Press Release

JTL Industries Limited

April 02, 2026

Ratings

Instrument/ Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	111.00	IVR A/ Stable (IVR Single A with Stable Outlook)	IVR A/RWDI (IVR Single A; Rating watch with developing implications)	Rating removed from watch and reaffirmed; Outlook Assigned	Simple
Short Term Bank Facilities	48.00	IVR A1 (IVR A One)	IVR A1 RWDI (IVR A One; Rating watch with developing implications)	Rating removed from watch and reaffirmed	Simple
Total	**159.00**	**Rupees One Hundred and Fifty-Nine Crore**			

Details of Facilities are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Valuation and Rating Limited (IVR) has reaffirmed the long-term rating at IVR A with Stable Outlook assigned and short-term rating reaffirmed at IVR A1 for the bank loan facilities of JTL Industries Limited (JTL).

The rating was placed under RWDI, on account of search operation conducted by Enforcement Directorate (ED) on 16th April 2025 at the JTL's premises. Rating Watch has been resolved as there has been no change since the last rating action, and the ED has not issued any findings to date. The company does not anticipate any impact on its operations, having fully complied with all KYC requirements and regulatory norms. Nevertheless, Infomerics will continue to closely monitor developments in this regarding.

The rating reaffirmation of JTL's continues to factor the long track record of operations & experienced promoters having experience of more than 2 decades. The ratings continue to take comfort from the healthy scale of operations though declined in FY25, continuation of comfortable financial risk profile led by healthy net worth base and low debt resulting in robust debt protections metrics. In addition to that, the operating cycle remains comfortable, and the company benefits from low customer as well as supplier concentration risk. However, these rating strengths are partially offset by inherent project execution risk. Further the ratings remain constrained by competitive fragmented and cyclic nature of industry and susceptibility of operating margins to any adverse movement in the raw materials.

The assigned stable outlook indicates a low likelihood of rating change in the medium term. IVR believes that the JTL's business & financials risk profile will be maintained over the medium term supported by sustained scale of operations, though declined slightly in FY25 & 9MFY26, continuation of healthy financial risk profile of the company.

IVR has principally relied on the standalone audited financial results of JTL up to 31 March 2025 (refers to 1 April 2024 to 31 March 2025), & projected financials from FY26 to FY28 (refers to 1 April 2025 to 31 March 2028), and publicly available information/clarifications provided by the company's management.

Key Rating Sensitivities:

Upward Factors

- Sustained growth in revenue along with maintained healthy profitability and debt metrics, besides timely completion of capex supported the company's expected growth trajectory.
- Sustained capital structure at current level and debt protection metrics.

Downward Factors

- Significant reduction in the scale of operations & profitability impacting the debt coverage indicators along with deterioration in overall gearing.
- Significant delay in capex /deterioration in gearing level above 1.5x and elongation of operating cycle beyond 120 days on sustained basis.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Long track record of operations and experienced promoters:

JTL has a long track of business operations of over three decades in the steel tubes and structural steel industry. The company is promoted by experienced leaders viz. Mr. Madan Mohan Singla, Mr. Rakesh Garg, each having more than 25 years of expertise in the field. The next generation, Mr. Dhruv Singla and Mr. Pranav Singla, further strengthen the leadership team. Promoters' longstanding presence in the industry has enabled the company to build enduring relationships with customers and suppliers, successfully navigate market cycles, diversify its product portfolio, and expand manufacturing capacity. The promoters are supported by a team of professionals with strong backgrounds in finance, banking, marketing, and production. The company has PAN India presence and export to over 20+ countries and has strong network with 1000+ distributors and retailers offering wide range 1,000+ SKUs.

Healthy scale of operations:

The company consistently achieved topline growth through FY24. However, in FY25, Total Operating Income (TOI) declined by about 6%, falling from Rs 2,040.75 crore in FY24 to Rs 1,912.91 crore in FY25. Moderation in FY25 & 9MYY26, was largely driven by lower raw material prices, which reduced price realizations and in turn impacted profit margins. Despite this, the company recorded higher sales volumes in FY25 compared to the previous year, supported by steady demand. In FY25, revenue was primarily derived from galvanized pipes (~30%), MS steel pipes (~27%), and heavy steel & solar structures (~43%). During, 9MFY26, the company registered TOI of Rs 1297.96 crore against Rs 1446.36 crore in 9MFY25.

Over the past three years till FY25, the company's average EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) and PAT (profit after tax) margins stood at ~7.41% and ~5.47%, respectively. While margins moderated in FY25, they remained reasonably good at 6.41% (EBITDA) and 5.11% (PAT), compared to 7.48% and 5.50% in FY24. The company continues to benefit from good relationships with customers and suppliers, receiving regular orders from reputed clientele to its long-standing partnerships and established market presence.

Comfortable financial risk profile

The financial risk profile of the company remained comfortable with healthy net worth base of Rs 1217.84 crore as on March 31, 2025, which increased from Rs 774.31 crore as on March 31, 2024, on account of accretion of profit, besides funds raised by the company through convertible share warrants/QIP in FY25. Company's healthy net worth as compared to low debt led to comfortable overall gearing of 0.04x as on March 31, 2025, as compared to 0.03x as on March 31, 2024.

JTL has maintained healthy debt protection metrics, interest service coverage ratio is healthy and improved from 27.81x in FY25 against 29.98x in FY24 whereas total debt/EBITDA is 0.44x in FY25 against 0.16x in FY24. The company had no long-term debt o/s at the end of 31st March,2025 further strengthening the company's liquidity profile. Current ratio is at 10.39x in FY25 indicates company strong ability to meet its current liabilities from its current assets. Operating cycle of the company is comfortable below 80 days in FY25 due to low debtor period & inventory holding period respectively in FY25.

Low to moderate customer and supplier concentration risk:

The company deals with no of reputed customers and suppliers. The company top 5 suppliers constitute ~41% of the purchase whereas top 5 customers constitute ~22% of the purchase indicates low to moderate customer concentration risk.

Key Rating Weaknesses

Project execution risk

In order to strengthen its market position and achieve better economies of scale and profitability, company is continuing its capacity expansion of existing manufacturing facility at Raigad, Maharashtra from current capacity of plant to above 2 million MTPA by FY27-FY28. The total cost of this project was estimated to be Rs 900 crore (excluding working capital & general corporate purpose). Considering the size of capex, company is exposed to inherent risk in terms of delays in project execution, cost & time overrun which may arise due to arranging infrastructure, timely clearances and other external factors. While the source of fund is mainly from convertible share warrants/QIP & internal cash accruals for the required capex.

However, company may explore the possibility to raise equity/debt in case of any short fall in the proposed source of funds, which could impact the risk profile of the company to some extent. Timely completion of capex, availability of adequate funds for the capex with no major cost overrun & time and using incremental overall capacity with sustained demand for new capacity will be key monitorable.

Competitive, fragmented and cyclic nature of industry

The steel tubes & pipes industry is highly fragmented and competitive in nature with direct competition from several players from various organised and unorganised players. Intense competition from the peers could exsert pressure on the pricing of the products which could affect the profit margins of the company. In addition to that, steel industry is cycle in nature i.e. sensitive to the business cycles, economy growth and any changes in the demand & supply conditions in the sectors like real estate, construction, and infrastructure mainly. Revenue growth of the company likely to be affected in the periods of economy slowdown & contraction and vice versa. which directly expose the company's cash flows and profitability to volatility of the steel industry. However, JTL's long-established track record of operations mitigates the risk to an extent.

Susceptibility of operating margins to any adverse movement in the raw materials

The raw material like HR sheets/coils are the major contributor of the overall raw material cost and have shown volatile price trends in the past. Since the raw material is the major contributor in the overall cost, so any adverse movement in raw material prices can weigh on the company's operating margins, as reflected in the moderation seen during FY25 and 9MFY26.Volatility in prices of raw materials and company ability to pass the same to the customers in medium term will remain the key monitorable.

Analytical Approach: Standalone

Applicable Criteria:

- Rating Methodology for Manufacturing Companies
- Rating Criteria for Financial Ratios & Implication.
- Complexity Level of Rated Instruments/Facilities

- Criteria for assigning Rating outlook.
- Policy on Default Recognition
- Policy for Placing Ratings on Rating Watch

Liquidity – Adequate

The liquidity is adequate marked by healthy cash accruals of Rs 108.80 crore against no fixed term liability and expected GCA is in range of more than Rs 100 Crore in current & next fiscal years. Company's overall gearing of 0.04x in FY25 provides sufficient gearing headroom to raise any additional debt in case of requirements. The company has fund-based utilization is 30% for last 12 months ended Dec,2025. The company had free cash & cash equivalent of Rs 64.37 crore and Rs 1.59 crore at the end of 31 March 2025 and 30 Sep 2025 respectively. Current ratio is comfortable at 10.39x in FY25.

About the Company

JTL Industries Limited ((Erstwhile, JTL Infra Limited) incorporated in July 1991, registered at Chandigarh. The company is engaged in the manufacturing of ERW black pipes, pre-galvanized industrial, galvanized steel tubes & various type of pipes through its plants located in Derabassi, Mandi Gobindgarh (Punjab), Raigad (Maharashtra) & Raipur (Chhattisgarh) under the company. Currently, JTL group has cumulative capacity for pipe manufacturing of ~11.50 lakh MTPA, with around 3 lakh MTPA dedicated to backward integration.

Financials (Standalone):

(Rs. crore)

For the year ended*/As on	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	2040.75	1912.91
EBITDA	152.72	122.55
PAT	112.57	98.81
Total Debt	24.39	53.49
Tangible Net worth	774.31	1217.84
EBITDA Margin (%)	7.48	6.41
PAT Margin (%)	5.50	5.11
Overall Gearing Ratio (x)	0.03	0.04
Interest Coverage (x)	29.98	27.81

**Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument /Facilities	Previous Rating (Year 2026-27)			Rating History for the past three years		
		Type	**Previous Amount rated (Rs. Crore)**	**Current Rating**	**Date(s) & Rating(s) assigned in 2025-26**	**Date(s) & Rating(s) assigned in 2024-25**	**Date(s) & Rating(s) assigned in 2023-24**
1.	Long Term Bank Facilities	Long Term	111.00	IVR A/ Stable	IVR A/ RWDI **(Apr 24, 2025**	IVR A/ Positive **(Oct 23, 2024)**	IVR BB-/Negative; ISSUER NOT COOPERATING (Withdrawn) **(09 Jan,2024)** --------------------------- IVR BB-/Negative; ISSUER NOT COOPERATING **(27 Dec,2023)** --------------------------- IVR BB/Negative; ISSUER NOT COOPERATING **(03 Nov,2023)**
2.	Short Term Bank Facilities	Shor Term	48.00	IVR A1	IVR A1/ RWDI **(Apr 24, 2025**	IVR A1 **(Oct 23, 2024)**	IVR A4; ISSUER NOT COOPERATING (Withdrawn) **(09 Jan,2024)** -------------------------- IVR A4; ISSUER NOT COOPERATING **(27 Dec,2023)** ------------------------------ IVR A4; ISSUER NOT COOPERATING **(03 Nov,2023** COOPERATING

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Press Release

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

Annexure 1: Details of Facilities

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Cash Credit/Working Capital	-	-	-	-	74.00	IVR A/Stable
Long Term Bank Facilities-Working Capital(proposed)	-	-	-	-	37.00	IVR A/Stable
Short Term Bank Facilities –Letter of Credit	-	-	-	-	48.00	IVR A1

Annexure 2: Facility wise lender details
https://infomericstorage.blob.core.windows.net/uploads/Len_JTL_Industries_2apr26_fd5cc14c8d.pdf

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/combined analysis: Not Applicable

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