

JSW Paints Limited

January 14, 2026

Facilities	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	500.00	CARE AA-; Stable	Assigned
Long-term bank facilities	430.00 (Reduced from 674.00)	CARE AA-; Stable	Upgraded from CARE A- and removed from Rating Watch with Positive Implications; Stable outlook assigned
Short-term bank facilities	630.25 (Enhanced from 441.25)	CARE A1+	Upgraded from CARE A2+ and removed from Rating Watch with Positive Implications

Details of facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Ltd (CareEdge Ratings) had placed ratings of JSW Paints Limited (JPL) on 'Watch with Positive Implications' in July 2025, followed by JPL entering into a share purchase agreement (SPA), with Imperial Chemical Industries Limited and Akzo Nobel Coatings International B.V. (ANC), to buy their equity stake in Akzo Nobel India Limited (Akzo Nobel). CareEdge Ratings has now removed the rating watch with positive implications and upgraded ratings on completion this transaction with acquisition of 61.20% equity stake in Akzo Nobel. The acquisition was completed for a total consideration of ~₹7,700 crore, funded through a prudent mix of non-convertible debentures (NCDs) and interest-free optionally convertible debentures (OCDs) and compulsorily convertible debentures (CCDs) from promoter group entity. Post-acquisition, JPL is expected to gain significant market share through greater diversification of its dealer network and retail presence. As Akzo Nobel is a strong player in the luxury and ultra-premium decorative paints segment with its flagship brand 'Dulux' and has a strong presence in urban markets with healthy operating profitability, this acquisition is expected to give JPL a boost in brand positioning, market reach and its profitability on a consolidated basis.

Ratings continue to draw significant strength from strong operational and financial linkages with the JSW group, led by Sajjan Jindal, and the group's healthy financial flexibility. The entity is important for the JSW group and has shared brand name, JSW. The location of the industrial paint unit is adjacent to the coated steel plant of JSW Steel Coated Products Limited (JSCPL; rated 'CARE AA; Stable/CARE A1+'), one of the major customers, further underpins the company's strategic importance to the group. Sajjan Jindal Family Trust holds 79.17% equity, while JSW Steel Limited (JSL, rated 'CARE AA; Stable / CARE A1+') holds 11.86% in JPL as on September 30, 2025. Mr. Parth Jindal, son of Mr. Sajjan Jindal, is JPL's managing director. Promoters have demonstrated strong financial support through equity infusion, including ₹750 crore by JSL over FY22–FY24 and ₹4,850 crore in Q3FY26 via OCDs and CCDs for acquisition of Akzo Nobel. This support is expected to continue going forward.

However, ratings are constrained by the subdued performance in FY25 (refers to April 01 to March 31) and H1FY26, after witnessing improvement in FY24. Despite generating higher revenue compared to FY24, the company incurred operating losses in FY25 because of pricing pressure and increased competition leading to higher overheads (marketing and employee cost), and one-time acquisition related expenditure. Ratings are further constrained by heightened competitive intensity in the paints industry, moderate debt coverage indicators, stabilisation risk linked to Akzo Nobel integration, and vulnerability of operating profit margins to raw material price fluctuations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Substantial increase in the scale of operations with improvement in profit before interest, lease rentals, depreciation and taxation (PBILDT) margins.
- Improvement in capital structure and debt coverage indicators marked by total debt/PBILDT below 2x.

Negative factors

- Moderation in operating profitability due to competitive pressure.
- Total outside liabilities to tangible net worth (TOL/TNW) exceeding 1.5x on a sustained basis.
- Delay in need-based support from the JSW group.

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

Analytical approach: Consolidated

Consolidated; factoring in strong operational and financial linkages with the JSW group. Details of entities being consolidated with JPL are placed in **Annexure-6**.

Outlook: Stable

The 'Stable' outlook reflects CareEdge Ratings expectation that JPL will gain a strong market position and shall benefit from synergies with Akzo Nobel. Strong market position of Akzo Nobel is expected to result in improvement in operating profitability of JPL on a consolidated basis once it gains from business synergies.

Detailed description of key rating drivers:**Key strengths****Part of JSW group; having strong operational and financial linkages**

JPL forms part of the JSW group, led by Sajjan Jindal, which is under the larger O.P. Jindal group. Parth Jindal, son of Sajjan Jindal serves as JPL's Managing Director. As on September 30, 2025, Sajjan Jindal Family Trust held 79.17% equity in JPL, while JSW Steel Limited (JSL) held 11.86% and South West mining Limited held 7.72%. JSW group has a strong presence across steel, energy, real estate, infrastructure, cement, and sports. It entered the high-growth paints business in March 2019 by setting up greenfield industrial and decorative paint plants at Vasind and Vijaynagar. The group's strong brand equity has helped JPL establish its products quickly in the market. Sharing the JSW brand underscores JPL's strategic importance within the group.

Demonstrated financial support from the group; expected to continue in the future

Sajjan Jindal Family Trust infused ₹200 crore equity in FY17, when the company started the project. An aggregate equity of ₹750 crore was infused by JSL from FY22-FY24 for funding the capex, debt repayment, losses and, working capital needs of JPL. Further ₹4,850 crore was infused in Q3FY26 primarily towards acquisition of Akzo Nobel in the form of CCDs and OCDs from JSW EduInfra Private Limited. As demonstrated in the past, the group is expected to provide need-based support to JPL in a timely manner.

Acquisition of Akzo Nobel likely to strengthen JPL's business risk profile

JPL acquired a 61.20% stake in Akzo Nobel and gained management control effective December 10, 2025. The acquisition was completed for a total consideration of ~₹7,700 crore, funded through NCDs of ₹3,300 crore and the balance via interest-free OCDs and CCDs from the JSW group. The NCDs carry a coupon rate of 3.65%, and a redemption premium of 4% per annum, compounded annually, and will mature after five years. Akzo Nobel operates primarily in the luxury and ultra-premium decorative paints segment with its flagship brand 'Dulux' and has a strong urban presence with healthy operating profitability. This acquisition is expected to enhance JPL's brand positioning, market reach, and consolidated profitability.

CareEdge Ratings expects JPL to leverage Akzo Nobel's strong brand equity, extensive dealer network, and nationwide reach to strengthen its decorative paint portfolio. However, to the extent of benefit from the acquisition and realise the synergies will be a key monitorable.

Moderate capital structure supported by equity infusion

The company, being in the initial phase of its paints business with a recently completed project, maintained a moderate capital structure. This was supported by continuous equity infusion from the group to fund capital expenditure, absorb operating losses, and meet other requirements. The company's overall gearing stood moderate at 1.10x as on March 31, 2025, despite incurring losses since its incorporation. CareEdge Ratings expects the gearing ratio to be less than 1x going forward post infusion of funds by JSW EduInfra Private Limited towards acquisition funding.

Stable demand outlook for Paints industry

Growth trajectory of the Indian paint industry is expected to ease in current year, with an expected growth of 4-6% in FY26. This follows lower growth in FY24 and FY25 after two consecutive years of remarkable growth in FY22 and FY23. Operating margins are also expected to soften due to capacity additions by existing players and new entrants, leading to heightened competition. Decorative paints account for nearly three-fourth of the overall Indian market. Urbanisation, nuclearisation of families, rising disposable income, shorter repainting cycles, growing demand from semi-urban and rural areas, affordable housing initiatives, and infrastructure spending are expected to drive medium-term growth.

Key weaknesses

Moderation in financial performance in FY25 and H1FY26; expected to improve post-acquisition

The company started its operations in FY20, and its TOI has been increasing since then with sales in industrial and decorative paints segments improving each year. After achieving operating profit in FY24, JPL's performance deteriorated in FY25 and H1FY26 with company incurring operating losses. In FY25, JPL achieved TOI of ₹2,154 crore with a growth of ~2.5% y-o-y. Moreover, it incurred operating losses of ₹40 crore in FY25(A) and ~₹70 crore in H1FY26 (Prov.). Financial performance was subdued in view of continued losses from decorative segment and subdued profitability in industrial segment, emanating from pricing pressure and increased competition. The loss further increased in H1FY26 in view of one-time acquisition related expense booked in the period for ~₹48 crore. The ad spends for JPL remained in the range of 11%-13% of TOI, which is higher than the amount spent by established players. Going forward, with the acquisition of Akzo Nobel, CareEdge Ratings expects its scale of operations to improve significantly with an operating profitability margin in the range of 8%-9% in FY27 on a consolidated basis. Despite improved profitability, CareEdge Ratings expects its consolidated total debt/PBILDT remaining above 7x in FY27, primarily due to partly debt funded acquisition of Akzo Nobel.

Heightened competitive intensity in Paints industry

Capacity of established players stood at ~6 billion litres per annum (LPA) as on FY25-end. Existing and new players undertook significant capital expenditure, resulting in a capacity addition of ~35% in FY25 over FY24. Marketing spends by key players are expected to rise in response to intensifying competition. However, new entrants are expected to take time to establish presence, capture meaningful market share from incumbents, and achieve sustainable profitability. CareEdge Ratings expects competitive intensity to exert pressure on operating margins in the near term, while established players are likely to retain dominant market share.

Susceptibility of operating margins to raw material price fluctuations

The cost of raw materials consumed constituted ~63% of JPL's total cost of sales in FY25 (FY24: 64%). A significant proportion of the raw materials, such as mineral turpentine oil and phthalic anhydride, are derivatives of crude oil. Titanium dioxide, used for pigments, is another key raw material that is largely imported, with prices influenced by global demand-supply dynamics.

Intense competition from the organised and unorganised players also limit pricing. In the industrial segment, margin susceptibility is higher as finished goods pricing is governed by negotiated agreements, limiting the ability to pass on cost increases. Hence, the company's profitability is susceptible to the raw material price fluctuation risk.

Refinancing risk for NCDs

The acquisition of Akzo Nobel has been partly financed through the issuance of NCDs amounting to ₹3,300 crore. The NCDs carry a coupon rate of 3.65%, supplemented by a redemption premium of 4% per annum, compounded annually, resulting in maturity value of ~₹4,000 crore (inclusive of redemption premium). The management plans to refinance the debt at the end of its tenure, exposing it to refinancing risk. However, the risk is partly mitigated by the JSW Group's strong financial flexibility, and the strategic importance of JPL within the group.

Liquidity: Strong

JPL's liquidity profile is supported by recent equity infusions and group backing. The company received ₹250 crore equity infusion in FY24 and ₹4,850 crore of OCDs and CCDs in November 2025 to fund capex, repay debt, and finance the acquisition of Akzo Nobel. With the infusion of these funds, it has very minimal term debt repayment obligations in the near term. CareEdge Ratings also derives comfort from JPL's strong financial flexibility, as it being part of the JSW group, which is expected to enable timely financing support to meet shortfall in accruals for debt servicing. Average utilisation of fund-based working capital limits stood at ~73% (based on drawing power) for 12 months ended October 2025, providing an adequate liquidity buffer. CareEdge Ratings expects liquidity to remain strong in the near term, supported by group backing and phased capex funding through equity.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Notching by Factoring Linkages in Ratings](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Consolidation & Combined Approach](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Consumer Durables	Consumer Durables	Paints

Incorporated in February 2016, JPL is part of the JSW Group (Sajjan Jindal faction of OP Jindal group). The company manufactures industrial and decorative paints, and has two manufacturing facilities at Vasind, Maharashtra and Vijayanagar, Karnataka. While the Vasind plant has an installed capacity of 60,000 kilo litres per annum (KLPA) and caters to the industrial paints segment, the Vijayanagar plant manufactures decorative paints and has an installed capacity of 150,000 KLPA. In December 2025, it has completed acquisition of 61.20% equity stake Akzo Nobel.

Brief Financials – Standalone (₹ crore)	FY24 (A)	FY25 (A)	H1FY26 (Prov.)
Total operating income	2,098.40	2,154.36	979.74
PBILDT*	65.41	-40.47	-69.72
Profit after tax (PAT)	-35.13	-109.14	-146.65
Overall gearing (x)	0.83	1.10	1.71
Interest coverage (x)	1.13	NM	NM

A: Audited; Prov.: Provisional; NM: Not Meaningful as PBILDT is negative; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Note: Above are standalone financials of JPL as acquisition of Akzo Nobel got concluded in December 2025 only.

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 facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of 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
Fund-based - LT-Cash Credit		-	-	-	246.00	CARE AA-; Stable
Fund-based - LT-Term Loan		-	-	30-06-2031	144.00	CARE AA-; Stable
Fund-based - LT-Working capital Term Loan		-	-	16-09-2027	40.00	CARE AA-; Stable
Fund-based - ST-Working Capital Demand loan		-	-	-	539.00	CARE A1+
Non-fund-based - LT-Bank Guarantee		-	-	-	500.00	CARE AA-; Stable

Non-fund-based - ST-Forward Contract		-	-	-	1.25	CARE A1+
Non-fund-based - ST-Letter of credit		-	-	-	85.00	CARE A1+
Non-fund-based - ST-Loan Equivalent Risk		-	-	-	5.00	CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the 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	144.00	CARE AA-; Stable	1)CARE A- (RWP) (04-Jul-25) 2)CARE A-; Stable (01-Apr-25)	-	1)CARE A-; Stable (15-Jan-24)	-
2	Fund-based - LT-Cash Credit	LT	246.00	CARE AA-; Stable	1)CARE A- (RWP) (04-Jul-25) 2)CARE A-; Stable (01-Apr-25)	-	1)CARE A-; Stable (15-Jan-24)	-
3	Non-fund-based - ST-Letter of credit	ST	85.00	CARE A1+	1)CARE A2+ (RWP) (04-Jul-25) 2)CARE A2+ (01-Apr-25)	-	1)CARE A2+ (15-Jan-24)	-
4	Non-fund-based - ST-Loan Equivalent Risk	ST	5.00	CARE A1+	1)CARE A2+ (RWP) (04-Jul-25) 2)CARE A2+ (01-Apr-25)	-	1)CARE A2+ (15-Jan-24)	-
5	Non-fund-based - ST-	ST	1.25	CARE A1+	1)CARE A2+ (RWP)	-	1)CARE A2+	-

	Forward Contract				(04-Jul-25) 2)CARE A2+ (01-Apr-25)		(15-Jan-24)	
6	Fund-based - ST-Working Capital Demand loan	ST	539.00	CARE A1+	1)CARE A2+ (RWP) (04-Jul-25) 2)CARE A2+ (01-Apr-25)	-	1)CARE A2+ (15-Jan-24)	-
7	Fund-based - LT-Working capital Term Loan	LT	40.00	CARE AA-; Stable	1)CARE A- (RWP) (04-Jul-25) 2)CARE A-; Stable (01-Apr-25)	-	-	-
8	Non-fund-based - LT-Bank Guarantee	LT	500.00	CARE AA-; Stable				

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	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT-Working capital Term Loan	Simple
4	Fund-based - ST-Working Capital Demand loan	Simple
5	Non-fund-based - LT-Bank Guarantee	Simple
6	Non-fund-based - ST-Forward Contract	Simple
7	Non-fund-based - ST-Letter of credit	Simple
8	Non-fund-based - ST-Loan Equivalent Risk	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	Akzo Nobel India Limited	Full	Subsidiary*

*w.e.f. December 10, 2025

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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