

JSW Steel Limited

December 12, 2025

As per BSE announcement dated December 03, 2025, JSW Steel Limited (JSWSL) to enter into 50:50 joint venture partnership with JFE Steel Corporation, Japan. The transaction involves the transfer of Bhushan Power & Steel Limited (BPSL)'s steel operations to JSW Sambalpur Steel Limited (JSSL) via slump sale for ₹24,483 crore. JFE will infuse equity of ₹15,750 crore into JSW Kalinga Steel Limited (JKSL, Parent of JSSL) in two tranches, resulting in equal ownership of the JKSL by both the JV partners. The company has indicated an expected completion timeline of 6-9 months, subject to receipt of shareholder and regulatory approvals. In parallel, the board has approved the amalgamation of Piombino Steel Limited (PSL, Parent of BPSL) with JSWSL. Furthermore, the minority stake of 17.35% in PSL is held by JSW Shipping & Logistics Private Limited, which will receive shares of JSWSL upon merger of PSL with JSWSL.

CARE Ratings Limited (CareEdge Ratings) notes that the proposed de-consolidation of BPSL from JSWSL's consolidated financials and recognition under the equity method, together with monetisation proceeds, is expected to lead to an improvement in the debt protection and liquidity metrics for JSWSL. As discussed with company management, approximately ₹5,000 crore of net debt pertaining to BPSL will move out of JSWSL's consolidated balance sheet, while net monetisation proceeds of around ₹32,000 crore will likely be available for deleveraging and future capex. On this basis, consolidated Net debt/PBILDT is expected to improve, assuming timely closure of the transaction and operating performance remaining broadly in line with projections.

CareEdge Ratings Ltd. shall continue to assess the developments in the matter and impact (if any) of the afore-mentioned event on the credit profile of JSWSL on an ongoing basis and may appropriately review the ratings.

Please refer to the following link for Care Ratings Ltd's previous Press Release on JSW Steel Limited which captures amongst other things the rationale and key rating drivers along with their detailed description, rating sensitivities, liquidity position, and brief financial indicators. [Click here](#)

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About us:

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