August 04, 2026

Jindal Steel Limited: Long-term rating upgraded to [ICRA]AA+ (Stable); short-term rating 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 (Cash credit)	1,600.00	1,600.00	[ICRA]AA+ (Stable); upgraded from [ICRA]AA (Stable)	RBI
Long term fund based (Term loans)	16,759.95	16,759.95	[ICRA]AA+ (Stable); upgraded from [ICRA]AA (Stable)	RBI
Short term non-fund based bank facilities	16,640.05	16,640.05	[ICRA]A1+; reaffirmed	RBI
Non-convertible debentures (NCDs)	5,000.00	5,000.00	[ICRA]AA+ (Stable); upgraded from [ICRA]AA (Stable)	SEBI
Total	**40,000.00**	**40,000.00**		

**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 rating upgrade factors in ICRA's expectation that Jindal Steel Limited's (Jindal Steel) credit profile will improve in FY2027, supported by the successful commissioning of the 6.0-million-tonne-per-annum (MTPA) steelmaking capacity at its wholly-owned subsidiary, Jindal Steel Odisha Limited {JSOL, rated at [ICRA]AA+(Stable)/[ICRA]A1+}. The completion of this expansion programme has increased Jindal Steel's consolidated crude steelmaking capacity to 15.6 MTPA, strengthening its position among the leading integrated steel producers in India. The completion of the capex programme substantially mitigates the project execution risks, while enhancing the company's overall scale of operation with steel sales volume expected to improve to 11-11.5 mtpa in FY2027. The higher scale of operation and an expected OPBDITA/tonne of more than Rs. 11,000 per MT are likely to support comfortable credit metrics for the company with an estimated net debt/OPBDITA of ~1.5 times in FY2027. Although Jindal Steel has capital expenditure plans of Rs. 14,000-15,000 crore in the next three years to complete the ongoing capex programme, the net leverage is likely to remain comfortable below 1.5 times over the medium term, thereby supporting the company's overall credit profile.

In FY2026, the consolidated gross debt increased to ~Rs. 22,600 crore owing to debt drawdown for the ongoing capex. However, the profitability remained comfortable with OPBDITA/tonne of ~ Rs. 10,462 per MT, while the net debt/OPBDITA peaked at 1.8 times during the year. Nonetheless, the ramp-up of the recently commissioned facilities is expected to drive a meaningful improvement in operating income and profitability in the current fiscal. Although domestic hot-rolled coil (HRC) prices have moderated in recent months, they are expected to remain higher compared to the previous year, supported by healthy domestic demand and the safeguard duty protection announced in December 2025. While coking coal costs are also expected to remain elevated, the impact is likely to be largely offset by higher steel prices, resulting in a healthy OPBDITA/tonne in the current fiscal. Further, various ongoing cost optimisation initiatives, including the commissioning of additional captive power generation capacity, development of the Barbil–Angul slurry pipeline, expansion of pellet manufacturing facilities and enhancement of the logistics infrastructure are also expected to strengthen the company's cost competitiveness and improve its operating profits in the medium term. In addition, an enhanced product mix following the expansion at JSOL is also expected to improve product diversification and enhance market positioning.

The rating also factors in Jindal Steel's established position as one of the leading domestic steel producers along with its vertically integrated operations, the favourable location of the plants in proximity to various iron ore and thermal coal mines and a diversified as well as value-added product portfolio. The ratings continue to derive comfort from Jindal Steel increasing backward integration and strengthening raw material security, supported by the operationalisation and ramp-up of multiple captive mining assets. Jindal Steel also has sizeable coking/thermal/anthracite coal mining assets in Mozambique and South Africa through its overseas subsidiaries.

ICRA also derives comfort from Jindal Steel's comfortable liquidity position with liquid cash balances and investment portfolio of ~Rs. 5,605 crore as on March 31, 2026. ICRA expects Jindal Steel to maintain a healthy liquidity balance of more than Rs. 4,000 crore on a sustained basis. In addition, no major large capital expenditure (beyond the remaining ongoing capex) has been envisaged in the near to medium term. Any large debt-funded capex adversely impacting the liquidity and credit metrics on a sustained basis will remain a key rating monitorable.

The ratings continue to be constrained by the inherent vulnerability of the steel industry to the volatility in metal prices as well as the price and supply risks associated with key raw materials, particularly coking coal. In recent quarters, coking coal prices have been rising, exerting pressure on the margin, though this has been offset to an extent by better steel realisations. Nevertheless, Jindal Steel integrated operations, increasing captive raw material availability, diversified product portfolio and ongoing efficiency-enhancing initiatives are expected to provide resilience against the industry cyclicality and support its credit profile over the medium term.

The ratings also remain constrained by the company's exposure to regulatory and policy-related risks inherent in the mining sector. Jindal Steel further remains exposed to forex risks, given its dependence on imports to meet the coking coal requirement. Further, the company recognised an impairment charge of approximately Rs. 834 crore on its Australian mining assets in FY2026 following the decision to discontinue the mining operations and close the shaft. Any further material impairment affecting the net worth position or any significant change in the senior management impacting business operations will remain a key rating monitorable.

The Stable outlook on the long-term rating reflects ICRA's expectations that Jindal Steel's credit profile will remain supported by comfortable steel spreads, healthy domestic demand and a steady improvement in sales volume in the coming fiscals, supporting the entity's leverage and coverage indicators.

Key rating drivers and their description

Credit strengths

Significant improvement expected in consolidated sales volume and profits to support Jindal Steel's credit profile – JSOL, the wholly-owned subsidiary of Jindal Steel, has successfully commissioned its steel manufacturing facilities in March 2026, enhancing the Group's steel-making capacity to 15.6 mtpa from 9.6 mtpa. The Group's operations have become fully integrated, supported by JSOL's hot strip mill (HSM) and cold rolling mills (CRM), along with the anticipated ramp-up of the BF-BOF facilities. This integration is expected to drive a significant improvement in volumes and profitability FY2027 onwards with steel sales volume expected to increase to 11-11.5 mtpa in FY2027. Although domestic HRC prices have moderated in recent months, they are expected to remain higher compared to the previous year, supported by healthy domestic demand and the safeguard duty protection announced in December 2025. While coking coal costs are also expected to remain elevated, the impact is likely to be largely offset by higher steel prices, resulting in a healthy OPBDITA/tonne in the current fiscal.

Strong financial risk profile with healthy leverage and coverage indicators – The higher scale of operation and an expected OPBDITA/tonne of >Rs. 11,000 per MT are likely to support comfortable credit metrics for the company with an estimated net debt/OPBDITA of ~1.5 times in FY2027. Although Jindal Steel plans to spend Rs. 14,000-15,000 crore over the next three years to complete the ongoing capex programme, the net leverage is likely to remain comfortable below 1.5 times over the medium term, thereby supporting the company's overall credit profile. The debt service coverage ratio (DSCR) is also expected to remain comfortable at 2.4-2.5 times in the coming fiscals.

Cost competitiveness arising from large-scale integrated operations and attractive plant locations – Jindal Steel manufacturing operations are vertically integrated, encompassing captive iron ore mines for partial capacity, captive thermal coal mines, coal washing, coke manufacturing, pelletisation, sponge iron manufacturing, power generation and production of semi and finished steel products. Also, its plants are favourably located close to various iron ore and thermal coal mines. Jindal Steel has sizeable coking/thermal/anthracite coal mining assets in Mozambique and South Africa through its overseas subsidiaries. Further, the successful commissioning of the project at Angul is expected to improve the scale. Besides, the ongoing cost saving initiatives, including the establishment of a slurry pipeline, procurement of additional rakes for efficient transportation of raw materials/finished goods and the ongoing development of the Paradip port, are expected to push up the OPBITDA/tonne in the upcoming fiscals, strengthening the company's operational profile.

Better raw material security through enhanced production – The ratings continue to derive comfort from Jindal Steel's increasing backward integration and strengthening raw material security, supported by the operationalisation and ramp-up of multiple captive mining assets. This is expected to reduce the dependence on external raw material procurement and support cost competitiveness over the medium term. For iron ore, Jindal Steel's captive mining capacity increased to 13.61 MTPA in FY2026 following the addition of the Roida mine. At present, around one-third of the company's iron ore requirements are being met through captive sources. Further, the proximity of these mines to the company's manufacturing facilities supports logistics efficiencies and lowers transportation costs. While the company continues to depend on imports for coking coal requirements, its sourcing remains diversified across geographies such as Mozambique and South Africa. Additionally, promoter-linked overseas mining interests provide a degree of support towards long-term coking coal security.

Established track record and diversified operations with forward integration into value-added products – Jindal Steel has an established track record in successfully commissioning greenfield/brownfield capacities in the steel and power segments as well as in operating its plants at healthy capacity utilisation. The company diversified its steel product portfolio over the years to include high-value-added and finished steel products, besides other finished and semi-finished products. The multiple sales points across the steel value chain allow Jindal Steel to cater to market requirements while optimising the capacity utilisation and profitability. The incremental capacities commissioned under JSOL have increased the company's finished steel capacities to 13.25 mtpa from 7.25 mtpa and established a healthy presence in the valued-added flats segment for the group.

Credit challenges

Inherent vulnerability of steel business to volatility in metal prices – Jindal Steel operates in a cyclical industry with global overcapacity. While the company's cost competitiveness, coupled with a high level of integration in steel manufacturing operations, reduces the susceptibility of its profitability to downturns in the steel industry, Jindal Steel remains exposed to the volatility in the sector. It had earlier witnessed fluctuations in its operating profitability owing to the tough operating environment.

Susceptibility of profitability to volatility in raw material prices – While the company's raw material coverage has improved over the years, its profitability remains susceptible to the volatility in raw material requirements as it remains dependent on external purchases for a part of its coking coal and iron ore requirements. Further, it is noted that Jindal Steel has acquired a new coal mine and has been declared as a preferred bidder for an iron ore mine recently to ensure the Group's raw material security. However, any challenges in ramping up these mines will expose the company to volatility in raw material prices over the medium term.

Exposure to regulatory risks – The ratings remain constrained by the company's exposure to regulatory and policy-related risks inherent in the steel and the mining sectors. Mining operations are subject to various regulatory requirements related to mine lease approvals, production limits, environmental clearances etc and any adverse changes could impact mining operations and the cost structure. Further, the profitability of the steel companies remains susceptible to regulatory changes in the steel industry.

Liquidity position: Adequate

Jindal Steel's liquidity position is adequate, with free consolidated cash and liquid investments of ~Rs. 5,605 crore as on March 31, 2026. ICRA expects Jindal Steel's consolidated cash flow from operations of ~Rs. 6,213 crore and accumulated liquid balances to be sufficient to meet the margin requirements for its capex as well as the debt servicing requirements in the near to medium term (repayment obligations of ~Rs. 1,892 crore in FY2027). The average working capital utilisation also remained comfortable at around 30% in the last 12 months, further supporting the liquidity position.

Rating sensitivities

Positive factors – ICRA could upgrade the company's rating if it demonstrates a significant growth in its operating income and profitability, along with strong liquidity and coverage metrics.

Negative factors – Pressure on the ratings could emerge in case of a sustained deterioration in earnings, or if any sizeable debt-funded capex/investment/acquisition results in an increase in the net debt/OPBDITA 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	For arriving at the ratings, ICRA has considered the consolidated financials of JINDAL STEEL. The list of entities considered for consolidation are enlisted in Annexure II.

About the company

Jindal Steel is one of India's leading primary steel producers, along with a significant presence in power generation and mining. Its manufacturing units are at Raigarh (Chhattisgarh), Angul (Odisha), Barbil (Odisha) and Patratu (Jharkhand). Jindal Steel's integrated operations in India encompass capacities of 15.02 mtpa of iron making, 15.0 MTPA of pellets, 15.6 MTPA of liquid steel and 13.25 MTPA of finished steel. Jindal Steel's product range includes TMT bars, plates, coils, parallel flange beams and columns, rails, angles and channels, wire rods, fabricated sections among finished and semi-finished products. While 11.9-mtpa domestic iron manufacturing capacity is undertaken through the blast furnace route, the balance 3.12 mtpa is through the direct-reduced iron (DRI) process.

Jindal Steel also has a captive thermal power generation capacity of about 1,634 MW at its Raigarh and Angul plants. In addition to the steel manufacturing capacities, Jindal Steel's international operations include interests in coking coal mining assets, thermal/coking coal mining assets in Mozambique and anthracite coal mining assets in South Africa.

Key financial indicators (audited)

Jindal Steel Consolidated	FY2025	FY2026
Operating income	49,765	53,225
PAT	2,855	3,376
OPBDIT/OI	18.7%	17.1%
PAT/OI	5.7%	6.3%
Total outside liabilities/Tangible net worth (times)	0.8	0.9
Total debt/OPBDIT (times)	2.0	2.5
Interest coverage (times)	6.1	5.3

Source: Company, ICRA Research; 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

Instruments	Current (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Aug 04, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	16,759.95	[ICRA]AA+ (Stable)	Oct 10, 2025	[ICRA]AA (Stable)	Oct 30, 2024	[ICRA]AA (Stable)	Oct 25, 2023	[ICRA]AA (Stable)
						Aug 26, 2024	[ICRA]AA (Stable)	Sep 21, 2023	[ICRA]AA (Stable)
								Apr 06, 2023	[ICRA]AA- (Positive)
Cash credit	Long term	1,600.00	[ICRA]AA+ (Stable)	Oct 10, 2025	[ICRA]AA (Stable)	Oct 30, 2024	[ICRA]AA (Stable)	Oct 25, 2023	[ICRA]AA (Stable)
						Aug 26, 2024	[ICRA]AA (Stable)	Sep 21, 2023	[ICRA]AA (Stable)
								Apr 06, 2023	[ICRA]AA- (Positive)
Non-fund based	Short term	16,640.05	[ICRA]A1+	Oct 10, 2025	[ICRA]A1+	Oct 30, 2024	[ICRA]A1+	Oct 25, 2023	[ICRA]A1+
						Aug 26, 2024	[ICRA]A1+	Sep 21, 2023	[ICRA]A1+
								Apr 06, 2023	[ICRA]A1+
Unallocated	Long term /Short term	-	-	-	-	-	-	Apr 06, 2023	[ICRA]AA- (Positive)/ [ICRA]A1+
NCDs	Long term	5,000.00	[ICRA]AA+ (Stable)	Oct 10, 2025	[ICRA]AA (Stable)	Oct 30, 2024	[ICRA]AA (Stable)	Oct 25, 2023	[ICRA]AA (Stable)
						Aug 26, 2024	[ICRA]AA (Stable)		

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term fund based (Cash credit)	Simple
Long term fund based (Term loans)	Simple
Short term non-fund based bank facilities	Simple
Non-convertible debentures (NCDs)	Simple*

** Subject to change as per the terms of NCDs at the time of placement*

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	1,600.00	[ICRA]AA+ (Stable)	RBI
NA	Long term fund based (Term loans)	FY2015	NA	Upto FY2030	16,759.95	[ICRA]AA+ (Stable)	RBI
NA	Short term non-fund based bank facilities	NA	NA	NA	16,640.05	[ICRA]A1+	RBI
Unplaced	Non-convertible debentures (NCDs)	NA	NA	NA	5,000.00	[ICRA]AA+ (Stable)	SEBI

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
Jindal Steel Bolivia SA	51.00%	Full consolidation
Jindol steel (Mouritius) Limited (formerly known as Jindal Steel & Power (Mauritius) Limited)	100.00%	Full consolidation
Skyhigh Overseas Limited	100.00%	Full consolidation
JB Fabinfra Limited	100.00%	Full consolidation
Trishakti Real Estate Infrastructure and Developers Limited	94.87%	Full consolidation
Raigarh Pathalgaon Expressway Ltd	100.00%	Full consolidation
Jindal Steel Odisha Limited	100.00%	Full consolidation
Jindal Naveen Avsar Limited (formerly known as JSP Metallics Limited)	99.00%	Full consolidation
Jindal Steel Chhatisgarh Limited	100.00%	Full consolidation
Jindal Paradip Port Limited	51.00%	Full consolidation
Gas to Liquids International S.A	87.56%	Full consolidation
Blue Castle Ventures Limited	100.00%	Full consolidation
Brake Trading (Pty) Limited	85.00%	Full consolidation
Jindal (BVI) Limited	100.00%	Full consolidation
Jindal Africa Investments (Pty) Limited	100.00%	Full consolidation
Jindal Investimentos LDA	100.00%	Full consolidation
Jindal KZN Processing (Pty) Limited	85.00%	Full consolidation
Jindal Madagascar SARL	100.00%	Full consolidation
Jindal Mineraux Limited (formerly Known as Avion Mineraux Ltd)	100.00%	Full consolidation
Jindal Mining Namibia (Pty) Limited	100.00%	Full consolidation
Jindal Steel & Power (Australia) Pty Limited	100.00%	Full consolidation
JINDAL STEEL Mozambique Minerals LDA	100.00%	Full consolidation
Osho Madagascar SARL	100.00%	Full consolidation
Jindal Iron Ore (Pty) Limited	74.00%	Full consolidation
Wollongong Resources Pty Ltd	100.00%	Full consolidation
Allied Strips Limited	100.00%	Full consolidation
Eastern Solid Fuels (Pty) Limited	100.00%	Full consolidation
Jindal Mining SA (Pty) Limited	73.94%	Full consolidation
Jindal Resources (Botswana) Pty Limited	100.00%	Full consolidation
Meepong Energy (Pty) Limited	100.00%	Full consolidation
Meepong Service (Pty) Limited	100.00%	Full consolidation
Meepong Water (Pty) Limited	100.00%	Full consolidation
Southbulli Holding Pty Limited	100.00%	Full consolidation
Oceania Coal Resources NL	100.00%	Full consolidation

Company name	Ownership	Consolidation approach
Wongawilli Resources Pty Limited	100.00%	Full consolidation
Goedehoop Coal (Pty) Limited	50.00%	Equity method
Jindal Steel Andhra Limited	49.00%	Equity method
Jindal Green Wind 1 Private Limited	26.00%	Equity method
Sunbreeze Renewables Nine Private Limited	26.00%	Equity method
Jindal Synfuels Limited	70.00%	Full consolidation
Shresht Mining and Metals Private Limited	50.00%	Equity method
Urtan North Mining Company Limited	66.67%	Full consolidation

Source: FY2026 Annual report

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