BRICKWORK RATINGS

Rating Rationale

04 Sep 2026

Jharkhand Grind Chem Pvt.Ltd.

Brickwork Ratings (BWR) assigns the long-term rating of BWR BBB/Stable & short-term ratings of BWR A3 for the bank loan facilities of Rs.65.74 Crs of Jharkhand Grind Chem Pvt Ltd, along with withdrawal of previously rated facilities.

Particulars:

Instruments / Facilities**	Amount (Rs. Crs.)		Tenure	Rating*		Name of Regulator
	Previous	**Present**		**Previous 26 Sep 2025**	**Present**	
Fund Based						
Term Loan -Out-standing	0.00	**6.74**	Long Term	-	**BWR BBB/Stable/ Assignment**	RBI
Term Loan-Sanctioned	2.24	**0.00**		BWR C Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	**Withdrawal**	
Term Loan - Proposed	0.00	**27.00**			**BWR BBB/Stable/ Assignment**	
Cash Credit-Sanctioned	4.50	**0.00**		BWR C Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	**Withdrawal**	
Cash Credit-Proposed	0.00	**13.00**		-	**BWR BBB/Stable/ Assignment**	
Cash Credit - Sanctioned	0.00	**12.00**	Long Term	-	**BWR BBB/Stable/ Assignment**	
Bill Discounted (BD)-Sanctioned	0.20	**0.00**		BWR C Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	**Withdrawal**	
Stand by Line of Credit-Sanctioned	0.35	**0.00**				
FBWC (CC/EPC/FBD/FBP)-Sanctioned	0.18	**0.00**				
Sub Total	*7.47*	***58.74***	***(Rupees Fifty Eight Crore and Seventy Four lakhs Only)***			

Non Fund Based						
Bank Guarantee-Sanctioned	00.50	**0.00**	Short Term	BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	**Withdrawal**	
Letter of Credit Sanctioned	01.50	**0.00**				
Bank Guarantee-Sanctioned	0.00	**03.00**		-	**BWR A3/ Assignment**	
Letter of Credit Sanctioned	0.00	**04.00**		-	**BWR A3/ Assignment**	
Grand Total	9.47	**65.74**	**(Rupees Sixty Five Crore and Seventy Four lakhs Only)**			

Note:

1. Please refer to BWR website **www.brickworkratings.com** for the definition of the ratings
2. Refer to Annexures I, II, and III for details of rated bank loan facilities, debt instruments, and the List of Entities Consolidated

RATING ACTION / OUTLOOK

Brickwork Ratings (BWR) assigns the long-term rating of BWR BBB/Stable & short-term ratings of BWR A3 for the bank loan facilities of Rs.65.74 Crs of Jharkhand Grind Chem Pvt Ltd, along with withdrawal of previously rated facilities.

The rating assignment factors Established Market Position and Reputed Customer Base and Moderate Financial Risk Profile alongside Comfortable Capital Structure and Liquidity. However, these strengths remain constrained by Exposure to Intense Competition and Limited Revenue Diversity and the Susceptibility to Raw Material Price Volatility and End-User Cyclicality.

The Stable outlook reflects Brickwork Ratings' expectation that the business risk profile of the company will be maintained over the medium term. The Stable outlook indicates a low likelihood of a rating change during this period. The outlook may be revised to Positive in the event of sustained improvement in revenues and profitability margins, while it may be revised to Negative if there is deterioration in the company's financial risk profile.

In arriving at these ratings, BWR relied on JGCPL's audited financial statements up to FY26, financial projections for FY26 and FY27, and additional clarifications provided by the management.

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED

The terms of sanction include standard covenants normally stipulated for such facilities.

KEY RATING DRIVERS

Credit Strengths-:

- **Established Market Position and Reputed Customer Base:** Despite intense fragmentation in the foundry and mould flux segment, the company has successfully established a pan-India manufacturing footprint. The promoters' extensive industry experience, deep understanding of market dynamics, and healthy relationships with key suppliers and customers continuously support the business risk profile. The company benefits from a well-diversified, blue-chip clientele that includes Tier-1 steel majors such as the JSW Group, Tata Steel, Jindal Steel & Power, and SAIL. Furthermore, operational and technological capabilities are augmented by a strategic technical collaboration with M/s Intocast AG, Germany.
- **Moderate Financial Risk Profile alongside Comfortable Capital Structure and Liquidity**: The company maintains a stable financial risk profile, characterized by a Total Operating Income (TOI) of ₹172.13 crore and healthy net profit margins of 11.54% in FY26. The Tangible Net Worth (TNW) has demonstrated consistent improvement, expanding from ₹59.27 crore in FY25 to ₹76.89 crore in FY26, driven by steady profit retention and accretion to reserves. This financial stability is underpinned by a conservative capital structure, reflected in a comfortable gearing ratio (Total Debt to TNW) of 0.19x in FY26. Furthermore, the liquidity profile remains adequate, evidenced by a current ratio of 1.92x, indicating prudent working capital management and sufficient buffers to meet short-term obligations.

Credit Risks-:

- **Exposure to Intense Competition and Limited Revenue Diversity**: The foundry flux industry comprises numerous unorganized players, resulting in high fragmentation. Despite the superior quality of products offered by the company, this intense competition constraints pricing power, scalability, and operating margins. Furthermore, the business remains exposed to product concentration risk, as revenue is entirely derived from a single segment foundry flux, mould flux, and related metallurgical consumables. However, this risk is partially mitigated by the company's entrenched market position and brand equity.
- **Susceptibility to Raw Material Price Volatility and End-User Cyclicality**: While the company's long-standing supplier relationships ensure stable supply linkages, operations remain vulnerable to raw material supply disruptions and price fluctuations, which can pressurize profitability. Additionally, because the company derives the vast majority of its revenue from the steel sector, its performance is inextricably linked to the inherent cyclicality and capital expenditure trends of the broader iron and steel industry.

ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA

BWR has considered the standalone performance of Jharkhand Grind Chem Pvt. Ltd. BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale).

RATING SENSITIVITIES

Going forward, the company's ability to achieve a sustained improvement in its scale of operations, profitability margins, overall credit risk profile, and efficiently manage its working capital requirements will remain the key rating sensitivities.

Positive: The rating may be upgraded if the company demonstrates a sustained improvement in its operational and financial performance, with Net Profit Margins exceeding 13%, Total Operating Income (TOI) exceeding 200.00 crore, accompanied by a significant and sustained increase in the scale of operations, while maintaining a strong financial risk profile and adequate liquidity.

Negative: A rating downgrade may be triggered by an inability to sustain the current levels, with Net margins below 10%.

LIQUIDITY INDICATORS – Adequate

The company has an adequate liquidity position, marked by a comfortable current ratio of 1.78x as on 31 March 2026 (audited). The company generated sufficient internal cash accruals (ICAs) of ₹22.48 crore in FY26 against debt obligations of ₹3.28 crore, providing adequate coverage for its debt servicing requirements. The average utilisation of its fund-based working capital limits with SBI stood at around 34% during the 12-month period ended July 2026, indicating sufficient headroom in working capital availability. Further, the company maintained free cash and bank balances of ₹27.36 crore as on 31 March 2026, providing an additional liquidity cushion.

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COMPANY's PROFILE

Macro Economic Indicator	*Sector*	*Industry*	*Basic Industry*
Commodities	Chemicals	Chemicals & Petrochemicals	Specialty Chemicals

Incorporated in 2004, M/s Jharkhand Grind Chem Pvt. Ltd. (JGCPL), based in Jamshedpur, Jharkhand, is engaged in the manufacturing of foundry fluxes, metallurgical consumables, continuous casting products, mould fluxes, and other foundry consumables used in the iron and steel industry. The company operates the manufacturing facility with technical collaboration with Intocast AG Germany and is ISO 9001:2015 certified.

ESG Profile

The company demonstrates an Adequate ESG profile based on its current operational and governance practices:

Environmental: Environmental risks are driven by water usage, waste generation, and energy-intensive drying/mixing processes. While quantitative disclosures on emissions and renewable energy share are limited, risks are managed through ISO certifications and executive oversight from directors qualified in Environmental Management.

Social: Social practices focus on workplace safety and labor compliance across its workforce (40–45 permanent and 5–6 contract employees). Despite limited formal diversity disclosures, operational resilience is supported by a clean safety track record and zero history of labor disputes.

Governance: Governance structure reflects a closely held promoter family setup (10 directors) without independent board representation. However, this is balanced by the promoters' deep technical expertise, clean litigation track record, and technical alliance with M/s Intocast AG, Germany

KEY FINANCIAL INDICATORS

Key Financial Indicators	Units	FY 23 - 24 (Audited)	FY 24 - 25 (Audited)	FY 25 - 26 (Audited)
Operating Revenue	Rs. Crs	129.66	148.78	172.13
EBITDA	Rs. Crs	20.44	25.78	27.99
PAT	Rs. Crs	14.91	18.72	19.93
Tangible Net Worth	Rs. Crs	45.05	59.27	76.94
Total Debt / Tangible Net Worth	Times	0.25	0.12	0.19
Current Ratio	Times	1.51	1.94	1.78

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY

No Ratings with other CRA.

ANY OTHER INFORMATION

NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS

Facilities	Current Rating (2026)			2025		2024		2023	
Type	**Tenure**	**Amount (Rs.Crs.)**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Fund Based	LT	0.00	Withdrawal	26 Sep 2025	BWR C (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	09 July 2024	BWR C (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	11 July 2023	BWR C (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)
Fund Based	LT	58.74	BWR BBB/ Stable/ Assignment	-	-	-	-	-	-
Fund Based	ST	0.00	Withdrawal	26 Sep 2025	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	09 July 2024	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	11Jul 2023	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)
Non Fund Based	LT	07.00	BWR A3/ Assignment	-	-	-	-	-	-
Grand Total		**65.74 Crs**	**(Rupees Sixty Five Crore and Seventy Four lakhs Only)**						

Hyperlink/Reference to applicable Criteria

- General Criteria
- Approach to financial ratios
- Manufacturing Company
- BWR Withdrawal Policy
- Short-term Debt

Analytical Contacts	
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Jharkhand Grind Chem Pvt Ltd

ANNEXURE I

Details of Bank Loan Facilities rated by BWR

Name of the Bank	Facilities Names	Tenure	Amount (Rs.Crs.)	Complexity
State Bank of India	Term Loan - Outstanding	Long Term	6.74	Simple
	Term Loan - Proposed	Long Term	27.00	Simple
	Cash Credit - Sanctioned	Long Term	12.00	Simple
	Cash Credit - Proposed	Long Term	13.00	Simple
	Bank Guarantee - Sanctioned	Long Term	3.00	Simple
	Letter of Credit - Sanctioned	Short Term	4.00	Simple
Total			**65.74 Crs**	(Rupees Sixty Five Crores & Seventy Four Lakhs only)

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com / download / ComplexityLevels.pdf. Investors' queries can be sent to info@brickworkratings.com

ANNEXURE II

INSTRUMENT DETAILS

Instrument	Issue Date	Amount [Rs.Crs.]	Coupon Rate	Maturity Date	ISIN Particulars	Complexity of the instrument
NA	NA	NA	NA	NA	NA	NA

ANNEXURE III
List of entities consolidated

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
NA	NA	NA	NA

Annexure IV : List of instruments and names of regulators of the instruments

A.	Rating activities	
Sr.No	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs,HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts $	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
22	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
23	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.
~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Brickwork Ratings India Private Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
# 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.
@ These ratings were assigned during the regulatory regime prior to the introduction of the SEBI CRA Circular dated Feb 10, 2026, and the investor side regulators have accordingly been included.
$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.
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.

B	Other Activities	Regulator of the Instruments
1	Monitoring Agencies	SEBI
2	Research activities incidental to rating such as research for Economy, Industries and Companies *	NA

*permitted by SEBI vide SEBI Master Circular for CRAs

Grievance Management: For any grievances relating to rating of instruments regulated by SEBI, please contact **sebigrievance@brickworkratings.com**. 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
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About Brickwork Ratings

Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009 and its corporate office in Bengaluru. It has a country-wide presence with representatives in 150+ locations. Canara Bank is Brickwork's strategic partner.
Brickwork offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

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