



Press Release
JINDAL STAINLESS STEELWAY LIMITED
July 21, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	125.00	ACUITE AA Stable Assigned	-
Bank Loan Ratings	105.00	-	ACUITE A1+ Assigned
Total Outstanding Quantum (Rs. Cr)	230.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned its long-term rating of '**ACUITE AA**' (read as **ACUITE double A**) on the Rs.125 Cr. bank loan facilities and short-term rating of '**ACUITE A1+**' (read as **ACUITE A one plus**) on the Rs. 105 Cr. of bank loan facilities of Jindal Stainless Steelway Limited (JSSL). The Outlook is '**Stable**'.

Rationale for Rating

The assigned ratings factors the strong operational, financial and management linkages with its parent entity i.e. Jindal Stainless Limited (JSL). The rating also factors the improving scale of operations aided by sales volume & profitability, healthy financial risk profile, strong liquidity position with steady accruals and moderate working capital operations of the company. However, the rating is constrained due to susceptibility of profitability margins due to volatility in raw material prices.

About the Company

Haryana based, Jindal Stainless Steelway Limited, incorporated in 2004, engaged in services like slitting, cut-to-size, blanking, and polishing of Stainless Steel (SS) sheets, coils, and blanks to meet specific customer requirements. Their activities also include job work for JSL and have a 1500 customer base which includes OEM & SS (Stainless Steel) trades. The company has installed capacity of 7,42,200 MTPA of steel processing at its plants at Gurgaon, Chennai, Vadodara and Mumbai. The company is managed by Mr. Vijay Kumar Sharma, Mr. Sanjay Kumar Goyal, Mr. Tarun Kumar Khulbe, Mr. Shruti Shrivastava, Mr. Madhur Gupta and Mr. Vaishali Deshmukh as directors.

About the Group

JSL is a part of the Ratan Jindal Group as a flagship company and is the leading integrated SS producers in the country with steel melting capacity of 3.00 MTPA. The manufacturing facilities are located at Jaipur (Odisha) and Hisar (Haryana). The company also has a captive thermal power plant, captive ferrochrome facilities, captive chromite mine, stainless steel melting, rolling mill and downstream value-added facilities. It manufactures stainless steel 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.

Unsupported Rating

Acuite AA-/Stable

Analytical Approach

Acuite has considered standalone business & financial risk profile of Jindal Stainless Steelway Limited (JSS). In

addition to that, Acuite have factored in the support from parent entity i.e. Jindal Stainless Limited on the account of strong operational linkages and brand presence

Key Rating Drivers

Strengths

Strong Parent Support

JSSL promoted by JSL which is the flagship company of the Ratan Jindal group. The company procures all the raw material from its parent entity i.e. JSL on an arm's length basis and customize it as per the requirement of the customer. The company add value to the raw material procured and sells it to different market segment from its parent. JSSL acts as a crucial channel for JSL's products to reach OEMs, small end-users, and traders. Acuite believes that going forward, with the group's support and experience the company will be able to grow its operations in medium to longer term.

Improving Scale of Operations & Profitability

The revenue from the operations of the company has improved at a CAGR of 10.95% from FY 23 to FY 25, thereby increasing the topline from Rs. 2,639.01 cr. in FY 23 to Rs. 3,043.06 Cr. in FY 2024 to Rs. 3,248.63 Cr. in FY 2025. The company has sold more volume units in FY 25 against previous year FY 24; however, the average price realization declined on correction in the steel prices. The operating margin of the company improved by 64 bps which stood at 4.54% in FY 25 against 3.90% in FY 24. The Net margin improved by 73 bps which stood at 3.42% in FY 25 against 2.69% in FY 24. The net profit of the company is Rs. 111.12 Cr. in FY 2025 against the Rs. 81.79 Cr. in FY 2024. Acuite believes that the operating revenue & margins will improve in near to medium term on the account of better expected volumes to be sold by the company.

Healthy Financial Risk Profile

The company's financial risk profile is strong marked by net worth, gearing and debt protection metrics. The tangible net worth of the company improved & stood at Rs. 654.28 cr. as on March 31, 2025, against Rs. 510.59 Cr. as on March 31, 2024. The Gearing ratio of the company slightly deteriorated however stood below unity at 0.16 times as on March 31, 2025, as against 0.09 times as on March 31, 2024. The company is only relying on short-term working capital debt. The Total outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 0.77 times as on March 31, 2025, as against 0.74 times as on March 31, 2024. The debt protection metrics is marked by ISCR at 28.15 times and DSCR at 19.68 times for FY 2025. The Debt-EBITDA & ROCE stood at 0.63 times & 23.24% for FY 25 respectively. Acuite believes that going forward the financial risk profile of the company will remain strong backed by steady accruals in near to medium term.

Efficient Working Capital Operations

The working capital operations of the company is efficiently managed marked by Gross Current Asset Days of 92 days in FY 25 against 80 days in FY 24. GCA days increased in FY 25 due to increase in other current asset which includes the balance with statutory authorities. The inventory holding and debtor days are healthy which stood at 51 days and 30 days for FY 25 respectively. The average creditor days stood at 40 days for FY 25. Acuite believes that the working capital operations of the company will remain at a same level in near to medium term due to nature of operations of the company.

Weaknesses

Susceptible to volatility in raw material prices in the distribution segment, with cyclical nature of the industry

The company faces significant exposure to volatile raw material prices and the cyclical nature of its industry. As the distribution segment forms a large part of its business, and the risk of inventory rests solely with the company, fluctuations in the prices of key raw materials like stainless steel scrap, nickel, and ferrochrome ore directly impact profitability. The company sources these materials from JSL, whose primary inputs are subject to market volatility. Due to market conditions and existing sales contracts, the company may not always be able to immediately pass on these price changes to customers. This delay in adjusting prices creates inventory risk, further affecting the company's financial performance.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)

Acuite takes into consideration the benefit derived by Jindal Stainless Steelway Limited from the support of its parent entity i.e. (JSL) and its strong brand presence.

Stress Case Scenario

While the rating has been derived on the standalone business and financial risk profiles of JSSL, Acuite believes that being the 100% step-down subsidiary of JSL, in case of any stress case scenario, the required support would come from the parent entity.

Rating Sensitivities

- Movement in scale of operations & Profitability
- Elongation of working capital operations

Liquidity Position

Strong

The liquidity profile of the company is strong marked by generating net cash accruals of Rs. 120.73 Cr. in FY 25 against repayment liability of Rs. 1.68 Cr. (lease liability) for the year. The company has a unencumbered cash & bank balance of Rs. 30.57 Cr. as on 31st March 2025. The current ratio of the company is 1.68 times for FY 25. The average fund-based bank limit utilization for last nine months ended March 2025 is 41.56%. Acuite believes that the liquidity position of the company is expected to remain strong in near to medium term with steady accruals and absence of debt funded capex.

Outlook - Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	3248.63	3043.06
PAT	Rs. Cr.	111.12	81.79
PAT Margin	(%)	3.42	2.69
Total Debt/Tangible Net Worth	Times	0.16	0.09
PBDIT/Interest	Times	28.15	23.05

Status of non-cooperation with previous CRA (if applicable)

None.

Any other information

None.

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History :

Not Applicable.

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
ICICI Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A1+ Assigned
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE AA Stable Assigned
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	45.00	Simple	ACUITE AA Stable Assigned
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE AA Stable Assigned
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE AA Stable Assigned
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE AA Stable Assigned
HDFC Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A1+ Assigned
Axis Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A1+ Assigned
Punjab National Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A1+ Assigned
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A1+ Assigned

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. No.	Company name
1	Jindal Stainless Limited
2	Jindal Stainless Steelway Limited

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About Acuité Ratings & Research

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