JSW Steel Limited
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JSWSL: MUM: SEC: SE: 2026-27/09/03
September 03, 2026

1.	**National Stock Exchange of India Ltd.** Exchange Plaza, Plot No. C/1, G Block Bandra – Kurla Complex Bandra (E), Mumbai – 400 051 **NSE Symbol: JSWSTEEL** ***Kind Attn: Listing Department***	**2.**	**BSE Limited** Corporate Relationship Dept. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001. **Scrip Code No.500228** ***Kind Attn: Listing Department***

Sub: India Ratings & Research (Ind-Ra) upgrades JSW Steel Limited and its Non-Convertible Debentures (NCD's) to IND AA+, Outlook Stable

Dear Sir/Madam(s),

Pursuant to Regulation 30(6) and 51(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations 2015"), we wish to inform you that **India Ratings & Research**, **vide its Release dated September 02 2026, has upgraded JSW Steel Limited and its Non-Convertible Debentures (NCD's) to IND AA+, Outlook Stable**. Please find below the details of the rating action.

Name of the Company	Credit Rating Agency	Type of Credit Rating	Existing Rating	Rating Action/ Revised Rating
JSW Steel Limited	India Ratings & Research	Issuer Rating	Ind AA Rating Watch with Positive Implications	Upgraded to IND AA+ / Stable
		Non-Convertible Debentures	Ind AA Rating Watch with Positive Implications	Upgraded to IND AA+ / Stable

A copy of the Release issued by India Ratings & Research covering the rationale for rating action is enclosed herewith.

This is for your information and records.

Thanking you,

Yours faithfully,
For **JSW Steel Limited**

MANOJ PRASAD SINGH
Digitally signed by MANOJ PRASAD SINGH
Date: 2026.09.03 09:13:38 +05'30'

Manoj Prasad Singh
Company Secretary
(In the Interim Capacity)

Encl: as above

India Ratings & Research
A Fitch Group Company

India Ratings Upgrades JSW Steel and its NCDs to 'IND AA+'/Stable; Off Rating Watch with Positive Implications

Sep 02, 2026 | JSW Steel Limited | Iron & Steel

India Ratings and Research (Ind-Ra) has upgraded the rating on JSW Steel Limited (JSWL) and its non-convertible debentures (NCDs) to 'IND AA+' from 'IND AA' with a Stable Outlook, while resolving the Rating Watch with Positive Implications as follows:

Details of Instruments

Instrument Description	Regulator of Instrument	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (INR million)	Rating Assigned along with Watch/Outlook	Rating Action
Issuer rating	#	-	-	-	-	IND AA+/Stable	Upgraded; Off Rating Watch
Non-convertible debentures*	SEBI	-	-	-	100,000	IND AA+/Stable	Upgraded; Off Rating Watch

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.
*Unutilised

Analytical Approach

Ind-Ra continues to take a fully consolidated view of JSWL and its subsidiaries because of the close operational and strategic linkages among them.

Detailed Rationale of the Rating Action

Ind-Ra has resolved the Rating Watch with Positive Implications after the completion of JSWL's strategic slump-sale transfer of Bhushan Power & Steel Limited's (BPSL) steel business to a newly incorporated 50:50 joint venture (JV) with JFE Steel Corporation, Japan (JFE) in March 2026. The upgrade reflects a substantial cash inflow of around INR374 billion in March and June 2026 into JSWL from the transaction, which was primarily utilised to reduce debt, strengthening the company's financial risk profile. Consequently, the consolidated net adjusted leverage (net adjusted debt including acceptances and lease liabilities/operating EBITDA) improved to 1.93x in 1QFY27 (FY26: 2.65x; FY25: 4.45x). Ind-Ra expects the structural deleveraging from the transaction to help JSWL maintain the net leverage below 2.5x over the medium term, despite its sizeable, planned capex of around INR1,305 billion over the next four to five years.

The rating is supported by JSWL's improving operating performance, with steel volumes growing 12% yoy in FY26 and the consolidated EBITDA per tonne rising 49% to INR15,013 in 1QFY27 (FY26: INR10,064; FY25: INR8,659). The improvement in EBITDA per tonne was led by a sustained higher share of value-added and special products (VASP) in sales at 61% in 1QFY27 (FY26: 61%; FY25: 60%). The rating continues to be underpinned by JSWL's strong business profile including its leading market position in India, established global presence, large operating scale, and demonstrated operational efficiencies. The company's continued focus on enhancing raw material security, supported by one-third captive iron ore integration as on 30 June 2026, remains a key rating strength.

However, these strengths are partly constrained by the inherent cyclicality of the steel industry and volatile steel prices, which can lead to volatile EBITDA and cash flows.

List of Key Rating Drivers

Strengths

- Significant cash inflow from strategic transaction strengthens financial risk profile
- EBITDA per tonne to improve in FY27, led by operating leverage and favourable product mix
- Strong business profile
- Increasing raw material security through backward integration

Weaknesses

- Inherent industry and regulatory risks and exposure to forex risks

Detailed Description of Key Rating Drivers

Significant Cash Inflow from Strategic Transaction Strengthens Financial Risk Profile: Ind-Ra expects JSWL's consolidated net adjusted leverage to reduce to around 2.0x in FYE27 and thereafter (1QFY27: 1.93x; FY26: 2.65x; FY25: 4.45x). The improvement is likely to be supported by higher EBITDA per tonne, higher volumes from expanded capacity, including the operationalisation of BF-3 at Vijaynagar, continued cost efficiencies, and structural deleveraging after the significant cash inflow from the slump sale of BPSL's steel business.

JSWL received a cash inflow of INR374 billion through the sale of BPSL's assets, leading to the net debt (including acceptances and lease liabilities) lowering to INR722 billion as on 30 June 2026 (FYE26: INR790 billion; FYE25: INR1,018 billion). The company has sizeable capex plans for the next four to five years, with an estimated outlay of INR1,305 billion as on 30 June 2026, of which INR220 billion-240 billion is likely to be incurred in FY27, with a broadly similar annual spending thereafter. However, the planned capex is likely to be funded through internal accruals, thereby limiting reliance on incremental external debt.

JSWL’s free cash flow is likely to remain positive over the medium term, despite the company's sizeable capex plans. Better-than-anticipated EBITDA per tonne could provide additional headroom and result in lower-than-expected leverage levels. Ind-Ra also assesses the leverage levels incorporating the proportionate consolidation of JSW JFE Kalinga Steel Limited's (JJKSL) debt and EBITDA, reflecting the strategic nature of the assets and JSWL's potential support obligations, if needed. The agency has not factored in any large acquisitions in its base-case financial projection.

EBITDA per Tonne to Improve in FY27, Led by Operating Leverage and Favourable Product Mix: Ind-Ra expects JSWL's consolidated EBITDA per tonne to be in the range of INR12,000-13,000 in FY27, supported by higher operating leverage from the ramp-up of Vijayanagar BF-3, which was operationalised in June 2026, the ramp-up of JSW Vijayanagar Metallics Limited (JVML)’s 5mtpa capacity, improving realisations, a favourable product mix, and healthy demand from end-user industries. Domestic hot rolled coil (HRC) prices are likely to remain elevated, supported by healthy domestic demand. The 11.5% safeguard duties on certain steel imports effective until April 2027, and 11% effective until April 2028, are likely to provide some support to domestic steel prices. The agency expects benign input costs to provide some support to margins despite volatile steel prices. While coking coal costs are also likely to remain elevated, their impact would largely be offset by higher steel prices.

JSWL's EBITDA per tonne improved to INR15,013 in 1QFY27 (FY26: INR10,064; FY25: INR8,659) and margins to 19.8% (16.1%; 13.6%), led by VASP contributing around 61% and the realisations increasing at a faster pace than costs due to the normalisation of domestic selling prices after the imposition of safeguard duties to prevent unfair dumping of steel products.

JSWL’s cost-efficiency programmes, such as pellet plants, coke oven, sinter plant captive, increasing share of renewable power, slurry pipeline, and expansion of iron ore mining capacity, are expected to generate further cost savings and support profitability over the medium term, according to Ind-Ra. Continued capex towards downstream projects would also enable the company to sustain a higher share of VASP in its product mix, supporting margins and profitability.

JSWL’s sales volume increased to 29.63 million tonnes (mt) in FY26 (FY25: 26.45mt) and remained at 7.11mt in 1QFY27 (including capacities under joint control), supported by healthy domestic demand. Ind-Ra expects the sales volume to remain broadly at the FY26 levels in FY27, with the deconsolidation of BPSL's steel capacity largely offset by incremental volumes from the operationalisation of BF-3 Vijayanagar and ramp-up of JVML's 5mtpa capacity.

Strong Business Profile: JSWL has a significant cost advantage, as it benefits from locational advantage, low manpower costs, and operational efficiencies. The backward integration from captive iron ore (one third as on 30 June 2026) and coking coal mines (domestic, Mozambique, and a 30% stake in Illawara) further ensure raw material security. JSWL has a leading market share in southern and western India with a diversified product profile, and the higher share of VASP in its sales mix (61% in 1QFY27) is an added advantage. JSWL's strategic partnership with JFE for technology underpins the company's efforts to develop value-added products. Additionally, JSWL has a lower conversion cost per tonne compared to its domestic peers. JSW Steel Coated Products Limited, a 100% subsidiary of JSWL, manufactures value-added downstream steel products in India.

Increasing Raw Material Security through Backward Integration: JSWL has secured 25 iron ore mines through various auction processes, of which 13 are currently operational—three in Odisha, nine in Karnataka, and one in Goa. These collectively meet around one third of the company's total iron ore requirement as on 30 June 2026, providing a degree of raw material security. JSWL plans to increase its captive iron ore and coking coal coverage to 50% over time, supported by higher environment clearance limits for existing mines, the commencement of operations at new mines, and bidding for additional mines in auctions.

JSWL remains exposed to coking coal price volatility as it currently meets its requirement through a mix of domestic and international sources. To enhance supply security and reduce volatility, the company plans to commission three coking coal mines in India over the next two to three years, which are likely to generate 2mtpa of clean coking coal over the medium term. JSWL has also acquired two mines overseas—a 30% stake in Illawarra mines in Australia, which is operational and started coking coal shipments in FY26, and Minas De Revuboe Limitada (MDR) in Mozambique, which is a pre-development stage hard coking coal mine. In addition, the company has secured coal linkages with Coal India Limited, which is likely to further coking coal security over the medium term.

JSWL also benefits from a significant captive power generation capacity of around 2GW as on 31 March 2026, enabling it to meet a substantial portion of the power requirement for its domestic operations. The company had established a renewable power generation capacity of 1GW as of FY26, with an additional 1.5GW in various stages of development. This will increase the total renewable power generation capacity to 2.5GW in the medium term, eventually leading to power cost savings. Overall, the company's ongoing investments in captive mining and power generation are likely to strengthen backward integration, improve raw material security, and provide greater cost visibility over the medium term.

Inherent Industry and Regulatory Risks and Exposure to Forex Risks: India's steel sector participants are exposed to cyclicality, high volatility in raw material and end-product prices, and changes in government regulations. The Indian blast-furnace-route steel producers depend largely on the imports of coking coal, the which is largely imported. China is the major global producer, and any policy change will have implications on the industry operating margins. Given JSWL's dependence on imports for coking coal and its large forex debt (accounting for about 64% of the consolidated debt as on 31 March 2026), it is exposed to forex risks. JSWL procures raw materials procurement is generally on foreign currency letter of credit and as such, the liabilities are exposed to currency volatility risks. However, the same is largely mitigated by JSWL's hedging policy, fully covering its revenue account and the next one year's debt servicing obligations, and the inherent linkage of steel realisations with foreign exchange rates.

Furthermore, as JSWL operates in a regulated industry, it faces risks of renewals, mining licence disputes, or an unexpected increase in duties. Given JSWL is also involved in mining operations, it is exposed to the regulatory risk related to mining operations, mining leases, and any contingent tax liabilities from the Supreme Court of India's ruling on mineral rights and mineral bearing lands to the state governments. As of August 2026, the government of India had suggested to remove the Mineral Area Development Authority cess with an amendment in the Mines and Minerals (Development and Regulation) Act, which will likely provide relief to industry players. As such, any regulatory change is a key monitorable.

Liquidity

Adequate: JSWL had cash and cash equivalents along with liquid investments of around INR212 billion and consolidated unutilised fund- and non-fund-based working capital lines of over INR300 billion as on 30 June 2026. Ind-Ra expects the working capital requirements to remain consistent in FY27, due to incremental volumes from the ramp-up of its Vijaynagar plant, while partly offset by the deconsolidated volumes of BPSL. JSWL targets a capex outflow of around INR220 billion-240 billion in FY27, with a similar outflow for the next two to three years. Given the capex budget for the medium term, the agency expects JSWL to refinance a part of its debt maturities well in advance, given its track record of raising funds through capital markets and banks. A cash inflow of around INR374 billion received by JSWL from the completion of the strategic slump-sale transfer of Bhushan Power & Steel Limited's (BPSL), was primarily utilised towards debt reduction. JSWL's liquidity profile is also supported by its healthy financial flexibility and strong access to capital markets.

Rating Sensitivities

Positive: A reduction in volatility in the EBITDA per tonne, timely completion, and ramp-up of planned capacities, leading to an improvement in the consolidated net adjusted leverage (including acceptances and lease liabilities) below 1.5x, on a sustained basis, could be positive for the ratings.

Negative: A sustained lower-than-expected EBITDA per tonne and/or substantial debt-led acquisitions and/or higher-than-expected capex outflows, all leading to deterioration in liquidity and the consolidated adjusted net leverage exceeding 3.0x on a sustained basis, could lead to a negative rating action.

Any Other Information

Standalone Financial Profile: On a standalone basis, JSWL contributed 75% to the total consolidated revenue in 1QFY27 (FY26: 71.6%; FY25: 75.64%) and 71.27% to the consolidated EBITDA (67.7%, 80.25%). JSWL earned a revenue of INR355 billion in 1QFY27 (FY26: INR1,328 billion; FY25: INR1,277 billion) and an EBITDA margin of 18.8% (15.2%, 14.4%).

ESG Issues

ESG Factors Relevant to Rating: GHG Emissions and Air Quality under Environment has relevance and moderate impact to the credit rating of JSWL. Increased environmental compliance costs and capex in overseas subsidiaries may have a modest impact on the group's margins and cash flows in conjunction with other factors. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

About the Company

JSWL, a part of the JSW Group, is an integrated manufacturer of a range of steel products with an export presence in over 100 countries. JSWL has a total steel-making capacity of 37.9mtpa as on 30 June 2026 in India and the US (including capacities under joint control). The company's products include hot-rolled steel strips, sheets/plates, mild steel (MS) cold-rolled coils/sheets, MS galvanised plain/corrugated/colour-coated coils/sheets, tin plate, steel billet, bars, and rods. The company's largest facility in Vijaynagar, Karnataka, has a capacity of 19.5mtpa, followed by Dolvi, Maharashtra (10mtpa); Salem, Tamil Nadu (1.2mtpa); and JISPL (1.2mtpa). JSWL's products are used across end-user segments including industrials, infrastructure, automotive, and electrical applications among others. Additionally, the company has a 1.5mtpa capacity in Ohio, US. The company also has a plate and pipe mill business in the US and rolled products and grinding balls business in Italy, which are operated through its international subsidiaries. The promoters held around 45% stake in JSWL as on 31 March 2026. It is among the leading producers and exporters of coated flat-steel products in India. For value-added steel products, the company has a 100% subsidiary—JSW Coated Products Limited (JSCPL)—with manufacturing facilities at Vasind, Tarapur, Khopoli, Bawal, Indore, Rajpura, and Kalmeshwar in Maharashtra, specialising in galvanised sheets, galvalume products, and high-end colour-coated sheets.

Key Financial Indicators

Particulars (INR billion) – Consolidated	1QFY27	FY26	FY25
Revenue	473.64	1,854.7	1,688.2
Operating EBITDA	93.83	298	229
Operating EBITDA margin (%)	19.8	16.1	13.6

Particulars (INR billion) – Consolidated	1QFY27	FY26	FY25
Interest coverage (x)	5.48	3.3	2.7
Net leverage (including acceptances; x)	1.93*	2.65	4.45
*annualised Source: JSWL; 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 (INR million)	Current Rating	15 December 2025	12 November 2025	13 May 2025	6 March 2025	7 March 2024
Non-convertible debentures	Long-term	100,000	IND AA+/Stable	IND AA/Rating Watch with Positive Implications	IND AA/Stable	IND AA/Rating Watch with Developing Implications	IND AA/Stable	IND AA/Stable
Issuer rating	Long-term	-	IND AA+/Stable	IND AA/Rating Watch with Positive Implications	IND AA/Stable	IND AA/Rating Watch with Developing Implications	IND AA/Stable	IND AA/Stable

Disclosure on instruments / activities and names of regulators:

A list of products/activities or ratings of instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by Ind-Ra on its website. A link to the same has been provided below for ready reference:

Rating Activities

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Non-convertible debentures	Low

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

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About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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APPLICABLE CRITERIA AND POLICIES

Corporate Rating Methodology
Parent and Subsidiary Rating Linkage
Policy for Placing Ratings on Rating Watch
The Rating Process
Evaluating Corporate Governance

DISCLAIMER