JSW Steel Limited

Regd. Office : JSW Centre,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
CIN. : L27102MH1994PLC152925
Phone : +91 22 4286 1000
Fax : +91 22 4286 3000
Website : www.jsw.in

JSWSL: SECT: MUM: SE: 2025-26
January 07, 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: **Intimation under Regulation 30 (6) and 51(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations 2015") of rating action by Fitch Ratings**

Dear Sir,

Pursuant to Regulation 30(6) and 51(2) of the Listing Regulations 2015, as amended, we wish to inform you that Fitch Ratings, vide its Release dated January 06, 2026, has placed JSW Steel Limited's ("JSWSL") Long-Term Issuer Default Rating (IDR) of 'BB' on Rating Watch Positive. The agency has also placed the 'BB' rating on the outstanding bonds of JSWSL and its subsidiary, Periama Holdings, LLC, on Rating Watch Positive. Please find below the details of the rating action.

Name of the Company	Credit Rating Agency	Type of Credit Rating	Existing	Revised
JSW Steel Limited	Fitch Ratings	Long-Term Issuer Default Rating	'BB' Stable	'BB' Rating Watch Positive
		Senior Unsecured bonds	'BB' Stable	'BB' Rating Watch Positive
Periama Holdings, LLC		Senior Unsecured bonds	'BB' Stable	'BB' Rating Watch Positive

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

This is for your information and records.

Yours faithfully,
For **JSW STEEL LIMITED**

MANOJ PRASAD SINGH
Digitally signed by MANOJ PRASAD SINGH
Date: 2026.01.07 15:05:54 +05'30'

Manoj Prasad Singh
Company Secretary
(In the Interim Capacity)

Enclosed: as above

RATING ACTION COMMENTARY

Fitch Places JSW Steel's 'BB' Rating on Rating Watch Positive

Tue 06 Jan, 2026 - 8:28 AM ET

Fitch Ratings - Hong Kong - 06 Jan 2026: Fitch Ratings has placed India-based JSW Steel Limited's (JSWS) Long-Term Issuer Default Rating (IDR) of 'BB' on Rating Watch Positive (RWP). The agency has also placed the 'BB' rating on the outstanding bonds of JSWS and its subsidiary, Periama Holdings, LLC, on RWP.

The RWP follows approval by the board of JSWS to form a 50:50 joint venture (JV) with Japan-based JFE Steel Corporation, which will buy the steel assets owned by Bhushan Power and Steel Limited (BPSL), a JSWS subsidiary. The transaction can lead to JSWS receiving INR324 billion in cash over the next six months, improving its EBITDA net leverage to levels commensurate with a higher rating from the financial year ending March 2026 (FY26) to FY28.

Fitch expects to resolve the RWP once the JV is formed after receiving regulatory approvals and other closing conditions. JSWS considers this likely by end-FY26.

KEY RATING DRIVERS

Proposed JV Credit Positive: Fitch expects JSWS's EBITDA net leverage to reduce by 0.5x - 0.7x over FY26-FY28, if it forms the JV with JFE as proposed. The JV will buy BPSL's steel assets for INR244.83 billion by March 2026, funded by INR166.08 billion of debt and the rest from JFE's first equity tranche. JSWS expects to receive JFE's second tranche of INR78.75 billion by June 2026. BPSL contributed 10% of JSWS' consolidated EBITDA in FY25.

JSWS intends to use the cash proceeds for deleveraging and growth investments. Fitch will proportionately consolidate the financial statements of the proposed JV, to be called JSW Kalinga Steel Limited (JKSL), in our forecasts as we expect the JV partners to support it if needed, given the strategic nature of its assets, while we monitor the terms of any future debt at the JV.

Modest Execution Risks: We believe the transaction carries modest execution risks as it is subject to regulatory and shareholder approvals, including from the Competition Commission of India (CCI). Execution risks are mitigated by JSWS's and JFE's long-standing business relationship. The JV will strengthen JSWS' financial structure and flexibility, give JFE greater access to India's fast-growing steel market, and raise the share of higher-value products in the JV's output over time.

Rising EBITDA Margins: We forecast JSWS's standalone EBITDA margins to rise to INR9,500 per tonne (t) in FY26 and INR10,750/t in FY27 (FY25: INR8,400/t). This will be aided by positive operating leverage from growing volumes, steady prices, lower costs and improving industry conditions. We believe the government's recent expansion of its tariff barriers to curb imports will aid domestic steel producers' prices and margins. However, persistent excess domestic or imported steel supply is a key risk to profitability.

Leverage to Improve: We expect JSWS's EBITDA net leverage, including proportionate consolidation of JKSL, to reduce to 2.6x in FY26 and 2.1x in FY27 (FY25: 4.0x). Cash proceeds from the asset sale and rising EBITDA will support the deleveraging, despite our view that JSWS's generally high capex intensity will lead to negative free cash flow (FCF) over this period.

Robust Volume Growth: We forecast sales volumes to increase by 6%-10% over FY27-FY28 (FY25: 7%) on a like-for-like basis. This will be driven by a production ramp-up at the 5 million tonnes per annum (mtpa) brownfield capacity commissioned at JSWS's Vijayanagar plant at FYE25, and debottlenecking of certain existing capacities. We expect India's steel consumption to grow by 8%-9% in the next few years, aided by strong demand from the infrastructure, construction and manufacturing sectors.

High Capex; Flexibility Adds Buffers: We expect capex to rise to around INR200 billion-210 billion annually over FY26-FY28 (FY25: INR147 billion), including investments in JVs and associates. JSWS aims to expand its Dolvi plant capacity by 5mtpa by FY28, debottleneck capacities at other plants, invest in mining equipment and facilities, and upgrade its US and Italian operations. It may exercise some capex flexibility in the case of a prolonged period of weak margins. We also include a coking coal mine acquisition of USD74 million in FY26.

Cost-Efficient Operations: JSWS's Indian operations are highly efficient. Its largest plant at Vijayanagar is positioned in the first quartile of WoodMac's 2025 global crude steel site cost curve, placing JSWS's weighted-average cost in the first half of the curve, despite fourth-quartile costs at its overseas units. JSWS is investing in cost-saving measures like increasing use of renewable energy and improving transportation infrastructure, which will improve its cost position further.

Limited Raw-Material Integration Benefit: JSWS' iron ore mines in Odisha and Karnataka supplied 30% of standalone requirements in 1HFY26 (FY25: 37%). This provides some supply certainty and lowers logistics costs, although production cost may not be optimum in some cases due to high state royalties. Output from some of JSWS's recently acquired domestic and overseas coking coal assets will reduce dependence on external purchases over the medium term, but the cost benefit is likely to be limited.

Guaranteed Notes: The outstanding notes of Periama Holdings are guaranteed by JSWS to the extent of 125% of the outstanding principal. We consider the guarantee full and worthy as it would cover 100% of principal payments plus all interest accrued up to the point when all principal is paid, as per Fitch's criteria.

PEER ANALYSIS

JSWS can be compared with global peers United States Steel Corporation (U.S. Steel, BBB-/Stable, standalone credit profile (SCP): bb) and Usinas Siderurgicas de Minas Gerais S.A. (Usiminas, BB/Stable).

U.S. Steel is an integrated producer of flat-rolled steel and tubular products with operations in North America and Europe. We think U.S. Steel has a weaker business profile than JSWS, with a smaller EBITDA scale and weaker cost position in the second half of the global cost curve, despite U.S. Steel's better raw material self-sufficiency. U.S. Steel is shifting its focus to flexible and lower-cost, more-efficient mini mills, which Fitch believes will improve its overall cost position. However, JSWS's higher EBITDA net leverage than U.S. Steel balances its stronger business profile.

Brazilian steelmaker Usiminas is the largest domestic supplier of cold-rolled and electro-galvanized steel products. The company has a production capacity of 5mtpa of crude steel and around 10mtpa of iron ore. Compared with JSWS, Usiminas has a significantly smaller EBITDA scale and weaker cost position in steel in the fourth quartile of the global cost curve. Usiminas's business profile benefits from significant iron ore output, a portion of which can be sold externally to boost cash flow. However, Usiminas's EBITDA net leverage is much better than that of JSWS.

FITCH'S KEY RATING-CASE ASSUMPTIONS

- Sales volume growth of around 6% - 10% per year over FY26-FY28;

- Annual standalone EBITDA per tonne of around INR9,500 in FY26, INR10,750 in FY27 and INR11,000 thereafter;

- Average annual consolidated capex of around INR200 billion-210 billion over FY26-FY28;

- Dividend pay-out ratio of 30% over FY27-FY28 (last five-year average and management guidance: 20%).

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

Negative rating action is unlikely as the ratings are on RWP. However, we will remove the ratings from RWP if the transaction is not executed.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

Fitch expects to resolve the RWP once the transaction is completed. Apart from the transaction, EBITDA net leverage below 2.7x for a sustained period would be positive for the rating.

LIQUIDITY AND DEBT STRUCTURE

JSWS had readily available cash of around INR187 billion at end-September 2025. The company also had undrawn term loans of INR53 billion and unused working-capital lines (fund- and non-fund-based) of around INR298 billion. The working-capital lines are generally renewed every year. JSWS had short-term debt maturity of INR360 billion, including INR154 billion of trade acceptances considered debt.

We expect JSWS to manage its liquidity by rolling over its short-term debt and trade acceptances, supported by its healthy business profile. The proposed JV transaction will add buffers to its liquidity. The liquidity is supported by JSWS' generally robust access to diverse financial sources, such as domestic and international banks and public markets. We think JSW can also cut discretionary capex to aid liquidity, if needed.

ISSUER PROFILE

JSWS is the leading steelmaker in India, with a primary steelmaking capacity of 34.2mtpa in operation in India (consolidated 35.7mtpa) as of 1HFY26. The company has a flat product-focused portfolio, with value-added products accounting for 64% of total sales in 1HFY26. It also has smaller assets in the US and Italy.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

MACROECONOMIC ASSUMPTIONS AND SECTOR FORECASTS

Click here to access Fitch's latest quarterly Global Corporates Sector Forecasts Monitor data file which aggregates key data points used in our credit analysis. Fitch's macroeconomic forecasts, commodity price assumptions, default rate forecasts, sector key performance indicators and sector-level forecasts are among the data items included.

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

RATING ACTIONS

ENTITY / DEBT	RATING	PRIOR

JSW Steel Limited	LT IDR	BB Rating Watch Positive Rating Watch On	BB Rating Outlook Stable
senior unsecured	LT	BB Rating Watch Positive Rating Watch On	BB
Periama Holdings, LLC			
senior unsecured	LT	BB Rating Watch Positive Rating Watch On	BB

VIEW ADDITIONAL RATING DETAILS

FITCH RATINGS ANALYSTS

Michelle Leong
Director
Primary Rating Analyst
+852 2263 9611
michelle.leong@fitchratings.com
Fitch (Hong Kong) Limited
19/F Man Yee Building 60-68 Des Voeux Road Central Hong Kong

Mohit Soni
Director
Secondary Rating Analyst
+91 22 4035 6163
mohit.soni@fitchratings.com

Jenny Huang
Senior Director
Committee Chairperson
+886 2 8175 7610

jenny.huang@fitchratings.com

MEDIA CONTACTS

Leslie Tan
Singapore
+65 6796 7234
leslie.tan@thefitchgroup.com

Bindu Menon
Mumbai
+91 22 4000 1727
bindu.menon@fitchratings.com

Additional information is available on www.fitchratings.com

PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

Country-Specific Treatment of Recovery Ratings Criteria (pub. 04 Mar 2023)

Corporates Recovery Ratings and Instrument Ratings Criteria (pub. 03 Aug 2024) (including rating assumption sensitivity)

Corporate Rating Criteria (pub. 28 Jun 2025) (including rating assumption sensitivity)

Sector Navigators – Addendum to the Corporate Rating Criteria (pub. 28 Jun 2025)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Corporate Monitoring & Forecasting Model (COMFORT Model), v8.2.0 (1)

ADDITIONAL DISCLOSURES

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

JSW Steel Limited	EU Endorsed, UK Endorsed
Periama Holdings, LLC	EU Endorsed, UK Endorsed

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: https://www.fitchratings.com/understandingcreditratings. In addition, the following https://www.fitchratings.com/rating-definitions-document details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. ESMA and the FCA are required to publish historical default rates in a central repository in accordance with Articles 11(2) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 and The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 respectively.

Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at https://www.fitchratings.com/site/regulatory. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third- party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see Best- and Worst-Case Measures under the Rating Performance page on Fitch's website.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not

dv01, a Fitch Solutions company, and an affiliate of Fitch Ratings, may from time to time serve as loan data agent on certain structured finance transactions rated by Fitch Ratings.

READ LESS

SOLICITATION STATUS

The ratings above were solicited and assigned or maintained by Fitch at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

Fitch's solicitation status policy can be found at www.fitchratings.com/ethics.

ENDORSEMENT POLICY

Fitch's international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU CRA Regulation or the UK Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019, as the case may be. Fitch's approach to endorsement in the EU and the UK can be found on Fitch's Regulatory Affairs page on Fitch's website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.