July 27, 2026

Jaideep Steelworks India Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long term - Fund based term loan	65.00	60.00	[ICRA]A (Stable); reaffirmed	RBI
Long term - Fund based - CC	50.00	50.00	[ICRA]A (Stable); reaffirmed	RBI
Short term – Non-fund based - Others	1.40	1.40	[ICRA]A2+; reaffirmed	RBI
Long term - Unallocated limits	-	5.00	[ICRA]A (Stable); reaffirmed	RBI
Total	**116.40**	**116.40**		

**Instrument details are provided in Annexure I*

#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.

Rationale

The rating reaffirmation continues to reflect the strategic importance of Jaideep Steelworks India Private Limited (JSIPL) to the Jaideep Group, given its status as a wholly-owned subsidiary of Jaideep Ispat & Alloys Private Limited (JIAPL, rated at [ICRA]A+(Stable)/[ICRA]A1) and ICRA's expectation of continued operational, financial and managerial support from the parent. The ratings also derive comfort from the corporate guarantee extended by JIAPL towards JSIPL's bank facilities, the shared branding and the strong operational linkages between the two entities. JSIPL is expected to benefit from JIAPL's established market position, extensive distribution network and longstanding supplier relationships, which support the ramp-up of its operations.

JSIPL's operating performance improved in FY2026 following the stabilisation of its ERW pipe manufacturing facility, which became fully operational in December 2024. The company reported revenues of around Rs. 224 crore in FY2026 compared to Rs. 94 crore in FY2025, supported by higher sales volumes and diversification into value-added products such as GP (galvanized pipes) and ZAM (zinc-aluminium-magnesium) pipes. Consequently, JSIPL reported operating profitability in FY2026 against operating losses in the previous year. Notwithstanding the improvement, the operations continue to be at a relatively nascent stage, with the capacity utilisation remaining moderate at around 26% in FY2026. As a result, the company's financial risk profile continues to be constrained by its modest scale and profitability relative to its debt levels. The ability to achieve higher capacity utilisation, scale-up in volumes and improved profitability while maintaining prudent financial discipline will remain a key monitorable.

Going forward, ICRA expects JSIPL's operating performance to improve further in FY2027, supported by continued growth in sales volumes, increasing contribution from value-added products and further stabilisation of plant operations. The company is also expected to benefit from the absence of any major debt-funded capex plans in the near term, with the management indicating that large expansion plans under consideration have been put on hold. Further, the proposed deleveraging of term debt through the receipt of subsidy claims and potential asset monetisation at the group level, if achieved, would support the company's debt protection metrics and liquidity profile. Any significant debt-funded capex or sustained weakening in profitability and coverage indicators would remain a key rating monitorable.

The ratings, however, remain constrained by the company's exposure to intense competition in the highly fragmented steel tube industry and volatility in key raw material prices, particularly hot-rolled coils. Further, as the company does not have any captive source of raw materials, its profitability remains exposed to fluctuations in input costs and competitive pricing pressures. Nevertheless, the company's established sourcing arrangements through the Jaideep Group and increasing product diversification provide some mitigation against these risks.

The Stable outlook reflects ICRA's expectation that JSIPL will continue to improve its operating scale and capacity utilisation, supported by the Group's established track record and experienced management. The resulting improvement in profitability and cash accruals is expected to strengthen the company's debt servicing capability over the medium term.

Key rating drivers and their description

Credit strengths

Wholly-owned subsidiary of JIAPL, which has a strong financial risk profile – JSIPL, a 100% subsidiary of JIAPL, has a healthy operational and financial risk profile. ICRA expects JSIPL to receive significant operational, financial and management support from JIAPL.

Ramp-up of operations supports improvement in operating performance – JSIPL's operating performance improved during FY2026 following the stabilisation of its ERW pipe manufacturing facility. The company reported revenues of around Rs. 224 crore in FY2026 compared to Rs. 94 crore in FY2025, supported by higher sales volumes and diversification into GP and ZAM pipes. JSIPL reported operating profitability in FY2026 against operating losses in the previous year. While the scale remains modest, improving utilisation levels and product diversification support the operating profile.

Established track record of promoters in steel industry – The company's promoters have around three decades of experience in the steel industry. JSIPL is likely to benefit from the operational synergies derived from JIAPL's cost-competitive operations, its established market position and supplier and distributor network.

Credit challenges

Moderate scale of operations and financial risk profile - Although the company's performance improved in FY2026, its operations continue to be in the ramp-up phase, with the capacity utilisation remaining moderate at ~26%. Accordingly, the company's scale and profitability remain modest relative to the debt incurred for the project, resulting in a moderate financial risk profile. An improvement in the utilisation levels and operating profitability will remain a key monitorable, going forward.

Working capital-intensive operations - JSIPL's operations require sizeable investments in inventory and receivables, resulting in dependence on working capital borrowings. An efficient management of the working capital requirements while supporting growth in the operating scale will remain important from a credit perspective.

Exposure to intense competition and volatility in raw material prices - The ERW pipe industry remains highly competitive, characterised by the presence of several organised and unorganised players. Consequently, the company's profitability remains vulnerable to competitive pressures and its ability to pass on changes in raw material costs. Further, JSIPL remains exposed to fluctuations in prices of hot-rolled coils (HRC), which is a key raw material for pipe manufacturing.

Liquidity position: Adequate

JSIPL's liquidity position remains adequate, backed by sufficient working capital lines to aid its operating requirements, while the funding support from JIAPL provides additional financial cushion. After the stabilisation of the ERW pipe facility and improvement in operating performance during FY2026, JSIPL is expected to generate higher cash flows over the medium term. Further, the absence of any major debt-funded capex plans is expected to aid the cash flow generation and the company's debt servicing ability. JIAPL's ability to provide need-based funding to JISPL also supports the liquidity position.

Rating sensitivities

Positive factors – ICRA may upgrade the ratings if JSIPL demonstrates a sustained improvement in its business and financial risk profile through higher capacity utilisation, scale-up in operations and improvement in profitability, resulting in stronger cash accruals and debt protection metrics. An improvement in the credit profile of the parent could also be a positive factor.

Negative factors – Pressure on the ratings could arise if the company reports materially lower-than-expected growth in operations or profitability, resulting in weak cash accruals and deterioration in debt protection metrics on a sustained basis. Further, a deterioration in the credit profile of the parent and/or weakening in linkages/strength of support from the parent could be negative rating triggers.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Iron & Steel
Parent/Group support	Parent Company: Jaideep Ispat & Alloys Private Limited (JIAPL) The ratings factor in ICRA's expectation that JIAPL (rated [ICRA]A+(Stable)/A1) would be willing to extend financial support to JSIPL, if there is a need
Consolidation/Standalone	Standalone

About the company

Jaideep Steelworks India Pvt Ltd, a 100% subsidiary of Jaideep Ispat & Alloys Private Limited, has set up a 1,50,000-MTPA greenfield project for manufacturing electric resistance welded (ERW) pipes from hot-rolled carbon steel coils at Pithampur. In FY2025, JSIPL commenced the commercial operations of its tube mill project with an annual capacity of 1,50,000 metric tonnes per annum (MTPA) in phases. Phase 1 commenced in March 2024, Phase 2 in April 2024 and Phase 3 in December 2024.

Key financial indicators (audited)

JSIPL (Standalone)	FY2024	FY2025	FY2026*
Operating income	0.1	96.1	228.7
PAT	-2.2	-18.5	-14.9
OPBDIT/OI	-1010.5%	-5.2%	2.6%
PAT/OI	-2298.7%	-19.3%	-6.5%
Total outside liabilities/Tangible net worth (times)	5.9	1.8	2.1
Total debt/OPBDIT (times)	-139.7	-38.7	35.8
Interest coverage (times)	-1.2	-0.4	0.3

*Source: Company, ICRA Research; *Provisional numbers; 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

	Current (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Jul 27, 2026	Date	Rating	Date	Rating	Date	Rating
Fund based term loan	Long term	60.00	[ICRA]A (Stable)	Jun 17, 2025	[ICRA]A (Stable)	-	-	Mar 22, 2024	[ICRA]A (Stable)
Fund based - Cash credit	Long term	50.00	[ICRA]A (Stable)	Jun 17, 2025	[ICRA]A (Stable)	-	-	Mar 22, 2024	[ICRA]A (Stable)
Non-fund based - Others	Short term	1.40	[ICRA]A2+	Jun 17, 2025	[ICRA]A2+	-	-	Mar 22, 2024	[ICRA]A2+
Unallocated limits	Long term	5.00	[ICRA]A (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term - Fund based Term loan	Simple
Long term - Fund based-Cash credit	Simple
Short term – Non-fund based - Others	Simple
Long term - Unallocated limits	Not Applicable

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	Financial sector regulator#
NA	**Long term - Fund based Term loan**	FY2024	NA	FY2034	60.00	[ICRA]A (Stable)	RBI
NA	**Long term - Fund based-Cash credit**	NA	NA	NA	50.00	[ICRA]A (Stable)	RBI
NA	**Short term – Non-fund based - Others**	NA	NA	NA	1.40	[ICRA]A2+	RBI
NA	**Long term - Unallocated limits**	NA	NA	NA	5.00	[ICRA]A (Stable)	RBI

Source: Company

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Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: 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.

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