

Rating Rationale

7 October 2026

Jindal Saw Limited (JSAW)

SUMMARY OF RATING ACTION

Instrument	Tenure	Amount (₹ crore)		Rating Action & Outlook		Regulator
		Previous	Present	Previous (9 October 2025)	Present (5 October 2026)	
Non Convertible Deventure	Long Term	500.00	500.00	BWR AA (Stable) Reaffirmation	BWR AA (Stable) Reaffirmed	SEBI

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) has reaffirmed the long-term rating at BWR AA with a Stable outlook for the Non-Convertible Debentures (NCDs) of Jindal Saw Ltd (JSAW or the company).

The rating reaffirmation factors include its long-standing presence in the steel pipe manufacturing sector, a robust business risk profile underpinned by its leading position in the carbon steel pipe sector, a diversified revenue base, and a healthy financial standing characterized by low gearing and comfortable debt coverage metrics. Additional strength is derived from an experienced management team and promoter group, an established track record spanning nearly four decades with proven execution capabilities, a strong order book, a broad customer network, and a versatile product portfolio catering to multiple end-user industries. These positives are, however, partially offset by exposure to group entities and subsidiaries, exposure to fluctuations in foreign exchange rates and raw material prices, inherent sectoral risks, and intense market competition.

BWR notes that operational activities faced disruptions in recent months due to the ongoing conflict in the Middle East and delays in releasing water infrastructure funds, affecting execution of the Jal Jeevan Mission projects. As of June 30, 2026, the order book of \$ 1,171 million represents Iron & Steel Pipes accounts for ~ \$ 1,164 million and Pellets for ~ \$ 7 million, with export orders accounting for around 30%. Furthermore, the profit margins shrank during FY26, mainly due to a dip in sales volume. The company anticipates continued government support for the Jal Jeevan Mission, as it depends heavily on government infrastructure allocation. This project remains essential for sustaining the company's growth trajectory.

Brickwork Ratings (BWR) maintains its monitoring of JSAW due to ongoing substantial financial exposure to its subsidiary and group companies. This exposure is projected to expand following the recent announcement of capital expenditure (capex) plans in the MENA region, with commercial operations scheduled to begin in calendar year 2028. The completion of these capex projects within the targeted timelines and budget, alongside the successful realization of operational cash flows from the new international facilities.

BWR believes that the business and financial risk profile of JSAW will be maintained over the medium term. The Stable outlook indicates BWR's expectations that the company will sustain its business risk profile in the medium term.

KEY COVENANTS OF THE INSTRUMENT/FACILITY

- Put and Call Option: None
- Security: The NCD's shall be secured by way of first Pari passu charge on the fixed assets of the

company with minimum security cover of 1.25 times the outstanding Debentures and interest due thereon.

- Details mentioned in Annexure-III.

ANALYTICAL APPROACH & APPLICABLE RATING CRITERIA

Analytical Approach	Comments
Applicable Rating Criteria	General Criteria Approach to Financial Ratios Manufacturing Company
Parent/Group/Government Support	Not Applicable
Analytical Approach (Consolidation/Standalone)	.Standalone

KEY RATING DRIVERS WITH DETAILED DESCRIPTION

Credit Strengths:

Established track record of operations and experienced management: The company commenced its operations in 1984 and has a successful track record of operations of around four decades in the existing business line. JSAW's long-standing track record and the extensive experience of its promoters have helped it establish relationships with various stakeholders for its business. The company's board consists of seven independent directors, ensuring it is a professionally run organization. Furthermore, the company's board is supported by an experienced and qualified management team that looks after the day-to-day operations.

Strong business risk profile supported by diversified revenues and geographically diversified operations: JSAW is a diversified steel pipe manufacturer specializing in Stainless Steel Tube Pipes (SSTP) and carbon steel pipes, which find application in various sectors including power, oil and gas. The company holds a dominant market position in both longitudinal and helical Submerged Arc Welded (SAW) and ductile iron (DI) pipe segments, on account of its extensive capacity, loyal customer base, and advanced technology, which consistently delivers above-average profitability. JSAW operates nationally with manufacturing units spread across seven states. With the acquisition of Sathavahana Ispat Limited (SIL) in 2023, JSAW has strengthened its footprint in South India's DI pipe market, utilizing SIL's manufacturing, coke oven, and power plant assets to cater to that region.

Healthy Order Book Position: The revenue visibility is supported by a substantial order book valued at approximately \$1,171 million for Iron & Steel Pipes and Pellets as of June 30, 2026. JSAW maintains a strong revenue outlook for the upcoming 3-4 quarters. The order backlog is largely concentrated in ductile iron (DI), LSAW, and HSAW pipes. Export orders have grown to account for 30% of the total order book as of June 30, 2026, creating a natural hedge across the company's export-import portfolio. Additionally, exports represent approximately 30% of the company's total order book, with the majority directed toward the MENA region. However, execution of Middle East export orders has slowed down due to the invoked Force Majeure clause amidst the ongoing regional conflict. Although steel pipe demand may experience a slight short-term slowdown, long-term prospects remain favorable, underpinned by sustained government allocations for infrastructure, water, and sanitation, alongside renewed investments in oil and gas.

Stable operational performance in FY26, albeit with a moderation due to Middle East Crises and slower execution of Jal Jeevan Mission Projects. During FY26, JSAW recorded a 20% dip in Total Operating Income (TOI). This moderation was primarily driven by falling steel prices, geopolitical crises in the Middle East, and temporary execution slowdowns under the Jal Jeevan Mission (JJM), due to delays in fund release by government departments. Following the outbreak of conflict in February 2026, severe logistical hurdles emerged, driving a marked drop in Q1 FY27 export sales, leading to supply chain bottlenecks, operational challenges, and adverse effects on the financial performance of the Abu Dhabi entity. Nonetheless, the market anticipates a high demand for pipes across the MENA region, and to create alternative energy export routes, oil-producing nations in the area are actively developing extensive pipeline networks. Due to volume and price pressure, operating profitability marginally deteriorated, from 18.14% to 12.55% in FY25 & FY26, respectively.

On a provisional basis, the company reported a TOI of Rs. 3721.44 Crore. During Q1 of the current fiscal year FY27, the company experienced a performance recovery supported by increased sales volumes of ductile iron pipes for executing pipeline project orders. However, business operations were constrained in the seamless pipe segment,

which faced operational disruptions owing to the suspension of its API license from January 2026 through mid-June 2026. BWR anticipates that the company will maintain its operational performance and profit margins at levels consistent with FY26.

Moderate financial risk profile: JSAW has a moderate financial risk profile characterised by moderate debt coverage indicators and a comfortable standalone overall gearing. The overall gearing of the company, on a standalone basis, improved and continued to remain healthy at 0.22x as of March 31, 2026 (FY25: 0.22x). The TOL/TNW also improved to 0.56x as of March 31, 2026, from 0.60x in FY25. Due to deteriorated profit margins, the interest service coverage ratio remained 3.52x in FY26(FY25: 6.55x).

Competitive advantage in cost structure for Pellet Plant: JSAW operates a captive mine in Bhilwara, Rajasthan, with estimated reserves of nearly 180 MMT of low-grade iron ore and extracts about 6-7 million tonnes annually. The pellets division reported sales of Rs. 1498 cr. in FY26 (FY24: Rs. 1751 cr.). The captive availability of iron ore leads to a competitive cost structure for the pellets manufactured by the company and relatively stable operating profit margins for the company as a whole.

Credit Risks

Exposure to subsidiaries/group companies: JSAW increases investments, up to ₹2339.10 crore as of March 31, 2026 (FY25: Rs. 2090.10 Crore) in various domestic and international subsidiaries and joint ventures (JVs). Furthermore, JSAW has issued corporate guarantees of ₹682 crore supporting these entities during FY25, which reduced to Rs. 339.12 Crore in FY26. This financial exposure is set to increase due to recently announced capital expenditure (capex) plans in the MENA region (Abu Dhabi and Saudi Arabia). Timely and budget-compliant completion of these capex projects, with the generation of operating cash flows as envisaged from the new international facilities, will remain a key monitorable going forward.

Susceptibility to fluctuation in raw material prices and forex: Steel and coking coal, the two primary raw materials for the company, experience high price volatility. A sharp adverse movement in either commodity's price could impact the company's profitability. To mitigate this risk, the company procures steel based on its order book, minimizing time lags between new order acquisition and steel procurement, thus avoiding speculative practices to stabilize profitability margins. Additionally, the majority of the company's foreign exchange exposure is naturally hedged. The remaining exposure is managed by booking forward contracts.

Inherent risk of the industry and intense competition: The sector is characterized by significant fragmentation, encompassing a diverse range of both organized and unorganized entities that offer comparable products and services. This landscape fosters intense competition, particularly from regional players, which consequently leads to pricing pressures and impacts the company's profitability margins.

RATING SENSITIVITY FACTORS

Positive:

- A sustained and substantial improvement in operating profitability above 18%, while maintaining or improving the operations and debt coverage indicators. (TOL/TNW below 0.45x on a sustainable basis)
- Significant reduction in financial commitments to subsidiaries and group companies, thereby improving financial risk profile

Negative:

- A substantial deterioration in operational performance or sizeable reduction in order book position resulting in softened profitability and debt coverage indicators (TOL/TNW beyond 2x on a sustainable basis).
- Any incremental cash support towards subsidiaries/group companies impacting its leverage position
- Sizable reduction in order book position.

LIQUIDITY POSITION - Adequate

Jindal Saw Ltd (JSAW) maintains an adequate liquidity position, supported by healthy net cash accruals of Rs. 1,377.21 crore in FY26 and cash and cash equivalents of Rs. 252.73 crore as of March 31, 2026. The company faces no significant debt repayment obligations through FY29. Furthermore, planned maintenance capital expenditure of approximately Rs. 700 crore—focused on de-bottlenecking and efficiency improvements—is modular and will be funded entirely through internal accruals. The current ratio is 1.52x as of March 31, 2025 and March 31, 2026.

Exposure to group companies remains a key monitorable factor.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) PRACTICES

Environmental (E)

- **Energy Efficiency & Low-Carbon Operations:**
 - Operates the Bhilwara Pellet Plant at 40% lower energy consumption compared to the national average.
 - Implemented Variable Frequency Drives (VFDs) across multiple manufacturing units, achieving a 24% energy reduction in sinter plants and 18.06% in blast furnaces, alongside converting plant lighting to LEDs and procuring Electric Vehicles (EVs) for internal logistics.
 - Integrates renewable energy infrastructure, including captive windmills, solar panels, and planned 1 MW solar systems to reduce grid power reliance.
- **Water Stewardship:**
 - Sources municipal treated sewage water via a 23 km pipeline to supply a 2.5 lakh m³ reservoir for mining, beneficiation, and pelletization at Bhilwara, eliminating freshwater depletion for these processes.
 - Deploys Effluent Treatment Plants (ETPs), Sewage Treatment Plants (STPs), and automated self-cleaning filtration systems to maximize industrial water reuse.
- **Circular Economy & Resource Recovery:**
 - Manufactures 100% recyclable centrifugal cast iron and stainless steel tubular products.
 - Beneficiates low-grade magnetite iron ore (upgrading Fe content from 25% to over 66%).
 - Recycles internal industrial waste by-products—such as PCM/LRS skulls, pig iron chips, granulated slag, flue dust, and BHQ ore—into production cycles to replace virgin iron ore and river sand.

Social (S)

- **Community Inclusion & Accessibility (Svayam):**
 - Drives universal accessibility initiatives through its flagship CSR initiative Svayam (founded by MD Ms. Sminu Jindal), impacting over 180 million lives globally and 25 million in FY 2025–26.
 - Championed World Accessibility Day (engaging 100+ countries with 300,000+ pledges) and partnered with UNESCO, the Confederation of Indian Industry (CII), and World Para Athletics to develop accessible infrastructure frameworks across public transport, tourism, and sports venues.
- **Workforce & Safety Management:**
 - Employs over 20,000 personnel globally and provides structured upskilling programs that have trained 48,000+ professionals.
 - Operates ISO 45001:2018-certified Occupational Health & Safety Management Systems featuring regular audits, mandatory personal protective equipment (PPE), on-site health centers, and comprehensive employee insurance.
 - Complies with equal opportunity guidelines with zero pending complaints under the Prevention of Sexual Harassment (POSH) framework.

Governance (G)

- **Board Structure & Oversight:**
 - Maintains an optimal mix of Executive, Non-Executive, and Independent Directors (Independent Directors make up over 50% of the board) and is supported by active Audit, Nomination & Remuneration, Stakeholders Relationship, Risk Management, and CSR Committees.
- **System Certifications & Ethics:**
 - Holds an Integrated Management System (IMS) certified for ISO 9001:2015 (Quality), ISO 14001:2015 (Environment), and ISO 45001:2018 (Safety) by Bureau Veritas.
 - Maintains an established Whistleblower Policy / Vigil Mechanism and Enterprise Risk Management framework overseeing financial, operational, cybersecurity, and environmental risks.

COMPANY PROFILE

Industry Classification			
Macroeconomic Indicator	Sector	Industry	Basic Industry
Industrials	Capital Goods	Industrial Products	Iron & Steel Products

Jindal Saw Ltd (JSAW), the flagship company of PR Jindal Group, was incorporated as Saw Pipes Ltd in 1984, and the name of the company was changed to Jindal Saw Ltd in February 2005. It manufactures LSAW pipes, HSAW pipes, DI pipes, seamless pipes, and pellets. The promoter group held a 63.25% equity stake in the company as on 30 June 2026. It is listed on both the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The company's manufacturing units in India, with a capacity of 25.90 lakh metric tonnes per annum, are located in Uttar Pradesh, Gujarat, Maharashtra, Andhra Pradesh, Karnataka, Rajasthan, and Madhya Pradesh. Besides this, it has an iron ore mine at Bhilwara (Rajasthan) with a beneficiation plant and pellet plant with an installed capacity of 16.50 lakh MTPA.

KEY FINANCIAL INDICATORS

Standalone Financial Indicators (in ₹ crore)	FY25 (A)	FY26 (A)	Q1FY27 (UA)
Operating Income	17936.16	14620.13	3,721.44
PBILDT	3199.00	1656.91	306.81
Net Profit/Loss	1874.47	783.99	109.77
Net worth	11822.37	12480.13	NA
Borrowings (Debt Securities)	3006.41	2717.52	NA
Debt: Equity	0.25	0.22	NA

A: Audited UA: Unaudited NA: Not Available; Note: these are the latest available financial results *PBILDT: Profit before interest, lease rentals, depreciation and tax. All ratios as per BWR's calculations; Amount in Rs. Crore

RATING HISTORY FOR THE PREVIOUS THREE YEARS

Current Rating				Rating History					
FY 27				FY 26		FY 25		FY 24	
Instrument	Type	Amount (in ₹ crore)	Rating	Date	Rating	Date	Rating	Date	Rating
NCDs	Long Term	500.00	BWR AA (Stable) Reaffirmed	9 Oct 2025	BWR AA (Stable) Reaffirmed	11 Oct 2024	BWR AA (Stable) Reaffirmed	18 Oct 2023	BWR AA (Stable) Reaffirmed
Total		500.0	Rupees Five Hundred Crores Only						

COMPLEXITY LEVEL OF THE RATED INSTRUMENTS

Instrument	Complexity Indicator
NCDs	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on BWR's website

www.brickworkratings.com/download/ComplexityLevels.pdf

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY): Not Applicable
ANY OTHER INFORMATION: No

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ANNEXURE I: Details of Instruments / Facilities

Name of the Instrument	Long Term/Short Term	ISIN	Date of Issuance (DD-MM-YYY)	Coupon Rate (%)	Maturity Date (DDMM-YYYY)	Size of the Issue (₹ Cr)	Rating Assigned and Rating Outlook	Regulator
NCDs (Issued)	Long Term	INE324A07179	26 Mar 2021	8.25% payable semiannually	31 Mar 2031	500.00	BWR AA (Stable) Reaffirmed	SEBI

ANNEXURE II: Details of Bank Facilities

Type	Facilities	Tenor	Bank 1	Bank 2	Bank 3	Total	Regulator
			NA				-

ANNEXURE III: List of Entities Consolidated

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

Annexure IV: List of Instruments and Names of Regulators of the Instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

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), Brick Work Ratings India Private Limited (BWR) 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 regulatory regime prior to introduction of 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

Grievance Management

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Disclosure of Conflict of Interest

BWR Board of Directors have no influence over rating decisions, nor do they sit on the rating committees or review, discuss, or evaluate any credit ratings during the Board meetings.

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