

October 07, 2025

JSW Paints Limited: [ICRA]AA- (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
NCD	3300.00	[ICRA]AA- (Stable); assigned
Total	3300.00	

*Instrument details are provided in Annexure I

Note: ICRA has consolidated the business and financial profile of JSW Paints Limited (JSWPL) and the proposed target company, Akzo Nobel India Limited (ANIL). In June 2025, JSWPL has entered into definitive agreements to acquire up to 74.76% stake in ANIL from Imperial Chemical Industries Limited and Akzo Nobel Coatings International B.V. (Sellers). The approval from Competition Commission of India was received on September 16, 2025 and the entire transaction is expected to be completed in the current fiscal year itself. The rated NCDs are being raised to finance part of the acquisition cost. The planned acquisition cost for the entire transaction will be funded by a mix of fund infusion into JSWPL directly or indirectly via a promoter level entity and rest by borrowing at JSWPL level. ICRA notes that the fund infusion into JSWPL through a promoter entity remains subordinated to the rated NCD till the tenure of debt. Moreover, any borrowing at promoter level remain non-recourse on JSWPL's cash flows.

Rationale

The assigned rating considers the strong financial flexibility arising from being a part of the JSW Group and the expected improvement in the business profile of JSW Paints Limited (JSWPL) post the proposed acquisition. The acquisition of Akzo Nobel India Limited (ANIL) is likely to result in various business and operational synergies in the form of significant increase in scale, expansion of the dealer network, brand and geographical complementarity, enhancement in product portfolio, along with access to new technologies in the industrial segment. These revenues and cost synergies are expected to lead to a substantial improvement in JSWPL's operating profitability. Post this acquisition, the combined entity (JSWPL and ANIL), is expected to become the fourth largest player in the decorative paints segment and second largest player in the industrial paints segment in India. Further, JSWPL will get access to a recognised brand "Dulux", which has an established presence in the premium decorative paints segment in India. The proposed acquisition would enable JSWPL to access ANIL's technologies within the industrial segment such as vehicle refinishes, & marine coatings, etc, where JSWPL is not present currently. JSWPL reported revenues of Rs. 2,155 crore in FY2025, which is likely to improve significantly for the combined entity in FY2026. The revenue growth in the next 3-5 years will be supported by wider distribution reach and realisation of synergy benefits in terms of manufacturing, logistics and marketing footprint. As per ICRA's expectations, the combined entity is expected to register healthy low double-digit operating margins in FY2027e, which are likely to improve further in the medium to long term, as compared to operating losses of JSWPL in FY2025.

The fund infusion of up to Rs. 6,500 crore in JSWPL directly or indirectly via a promoter entity for acquisition funding is expected to remain subordinated to the rated NCD. Nonetheless, owing to incremental borrowing of up to Rs. 3,300 crore at JSWPL, ICRA notes that JSWPL's leverage, as reflected by external debt/OPBIDTA, will remain high at above 4 times in the medium term. However, the proposed NCDs have a bullet repayment at the end of 5 years (with a call/put option at the end of three (3) years), with only a portion of coupon to be paid annually and the balance upon redemption such that the debt servicing obligations for the NCD, till the bullet repayment is due, can be comfortably met from the operating profits and expected dividend from ANIL. The rated NCD is likely to be refinanced towards its end of tenure, thereby exposing it to refinancing risk. Nevertheless, exceptional financial flexibility by virtue of being a part of the JSW Group, established track record of refinancing of debt in the JSW Group at competitive rates and JSWPL's strategic importance to the JSW Group, mitigates the refinancing risk to an extent. ICRA takes note of demonstrated track record of funding support from the promoter group in the past, which is expected to continue going forward as well.

The credit profile remains exposed to the intense competition from the organised and unorganised players, especially in the decorative paints segment, which constrains pricing flexibility. The operating profitability remains exposed to the volatility in raw material prices, given the raw material intensive nature of the paint manufacturing business and limited bargaining power against its suppliers.

The Stable outlook on JSWPL's rating reflects ICRA's expectation that JSWPL will benefit from various operational synergies post the acquisition, leading to improvement in its scale and operating profitability.

Key rating drivers and their description

Credit strengths

Strong financial flexibility from being part of the JSW Group – JSWPL is a part of the JSW Group promoted by Mr. Sajjan Jindal. As on March 31, 2025, the Sajjan Jindal Family Trust holds 85.80% stake in JSWPL, while the balance stake is held by other JSW Group entities and individuals. Mr. Parth Jindal, son of Mr. Sajjan Jindal, is the Managing Director of JSWPL. JSWPL holds strategic importance for the JSW Group as its industrial paint division supplies paint to JSW Steel Limited (JSWSL), which manufactures downstream steel products including colour coated coils/sheets. JSWSL has infused aggregate equity of Rs. 750 crore till March 2025, while Rs. 150 crore has been infused by South West Mining Limited as of March 2025 for funding capex, debt repayment, and meeting working capital needs of JSWPL. ICRA expects the demonstrated track record of funding support from the promoter group in the past, to continue going forward. The planned acquisition cost for entire transaction will be funded by a mix of fund infusion via a promoter entity and the rest by borrowing at JSWPL level.

Significant improvement in business profile, post-acquisition, due to operational synergies – The business profile of JSWPL is expected to improve post the proposed acquisition, resulting in various business and operational synergies in the form of significant increase in scale, expansion of the dealer network, brand and geographical complementarity, enhancement in product portfolio, along with access to new technologies in the industrial segment. These revenues and cost synergies are expected to lead to a substantial improvement in JSWPL's operating profitability. Post this acquisition, the combined entity (JSWPL and ANIL), is expected to become the fourth largest player in the decorative paints segment and second largest player in the industrial paints segment in India. Further, the company will get access to a recognised brand "Dulux", which has an established presence in the premium decorative paints segment in India. The proposed acquisition would also enable JSWPL to access ANIL's technologies within the industrial segment such as vehicle refinishes, marine coating, etc, where JSWPL is not present currently. JSWPL reported revenues of Rs. 2,155 crore in FY2025, which is likely to improve significantly for the combined entity in FY2026. The revenue growth in the next 3-5 years will be supported by wider distribution reach and realisation of synergy benefits in terms of manufacturing, logistics and marketing footprint. As per ICRA's expectations, the combined entity is expected to register healthy low double-digit operating margins in FY2027e, which are likely to improve further in the medium to long term, as compared to operating losses of JSWPL in FY2025.

Credit challenges

Leveraged capital structure; exposed to refinancing risk – The fund infusion of up to Rs. 6,500 crore in JSWPL directly or indirectly via a promoter entity for acquisition funding is expected to remain subordinated to the rated NCD. Nonetheless, owing to incremental borrowing of up to Rs. 3,300 crore at JSWPL level for acquisition funding, ICRA notes that JSWPL's leverage, as reflected by external debt/OPBIDTA, will remain high at above 4 times in the medium term. However, ICRA notes that the proposed NCDs have a bullet repayment at the end of 5 years (with a put/call option at the end of 3years), with only a portion of coupon to be paid annually and the balance upon redemption such that the debt servicing obligations for the NCD, till the bullet repayment is due, can be comfortably met from the operating profits and expected dividend from ANIL. The rated NCD is likely to be refinanced towards its end of tenure, thereby exposing it to refinancing risk. Nevertheless, considering the exceptional financial flexibility by virtue of the JSW Group, established track record of refinancing of debt in the JSW Group at competitive rates and JSWPL's strategic importance to the JSW Group, the refinancing risk is mitigated to an extent.

Exposure to volatility in raw material prices; intense competition in decorative paints segment – JSWPL faces intense competition from the organised and unorganised players, especially in the decorative paints segment, which constrains the pricing flexibility. The domestic paints industry is characterised by the presence of large players like Asian Paints Limited, Berger Paints Limited, Kansai Nerolac Limited, Grasim Industries Limited (Birla Opus Paints) amongst others and unorganised players having regional presence. The operating profitability also remains exposed to volatility in raw material prices, given the raw material intensive nature of the paint manufacturing business and limited bargaining power against its suppliers.

Liquidity position: Adequate

JSWPL's liquidity position remains adequate. The working capital limit utilisation stood at average ~40% for trailing 12 months ending July 31, 2025, with an average cushion of ~Rs. 180 crore. It has debt repayments of Rs. 106.4 crore in FY2026. ICRA takes note of the demonstrated track record of funding support from the promoter group in the past, which is expected to continue going forward as well.

Rating sensitivities

Positive factors – ICRA could upgrade the rating in case of a significant improvement in revenues and earnings of the combined entity, with reduction in debt levels resulting in improvement in debt protection metrics and liquidity position on a sustained basis.

Negative factors – Downward pressure on the rating could emerge in case of sustained weakening of profitability and cash accruals because of any elevated competitive pressures or adverse demand conditions. Any large debt funded capex/acquisition resulting in further weakening of the credit metrics would also be a credit negative. Any weakening of linkages with the JSW Group would also be a negative rating factor.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the rating, ICRA has consolidated the business and financial profile of JSWPL and the proposed target company, ANIL.

About the company

Incorporated in February 2016, JSW Paints Limited is a part of the JSW Group promoted by Mr. Sajjan Jindal. The Group also has presence across steel, power, infrastructure and cement sectors. Mr. Parth Jindal, son of Mr. Sajjan Jindal, is the Managing Director of JSWPL. JSWPL manufactures industrial and decorative paints, and has two manufacturing facilities at Vasind, Maharashtra and Vijayanagar, Karnataka. While the Vasind plant has an installed capacity of 60,000 kilo litres per annum (KLPA) and caters the industrial paints segment, the Vijayanagar plant manufactures decorative paints and has an installed capacity of 150,000 KLPA.

In June 2025, JSWPL has entered into definitive agreements to acquire up to 74.76% stake in ANIL from Imperial Chemical Industries Limited and Akzo Nobel Coatings International B.V. (Sellers). The stake in ANIL to be purchased from the Sellers would be reduced such that the aggregate stake to be acquired by JSWPL under the mandatory open offer and from the Sellers does not exceed 75%.

Key financial indicators (audited):

JSW Paints - Consolidated	FY2024	FY2025
Operating income	2,097.3	2,155.0
PAT	-28.7	-110.4
OPBDIT/OI	3.0%	-1.8%
PAT/OI	-1.4%	-5.1%
Total outside liabilities/Tangible net worth (times)	1.7	1.7
Total debt/OPBDIT (times)	10.2	-15.9
Interest coverage (times)	1.1	-0.7

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amounts in Rs. crore; PAT: Profit after Tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortization

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current rating (FY2026)				Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs crore)	Oct 07, 2025	Date	Rating	Date	Rating	Date	Rating
NCD	Long Term	3,300.00	[ICRA]AA-(Stable)	-	-	-	-	-	-
Fund Based-Cash Credit	Long Term			May 29, 2024	[ICRA]BBB (Stable); withdrawn	Jul 07, 2023	[ICRA]BBB (Stable)	Jul 06, 2022	[ICRA]BBB (Stable)
				-	-	-	-	Jul 20, 2022	[ICRA]BBB (Stable)
Interchangeable-Others	Long Term/Short Term			May 29, 2024	[ICRA]BBB (Stable)/[ICRA]A3+; withdrawn	Jul 07, 2023	[ICRA]BBB (Stable)/[ICRA]A3+	Jul 06, 2022	[ICRA]BBB (Stable)/[ICRA]A3+
				-	-	-	-	Jul 20, 2022	[ICRA]BBB (Stable)/[ICRA]A3+
Fund Based-Term Loan	Long Term			May 29, 2024	[ICRA]BBB (Stable); withdrawn	Jul 07, 2023	[ICRA]BBB (Stable)	Jul 06, 2022	[ICRA]BBB (Stable)
				-	-	-	-	Jul 20, 2022	[ICRA]BBB (Stable)
Fund Based-Cash Credit	Short Term			May 29, 2024	[ICRA]A3+; withdrawn	Jul 07, 2023	[ICRA]A3+	Jul 06, 2022	[ICRA]A3+
				-	-	-	-	Jul 20, 2022	[ICRA]A3+
Interchangeable-Others	Short Term			-	-	-	-	Jul 06, 2022	[ICRA]A3+
Non Fund Based-Others	Short Term			May 29, 2024	[ICRA]A3+; withdrawn	Jul 07, 2023	[ICRA]A3+	Jul 06, 2022	[ICRA]A3+
				-	-	-	-	Jul 20, 2022	[ICRA]A3+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – NCD	Simple

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
-	NCD [^]	NA	NA	NA	3300.00	[ICRA]AA- (Stable)

Source: Company; [^] Proposed

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership*	Consolidation Approach
JSW Paints Limited	100.00% (rated entity)	Full consolidation
JSW One Platforms Limited (Joint Venture)	7.77%	Equity Method
Akzo Nobel India Limited (proposed subsidiary) [^]	74.76%	Full consolidation

*As on March 31, 2025, Source: Company data, ICRA Research; [^] While only the direct subsidiary is mentioned above, ICRA's analysis considers the step-down subsidiaries as well

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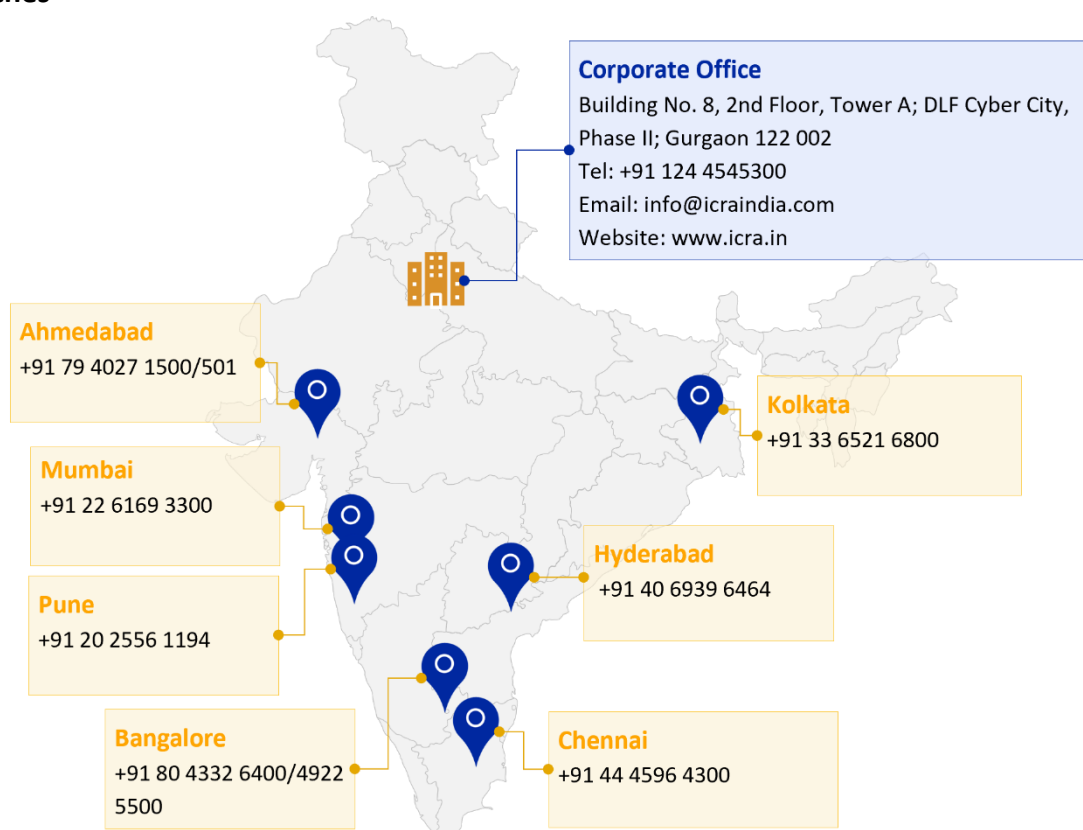
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Branches



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