July 27, 2026

Jaideep Ispat & Alloys Private Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long term- Fund based- Cash credit	197.00	258.00	[ICRA]A+ (Stable); reaffirmed/assigned for enhanced amount	RBI
Long term - Fund based- Term loan	78.99	115.87	[ICRA]A+ (Stable); reaffirmed/assigned for enhanced amount	RBI
Short term - Non-fund based – Others	39.00	20.00	[ICRA]A1; reaffirmed	RBI
Short term - Fund based (Corporate bill discounting)	15.00	0.00	-	RBI
Long term - Fund based- Cash credit	30.00	0.00	-	RBI
Long term - Fund based - Others (Electronic vendor finance system)	0.00	80.00	[ICRA]A+ (Stable); reaffirmed/assigned for enhanced amount	RBI
Long term/Short term - Unallocated	71.01	0.13	[ICRA]A+ (Stable)/ [ICRA]A1; reaffirmed	RBI
Total	**431.00**	**474.00**		

**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 reaffirmation of the ratings continues to reflect the promoters' established track record in the thermo-mechanically treated (TMT) bar manufacturing business and the strong market position of Jaideep Ispat & Alloys Private Limited's (JIAPL) Moira Sariya brand in Madhya Pradesh. The credit profile continues to derive strength from the company's extensive distribution network, healthy scale of operations, established presence across key markets and a diversified product portfolio. Further, the geographical expansion into Gujarat, Rajasthan and Maharashtra, along with the Group's foray into ERW pipes through Jaideep Steelworks India Private Limited (JSIPL), has further enhanced business diversification and strengthened the revenue visibility in the medium term.

On a consolidated basis, the financial performance remained stable in FY2026, with an estimated operating income of around Rs. 2,979 crore and OPBDITA of around Rs. 147 crore. At the standalone level, JIAPL reported a healthy volume growth of around 10% during the year; however, blended sales realisations declined by around 4% amid lower steel prices. The profitability was also impacted by elevated costs of certain key raw materials and the relatively lower earnings during the ramp-up phase of JSIPL's pipe operations. Consequently, the consolidated operating margin moderated to around 4.9% in FY2026 from 5.5% in FY2025. Nevertheless, the leverage and coverage indicators remained comfortable with TD/OPBDITA of 2.3 times and interest coverage of 4.2 times in FY2026.

Going forward, the Group's operating performance is expected to improve in FY2027, supported by continued growth in volumes across both the long steel and pipe businesses, increasing contribution from value-added products and stabilisation of operations at JSIPL. The consolidated revenues are expected to be over Rs. 3,200 crore in FY2027, while the operating profitability is likely to remain in the range of 5-6%. The absence of any significant debt-funded capex plans is expected to support healthy cash accruals and a gradual improvement in the Group's leverage and coverage indicators. In addition, the proposed deleveraging of JSIPL through potential asset monetisation and receipt of pending subsidy claims, if realised, would further strengthen the Group's debt protection metrics. Any sizeable debt-funded capital expenditure or investments that materially weaken the Group's leverage, coverage indicators or liquidity profile will remain a key rating monitorable.

The ratings, however, are constrained by the cyclicality inherent in the steel business and intense competition in the industry, which makes the margins and cash flows vulnerable to fluctuations in prices and demand. The company is also exposed to forex fluctuation risk as a portion of the raw materials is imported; however, a prudent hedging policy adopted by the company (80% exposure remains hedged) provides comfort. Lack of vertical integration of operations and absence of captive power plant expose the company's profits to fluctuations in raw material prices and result in lower control over the cost structure. However, the availability of power at subsidised rates provides comfort to an extent.

The Stable outlook on the [ICRA]A+ rating reflects ICRA's opinion that JIAPL will continue to strengthen its presence across existing and new markets and achieve a steady growth in sales volumes, which, along with the limited capex commitments, is expected to support healthy cash flow generation and a comfortable financial profile over the medium term.

Key rating drivers and their description

Credit strengths

Established track record of promoters in steel industry - JIAPL has an established presence in the secondary steel industry and enjoys a strong market position in Madhya Pradesh and neighbouring markets through its TMT bars, billets and wire rods business. Over the years, the Group has diversified its product portfolio through downstream integration into ERW pipes under JSIPL, which has also expanded its product mix with the introduction of GP and ZAM pipes. The diversified product profile, established dealer network and increasing geographical presence support revenue visibility and business stability.

Healthy scale of operations and stable earnings - The Group maintains a healthy operating scale and established presence in its key markets, supported by a diversified product portfolio across long steel products and ERW pipes. On a consolidated basis, it is estimated to have reported an operating income of around Rs. 2,979 crore and OPBDITA of around Rs. 147 crore in FY2026. The growing contribution from downstream and value-added products is expected to support the operating profile over the medium term.

Comfortable capitalisation and adequate coverage indicators - The Group's capital structure continues to be supported by healthy net worth and adequate cash accruals. Despite the debt undertaken towards the expansion projects completed over the last few years, the financial risk profile remains comfortable. Further, with no sizeable debt-funded capex envisaged in the near term and the possibility of deleveraging through asset monetisation and receipt of subsidy claims, the leverage and coverage indicators are expected to gradually improve over the medium term. The leverage and coverage indicators remained comfortable with TD/OPBDITA of 2.3 times and interest coverage of 4.2 times in FY2026.

Established distribution network of dealers, distributors and stockists - The company has a strong distribution network with over 800 dealers, which has enabled strong growth in the last four to five years. Among these dealers, approximately 300 are exclusive dealers which deal only with the Moira brand. The company has also partnered UltraTech Cement across the UltraTech Building Solutions (UBS) counters in Madhya Pradesh and Rajasthan.

Credit challenges

Working capital-intensive operations - The Group's operations continue to require sizeable investments in inventory and receivables, resulting in dependence on working capital borrowings. The ability to efficiently manage the working capital requirements while supporting future growth and maintaining liquidity will remain a key monitorable.

Moderate profitability due to the commoditised nature of products - Despite its healthy operating scale and diversified product portfolio, the Group's operating margins remain moderate owing to the commoditised nature of long steel products and intense competition from organised and regional players. The profitability remains dependent on efficient procurement, product mix and the ability to pass on the fluctuations in raw material costs in a timely manner.

Exposure to cyclicality in the steel industry and forex risks - The Group's revenues and profitability remain exposed to the cyclical trends in the steel industry and fluctuations in steel prices. Raw material costs, including sponge iron, scrap and hot rolled coils, remain inherently volatile and can impact the profitability during periods of adverse steel spreads. The business also remains exposed to fluctuations in demand from the construction and infrastructure sectors.

Lack of backward integration and exposure to input cost volatility - The Group does not have captive sources of key raw materials or captive power facilities and, therefore, remains dependent on external suppliers for requirements such as sponge iron, scrap, hot rolled coils and power. Consequently, the profitability remains exposed to fluctuations in raw material and energy prices, while the absence of backward integration limits control over the overall cost structure. However, the availability of power at subsidised tariffs provides some support to the operating cost profile.

Liquidity position: Adequate

The Group's liquidity position is adequate with comfortable operating cash flow from operations of over ~Rs. 91 crore in FY2026 (estimated). Large expansion plans are currently on hold and the annual capex is expected to remain limited to routine maintenance and balancing requirements. Hence, the Group's cash flow generation is expected to be adequate to meet the scheduled debt repayment obligations of around Rs. 35 crore in FY2027. The Group's liquidity profile is further supported by the cushion available in its working capital facilities, with the average utilisation at around 72% during the 12-month period ended March 2026, along with continued access to fund-based banking lines.

Rating sensitivities

Positive factors – ICRA may upgrade the ratings if JIAPL can significantly improve its profitability level, leading to a further strengthening of its credit metrics. A specific credit metric for ratings upgrade would be a total debt/OPBIDTA below 1.5 times on a sustained basis.

Negative factors – ICRA may downgrade JIAPL's ratings if a weakening of the steel industry adversely impacts the company's revenues and cash accruals on a sustained basis. A specific credit metric for downgrade would be a total debt/OPBDITA above 2.3 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Iron & Steel
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of JIAPL as enlisted in Annexure II

About the company

JIAPL manufactures billets, TMT bars and wire rods at its plant in Pithampur, Madhya Pradesh. The company, along with its manufacturing facilities, was taken over by the Singhania and Todi families in 2006. It has a manufacturing capacity of 6,80,000 metric tonnes per annum (MTPA) of billets and 6,10,000 MTPA of TMT bars/wire rods. The company uses a mix of scrap and sponge iron to manufacture billets and TMT bars/wire rods. JIAPL sells its products under the brands – Moira Sariya – through a network of distributors in Madhya Pradesh.

Key financial indicators (audited)

	Consolidated			Standalone		
JIAPL	FY2024	FY2025	FY2026#	FY2024	FY2025	FY2026*
Operating income	2,697.0	2,692.7	2,979.0	2,690.9	2,609.3	2,750.3
PAT	68.1	69.5	72.2	73.1	88.0	87.1
OPBDIT/OI	4.4%	5.4%	4.9%	4.27%	5.65%	5.14%
PAT/OI	2.5%	2.6%	2.4%	2.72%	3.37%	3.17%
Total outside liabilities/Tangible net worth (times)	0.6	0.8	0.7	0.6	0.7	0.6
Total debt/OPBDIT (times)	1.9	2.6	2.3	1.7	1.8	1.7
Interest coverage (times)	5.7	4.7	4.2	5.5	6.3	5.7

*Source: Company, ICRA Research; *Provisional numbers; #Estimated; 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 - Cash credit	Long term	258.00	[ICRA]A+ (Stable)	Jun 17, 2025	[ICRA]A+ (Stable)	-	-	Mar 21, 2024	[ICRA]A+ (Stable)
Fund based - Term loan	Long term	115.87	[ICRA]A+ (Stable)	Jun 17, 2025	[ICRA]A+ (Stable)	-	-	Mar 21, 2024	[ICRA]A+ (Stable)
Non-fund based - Others	Short term	20.00	[ICRA]A1	Jun 17, 2025	[ICRA]A1	-	-	Mar 21, 2024	[ICRA]A1
Fund based (Corporate bill discounting)	Short term	0.00	-	Jun 17, 2025	[ICRA]A1	-	-	Mar 21, 2024	[ICRA]A1
Fund based - Cash credit	Long term	0.00	-	Jun 17, 2025	[ICRA]A+ (Stable)	-	-	-	-
Fund based - Others (Electronic vendor finance system)	Long term	80.0	[ICRA]A+ (Stable)	-	-	-	-	-	-
Unallocated	Long term/ Short term	0.13	[ICRA]A+ (Stable)/ [ICRA]A1	Jun 17, 2025	[ICRA]A+ (Stable)/ [ICRA]A1	-	-	-	-
Unallocated	Long term	-	-	-	-	-	-	Mar 21, 2024	[ICRA]A+ (Stable)

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 – Others	Simple
Long term - Fund based - Others (Electronic vendor finance system)	Simple
Long term /Short term - Unallocated	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 - Cash credit**	NA	NA	NA	258.00	[ICRA]A+ (Stable)	RBI
NA	**Long term - Fund based - Term loan**	April 2017	NA	FY2033	115.87	[ICRA]A+ (Stable)	RBI
NA	**Short term - Non-fund based – Others**	NA	NA	NA	20.00	[ICRA]A1	RBI
NA	**Long term - Fund based - Others (Electronic vendor finance system)**	NA	NA	NA	80.0	[ICRA]A+ (Stable)	RBI
NA	**Long term /Short term - Unallocated**	NA	NA	NA	0.13	[ICRA]A+ (Stable)/ [ICRA]A1	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

Company name	Ownership	Consolidation approach
Jaideep Ispat and Alloys Private Limited	Holding company	Full consolidation
Jaideep Steelworks India Private Limited	Subsidiary (100%)	Full consolidation
Moira Welfare Foundation	Subsidiary (100%)	Full consolidation
Jaideep Metallics & Alloys Private Limited	Joint venture (50%)	Equity method

Source: Company

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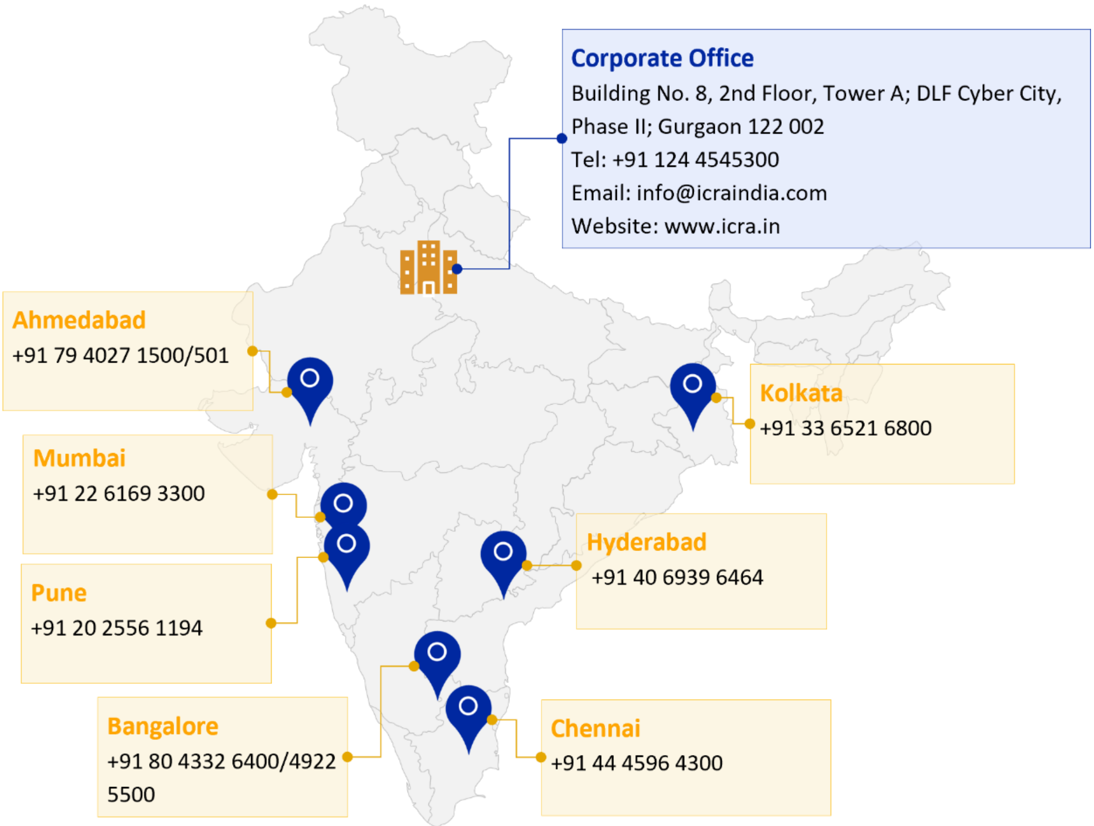

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