

December 12, 2025

JSW Steel Limited : Long term rating placed on watch with positive implications

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Based - Term Loans/Standby Letter of Credit Facilities	20,194.93	24,614.18	[ICRA]AA; Placed on rating watch with positive implications
Short-term Fund-based Limits	5,047.66	5,047.66	[ICRA]A1+; Outstanding
Short-term Non-fund Based Limits	36,611.00	36,611.00	[ICRA]A1+; Outstanding
Long-term/Short-term – Fund-based/ Non-fund Based Limits	11,559.34	11,559.34	[ICRA]AA; Placed on rating watch with positive implications; / [ICRA]A1+; Outstanding
Long-term/Short-term – Unallocated Limit	8,372.07	3,952.82	[ICRA]AA; Placed on rating watch with positive implications; / [ICRA]A1+; Outstanding
Non-convertible Debenture Programme	7,875.00	7,875.00	[ICRA]AA; Placed on rating watch with positive implications
Commercial Paper Programme	5,000.00	5,000.00	[ICRA]A1+; Outstanding
Total	94,660.00	94,660.00	

*Instrument details are provided in Annexure I

Rationale

Material event

On December 03, 2025, JSW Steel Limited (JSL) announced the approval by its board of directors to enter into a strategic 50:50 joint venture (JV) with Japan-based JFE Steel Corporation. As part of the transaction, the steel business undertaking of Bhushan Power and Steel Limited (BPSL) will be transferred to the joint venture through a slump sale for a cash consideration of Rs.24,483 crore.

The equity valuation of the transaction has been determined as Rs.31,500 crore, under which JFE will acquire a 50% stake through a total equity infusion of Rs.15,750 crore in two equal tranches of Rs.7,875 crore each. The JV will be housed under JSW Kalinga Steel Limited (JKSL), with JSW Sambalpur Steel Limited (JSSL) as its wholly owned subsidiary, into which the BPSL's steel operation will be transferred. Both JKSL and JSSL will cumulatively raise ~Rs.16,608 of debt to part-fund the acquisition. Consequently, the gross cash inflows to JSL from the transaction, including JFE's equity infusion, are estimated at Rs.32,358 crore.

JFE Steel Corporation is a leading integrated steel producer based out of Japan, with consolidated crude steel production of 23.20 million tonnes, in the fiscal year ended March 2025.

The impact

After the completion of the transaction, the steel operation of BPSL with an installed capacity of 4.5 mtpa, will be jointly owned by JSL and JFE. Also, the strategic partnership will bring in JFE as a long-term strategic partner that is expected to enhance the technological expertise and enable production of value-added steel products, going forward. From a credit perspective, the transaction is likely to result in deleveraging of the balance sheet of JSL. The total cash proceeds of approx. Rs.32,000 crore

along with the deconsolidation of BPSL's net debt of around Rs.5,000 crore are expected to result in aggregate deleveraging of ~Rs.37,000 crore at the consolidated level, leading to an expected improvement in JSL's leverage and liquidity profile.

While analysing the credit profile of JSL, ICRA has considered the proportionate share of expected earnings and leverage of JKSL consolidated financials, going forward. Further, the net debt/OPBDITA is expected to improve to around 2.1-2.2 times over FY2027 and FY2028 from an elevated level of ~3.4 times as on March 31, 2025.

In view of the expected improvement of JSL's financial risk profile, ICRA has placed JSL's long-term rating on watch with positive implications and will continue to monitor the progress in terms of receipt of requisite approvals and successful completion of the transaction. ICRA will resolve the rating watch on completion of the transaction.

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 Iron & Steel
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of JSW Steel Limited. The companies are enlisted in Annexure II. Further, ICRA has adjusted the financials to consider the consolidation of JSW Steel Limited with some of its JVs as well

About the company

JSW Steel Ltd. (JSL), 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/sheet, steel billet, bars and rods. With an installed crude steel capacity of 35.7 million tonnes per annum (mtpa) as of September 2025, JSW Steel Limited is the largest domestic steel producer. After the completion of transaction with JFE, the installed capacity of JSL is expected to come down to 31.2 mtpa. JSW's capacity is spread across Karnataka, Maharashtra, Tamil Nadu, Odisha, and Chhattisgarh. Supplementing JSW's main facilities are downstream rolling, coating, galvanizing and finishing units. JSW's international operations comprise 1.2 mtpa of plates and 0.5 mtpa pipes mills in Texas; a 3.0 mtpa hot rolling mill and a 1.5 mtpa electric arc furnace in Ohio; and a 1.3 mtpa special long steel facility in Piombino, Italy comprising a rail mill (0.32 mtpa), bar mill (0.4 mtpa), and a wire rod mill (0.6 mtpa).

Key financial indicators (audited)

LTHL Consolidated	FY2024	FY2025	H1FY2026*
Operating income	1,75,006	1,68,824	88,299
PAT	9,145	3,802	4,043
OPBDIT/OI	16.4%	13.9%	16.6%
PAT/OI	5.2%	2.3%	4.6%
Total outside liabilities/Tangible net worth (times)	1.9	1.9	1.9
Total debt/OPBDIT (times)	3.1	4.2	3.4
Interest coverage (times)	3.5	2.8	3.2

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore, PAT: Profit after tax excluding share of profit/ (loss) of JVs and associates (net); OPBDITA: Adjusted Operating profit before depreciation, interest, taxes and amortisation; * Unaudited numbers

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)					Chronology of rating history for the past 3 years					
	FY2026					FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	December 12, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund based/Non-fund based - Others	Long term/Short term	11,559.34	[ICRA]AA; Rating watch with positive implications; / [ICRA]A1+	Oct 03, 2025	[ICRA]A A (Stable)/ [ICRA]A 1+	Jul 05, 2024	[ICRA]A A (Stable)/ [ICRA]A 1+	Nov 09, 2023	[ICRA]A A (Stable)/ [ICRA]A 1+	Aug 19, 2022	[ICRA] AA (Stable)/ [ICRA]A1+
				May 13, 2025	[ICRA]A A (Stable)/ [ICRA]A 1+	Aug 26, 2024	[ICRA]A A (Stable)/ [ICRA]A 1+	-	-	Oct 07, 2022	[ICRA] AA (Stable)/ [ICRA]A1+
				Jul 04, 2025	[ICRA]A A (Stable)/ [ICRA]A 1+	Dec 30, 2024	[ICRA]A A (Stable)/ [ICRA]A 1+	-	-	Mar 02, 2023	[ICRA] AA (Stable)/ [ICRA]A1+
				-	-	Mar 29, 2025	[ICRA]A A (Stable)/ [ICRA]A 1+	-	-	-	-
Unallocated - Unallocated	Long term/Short term	3,952.82	[ICRA]AA; Rating watch with positive implications; / [ICRA]A1+	Oct 03, 2025	[ICRA]A A (Stable)/ [ICRA]A 1+	Jul 05, 2024	[ICRA]A A (Stable)/ [ICRA]A 1+	-	-	-	-
				May 13, 2025	[ICRA]A A (Stable)/ [ICRA]A 1+	Aug 26, 2024	[ICRA]A A (Stable)/ [ICRA]A 1+	-	-	-	-
				Jul 04, 2025	[ICRA]A A (Stable)/ [ICRA]A 1+	Dec 30, 2024	[ICRA]A A (Stable)/ [ICRA]A 1+	-	-	-	-
				-	-	Mar 29, 2025	[ICRA]A A (Stable)/ [ICRA]A 1+	-	-	-	-

Fund based - Term loan	Long term	24,614.18	[ICRA]AA; Rating watch with positive implications	Oct 03, 2025	[ICRA]A A (Stable)	Jul 05, 2024	[ICRA]A A (Stable)	Nov 09, 2023	[ICRA]A A (Stable)	Aug 19, 2022	[ICRA] AA (Stable)
				May 13, 2025	[ICRA]A A (Stable)	Aug 26, 2024	[ICRA]A A (Stable)	-	-	Oct 07, 2022	[ICRA] AA (Stable)
				Jul 04, 2025	[ICRA]A A (Stable)	Dec 30, 2024	[ICRA]A A (Stable)	-	-	Mar 02, 2023	[ICRA] AA (Stable)
				-	-	Mar 29, 2025	[ICRA]A A (Stable)	-	-	-	-
Fund based - Others	Short term	5,047.66	[ICRA]A1+	Oct 03, 2025	[ICRA]A 1+	Jul 05, 2024	[ICRA]A 1+	-	-	-	-
				May 13, 2025	[ICRA]A 1+	Aug 26, 2024	[ICRA]A 1+	-	-	-	-
				Jul 04, 2025	[ICRA]A 1+	Dec 30, 2024	[ICRA]A 1+	-	-	-	-
				-	-	Mar 29, 2025	[ICRA]A 1+	-	-	-	-
Non-fund based - Others	Short term	36,611.00	[ICRA]A1+	Oct 03, 2025	[ICRA]A 1+	Jul 05, 2024	[ICRA]A 1+	Nov 09, 2023	[ICRA]A 1+	Aug 19, 2022	[ICRA] A1+
				May 13, 2025	[ICRA]A 1+	Aug 26, 2024	[ICRA]A 1+	-	-	Oct 07, 2022	[ICRA] A1+
				Jul 04, 2025	[ICRA]A 1+	Dec 30, 2024	[ICRA]A 1+	-	-	Mar 02, 2023	[ICRA] A1+
				-	-	Mar 29, 2025	[ICRA]A 1+	-	-	-	-
Commercial paper	Short term	5,000.00	[ICRA]A1+	Oct 03, 2025	[ICRA]A 1+	Jul 05, 2024	[ICRA]A 1+	Nov 09, 2023	[ICRA]A 1+	Aug 19, 2022	[ICRA] A1+
				May 13, 2025	[ICRA]A 1+	Aug 26, 2024	[ICRA]A 1+	-	-	Oct 07, 2022	[ICRA] A1+
				Jul 04, 2025	[ICRA]A 1+	Dec 30, 2024	[ICRA]A 1+	-	-	Mar 02, 2023	[ICRA] A1+
				-	-	Mar 29, 2025	[ICRA]A 1+	-	-	-	-

NCD	Long term	-	-	Jul 04, 2025	[ICRA]A A (Stable)	-	-	-	-	-	-
NCD	Long term	-	-	Jul 04, 2025	[ICRA]A A (Stable)	-	-	-	-	-	-
NCD	Long term	7,875.00	[ICRA]AA; Rating watch with developing implications	Jul 04, 2025	[ICRA]A A (Stable)	-	-	-	-	-	-
				Oct 03, 2025	[ICRA]A A (Stable)	-	-	-	-	-	-
Fund Based-Cash Credit	Short term			-	-	-	-	Nov 09, 2023	[ICRA]A 1+	Aug 19, 2022	[ICRA] A1+
				-	-	-	-	-	-	Oct 07, 2022	[ICRA] A1+
				-	-	-	-	-	-	Mar 02, 2023	[ICRA] A1+
Bonds/NCD/LTD	Long term/Short term			-	-	-	-	-	-	-	-
Bonds/NCD/LTD	Long term			May 13, 2025	[ICRA]A A (Stable)	Jul 05, 2024	[ICRA]A A (Stable)	Nov 09, 2023	[ICRA]A A (Stable)	Aug 19, 2022	[ICRA] AA (Stable)
				Jul 04, 2025	[ICRA]A A (Stable)	Aug 26, 2024	[ICRA]A A (Stable)	Nov 09, 2023	[ICRA]A A (Stable)	Oct 07, 2022	[ICRA] AA (Stable)
				-	-	Dec 30, 2024	[ICRA]A A (Stable)	-	-	Mar 02, 2023	[ICRA] AA (Stable)
				-	-	Mar 29, 2025	[ICRA]A A (Stable)	-	-	-	-
Bonds/NCD/LTD	Long term/Short term			-	-	-	-	-	-	-	-
Bonds/NCD/LTD	Long term			May 13, 2025	[ICRA]A A (Stable)	Jul 05, 2024	[ICRA]A A (Stable)	Nov 09, 2023	[ICRA]A A (Stable)	Aug 19, 2022	[ICRA] AA (Stable)
				Jul 04, 2025	[ICRA]A A (Stable)	Aug 26, 2024	[ICRA]A A (Stable)	Nov 09, 2023	[ICRA]A A (Stable)	Oct 07, 2022	[ICRA] AA (Stable)

				-	-	Dec 30, 2024	[ICRA]A A (Stable)	-	-	Mar 02, 2023	[ICRA] AA (Stable)
				-	-	Mar 29, 2025	[ICRA]A A (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
Commercial paper programme	Very 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 analyzing 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	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	24,614.18	[ICRA]AA; Rating watch with positive implications
NA	Short term Fund based limits	NA	NA	NA	5,047.66	[ICRA]A1+
NA	Short term non-fund based limits	NA	NA	NA	36,611.00	[ICRA]A1+
NA	Long term/Short term – Fund based/Non-fund based limits	NA	NA	NA	11,559.34	[ICRA]AA; Rating watch with positive implications; / [ICRA]A1+
NA	Long term/Short term – Unallocated limits	NA	NA	NA	3,952.82	[ICRA]AA; Rating watch with positive implications; / [ICRA]A1+
INE019A07415	NCD programme	Oct 18, 2019	8.79%	Oct 18, 2029	2000.00	[ICRA]AA; Rating watch with positive implications
INE019A07423	NCD programme	Jan 23, 2020	8.90%	Jan 23, 2030	1000.00	[ICRA]AA; Rating watch with positive implications
INE019A08033	NCD programme	Dec 23, 2023	8.25%	Dec 23, 2027	875.00	[ICRA]AA; Rating watch with positive implications
INE019A08058	NCD programme	Mar 13, 2024	8.39%	May 13, 2027	500.00	[ICRA]AA; Rating watch with positive implications
INE019A07464	NCD programme	Aug 30, 2024	8.35%	Aug 30, 2029	1,750.00	[ICRA]AA; Rating watch with positive implications
INE019A07456	NCD programme	Aug 30, 2024	8.43%	Aug 29, 2031	500.00	[ICRA]AA; Rating watch with positive implications
Yet to be placed	NCD programme	NA	NA	NA	466.00	[ICRA]AA; Rating watch with positive implications
Yet to be placed	NCD programme	NA	NA	NA	784.00	[ICRA]AA; Rating watch with positive implications
Yet to be placed	Commercial paper programme	NA	NA	NA	5,000.00	[ICRA]A1+

Source: Company; 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	Acero Junction Holdings, Inc	Full consolidation
2	Amba River Coke Limited	Full consolidation
3	Bhushan Power and Steel Limited	Full consolidation
4	Caretta Minerals, LLC (till December 18, 2024)	Full consolidation
5	Chandranitya Developers Limited	Full consolidation
6	GSI Lucchini S.p.A	Full consolidation
7	Hutchinson Minerals, LLC	Full consolidation
8	Inversiones Eurosh Limitada	Full consolidation
9	JSW ADMS Carvão Limitada	Full consolidation
10	JSW Bengal Steel Limited	Full consolidation
11	JSW Energy (Bengal) Limited	Full consolidation
12	JSW Industrial Gases Limited	Full consolidation
13	JSW Jharkhand Steel Limited	Full consolidation
14	JSW Natural Resources Bengal Limited	Full consolidation
15	JSW Natural Resources India Limited	Full consolidation
16	JSW Natural Resources Limited	Full consolidation
17	JSW Natural Resources Mozambique Limitada	Full consolidation
18	JSW Panama Holdings Corporation	Full consolidation
19	JSW Realty & Infrastructure Pvt Ltd	Full consolidation
20	JSW Retail and Distribution Limited	Full consolidation
21	JSW Steel (Netherlands) B.V.	Full consolidation
22	JSW Steel (UK) Limited	Full consolidation
23	JSW Steel (USA), Inc.	Full consolidation
24	JSW Steel Coated Products Limited	Full consolidation
25	JSW Steel Global Trade Pte Limited	Full consolidation
26	JSW Steel Italy Piombino S.p.A	Full consolidation
27	JSW Steel Italy S.r.L	Full consolidation
28	JSW Steel USA Ohio, Inc	Full consolidation
29	JSW Utkal Steel Limited	Full consolidation
30	JSW Vijayanagar Metallica Limited	Full consolidation
31	JSW AP Steel Limited	Full consolidation
32	Monnet Cement Limited	Full consolidation
33	Mivaan Steel Limited	Full consolidation
34	JSW Green Steel Limited	Full consolidation
35	Periama Holdings, LLC	Full consolidation
36	Planck Holdings, LLC	Full consolidation
37	Purest Energy, LLC (till December 18, 2024)	Full consolidation
38	Lower Hutchinson Minerals, LLC	Full consolidation
39	Meadow Creek Minerals, LLC	Full consolidation
40	Piombino Logistics S.p.A – A JSW Enterprise	Full consolidation
41	Nippon Ispat Singapore (PTE) Limited (upto January 23, 2025)	Full consolidation
42	Peddar Realty Limited	Full consolidation
43	Piombino Steel Limited	Full consolidation
44	Neotrex Steel Limited	Full consolidation
45	NSL Green Steel Recycling Limited	Full consolidation
46	JSW Mineral Resources Mozambique LDA (w.e.f. July 15, 2024)	Full consolidation
47	JSW Kalinga Steel Limited (Consolidated)	Proportionate Consolidation
48	JSW One Platforms Limited (Consolidated)	Equity method
49	M Res NSW HCC Pty. Ltd. (Consolidated) (w.e.f. August 16, 2024)	Equity method
50	Vijayanagar Minerals Private Limited	Equity method
51	Rohne Coal Company Private Limited	Equity method
52	JSW Severfield Structures Limited	Equity method

Sr.	Company name	Consolidation approach
53	JSW Structural Metal Decking Limited	Equity method
54	Gourangdih Coal Limited	Equity method
55	JSW MI Steel Services Centre Private Limited (Consolidated)	Equity method
56	JSW Renewable Energy (Vijayanagar) Limited	Equity method
57	MP Monnet Mining Company Limited	Equity method
58	Urtan North Mining Company Limited	Equity method
59	JSW Paints Private Limited	Equity method
60	JSW Renewable Energy (Dolvi) Limited (w.e.f. September 30, 2024)	Equity method
61	Ayena Innovation Private Limited	Equity method
62	JSW JFE Electrical Steel Private Limited (Consolidated)	Equity method

Source: Company

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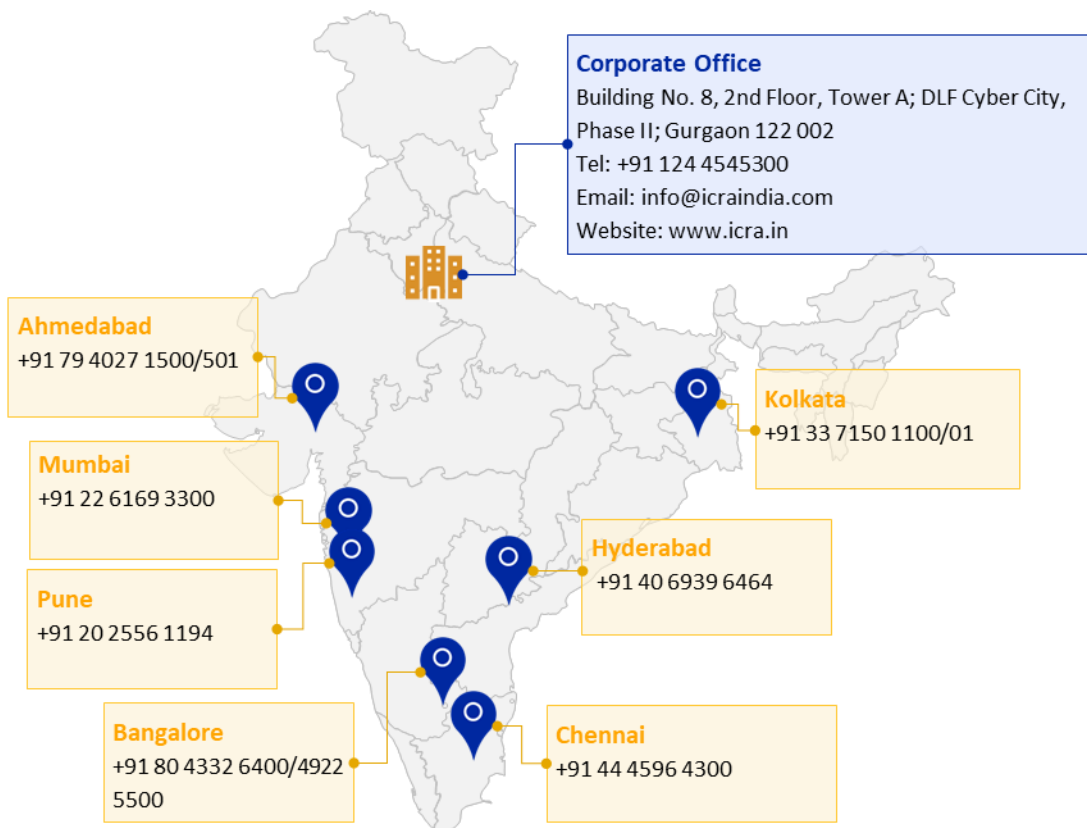
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