

June 30, 2026

Janki Corp Limited: Ratings upgraded to [ICRA]A (Stable)/ [ICRA]A1 and assigned for enhanced amount

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based – Cash Credit	145.00	215.00	[ICRA]A(Stable); upgraded from [ICRA]A-(Stable) and assigned for enhanced amount
Long-term – Fund Based – Term Loan	175.00	237.00	[ICRA]A(Stable); upgraded from [ICRA]A-(Stable) and assigned for enhanced amount
Short term – Non Fund Based Limits – LC	30.00	120.00	[ICRA]A1; upgraded from [ICRA]A2+ and assigned for enhanced amount
Total	350.00	572.00	

*Instrument details are provided in Annexure-II

Rationale

The ratings upgrade for Janki Corp Limited (JCL) factors in the expectation of a significant improvement in the company's scale of operations and consequent earnings FY2027 onwards, supported by the stabilisation of the recent capacity expansion in its steel division. The company's enhanced backward integration, through the increase in captive waste-heat recovery based (WHRB) power plant as well as addition of ferro alloys manufacturing capacities for captive power consumption, is expected to strengthen its cost structure and profitability over the medium term. Consequently, ICRA expects JCL's consolidated revenue to increase to around Rs. 1750-1800 crore with an operating margin (OPM) of 13-14% in FY2027, driven by higher capacity utilisation and benefits of integrated operations. Expected healthy profitability is likely to support the leverage and coverage metrics with expected TD/OPBDITA of less than 1.5 times and interest coverage of 7-10 times in FY2027. In FY2026, the performance remained stable with an OPBDITA of ~Rs 148 crore on an operating income of ~Rs 1,262 crore. The OPM had moderated to ~11.8% in FY2026 compared to 13.9% achieved in FY2025, primarily due to steel market volatility and teething issues to stabilise enhanced capacities. While the enhanced sponge iron, pellet and power capacities have largely stabilised, the ferro alloy manufacturing plant has been recently commissioned, and the full stabilisation will remain the key monitorable. The liquidity is also expected to remain comfortable with cash and liquid investment of Rs. 49 crore crore as on 31st March 2026 and expected healthy cash flows from operations relative to debt-service obligations and absence of any major capital expenditure plans over the near term.

The ratings also consider JCL's established presence and significant experience of the promoters in the steel and textile businesses along with favourable location of the plants in close proximity to raw material sources and target markets. The ratings also draw comfort from the cost competitiveness emanating from the captive WHRB-based power plant, iron ore beneficiation and pellet manufacturing facilities, which supports the operating profile of the entity. Also, while the company embarked on a large capital expenditure plan, the same has been largely completed and there is no major debt-funded capex planned over the near to medium term, thus supporting the leverage and coverage indicators of the entity.

The ratings, however, remain constrained by the company's exposure to the inherent cyclicity in the steel industry, which keeps its profits and cash flows volatile. While the company's margins remain susceptible to the volatility in raw material prices and foreign exchange rates, the ratings are impacted by the highly commoditised and fragmented nature of the secondary steel industry, resulting in intense competition, limiting the company's pricing flexibility and restricting the scope for an improvement in profitability. ICRA also notes that while the performance of the steel division remains exposed to volatility in

the market, stable operations in the textile division, though at a significantly smaller scale, is expected to support the entity's performance in case of market downturn. ICRA also notes the company's exposure to regulatory risks as any unfavourable change in the Government policy may impact its raw material availability and prices, as witnessed in the past.

The Stable outlook on the long-term rating reflects ICRA's expectation that JCL will maintain a steady growth in its revenue and profitability, supported by capacity expansion, stable margins and a comfortable financial risk profile.

Key rating drivers and their description

Credit strengths

- **Expected improvement in financial performance, driven by commissioning of the expanded backward integrated capacities** – A significant improvement is expected in the company's scale of operations and consequent earnings FY2027 onwards, supported by the stabilisation of the recent capacity expansion in its steel division. The company's enhanced backward integration, through the increase in captive waste-heat recovery based (WHRB) power plant as well as addition of ferro alloys manufacturing capacities for captive power consumption, is expected to strengthen its operating profile and profitability over the medium term. Consequently, ICRA expects JCL's consolidated revenue to increase to around Rs. 1750-1800 crore with an operating margin (OPM) of 13-14% in FY2027, driven by higher capacity utilisation and benefits of integrated operations. Expected healthy profitability is likely to support the leverage and coverage metrics with expected TD/OPBDITA of less than 1.5 times and interest coverage of 7-10 times in FY2027. While the enhanced sponge iron, pellet and power capacities have largely stabilised, the ferro alloy manufacturing plant has been recently commissioned, and the full stabilisation will remain a key monitorable.
- **Favourable location of the plant ensures easy access to raw materials** - The company's steel plant is located in Bellary, Karnataka, which is known for its iron ore deposits. The company procures iron ore primarily from the local miners and traders based out of Bellary, all of which are located near the company's plant. The proximity of the company's plant to suppliers ensures smooth access to raw materials and helps in better inventory management. Further, iron-ore beneficiation and pellet manufacturing facilities provide comfort to the company in terms of cost competitiveness. Additionally, the textile processing unit of the company is located at Bhilwara, Rajasthan, a major textile hub, and provides regular conversion business to the company.
- **Extensive experience of the promoters in the metal industry** - The promoters of the company, Mr. Raghunath Mittal and Mr. Rahul Mittal, have extensive experience in textile and steel businesses, which helped the company establish healthy relationships with customers and suppliers. The company has been involved with textile processing and steel manufacturing businesses since 1993 and 2005, respectively. At present, the company has a textile processing unit with a capacity of 720 lakh metre per annum, which is mainly involved in conversion business. The plant, located at Bellary in Karnataka, houses manufacturing units of pellet, sponge iron, ferro alloy and power with a capacity of 7,20,000 MTPA, 4,46,000 MTPA, 36 MVA and 50 MW, respectively.

Credit challenges

- **Exposed to volatility in profits given the cyclical nature inherent in the steel industry** - The steel industry is characterised by its inherent cyclical nature. This is likely to keep the profitability and cash flows of all the players in the industry, including JCL, volatile going forward as well. The company's operations are also vulnerable to any adverse change in the demand-supply dynamics in the end-user industries such as infrastructure, real estate, among others. Further, in case of any adverse change in the contribution margins, the company's cash accruals could be under pressure, which would necessitate requirement of working capital limits to fund its inventory. The company's profit margins remain susceptible to volatility in major raw material prices such as iron ore and non-coking coal.

- **Highly commoditised and fragmented nature of secondary steel industry** - The company operates primarily in sponge iron industry with partial backward and forward integration, which is a highly commoditised industry with raw material and power cost accounting for around 65-70% of the revenues. The secondary steel industry is characterised by intense competition arising from low product differentiation and entry barriers. The highly commoditised and fragmented nature of the secondary steel industry results in intense competition and limits the pricing flexibility, which ultimately restricts the scope for an improvement in profitability.
- **Exposed to regulatory risks** - JCL, like other sponge iron and pellet manufacturers, remains exposed to regulatory risks as any unfavourable change in the Government policy may impact its raw material availability and prices.

Liquidity Position – Adequate

JCL’s liquidity position is expected to remain adequate, supported by its healthy cash flow from operations which amounted to ~Rs. 57 crore in FY2026. The company’s cash flows from operations are likely to remain healthy in FY2027, with the commissioning of the enhanced capacities and ferro alloy manufacturing plant. The repayment obligations remain moderate in FY2027 at ~Rs. 32 crore. Although the obligation has increased in FY2027, healthy cash flows supported by stabilisation of operations in the new facility along with buffer in enhanced working capital limits is expected to provide comfort to the liquidity.

Rating sensitivities

Positive factors – The ratings may be upgraded if the company demonstrates a substantial increase in its revenue and profitability, leading to significant improvement in leverage and coverage indicators as well as liquidity position of the entity on a sustained basis.

Negative factors – Pressure on JCL’s ratings may arise in case of significant decline in its revenue or profitability, adversely impacting the leverage and coverage metrics and liquidity position on a sustained basis. Specific credit metric that might trigger ratings downgrade include Total Debt/OPBIDTA of more than 2.0 times on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Iron & Steel
Parent/Group Support	Not Applicable
Consolidation/Standalone	The ratings are based on the standalone financial profile of the company

About the company

Incorporated in September 1993, Janki Corp Limited is promoted by the Rajasthan-based Mittal family. Initially, the company established a textile processing unit at Bhilwara in Rajasthan with current capacity of 720 lakh metre per annum. In 2005, the company entered in steel business by setting up a sponge iron manufacturing unit at Bellary in Karnataka with a capacity of 1.80 lakh MTPA, which was further enhanced to 4.46 lakh MTPA. Later in 2010, the company commissioned a waste heat recovery boiler (WHRB) based captive power plant with a capacity of 15 MW, which was upgraded to 18.5 MW in 2015, and further to 55 MW in 2026. In 2011, the company also commissioned a pellet manufacturing plant with a capacity of 6.00 lakh TPA in 2011 and an iron ore fines beneficiation plant with a capacity of 6.00 lakh TPA in 2013, which was enhanced to 7.2 lakh MTPA in 2026. The company has further established 36 MVA ferro alloy production facility in 2026.

Key financial indicators

	FY2025	FY2026*
Operating income	996	1,262
PAT	69.9	64.0
OPBDIT/OI	13.9%	11.8%
PAT/OI	7.0%	5.1%
Total outside liabilities/Tangible net worth (times)	0.5	0.8
Total debt/OPBDIT (times)	2.1	2.8
Interest coverage (times)	28.8	5.6

PAT: Profit after Tax; OPBDITA: Operating profit before depreciation, interest, taxes and Amortisation; Amount in Rs. Crore; *Provisional numbers

Source: Company; ICRA Research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2027)			Chronology of rating history for the past 3 years					
	FY2027			FY2026		FY2025		FY2024	
	Type	Amount Rated (Rs Crore)	June 30, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based – Cash Credit	Long Term	215.00	[ICRA]A (Stable)	27-May-2025	[ICRA]A-(Stable)	-	-	12-March-24	[ICRA]A-(Stable)
								13-Feb-24	
Fund Based – Term Loan	Long Term	237.00	[ICRA]A (Stable)	27-May-2025	[ICRA]A-(Stable)	-	-	12-March-24	[ICRA]A-(Stable)
								13-Feb-24	
Non Fund Based Limits – LC	Short Term	120.00	[ICRA]A1	27-May-2025	[ICRA]A2+	-	-	-	-
Unallocated Limits	Short Term	-	-	-	-	-	-	12-March-24	[ICRA]A2+
								13-Feb-24	

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term Fund-based – Cash Credit	Simple
Long-term – Fund Based – Term Loan	Simple
Short term - Non Fund Based Limits – LC	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-II: 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	NA	NA	NA	215.00	[ICRA]A (Stable)
NA	Long-term – Fund Based – Term Loan	FY2024	NA	FY2033	237.00	[ICRA]A (Stable)
NA	Short term - Non Fund Based Limits – LC	NA	NA	NA	120.00	[ICRA]A1

Source: Company

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

Annexure-III: List of entities considered for consolidated analysis: Not Applicable

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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

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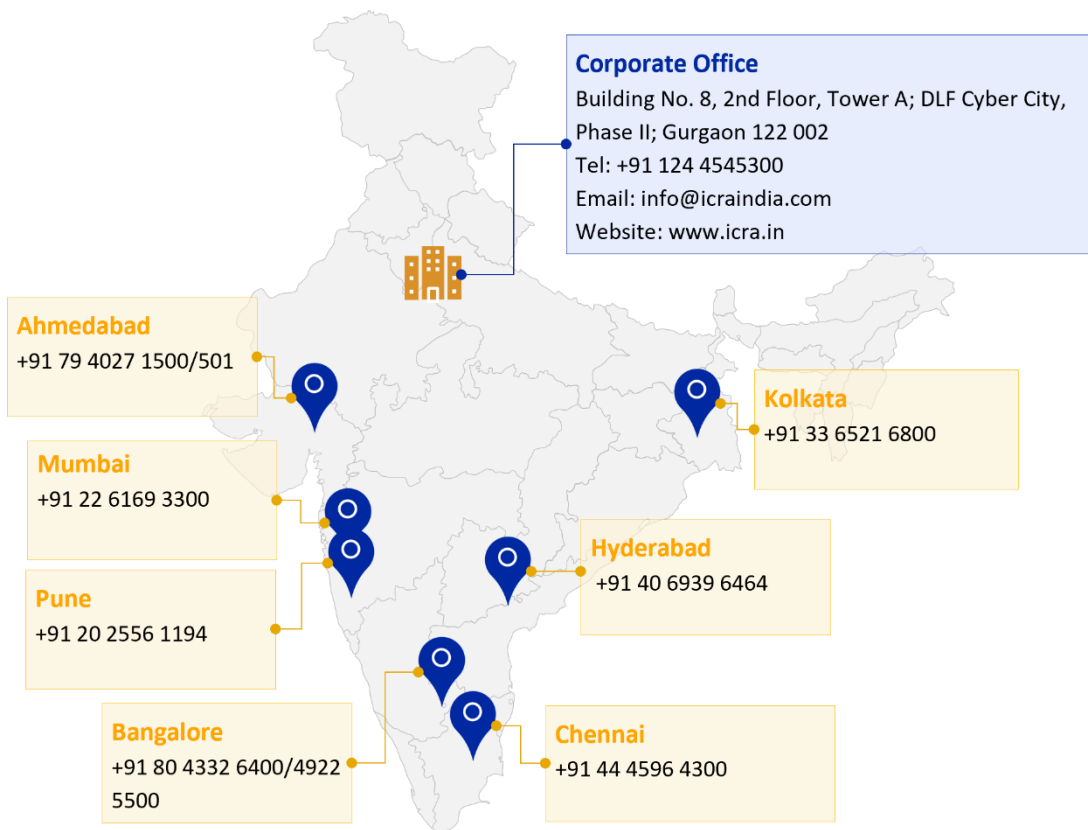


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