

JAYASWAL NECO INDUSTRIES LIMITED

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5th February, 2026

To
National Stock Exchange of India Limited
Scrip Symbol: JAYNECOIND

Through: NEAPS

BSE Limited
Scrip code: 522285

Through: BSE Listing Centre

Dear Sir/Madam,

Sub.: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Credit Ratings: Long-Term & Short-Term Rating of Bank Loan Facilities, Long-Term Issuer Rating and Outlook of the Company.

With reference to the above-mentioned subject matter, we wish to state that India Ratings and Research Private Limited has assigned the Long-Term and Short -Term Rating of Bank Loan facilities for INR 700 Crores of "IND BBB+" and "IND A2" respectively (Investment Grade Rating). The **outlook remains stable**.

It also reaffirmed the Company's **Long-Term Issuer Rating of 'IND BBB+'** (Investment Grade Rating). The **outlook remains stable**.

This was announced in its press release dated 5th February, 2026.


A copy of the Press Release is enclosed herewith for your reference.

We request you to take this on record.

Thanking you,

Yours faithfully,

For Jayaswal Neco Industries Limited


Ashish Srivastava
Company Secretary & Compliance Officer
Membership No. A20141



Encl: As above.

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India Ratings Affirms Jayaswal Neco Industries at ‘IND BBB+’/Stable; Assigns Bank Loan Facilities ‘IND BBB+’/Stable/‘IND A2’

Feb 05, 2026 | Ferro & Silica Manganese

India Ratings and Research (Ind-Ra) has taken the following rating actions on Jayaswal Neco Industries Limited (JNIL) and its bank loan facilities:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Issuer Rating	-	-	-	-	IND BBB+/Stable	Affirmed
Bank loan facilities	-	-	-	INR7,000	IND BBB+/Stable/IND A2	Assigned

Analytical Approach

Ind-Ra continues to take a standalone view of JNIL for the rating purpose.

Detailed Rationale of the Rating Action

The ratings reflect JNIL’s 9MFY26’s performance being in line with Ind-Ra’s expectations, with revenue of INR51,576 million (9MFY25: INR43,245 million; FY25: INR59,997 million) and EBITDA margin of 18.46% (13.83%; 15.66%), driven by increased sales volumes and higher capacity utilisation. This was led by the timely completion and ramp-up of the capex related to blast furnace (BF) maintenance and upgrades, along with general repairs in FY25. Moreover, JNIL has exercised the early repayment option, and fully redeemed the high-cost outstanding non-convertible debentures (NCDs) on 12 December 2025. This was by way of an issuance of low-cost, unlisted, unrated, secured and redeemable fully paid-up NCDs of INR18 billion, with a coupon rate of 12.50% p.a. and maturity on 23 November 2031. Also, JNIL has availed working capital lines of INR5,000 million from banks with an interest rate of 11.00% p.a., resulting in a lower weighted average rate of interest (ROI).

List of Key Rating Drivers

Strengths

- Successful debt refinancing to support liquidity and financial flexibility
- Improvement in EBITDA margin post BF modernisation and capital repairs
- Improved operating profit resulted in higher profits which resulted in prepayment of debt
- Strong business profile

Weaknesses

- Input price volatility and forex risk
- Crystallisation of contingent liabilities

Detailed Description of Key Rating Drivers

Successful Debt Refinancing to Support Liquidity and Financial Flexibility: On 12 December 2025, JNIL successfully raised INR18,000 million through the issuance of unlisted, secured, unrated, and redeemable NCDs to new NCD holders. The new NCDs carry an annual coupon rate of 12.50% p.a which, combined with the working capital facility of INR 5,000 million at 11.00% p.a., results in a lower weighted average ROI and gives annual average interest savings of around INR1,100 million. In accordance with the repayment schedule, the NCD facility will be amortised over a six-year tenor through an equal monthly instalment of INR250 million.

Improvement in EBITDA Margin Post BF Modernisation and Capital Repairs: JNIL undertook capex of INR3,331 million related to BF maintenance and upgradation along with general repairs from April 2024 to December 2025, with INR2,873 million related to BF and the balance for maintenance and general repair capex. The capex was towards the de-bottlenecking of its assets, improving output quality, refurbishment of its oxygen plant, setting up of PCI-II and revamping BF to increase the output and efficiency. JNIL's operating profitability has been supported by higher capacity utilisation and economies of scale, resulting in higher fixed cost absorption. EBITDA improved to INR9,519 million in 9MFY26 (9MFY25: INR5982 million; FY25: INR9,397 million) with an EBITDA margin of 18.46% (13.83%; 15.66%). EBITDA per tonne improved to INR6,489 in 9MFY26 (FY25: INR5,242; FY24: INR6,140), supported by cost improvements led by an expansion of the gross margins achieved through better operating efficiency. Ind-Ra expects EBITDA margins to sustain at 18%-20% and EBITDA per tonne to be around INR6,000 over the medium term supported by 100% use of captive iron ore mines along with periodic price revisions by original equipment manufacturers enabling the company a pass-through of raw material cost albeit with a time lag.

Improved Operating Profit Resulted in Higher Profits, Enabling Debt Prepayment: JNIL's improved operating performance resulted in higher cash profits, aiding in debt prepayments. The company generated a cash profit of INR5,940 million in 9MFY26 (9MFY25: INR1,760 million; FY25: INR3,890 million), while its outstanding net debt reduced to INR20.6 billion (FY25: INR26.1 billion; FY24: INR31.8 billion). The company's net adjusted leverage (including acceptances) reduced to 1.62x in 9MFY26 (FY25: 2.78x, FY24: 3.1x) and interest cover increased to 2.69x (1.67x, 2.19x). Ind-Ra expects JNIL's credit profile to improve in FY27 as well, on account of a sustained reduction in the net debt, lower interest payouts due to the refinancing of high-cost debt at lower rates, and continued healthy operating profitability. Ind-Ra expects the debt service coverage ratio to remain in the 1.5x-2x range, while the interest coverage ratio and net leverage ratios could be 3x-4.5x and below 2x, respectively, over the medium term.

Strong Business profile: JNIL is a special steel long product integrated player, operating a 1mtpa per annum steel plant, which includes a blast furnace, two steel melt shops, two coke ovens, two sinter plants, 62(Including 7.5 MW on long term lease) MW power plants (meeting about 60% requirements), and three rolling mills. Moreover, the company meets 100% of its iron ore requirement from its two captive iron ore mines (ramp-up from December 2022) located in proximity to its steel plant, resulting in cost efficiency. JNIL's iron ore mining licenses are valid until 2052 (Metabodeli mine)/2055 (Chotedongar mine).

JNIL's end-product of the industry segment is alloy steel (long products), produced in different grades, shapes, and sizes. It is primarily used in the automotive segment along with engineering, industrial, defence, and construction. Reputed automotive original equipment manufacturers have selected JNIL as an approved vendor and have longstanding relationships with it. Additionally, JNIL has a diversified customer base, with the top 10 customers constituting 30%-35% of the total revenue. The steel division contributed around 90% to the sales in FY25, with the balance coming from the castings division. Almost all the sales are domestic in nature.

Input Price Volatility and Forex Risks: JNIL is susceptible to price volatility in sponge iron, pellets, and coal (coking and thermal) and cyclical in the steel industry. It mitigates cost volatility in input by sourcing iron ore from operational captive mines. However, majority of its coal requirement is imported, and thus, is exposed to coking coal price and forex fluctuations. However, considering the presence of value-added special steel products in its portfolio (around 70% of revenue), its susceptibility to fluctuations in steel prices is lower than that of other steel commodity

product manufacturers. The company hedges its foreign currency exposure by way of forward contracts (one to 12 months) only occasionally. The rating is also constrained by the highly competitive and fragmented nature of the steel manufacturing industry.

Crystallisation of Contingent liabilities: JNIL has related-party transactions (RPTs) with Neco Mining Company Private Limited, an associate entity. Neco Mining Company has a mining and beneficiation contract with JNIL. JNIL also has RPTs with NSSL Private Limited, where the latter has a purchase and sale contract for machining JNIL's auto castings. All RPTs are on an arms' length basis, mostly having an economic rationale, and require approval of the audit committee and NCD and working capital lenders. Furthermore, JNIL has a concurrent cash flow monitoring process, and an agency has been appointed by the NCD and working capital trustee for conducting a prior separate due diligence for RPT contracts. All receivables and payables are routed through a trust and retention account. The agency will continue to monitor the ongoing legal case and any adverse ruling against the promoters regarding the coal block scam.

Liquidity

Adequate: JNIL's liquidity is supported by a cash and bank balance and liquid investment of around INR2,994 million in 9MFY26 (FY25: INR1,760 million; FY24: INR1,295 million). The company availed working capital lines of INR5,000 million from banks in December 2025. It has prepaid around INR1,717 million of principal during July to November 2025. The company has debt obligations of around INR3,000 million each in FY26 and FY27, respectively, which can be comfortably paid through internal accruals. Furthermore, on 12 December 2025, JNIL successfully raised INR18,000 million through issuance of unlisted, secured, unrated, and redeemable NCDs to new NCD Holders. The new NCDs carry a coupon rate of 12.50%p.a., which, combined with the working capital facility, results in a lower weighted average ROI. The company's working capital cycle remains moderate with debtor days of 25 days, inventory days of 130-170 days, and payables of about 20 days. The net working capital cycle shortened to 177 days for FY25 (FY24: 230 days), driven by lower inventory days.

Rating Sensitivities

Positive: Maintaining the profitability and reduced net adjusted debt (including acceptances), resulting in an improvement in the credit profile, on a sustained basis, along with an improvement in the financial flexibility by way of timely tie-up of working capital could be positive for the ratings.

Negative: Deterioration in the operational performance, resulting in lower-than-expected profitability, leading to net adjusted leverage (including acceptances) exceeding 3.0x on a sustained basis could lead to a negative rating action. Furthermore, any stretch in the working capital cycle resulting in deteriorated liquidity position could also be negative for the ratings.

Any Other Information

Not applicable

About the Company

JNIL, incorporated in 1972, is the flagship company of the Neco Group of Industries promoted by Basant Lall Shaw, Arvind Jayaswal, and Ramesh Jayaswal. JNIL is listed on the BSE Limited and National Stock Exchange. The company began operations with foundry units in Nagpur, and integrated backward in 1995 by setting up a pig iron (with captive power) manufacturing unit in Siltara, Chhattisgarh. JNIL is primarily engaged in manufacturing alloy steels – wire rods, bars, bright bars along with steel billets, pig iron, sponge iron, pellets, and iron & steel castings. The products find applications in automotive and auto components, engineering, power, railways, and construction sectors in the domestic market.

JNIL operates a 1mtpa BF, 0.20mtpa coke oven plant, 0.80mtpa sinter plant, 0.27mtpa sponge iron unit, 1.50mtpa pelletisation unit, 1.0mtpa steel melting shops and rolling mills, 54.5MW captive power plants, and two captive iron ore mines, all in Chhattisgarh. It also operates a 7.5MW power plant on lease basis from the group company. It also has an iron and steel castings operating capacity of 0.075mtpa, across Maharashtra and Chhattisgarh.

JNIL was in financial stress during FY14-FY18 and was referred to the National Company Law Tribunal for the Corporate Insolvency and Resolution Process in 2018 by a consortium of banks. However, JNIL was not admitted into Insolvency and Bankruptcy Code. The bankers assigned their debt through the auction route to the trusts managed by Asset Care and Reconstruction Enterprises Limited (ACRE) On 23 August 2021, JNIL entered into a restructuring support agreement with ACRE, acting in its capacity as the trustee of various trusts (ACRE Trusts), in relation to restructuring of all its outstanding debt owed to ACRE Trusts, in accordance SARFAESI Act. The debt restructuring had become effective on 23 May 2022 from the cut-off date of 31 March 2020.

Key Financial Indicators

Particulars (INR million)	9MFY26	FY25	FY24
Revenue	51,576	59,997	59,336
EBITDA	9519	9,397	10,268
EBITDA (%)	18.5	15.7	17.3
Gross interest cover (x)	2.7	1.7	2.2
Net adjusted leverage (x)	1.6	2.8	3.1
Net working capital	13,982.00	13,772	16,245
Source: JNIL, Ind-Ra			

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook	
	Rating Type	Rated Limits (million)	Current Rating	21 August 2025	24 May 2024
Long-Term Issuer Rating	Long-term	-	IND BBB+/Stable	IND BBB+/Stable	IND BBB-/Stable
Bank Loan facilities	Long-term and short term	INR7,000	IND BBB+/Stable/IND A2	-	-

Bank wise Facilities Details

The details are as reported by the issuer as on (05 Feb 2026)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	Kotak Mahindra Bank	Bank loan facilities	5000	IND BBB+/Stable / IND A2
2	NA	Bank loan facilities	2000	IND BBB+/Stable / IND A2

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity- indicators>.

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APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process

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