement also specifies that the amount paid by the Company to the financial creditors, operational creditors and equity contributions made by the Company are also to be refunded to JSW Steel. This will lead to a reduction in JSW Steel's consolidated debt levels, including repayment of the current outstanding debt of BPSL as per the escrow agreement. This has led ICRA to believe that JSW Steel's leverage indicators are unlikely to deteriorate if the liquidation of BPSL gets implemented. The timely receipt of funds from the CoC will, therefore, remain critical from a credit perspective.

That being said, ICRA understands that JSW Steel is exploring various legal remedies following the Supreme Court's order. Moreover, the nature of BPSL's assets has undergone considerable change following the implementation of the resolution plan with the installed capacity increasing to 4.5 mtpa as on December 31, 2024, from 2.75 mtpa as on March 31, 2022. ICRA would continue to monitor the developments in this regard and take appropriate action when further clarity emerges on the aforementioned matters.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Entities in the Iron & Steel
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the consolidated financials of JSW Steel Limited

About the company

JSW Steel, a part of the O.P. Jindal Group, manufactures iron and steel products. 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. As on September end, 2024, in India the company has crude steel capacity of 34.2 mtpa. The company has facilities across India in Vijaynagar, Karnataka (17.5 mtpa); Dolvi, Maharashtra (10 mtpa); Jharsuguda, Odisha (4.5 mtpa); Salem, Tamil Nadu (1 mtpa) and JISPL (1.2 mtpa). Additionally, company has a 1.5 mtpa capacity in Ohio, United States. For value added steel products the company has a 100% subsidiary JSW Coated Products Limited (JSCPL) with manufacturing facilities at Vasind and Tarapur (near Mumbai) and Kalmeshwar (near Nagpur) in Maharashtra. 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.

Key financial indicators (audited)

Consolidated	FY2023	FY2024
Operating income	165,960	175,006
PAT	4,276	9,145
OPBDIT/OI	12.4%	16.4%
PAT/OI	2.6%	5.2%
Total outside liabilities/Tangible net worth (times)	2.1	1.9
Total debt/OPBDIT (times)	3.9	3.1
Interest coverage (times)	3.0	3.5

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	May 13, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Term Loans/ Standby Letter of Credit Facilities	Long term	28645.00	[ICRA]AA(Stable)	July 05, 2024	[ICRA]AA(Stable)	Nov 09, 2023	[ICRA]AA(Stable)	Aug 19, 2022	[ICRA]AA(Stable)
				Aug 26, 2024	[ICRA]AA(Stable)			Oct 07, 2022	[ICRA]AA(Stable)
				Dec 30, 2024	[ICRA]AA(Stable)			Mar 02, 2023	[ICRA]AA(Stable)
				Mar 29, 2025	[ICRA]AA(Stable)				
Fund-based Limits	Short term	5,107.66	[ICRA]A1+	July 05, 2024	[ICRA]A1+	Nov 09, 2023	[ICRA]A1+	Aug 19, 2022	[ICRA]A1+
				Aug 26, 2024	[ICRA]A1+			Oct 07, 2022	[ICRA]A1+
				Dec 30, 2024	[ICRA]A1+			Mar 02, 2023	[ICRA]A1+
				Mar 29, 2025	[ICRA]A1+				
Non-fund Based Limits	Short term	36,603.00	[ICRA]A1+	July 05, 2024	[ICRA]A1+	Nov 09, 2023	[ICRA]A1+	Aug 19, 2022	[ICRA]A1+
				Aug 26, 2024	[ICRA]A1+			Oct 07, 2022	[ICRA]A1+
				Dec 30, 2024	[ICRA]A1+			Mar 02, 2023	[ICRA]A1+
				Mar 29, 2025	[ICRA]A1+				
Fund-based/ Non-fund Based Limits	Long term/ Short term	11,009.34	[ICRA]AA(Stable) / [ICRA]A1+	July 05, 2024	[ICRA]AA(Stable)/ [ICRA]A1+	Nov 09, 2023	[ICRA]AA(Stable)/ [ICRA]A1+	Aug 19, 2022	[ICRA]AA(Stable) / [ICRA]A1+
				Aug 26, 2024	[ICRA]AA(Stable)/ [ICRA]A1+			Oct 07, 2022	[ICRA]AA(Stable) / [ICRA]A1+
				Dec 30, 2024	[ICRA]AA(Stable)/ [ICRA]A1+			Mar 02, 2023	[ICRA]AA(Stable) / [ICRA]A1+
				Mar 29, 2025	[ICRA]AA(Stable)/ [ICRA]A1+				
Unallocated Limited	Long term/ Short term	420.00	[ICRA]AA(Stable) / [ICRA]A1+	July 05, 2024	[ICRA]AA(Stable)/ [ICRA]A1+	Nov 09, 2023	-	Aug 19, 2022	-
				Aug 26, 2024	[ICRA]AA(Stable)/ [ICRA]A1+			Oct 07, 2022	-
				Dec 30, 2024	[ICRA]AA(Stable)/ [ICRA]A1+			Mar 02, 2023	-

				Mar 29, 2025	[ICRA]AA(Stable)/ [ICRA]A1+				
NCD Programme	Long term	4375.00	[ICRA]AA(Stable)	July 05, 2024	[ICRA]AA (Stable)	Nov 09, 2023	[ICRA]AA (Stable)	Aug 19, 2022	[ICRA]AA(Stable)
				Aug 26, 2024	[ICRA]AA (Stable)			Oct 07, 2022	[ICRA]AA(Stable)
				Dec 30, 2024	[ICRA]AA (Stable)			Mar 02, 2023	[ICRA]AA(Stable)
				Mar 29, 2025	[ICRA]AA (Stable)				
NCD Programme*	Long term	466.00	[ICRA]AA(Stable)	July 05, 2024	[ICRA]AA (Stable)	Nov 09, 2023	[ICRA]AA (Stable)	Aug 19, 2022	[ICRA]AA(Stable)
				Aug 26, 2024	[ICRA]AA (Stable)			Oct 07, 2022	[ICRA]AA(Stable)
				Dec 30, 2024	[ICRA]AA (Stable)			Mar 02, 2023	[ICRA]AA(Stable)
				Mar 29, 2025	[ICRA]AA (Stable)				
NCD Programme*	Long term	3,034.00	[ICRA]AA(Stable)	July 05, 2024	[ICRA]AA (Stable)	Nov 09, 2023	[ICRA]AA (Stable)	Aug 19, 2022	-
				Aug 26, 2024	[ICRA]AA (Stable)			Oct 07, 2022	-
				Dec 30, 2024	[ICRA]AA (Stable)			Mar 02, 2023	-
				Mar 29, 2025	[ICRA]AA (Stable)				
NCD Programme*	Long term	-	-	July 05, 2024	[ICRA]AA(Stable); withdrawn	Nov 09, 2023	[ICRA]AA (Stable)	Aug 19, 2022	[ICRA]AA(Stable)
				Aug 26, 2024	-			Oct 07, 2022	[ICRA]AA(Stable)
								Mar 02, 2023	[ICRA]AA(Stable)
Commercial Paper Programme	Short term	5,000.00	[ICRA]A1+	July 05, 2024	[ICRA]A1+	Nov 09, 2023	[ICRA]A1+	Aug 19, 2022	[ICRA]A1+
				Aug 26, 2024	[ICRA]A1+			Oct 07, 2022	[ICRA]A1+
				Dec 30, 2024	[ICRA]A1+			Mar 02, 2023	[ICRA]A1+
				Mar 29, 2025	[ICRA]A1+				
NCD Programme*	Long term	-	-	July 05, 2024	-	Nov 09, 2023	[ICRA]AA(Stable); withdrawn	Aug 19, 2022	[ICRA]AA(Stable)
				Aug 26, 2024	-			Oct 07, 2022	[ICRA]AA(Stable)
								Mar 02, 2023	[ICRA]AA(Stable)

*Proposed; NCD – Non-convertible debentures

Complexity level of the rated instrument

Instrument	Complexity indicator
Long Term – Fund Based - Term Loans/Standby Letter of Credit Facilities	Simple
Short-term Fund-based Limits	Very Simple
Short-term Non-fund Based Limits	Very Simple
Long-term/Short-term – Fund-based/ Non-fund Based Limits	Very Simple
Long-term/Short-term – Unallocated Limited	NA
Non-convertible Debenture Programme	Very Simple
Non-convertible Debenture Programme*	Very Simple
Commercial Paper Programme	Very Simple

*Proposed

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 are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long Term – Fund Based - Term Loans/Standby Letter of Credit Facilities	FY2010-FY2024	NA	FY2024-FY2032	28645.00	[ICRA]AA (Stable)
NA	Short-term Fund-based Limits	NA	NA	NA	5,107.66	[ICRA]A1+
NA	Short-term Non-fund Based Limits	NA	NA	NA	36,603.0	[ICRA]A1+
NA	Long-term/Short-term – Fund-based/ Non-fund Based Limits	NA	NA	NA	11,009.34	[ICRA]AA (Stable)/ [ICRA]A1+
NA	Long-term/Short-term – Unallocated Limited	NA	NA	NA	420.00	[ICRA]AA (Stable)/ [ICRA]A1+
INE019A07415	NCD Programme	Oct 18, 2019	8.79%	Oct 18, 2029	2000.0	[ICRA]AA (Stable)
INE019A07423	NCD Programme	Jan 23, 2020	8.90%	Jan 23, 2030	1000.0	[ICRA]AA (Stable)
INE019A08033	NCD Programme	Dec 23, 2023	8.25%	Dec 23, 2027	875.00	[ICRA]AA (Stable)
INE019A08058	NCD Programme	Mar 13, 2024	8.39%	May 13, 2027	500.00	[ICRA]AA (Stable)
NA	NCD Programme*	NA	NA	NA	466.0	[ICRA]AA (Stable)
NA	NCD Programme*	NA	NA	NA	3,034.0	[ICRA]AA (Stable)
Proposed	Commercial Paper Programme	NA	NA	NA	5,000.0	[ICRA]A1+

Source: Company; *Proposed; NCD – Non-convertible debentures

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

Annexure II: List of entities considered for consolidated analysis

Sr.	Company Name	Consolidation Approach
1	JSW Steel Limited	Full Consolidation
2	Acero Junction Holdings, Inc	Full Consolidation
3	Amba River Coke Limited	Full Consolidation
4	Bhushan Power and Steel Limited (w.e.f October 01, 2021)	Full Consolidation
5	Caretta Minerals, LLC	Full Consolidation
6	Chandranitya Developers Limited (w.e.f November 04, 2022)	Full Consolidation
7	GSI Lucchini S.p.A	Full Consolidation
8	Hutchinson Minerals, LLC	Full Consolidation
9	Inversiones Eurosh Limitada	Full Consolidation
10	JSW ADMS Carvão Limitada	Full Consolidation
11	JSW Bengal Steel Limited	Full Consolidation
12	JSW Energy (Bengal) Limited	Full Consolidation
13	JSW Industrial Gases Limited	Full Consolidation
14	JSW Jharkhand Steel Limited	Full Consolidation
15	JSW Natural Resources Bengal Limited	Full Consolidation
16	JSW Natural Resources India Limited	Full Consolidation
17	JSW Natural Resources Limited	Full Consolidation
18	JSW Natural Resources Mozambique Limitada	Full Consolidation
19	JSW Panama Holdings Corporation	Full Consolidation

Sr.	Company Name	Consolidation Approach
20	JSW Realty & Infrastructure Pvt Ltd	Full Consolidation
21	JSW Retail and Distribution Limited (w.e.f. March 15, 2021)	Full Consolidation
22	JSW Steel (Netherlands) B.V.	Full Consolidation
23	JSW Steel (UK) Limited	Full Consolidation
24	JSW Steel (USA), Inc.	Full Consolidation
25	JSW Steel Coated Products Limited	Full Consolidation
26	JSW Steel Global Trade Pte Limited (w.e.f January 27, 2022)	Full Consolidation
27	JSW Steel Italy Piombino S.p.A (formerly known as Acciaierie e Ferriere di Piombino S.p.A.)	Full Consolidation
28	JSW Steel Italy S.r.L	Full Consolidation
29	JSW Steel USA Ohio, Inc	Full Consolidation
30	JSW Utkal Steel Limited	Full Consolidation
31	JSW Vijayanagar Metallica Limited	Full Consolidation
32	JSW AP Steel Limited	Full Consolidation
33	Monnet Cement Limited	Full Consolidation
34	Mivaan Steel Limited	Full Consolidation
35	JSW JFE Electrical Steel Pvt Ltd. (till Feb 07, 2024)	Full Consolidation
36	JSW Green Steel Limited	Full Consolidation
37	Periama Holdings, LLC	Full Consolidation
38	Planck Holdings, LLC	Full Consolidation
39	Purest Holdings, LLC	Full Consolidation
40	Lower Hutchinson Minerals, LLC	Full Consolidation
41	Meadow Creek Minerals, LLC	Full Consolidation
42	Piombion Logistics S.p.A	Full Consolidation
43	Nippon Ispat Singapore (PTE) Limited	Full Consolidation
44	Peddar Realty Limited	Full Consolidation
45	Piombino Steel Limited	Full Consolidation
46	Neotrex Steel Limited	Full Consolidation
47	NSL Green Steel Recycling Limited (w.e.f from September 21, 2023)	Full Consolidation
48	JSW JFE Electrical Steel Private Limited (w.e.f. February 07, 2024) (formerly known as JSW Electrical Steel Private Limited)	Equity method
49	JSW One Platforms Limited	Equity method
50	Creixent Special Steel Limited (consolidated upto July 30, 2023)	Equity method
51	Vijayanagar Minerals Private Limited	Equity method
52	Rohne Coal Company Private Limited	Equity method
53	JSW Severfield Structures Limited	Equity method
54	JSW Structural Metal Decking Limited	Equity method
55	Gourangdih Coal Limited	Equity method
56	JSW MI Steel Services Centre Private Limited	Equity method
57	JSW Renewable Energy (Vijayanagar) Limited	Equity method
58	MP Monnet Mining Company Limited (w.e.f. July 31, 2023)	Equity method
59	Urtan North Mining Company Limited (w.e.f. July 31, 2023)	Equity method
60	JSW Paints Private Limited (w.e.f. August 21, 2023)	Equity method
61	NSL Green Steel Recycling Limited (till September 21, 2023)	Equity method

Source: Company

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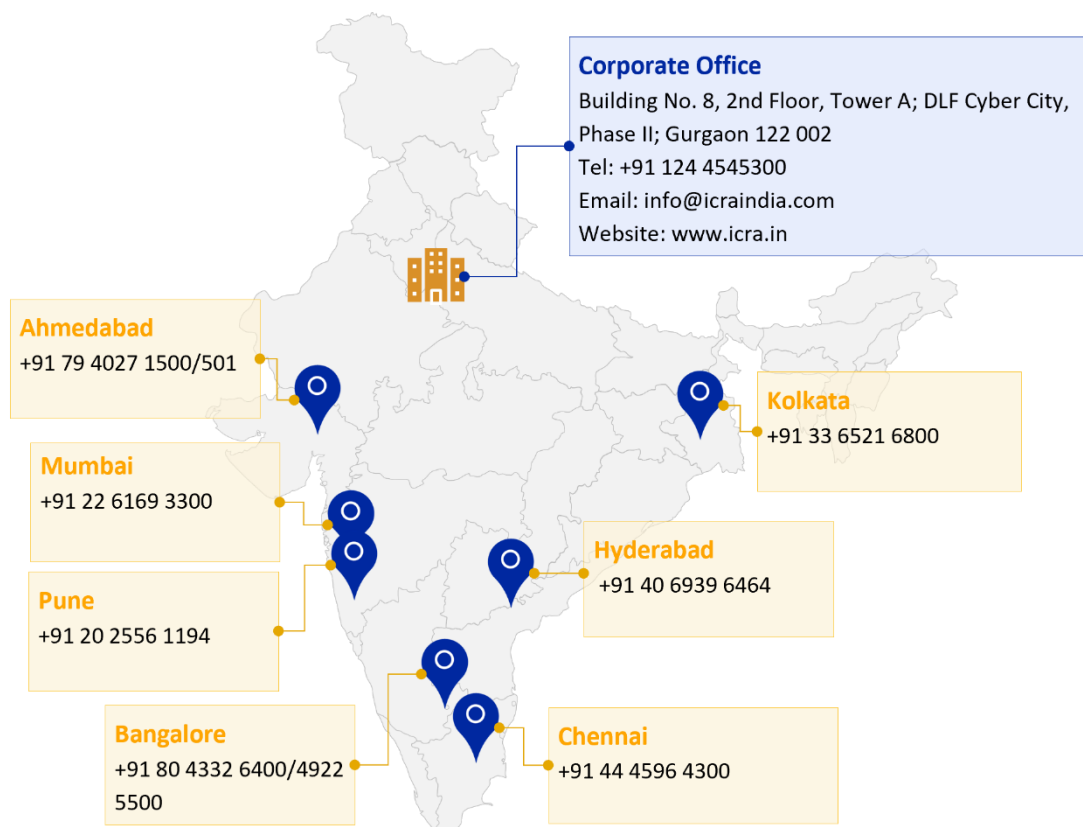


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