

Jai Hind Rolling Mills India Private Limited

August 29, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	15.25	CARE BBB-; Stable	Upgraded from CARE BB+; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

While assigning rating to bank facilities of Jai Hind Rolling Mills India Private Limited (JRM), CARE Ratings Limited (CareEdge Ratings) has combined financial and operational performance of the group entities comprising of - Hindupur Steel and Alloys Private Limited (HSPL), JRM (CARE BBB-; Stable) and Kubair Steel and Power LLP (KSP; CARE BBB; Stable).

JRM's ~80% of sales comes from HSP and KSP, as JRM supplies billets and ingots to group entities to manufacture TMT bars. With stabilisation of KSP's unit and largely stable operations of HSP, JRM's unit is expected to operate at near full capacity levels, which would lead to increase in revenue and profitability of the group as seen in FY25, leading to revision in the rating.

The rating also continues to factor in consistent rise in scale of operations of the combined entity supported by FY25 being KSP's first full year of operationalisation post-acquisition by the group in FY24 and is expected to further grow, backed by sustained consumer demand and expectation of better capacity utilisation of other companies. The group's operating profitability is also expected to improve, considering power purchase agreement (PPA) entered with independent power producers. The rating also takes comfort from long track of experience in the industry and satisfactory operating cycle.

Rating strengths are partially offset by moderation in capital structure due to KSP's debt funded acquisition in FY24 and increase in working capital requirement in FY25, which has moderated debt coverage indicators. Intense competition in the highly fragmented steel industry and margins being exposed to volatility associated with prices of raw materials also constrains the rating. JRM's rating remains constrained due to its limited contribution—less than 10%—to the group's overall sales and profitability.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Maintaining current scale of operations with return on capital employed (ROCE) above 18%, interest coverage ratio (ICR) over 3x and total outside liability to total outside liability (TOL/ TNW) below 2.00x.

Negative factors

- Sales lower than ₹800 crore or ICR less than 1.75x, TOL/TNW over 3.25x

Analytical approach: Combined

Combined financial and operational performance of JRM, KSP and HSPL is undertaken due to strong operational, financial and managerial linkages between entities. Refer [Annexure-6](#) for details of all combined entities.

Outlook: Stable

Stable Outlook reflects CareEdge Ratings' expectations that these entities would continue to operate the plant at envisaged capacity considering long track of promoters in the line of business.

Detailed description of key rating drivers:

Key strengths

Stable though improving scale of operations and profitability

The combined entity grew at ~8% year-over-year (y-o-y) at ₹1216 crore in FY25 from ₹1126 crore in FY24. Sustained demand in public infrastructure and real estate are the key drivers for the growth. Growth is also supported by FY25 being KSP's first full year of operations following its acquisition by the promoters in FY24. The company reported a significant increase in standalone operational scale, from ₹141 crore in FY24 (operations commenced in November 2024) to ₹468 crore in FY25, with operating

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

profitability margins of ~5.4% in FY25. With HSPL and KSP being major customers of JRM, the company's standalone revenue improved from ₹144 crore in FY24 to ₹207 crore in FY25, supported by an increase in TMT sales volume at the combined level. The profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin of the combined entity remained stable in the range of 4.10-4.60% since FY22, however, in FY25 margins improved to 6.19% due to power purchased from independent power producer (IPP). The group is expected to sustain its revenue and profitability margins in projected years, considering power sourcing from IPPs and better capacity utilisation.

Experienced promoters

Ganesh Kumar Agrawal, MD has a total experience of over 15 years in the steel industry and manages the company's overall management and operations and building and implementing business strategies. Nitin Aggarwal, Director, manages technical, production, maintenance and operations.

Key weaknesses

Intense competition associated with highly fragmented industry and margins exposed to raw material price volatility

Price of raw materials such as iron ore, sponge iron, coal and steel scrap remain volatile and are governed by international metal prices and the scrap's quality. Raw material cost constitutes ~80% cost of sales, exposing the company to volatility in raw material prices, which has a bearing on its profitability margins. Products manufactured by the company have limited value addition and face high degree of competition from other industry players. Though, prices of finished goods broadly move in tandem with input prices, there may be a time lag, which exposes the firm to raw material price volatility risk. The steel industry is highly fragmented and competitive due to the presence of large number of organised and unorganised players. Steel industry remains susceptible to industry cycles as it is related to other core industry cycles. Sudden fluctuations in prices may adversely affect margins.

Leveraged capital structure

The group's financial risk profile is marked by moderate leverage, adequate liquidity and comfortable debt coverage indicators. Overall gearing stood at similar levels at 1.74x as on March 31, 2025 (FY24: 1.80x, FY23: 1.40x), due to increase in debt for KSP's debt funded acquisition in FY24 and increased working capital borrowings in FY25. ICR slightly moderated to 2.02x in FY25 from 2.19x in FY24, primarily due to higher interest costs driven by increased working capital requirements in FY25. With no major debt-funded capex plans in the pipeline, CareEdge Ratings expects the group's capital structure to improve going forward.

Liquidity: Adequate

The group's liquidity profile is adequate with group estimated to generate sufficient cash accruals that would cover upcoming debt repayments adequately. Working capital utilisation is ~88% for 12 months ended June 2025. Cash and bank balance stood at ₹8.63 crore as of March 31, 2025. Net cash flow from operations turned positive to ₹42.21 crore in FY25 from negative ₹16.45 crore in FY24 owing to improved operating profit. Group's operating cycle stands satisfactory at 56 days as on March 31, 2025 (PY: 56 days).

Applicable criteria

- [Definition of Default](#)
- [Liquidity Analysis of Non-financial sector entities](#)
- [Rating Outlook and Rating Watch](#)
- [Manufacturing Companies](#)
- [Financial Ratios – Non financial Sector](#)
- [Iron & Steel](#)
- [Consolidation](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals & mining	Ferrous metals	Iron & steel

The flagship company of Lingaraj group promoted by Ganesh Agarwal and Nitin Agarwal, HSPL operates an induction furnace (1,00,000 MTPA) and rolling mill (3,00,000 MTPA) in Hindupur, AP since 2009. The company sells TMT bars under the brand name of 'Kamdhenu' following the license agreement entered with Kamdhenu Limited.

To expand its operations, promoters of HSPL acquired a sick unit in 2018, JRM which is next to HSPL's compound and has induction furnace capacity of 58,000 MTPA. Under the management of the Lingaraj group, JRM turned around its operations and is doing profitable business.

The group further acquired KSP in 2023, with a furnace and rolling capacities of 1 lakh MTPA each.

Brief Financials-Combined (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)	June 30, 2025 (UA)
Total operating income	1126.65	1216.35	318.12
PBILDT	51.22	75.32	18.38
PAT	13.36	14.79	NA
Overall gearing (times)	1.80	1.74	NA
Interest coverage (times)	2.19	2.02	2.29

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results

Brief Financials-Standalone (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)	June 30, 2025 (UA)
Total operating income	144.11	207.19	47.54
PBILDT	3.05	3.96	0.85
PAT	0.94	1.44	NA
Overall gearing (times)	205.43	9.08	NA
Interest coverage (times)	2.67	2.83	4.25

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Proposed fund based limits	-	-	-	-	6.71	CARE BBB-; Stable
Fund-based - LT-Term Loan	-	-	-	December 2024	5.54	CARE BBB-; Stable
Fund-based - LT-Working Capital Demand loan	-	-	-	-	3.00	CARE BBB-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	5.54	CARE BBB-; Stable	-	1)CARE BB+; Stable (17-Dec-24) 2)CARE BB; Stable (01-Apr-24)	1)CARE BB-; Stable (05-Apr-23)	1)CARE BB-; Stable (01-Apr-22)
2	Fund-based - LT-Working Capital Demand loan	LT	3.00	CARE BBB-; Stable	-	1)CARE BB+; Stable (17-Dec-24) 2)CARE BB; Stable (01-Apr-24)	1)CARE BB-; Stable (05-Apr-23)	1)CARE BB-; Stable (01-Apr-22)
3	Fund-based - LT-Proposed fund based limits	LT	6.71	CARE BBB-; Stable	-	1)CARE BB+; Stable (17-Dec-24) 2)CARE BB; Stable (01-Apr-24)	1)CARE BB-; Stable (05-Apr-23)	1)CARE BB-; Stable (01-Apr-22)
4	Fund-based - LT-Proposed fund based limits	LT	-	-	-	-	-	1)Withdrawn (01-Apr-22)

LT: Long term.

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Proposed fund-based limits	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT-Working Capital Demand loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Hindupur Steel And Alloys Private Limited	Full	Operational and financial linkages
2	Kubair Steel and Power LLP	Full	Operational and financial linkages

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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