Jindal Stainless Limited

October 09, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	5,900.00 (Enhanced from 5,500.00)	CARE AA; Stable	Reaffirmed
Short-term bank facilities	11,000.00 (Reduced from 11,400.00)	CARE A1+	Reaffirmed
Non-convertible debentures	99.00 (Reduced from 287.50)	CARE AA; Stable	Reaffirmed
Non-convertible debentures	1,000.00	CARE AA; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of ratings assigned to bank facilities/instruments of Jindal Stainless Limited (JSL) factors in the steady performance and strong market position of JSL as demonstrated by its consistently improving sales volumes and sustained profit before interest, lease rentals, depreciation, and taxation (PBILDT) of ~₹20,000 per tonne in the last few fiscals (FY22-FY25; FY refers to April 01 to March 31). The ratings consider continued improvement in the company's financial risk profile despite incurring significant funds in downstream operations and undertaking acquisitions that'll be supportive to the business profile of JSL. Improvement in the financial risk profile is emanating from deleveraging undertaken by the company in the last few years, resulting in healthy debt coverage metrics.

The rating derive comfort from JSL's well-established position in the stainless steel (SS) industry and strength derived from being the largest SS producer in the domestic market, its diversified product portfolio (across various series and grades of stainless steel) with production facilities across multiple key strategic geographies. JSL's strategic focus towards increasing its share of value-added products, combined with its flexibility to shift between domestic and export markets, has enabled it to effectively withstand adverse industry cycles. JSL's collaborative agreement with New Yaking Pte Limited to acquire 49% stake in Nickel Pig Iron (NPI) smelter facility in Indonesia, reflects consistent efforts of the management to enable a strong operational integration, which is expected to insulate the company for nickel raw material availability. This facility is already operational at a project cost of ~₹1,200-1,300 crore (US$157 million). CARE Ratings Limited (CareEdge Ratings) expects significant synergistic benefit from this collaborative facility, with an annual nickel pig iron (NPI) capacity of 2 lakh metric tonne comprising 14% Nickel established to support the NPI requirement of JSL.

Further, the company is also in process of setting up 1.2 MTPA SMS facility in Indonesia via a 49% collaborative joint venture agreement by Sulawesi Nickel Processing Industries Holdings Pte. Limited (as JSL acquired 100% stake in Sulawesi Nickel Processing Industries Holdings Pte. Limited). This facility will bring an incremental capacity of ~40% at a cost of ~₹715 crore. The company is also setting up downstream facility in Jajpur, Odisha to cater this demand. Also, JSL also acquired 100% stake in Chromeni Steels Limited (formerly Chromeni Steels Private Limited) for ₹1,618 crore, gaining an additional cold rolling facility and surplus land to support future expansions. This acquisition strengthens JSL's presence in the western Indian market by catering to the growing demand for cold-rolled products and aligns with its long-term goal to increase the share of cold-rolled products in its portfolio. JSL's proposed expansion project in Maharashtra, will optimise stainless steel supply dynamics in western India.

However, ratings remain partially offset by volatile nature of raw material prices (primarily nickel and chrome), domestic demand for stainless steel being offset by dumping from cheaper Chinese imports (via Vietnam and other ASEAN FTA route), geo-political trade wars, forex fluctuations and the cyclical nature of the SS industry. Ensuring stringent control over existing capex activity, meeting completion timelines and without cost overrun will continue to remain a key monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Envisaged growth in JSL's sales volumes and PBILDT per tonne above ₹20,000 (consolidated) on a sustained basis
- Improvement in overall gearing to around 0.50x.
- Net debt (including acceptances)/PBILDT around 1.50x on a sustained basis

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

Negative factors

- Significant decline in the group's sales volumes and PBILDT per tonne below ₹15,000 (consolidated) on a sustained basis.
- Any unforeseen large debt-funded capex/ acquisition deteriorating the group's overall gearing beyond unity.
- Net debt (including acceptances)/PBILDT above 2.00x.

Analytical approach: Consolidated

CareEdge Ratings has considered the consolidated approach on account of significant operational and financial linkages of JSL with its subsidiaries. The list of entities whose financials have been considered in JSL's consolidated financials is listed under Annexure 6.

Outlook: Stable

The stable outlook is on the grounds of dominant market position of JSL in the stainless-steel industry, which coupled with favourable demand scenario in the domestic market and ramping-up of the added capacity, while simultaneously working towards capacity expansion shall enable it to sustain healthy business and financial risk profile in the medium-to-long-term period.

Detailed description of key rating drivers:

Key strengths

Optimising operational performance with sustained profitability

The company has showcased strong operational performance over the years. The company's sales volume recorded consistent improvement from 1.76 MTPA in FY23 to 2.17 MTPA in FY24 and to 2.37 MTPA in FY25 at a compound annual growth rate (CAGR) of ~16.00%. In Q1FY26, the reported sales volume remained at 0.63 MT, with a healthy profitability of ₹22,015 per tonne against ₹19,667 per tonne in FY25. In FY25, the company's net sales remained in moderation to the previous year due to decline in sales realisations. However, it is to be noted that the company has been consistently witnessing an uptrend in its sales volumes in the last five years, with sales volume increasing at a compound annual growth rate (CAGR) of ~15.00% (exclusive of inter party sale to Jindal Stainless (Hisar) Limited until FY22). Apart from consistent increase in sales volume, JSL has also been able to maintain PBILDT/Tonne of ~₹20,000 in the last four years, despite volatile market dynamics and fluctuations in raw material prices.

Dominant market position in domestic and international market

JSL is the largest domestic manufacturer of stainless steel and one of the dominant players in the international market. According to the Indian Stainless Steel Development Association (ISSDA), the total domestic consumption of stainless steel in FY25 remained ~4.80 MTPA in FY25. The company sold ~2.3 million tonnes of steel per annum in FY25, of which ~10% of the turnover comprise of export sales. JSL alone suffices to ~50% of the domestic market demand depicting its strong market leadership position that it has maintained over several years. The company deals in higher value product segment specifically but holds a forte across all grade of stainless steel including 200, 300 and 400 grade and duplex stainless-steel products. The company's prominent products range include stainless steel slabs, blooms, coils, plates, sheets, precision strips, wire rods, rebars, blade steel, and coin blanks. The company is also one of the world's largest producers of chrome manganese steel. JSL operates 16 stainless steel manufacturing and processing facilities across India, Spain, and Indonesia. Their extensive network spans across 12 countries globally. In India, they have established 10 sales offices and six service centres to better serve their customers. The primary manufacturing facilities in India are in Jajpur, Odisha, and Hisar, Haryana. While facility in Indonesia with a capacity of 1.2 MTPA is expected to be commissioned in FY27. While looking at the anticipated demand for stainless steel going forward, the company is in process of acquiring land for another 4.00 million tonne facility, which is expected to be commissioned in phases over a long-term plan of 10 to 15 years, which will allow it to maintain its dominant market share going forward as well.

Favourable demand outlook for stainless steel industry

Consumption for stainless steel in the domestic market itself has increased from 3.5 million tonnes in FY20 to ~4.8 million tonnes in FY25, and this is further expected to grow at a CAGR of ~8-9% in near to medium term. The global average stainless steel consumption is ~6 kg per capita, whereas in India it is significantly lower at just ~3.3 kg, highlighting substantial untapped potential for companies such as JSL to expand and enhance their capacity. Robust growth is evident in sectors such as automotive and railways, drive by initiatives such as the Vande Bharat programme and the PM Gati Shakti project, which are fuelling increased demand. Moreover, infrastructure projects like road/rail over bridge, foot over bridge and flyovers driven further supports in accelerating the SS demand. Additionally, emerging sectors including ethanol blending, renewable energy, and process industries are contributing to rising consumption of stainless steel.

JSL's management is proactively assessing and forecasting, growing demand for stainless steel while advancing its expansion initiatives accordingly. The ongoing expansion in Indonesia will add 1.2 MTPA of melting capacity, which is expected to be commissioned in FY27, which will increase JSL's consolidated capacity to over 4.2 MTPA. This increase is expected to ensure a seamless supply to meet rising demand over the coming years. The industry faces challenges from heavily subsidised imports from China, Vietnam and Indonesia, necessitating intervention of the Central government. Majority scrap used as raw material for stainless steel production is sourced through imports, while Nicke Pig iron is largely sourced from Indonesia, which exposes the company to geo-political challenges for all domestic manufacturers. The Indian SS industry is well-equipped to meet domestic demand and facilitate substitution for most import demand across product categories.

Backward integration of nickel supply through NPI facility and a SMS facility in Indonesia

In March 2023, JSL entered a collaborative agreement with New Yaking Pte Limited for a 49% stake in their Nickel Pig Iron (NPI) smelter facility in Indonesia for a consideration of US$157 million. JSL collaborated with the company in constructing and operating the facility. Nickel supply and price is constantly subject to market, logistical and geopolitical constraints, embedding volatility in the cost of procuring raw material. This agreement will allow seamless supply of nickel, resulting in improved raw material security and maintaining consistent margins given volatility witnessed in global prices of nickel, while factoring in India's deficiency for nickel deposits. The company is also in process up a SMS facility in Indonesia at a cost of ~₹715 crore. The facility is planned to be commissioned by FY27 with an annual melting capacity of 1.2 million tonne per annum.

Healthy debt profile of the company

JSL holds a healthy debt profile with a total debt amounting to ₹11,008 crore (inclusive of letter of credit [LC] acceptances amounting to ₹4,605). As on March 31, 2025, the overall gearing stood at 0.73x only. The company envisage a long-term plan of ensuring net debt to PBILDT of below 1.5x (exclusive of LC acceptances). Going forward, CareEdge Ratings expects improvement in overall, as majority of capex against the guidance of ₹2,700 crore will be deployed in FY26 itself.

Key weaknesses

Exposure to raw material price volatility and forex fluctuation risks

The company's primary raw materials include SS scrap, nickel and ferrochrome ore, prices of which remain volatile, considering these are commodity products. Nickel prices have continued to remain volatile, and adverse movement in raw material prices may adversely impact the group's margins in short term due to time lag between procurement and passing it on to customers. Nickel and Ferro chrome, which are two important raw material for manufacturing SS, have noticed a significant volatility in the recent past. Similarly, Ferrochrome prices have also witnessed persistent volatility.

Through collaboration with New Yaking Pte Limited for a 49% JV in their Nickel Pig Iron (NPI) smelter facility in Indonesia, which will provide output of 14% Ni content, JSL aims to minimise its external dependency, reduce the risk associated with price volatility of nickel given its high scarcity domestically. CareEdge Ratings notes that India being net importer of nickel, the group remains exposed to the foreign exchange risk, which is partly mitigated by hedging of imports and exports; and the group remains exposed to the extent of its unhedged exposure. SS scrap prices are also determined by global demand-supply dynamics, and the discounts on nickel negotiated between scrap suppliers and SS mills across different geographies.

Cyclicality remains inherent in stainless steel industry

The SS industry moves closely with business cycles, including growth in economy and seasonal changes in demand-supply situations in the end-user segments. Apart from the domestic market, the demand-supply situations in global markets, especially in large commodity-producing and consuming countries, such as China, has a significant bearing on the seaborne trade of SS and volumes and margins of global industry players. Susceptibility to competition from imports and smaller domestic players especially in the 200-grade series has led to a decline in capacity utilisation in the segment. However, for manufacturers such as JSL, pervasive presence across the value chain and a higher share of value-added products provides better protection against cyclicality and related fluctuations in prices of commoditised stainless-steel products. The Indian SS industry faces pressure from increased Chinese imports via ASEAN, despite new BIS grades and proposed higher customs duties offering some relief.

Liquidity: Strong

The company's liquidity position remains strong supported by healthy cash accruals of ₹3,400 crore in FY25, against a term debt repayment obligation of ₹903 crore in FY26. The liquidity profile is further supported by strong envisaged cash accruals for FY26 and FY27, which will be more than adequate to cover its oncoming scheduled repayment obligations ensuring a comfortable debt service coverage. The company had cash and cash equivalents of ~₹2,128 crore as on June 30, 2025. The average working capital utilisation (fund based) of JSL stood moderate at 52% for 12 months ending August 2025 while 49% for the non-fund-based facilities ending August 2025, leaving sufficient cushion with the entity for short term exigencies and mismatches. The management has envisaged a capex of ~₹2,700 crore in FY26.

Environment, social, and governance (ESG) risks

	Risk factors
Environmental	1. Air and GHG Emission reduction by focussing on renewable energy, implementing emission management systems and committed to net zero carbon emissions by 2050. 2. Majority recycled material utilised, including steel scrap and water.
Social	1. Implemented safety measures to achieve "accident free steel". 2. Learning and development programs such as "Parivartan" and "Arohan" initiated.
Governance	1. Well-defined policies in place to ensure transparent operations. 2. Best practices of the industry incorporated.

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non-financial Sector
Short Term Instruments
Iron & Steel

About the company and industry

Industry classification

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

JSL is part of the Ratan Jindal Group and is the leading integrated SS producers in the country with steel melting capacity of 3.00 MTPA, as on December 31, 2024. The manufacturing facilities are located at Jajpur (Odisha) and Hisar (Haryana). The company also has a captive renewable and thermal power plant, captive ferrochrome facilities, captive chromite mine, stainless steel melting, rolling mill and downstream value-added facilities. It manufactures SS slabs and hot-rolled/cold-rolled coils and sheets and is also engaged in the production of specialty SS, which are high value-added products, including precision strips and defence products.

Brief Financials (Consolidated) (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1 FY26 (UA)
Total operating income	38,756	39,467	10,276
PBILDT	4,704	4,667	1,379
PAT	2,693	2,500	715
Overall gearing (times)	0.72	0.73	-
Interest coverage (times)	8.49	7.63	9.57

A: Audited UA: Unaudited; 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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Debentures-Non Convertible Debentures	INE220G07127	28-Sep-2022	8.62	28-Sep-2026	99.00	CARE AA; Stable
Debentures-Non Convertible Debentures	Proposed	-	-	-	1000.00	CARE AA; Stable
Fund-based - LT-Term Loan		-	-	30/09/2032	4350.00	CARE AA; Stable
Fund-based - LT-Working Capital Limits		-	-	-	1550.00	CARE AA; Stable
Non-fund-based - ST-BG/LC		-	-	-	11000.00	CARE A1+

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	4350.00	CARE AA; Stable	-	1)CARE AA; Stable (12-Mar-25) 2)CARE AA; Stable (09-Oct-24) 3)CARE AA; Stable (05-Apr-24)	1)CARE AA; Stable (06-Oct-23)	1)CARE AA-; Stable (10-Oct-22)

2	Fund-based - LT-Working Capital Limits	LT	1550.00	CARE AA; Stable	-	1)CARE AA; Stable (12-Mar-25) 2)CARE AA; Stable (09-Oct-24) 3)CARE AA; Stable (05-Apr-24)	1)CARE AA; Stable (06-Oct-23)	1)CARE AA-; Stable (10-Oct-22)
3	Non-fund-based - ST-BG/LC	ST	11000.00	CARE A1+	-	1)CARE A1+ (12-Mar-25) 2)CARE A1+ (09-Oct-24) 3)CARE A1+ (05-Apr-24)	1)CARE A1+ (06-Oct-23)	1)CARE A1+ (10-Oct-22)
4	Debentures-Non Convertible Debentures	LT	99.00	CARE AA; Stable	-	1)CARE AA; Stable (12-Mar-25) 2)CARE AA; Stable (09-Oct-24) 3)CARE AA; Stable (05-Apr-24)	1)CARE AA; Stable (06-Oct-23)	1)CARE AA-; Stable (10-Oct-22)
5	Debentures-Non Convertible Debentures	LT	1000.00	CARE AA; Stable	-	1)CARE AA; Stable (12-Mar-25)	-	-

LT: Long term; ST: Short 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	Debentures-Non Convertible Debentures	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT-Working Capital Limits	Simple
4	Non-fund-based - ST-BG/LC	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.	PT. Jindal Stainless Indonesia	Full	Strong operational financial linkages between entities
2.	Jindal Stainless FZE	Full	
3.	JSL Group Holding Pte. Limited	Full	
4.	Iberjindal, S.L.	Full	
5.	Jindal Stainless Park Limited	Full	
6.	JSL Super Steel Limited (formerly known as Rathi Super Steel Limited)	Full	
7.	Jindal Stainless Steelway Limited	Full	
8.	Jindal Lifestyle Limited	Full	
9.	JSL Logistics Limited	Full	
10.	Green Delhi BQS Limited	Full	
11.	Jindal Quanta Limited (formerly known as Jindal Strategic Systems Limited)	Full	
12.	Sungai Lestrari Investment Pte Ltd (From 17 April 2023)	Full	
13.	Jindal United Steel Limited	Full	
14.	PT Cosan Metal Industry	Proportionate	
15.	Rabirun Vinimay Private Limited	Full	
16.	ReNew Green (MHS ONE) Pvt Ltd	Proportionate	
17.	Evergreat International Investment	Full	
18.	Chromeni Steels Limited (formerly known as Chromeni Steels Private Limited) (w.e.f. June 4, 2024)	Full	
19.	Sulawesi Nickel Processing Industries Holdings Pte. Ltd. (w.e.f. June 28, 2024)	Full	
20.	AGH Dreams Limited (formerly known as AGH Dreams Private Limited) (w.e.f. February 27, 2025)	Full	
21.	Utkrisht Dream Ventures Private Limited (w.e.f. February 27, 2025)	Full	
22.	PT Glory Metal Indonesia (w.e.f. June 28, 2024)	Proportionate	

23.	Oyster Green Hybrid One Private Limited (Associate company w.e.f. June 02, 2025)	Proportionate	

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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About us:
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