September 09,2025

Jay Bharat Maruti Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term Fund-based – Term loan	445.76	413.80	[ICRA]A+ (Stable); reaffirmed
Long-term/ Short -term – Fund based limits	760.00	790.00	[ICRA]A+ (Stable)/[ICRA]A1; reaffirmed
Long-term/ Short -term – non-fund based limits	10.00	10.00	[ICRA]A+ (Stable)/[ICRA]A1; reaffirmed
Long-term/ Short -term – Interchangeable Limits	(185.00)	(185.00)	[ICRA]A+ (Stable)/[ICRA]A1; reaffirmed
Long-term/ Short -term - Unallocated Limits	0.24	2.20	[ICRA]A+ (Stable)/[ICRA]A1; reaffirmed
Total	**1,216.00**	**1,216.00**	

**Instrument details are provided in Annexure-I*

Rationale

The ratings reaffirmation for the bank facilities of Jay Bharat Maruti Limited (JBML) reflects ICRA's expectations that its credit profile shall remain supported by healthy operational performance, demonstrated by a steady growth in revenues and earnings, aided by its well-established position as one of the key suppliers of sheet metal components to Maruti Suzuki India Limited (MSIL; the market leader in the domestic passenger vehicle (PV) segment). Over the years, JBML has emerged as a key supplier of sheet metal-based body-in-white (BIW) components, rear axle assemblies and fuel necks to the original equipment manufacturer (OEM) for almost its entire model range. Despite high competition among sheet metal component manufacturers, JBML benefits from its cost-competitive manufacturing capabilities, steady investments in setting up capacities as well as its extensive track record and favourable ownership structure, with MSIL holding a 29.3% stake as a joint venture (JV) partner in the company. The latter, apart from providing revenue visibility, also enables operational support towards facilitating technical tie-ups with Japanese suppliers for design and development of select model-specific components. Although JBML faces high client concentration risk with MSIL accounting for the bulk of its revenues, ICRA takes comfort from the established relationship between JBML and MSIL, as well as from the OEM's leadership position in the domestic PV industry, which mitigates business risks to a large extent.

As JBML derives its entire revenues from the domestic PV market, its earnings remain susceptible to any downturns in the same. JBML's revenues had declined during FY2020 and FY2021 because of the sharp slowdown in the domestic automotive market and the pandemic-induced lockdown, respectively. Nevertheless, JBML's revenues grew YoY by approx. 39% in FY2022 and 13% in FY2023, aided by healthy demand in the PV industry. JBML's revenues remain flattish in FY2024 and FY2025 on the back of flattish growth in the MSIL volumes. Moreover, the operating profitability has remained under pressure on account of adverse commodity prices and pre-operative expenses incurred on new plants, with the company reporting an operating profit margin of 7.2% in FY2025 (7.3% in FY2024), aided to an extent by Government incentives. ICRA notes that the company is eligible for incentives totaling approximately Rs. 280 crore from the Gujarat Government for the capex of its plant being set up in the state. The company has already booked incentives of Rs. 78 crore (over the past two quarters) after receiving the eligibility certificate and expects further receipts in this regard over the near to medium term. The company's operating margins are thus expected to improve gradually, going forward, aided by the company's cost-control measures, receipt of

incentives and benefits of operating leverage. Going forward, JBML's performance is expected to largely remain linked to that of its key customer, MSIL.

JBML, being strategically important to MSIL, has set up greenfield facilities over the past few years to cater to the OEM's new manufacturing facilities. Accordingly, the company incurred sizeable debt-funded capital expenditure (capex) over recent years, due to which it continues to face sizeable debt repayment obligations over the medium term. While expectations of healthy cash accruals aided by an expected improvement in the earnings, are expected to help maintain a stable credit profile over the medium term, any slowdown in offtake can cause temporary cash flow mismatches. Accordingly, ICRA would continue to monitor the company's liquidity position. Additionally, JBML's debt profile remains characterised by asset-liability mismatch (ALM), owing to high dependence on short-term sources of funds. An improvement in the ALM position would remain critical for strengthening its balance sheet, and hence, would continue to be monitored. The JBM Group's strong business position and relationships with bankers, however, provide comfort.

The Stable outlook on the long-term rating reflects ICRA's opinion that despite a weakening in the credit metrics over the recent past on account of the entity's material capex plans to enhance capacity, the metrics are likely to gradually improve over the medium term and revert to levels commensurate to the rating level.

Key rating drivers and their description

Credit strengths

Healthy market position in sheet metal-based components supplies to MSIL – JBML enjoys a healthy share of business across major models of MSIL, the largest PV manufacturer in the country. The company is a major supplier of BIW parts (such as welded sheet metal assemblies) for some of MSIL's key models produced at its facilities in Haryana and Gujarat, providing healthy revenue visibility. JBML is one of the suppliers who have been allocated a plot in the vendor park in MSIL's plant in Kharkhoda, Haryana and SMG, Gujarat. The strong market position of MSIL provides comfort to JBML's revenue growth prospects over the medium term.

JV partnership with MSIL mitigates business risks and augurs well for business expansion – JBML is a strategic supplier of key sheet metal components for the OEM. MSIL entered into a JV with the company, holding a 29.3% equity stake in it. In addition to aiding favourable technical collaborations, the ownership arrangement mitigates business risks for JBML and augurs well for gaining new businesses going forward.

Diversified product portfolio aids in high CPV supplied to OEM – JBML's product offerings remain well diversified, given its presence across multiple products, including BIW components, rear axle assemblies, mufflers and fuel neck assemblies. This enables it to capture a large share of the kit value supplied to OEMs and aids in revenue visibility.

Credit challenges

Significant client concentration risk with a bulk of revenues from MSIL – JBML remains primarily dependent on MSIL for a major share of its revenues, with the OEM contributing the bulk of its revenues. However, the strong relationship with the OEM and its leadership in the domestic market largely mitigate the business risks.

Exposed to demand downturns in domestic PV industry – As JBML derives its entire revenues from the domestic PV market, its earnings remain susceptible to downturns in that market. The company's revenue declined by 0.9% in FY2025, as the domestic sales volume of MSIL remained flattish and the company had also faced competition, particularly in the rear axle segment during FY2025. Also, the company's profitability indicators were impacted in FY2025, primarily by adverse commodity prices and increase in fixed cost on account of setting up of new plants. Going forward, JBML's performance is expected to largely remain linked to that of its key customer, MSIL and the PV industry.

Debt profile characterised by high dependence on short-term borrowings; significant capex plans led to higher dependence on external borrowings – With the company incurring capex continuously over recent years for its greenfield facility in Gujarat and a new plant in Kharkhoda, its overall debt levels have remained high at approx. Rs. 619.0 crore (including bill discounting facilities from HDFC Bank, which are with recourse). The lease liabilities decreased to Rs. 97 crore in FY2025 from Rs. 112 crore in FY2024. Nevertheless, despite the debt-funded capex undertaken, gearing levels remained moderate at 1.1x as on March 31, 2025, supported by healthy internal accruals as well. Going forward, JBML has debt-funded capex plans of around Rs. 160 crore, which is expected to keep dependence on external borrowings high. Nevertheless, with scheduled repayment of term loans and expectations of healthy cash accruals, the credit metrics including Total Debt/OPBIDTA and interest cover are expected to improve gradually over the medium term. The JBM Group's strong business position and relationships with bankers, however, provide comfort.

Environmental and Social Risks

Environmental considerations: Even as JBML is not directly exposed to climate-transition risks from a likelihood of tightening emission-control requirements, with its products being used across different fuel powertrains, its automotive manufacturing customers remain highly exposed to the same. Accordingly, JBML's prospects are linked to the ability of its customers to meet tightening emission requirements. The company's exposure to litigation/penalties from issues related to waste and water management remains relatively low.

Social considerations: JBML, like most automotive component suppliers, has a healthy dependence on human capital and retaining human capital, maintaining healthy employee relations as well as its supplier ecosystem remain essential for disruption-free operations for the entity. Another social risk that JBML faces is that of product safety and quality, wherein instances of product recalls and high-warranty costs may not only lead to a financial implication but could also harm its reputation and create a long-lasting, adverse impact. In this regard, JBML's strong track record in catering to leading automotive manufacturers underscore its ability to mitigate these risks to an extent.

Liquidity position: Adequate

JBML's liquidity position remains adequate, aided by expected cash flow generation of Rs. 120-140 crore p.a., and unutilised working capital limits (average buffer of approx.Rs. 27 crore, across working capital limits (excluding bill discounting), during the 12-month period that ended in May 2025). The company has debt repayment obligations of Rs. 174 crore in FY2025 (including short-term loans) and capex plans of around Rs. 160 crore in FY2025-FY2026, which are expected to be met by cash flow generation from operations, available lines of credit and incremental term loans. Overall, ICRA believes JBML's financial flexibility and its access to financial markets as the flagship entity of the JBM Group, coupled with its established business position with MSIL, would support it in raising additional funds, in case of any temporary cash flow mismatches.

Rating sensitivities

Positive factors – ICRA could upgrade JBML's ratings if there is a healthy revenue growth while maintaining profitability indicators such as RoCE above 15%. A significant improvement in the company's financial risk profile, which strengthens its credit metrics, such as total debt[1]/OPBITDA below 1.5 times on a sustained basis, would also remain a key monitorable for an upgrade.

Negative factors – A sustained deterioration in JBML's financial risk profile or liquidity due to a slowdown in the PV industry, or any further sustained material deterioration in the ALM position, could result in a downward rating revision.

[1] *Total debt considered here would include reported debt, supplier's credit facilities as well as bill discounting facilities that are with recourse to the company, even if these are off-balance sheet facilities.*

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of JBML. As on March 31, 2025, the company had one associate company, which is enlisted in Annexure-II

About the company

JBML, a public limited company, was incorporated in 1987 as a JV between the Arya family and MSIL. The company manufactures sheet metal-based BIW components, rear axle assemblies, fuel neck components and assemblies, besides designing and developing dies and moulds, automotive machines and equipment. The company has seven manufacturing facilities, three in Gurgaon (Haryana), two in Gujarat and one each in Manesar (Haryana), and Kharkhoda (Sonipat). The facilities include imported and indigenous press lines, robotic welding lines, along with plating and painting facilities. From starting off with making sheet metal components and assemblies for PVs, JBML has added capabilities to produce exhaust systems, rear axles, torsion beams and fuel filler necks over the years. JBML is listed on the BSE and the NSE, with its Indian promoter family and companies controlling a 30.1% equity.

Key financial indicators

JBML Consolidated	FY2024	FY2025
Operating income	2,292.1	2,290.1
PAT	31.0	31.3
OPBDIT/OI	7.3%	7.2%
PAT/OI	1.4%	1.4%
Total outside liabilities/Tangible net worth (times)	2.1	2.1
Total reported debt/OPBDIT (times)	2.6	3.3
Total debt/OPBDIT (times)**	3.2	3.8
Interest coverage (times)	4.2	4.6

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

***Note: Total Debt shown in the table above includes reported debt and bill discounting facilities (except that from DBS Bank and ICICI Bank, as the same is without recourse to the company)*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs crore)	Sep 09,2025	Date	Rating	Date	Rating	Date	Rating
Fund-based limits	Long-Term/Short-term	790.00	[ICRA]A+ (Stable)/ [ICRA]A1	Jul 26, 2024	[ICRA]A+ (Stable)/ [ICRA]A1	May 29, 2023	[ICRA]A+ (Stable)/ [ICRA]A1	May 30, 2022	[ICRA]A+ (Stable)/ [ICRA]A1
Non Fund-Based Facilities	Long-Term/Short Term	10.00	[ICRA]A+ (Stable)/ [ICRA]A1	Jul 26, 2024	[ICRA]A+ (Stable)/ [ICRA]A1	May 29, 2023	[ICRA]A+ (Stable)/ [ICRA]A1	May 30, 2022	[ICRA]A+ (Stable)/ [ICRA]A1
Interchangeable Limits	Long Term/Short Term	(185.00)	[ICRA]A+ (Stable)/ [ICRA]A1	Jul 26, 2024	[ICRA]A+ (Stable)/ [ICRA]A1	May 29, 2023	[ICRA]A+ (Stable)/ [ICRA]A1	-	-
Unallocated	Long Term/Short Term	2.20	[ICRA]A+ (Stable)/ [ICRA]A1	Jul 26, 2024	[ICRA]A+ (Stable)/ [ICRA]A1	May 29, 2023	[ICRA]A+ (Stable)/ [ICRA]A1	May 30, 2022	[ICRA]A+ (Stable)/ [ICRA]A1
Term Loans	Long Term	413.80	[ICRA]A+ (Stable)	Jul 26, 2024	[ICRA]A+ (Stable)	May 29, 2023	[ICRA]A+ (Stable)	May 30, 2022	[ICRA]A+ (Stable)
Commercial Paper	Short Term	-	-	Jul 26, 2024	[ICRA]A1; withdrawn	May 29, 2023	[ICRA]A1; withdrawn	May 30, 2022	[ICRA]A1
NCD	Long Term	-	-	-	-	-	-	May 30, 2022	[ICRA]A+ (Stable); withdrawn

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund-based limits	Simple
Non-fund based facilities	Very simple
Term loans	Simple
Interchangeable limits	Very simple
Unallocated limits	Not applicable

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 ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	**Term Loan-I**	FY2022	NA	FY2027	9.37	[ICRA]A+(Stable)
NA	**Term Loan-II**	FY2020	NA	FY2033	310.26	[ICRA]A+(Stable)
NA	**Term Loan-III**	FY2022	NA	FY2026	2.08	[ICRA]A+(Stable)
NA	**Term Loan-IV**	FY2025	NA	FY2030	60.00	[ICRA]A+(Stable)
NA	**Term Loan-VI**	FY2025	NA	FY2028	32.09	[ICRA]A+(Stable)
NA	**Fund Based Limits**	NA	NA	NA	790.00	[ICRA]A+(Stable)/[ICRA]A1
NA	**Non Fund-Based Facilities**	NA	NA	NA	10.00	[ICRA]A+(Stable)/[ICRA]A1
NA	**Interchangeable Limits**	NA	NA	NA	(185.00)	[ICRA]A+(Stable)/[ICRA]A1
NA	**Unallocated Limits**	NA	NA	NA	2.20	[ICRA]A+(Stable)/[ICRA]A1

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company Name	JBML Ownership	Consolidation Approach
Jay Bharat Maruti Limited	100.00% (rated entity)	Full Consolidation
JBM Ogihara Die Tech Private Limited	49.00%	Equity Method

Source: JBML annual report FY2025

Note: ICRA has factored in consolidated financials of JBML while assigning the ratings

ANALYST CONTACTS

Jitin Makkar
0124-4545368
jitinm@icraindia.com

Srikumar Krishnamurthy
044-45964318
ksrikumar@icraindia.com

Rohan Kanwar Gupta
0124-4545808
rohan.kanwar@icraindia.com

Shaurya Gupta
0124-4545869
shaurya.gupta@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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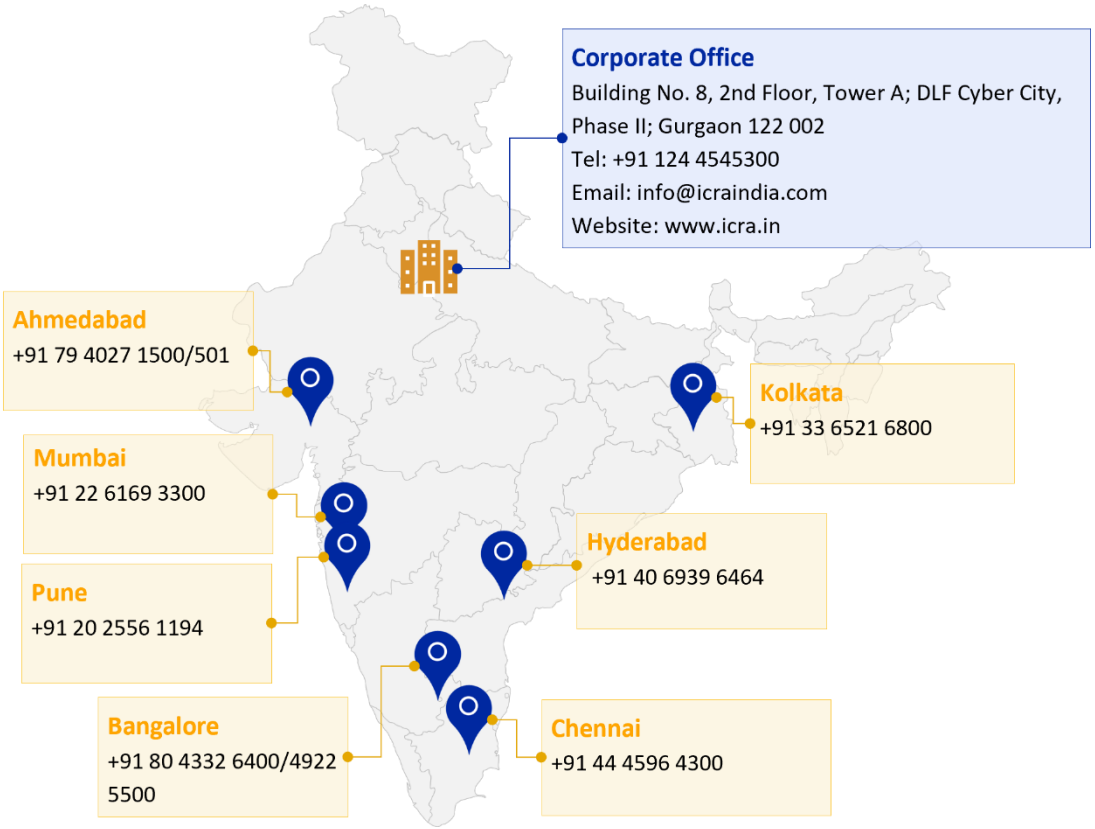
ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



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