September 25, 2025

Neel Metal Products Limited: Ratings upgraded; outlook revised to Stable

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term Fund-based – Term loan	181.05	181.05	[ICRA]A+ (Stable); upgraded from [ICRA]A (Positive) and outlook revised to Stable from Positive
Long-term –Non-fund based limits	104.52	104.52	[ICRA]A+ (Stable); upgraded from [ICRA]A (Positive) and outlook revised to stable from positive
Long-term/ Short-term –Fund-based limits	618.00	618.00	[ICRA]A+ (Stable)/ [ICRA]A1; upgraded from [ICRA]A (Positive)/ [ICRA]A2+ and outlook revised to stable from positive
Long-term/short-term –Non-fund based limits	545.49	545.49	[ICRA]A+ (Stable)/ [ICRA]A1; upgraded from [ICRA]A (Positive)/ [ICRA]A2+ and outlook revised to stable from positive
Long-term/ Short-term – Interchangeable limits	(390.00)	(390.00)	[ICRA]A+ (Stable)/ [ICRA]A1; upgraded from [ICRA]A (Positive)/ [ICRA]A2+ and outlook revised to stable from positive
Long-term/ Short-term – Unallocated limits	60.94	60.94	[ICRA]A+ (Stable)/ [ICRA]A1; upgraded from [ICRA]A (Positive)/ [ICRA]A2+ and outlook revised to stable from positive
Total	**1,510.00**	**1,510.00**	

**Instrument details are provided in Annexure I*

Rationale

The ratings upgrade reflects ICRA's expectation of an improvement in Neel Metal Products Limited's (NMPL) credit profile, supported by steady operational performance and healthy cash flows. With limited capital expenditure and investment requirements for its investee entities, healthy accruals are expected to facilitate debt reduction. This is expected to lead to an improvement in leverage, with Total Debt/OPBDITA projected to moderate to 1.4–1.7 times by FY2026s.

On a standalone basis, NMPL's revenues grew by approximately 9% Year-on-Year (YoY) to around Rs. 5,986.6 crore in FY2025. This growth was driven by strong performance in the automotive components segment, particularly due to stronger-than-expected demand in the two-wheeler segment, as well as better-than-anticipated results from the steel service centre (SSC) and tubes divisions. Benefiting from operating leverage, the company's standalone OPBDITA margin improved to 9% in FY2025 from 8% in FY2024. Over the medium term, NMPL is expected to maintain moderate-to-healthy earnings growth, supported by its strong customer relationships and the anticipated moderate expansion of the domestic automotive industry. At the consolidated level, its subsidiary, FJM Cylinders, also reported a notable improvement in scale and profitability, contributing to healthy consolidated cash accruals.

The ratings continue to reflect NMPL's strong business risk profile as a key supplier of sheet-metal components to a diversified base of domestic OEMs across multiple automotive segments, including two-wheelers (2W), three-wheelers (3W), passenger vehicles (PV), and light commercial vehicles (LCV). Its geographically diversified manufacturing footprint, with facilities located near key customers, enhances its competitive position. Additionally, NMPL operates as a steel service centre (SSC) for its Group companies, supplying cut-to-length and profiled sheet metal blanks. Although this is a lower-margin business, the captive nature of this segment ensures revenue stability and limited competitive pressure.

ICRA also draws comfort from the improved performance of NMPL's key investee companies, which led to enhanced cash inflows and reduced funding support requirements. Investments in the solar entities have begun yielding returns in the form of dividend payouts. The management has indicated that NMPL will not extend financial support to the solar businesses, which are expected to manage their own funding requirements. Any deviation from this guidance will remain a key monitorable.

The ratings remain constrained by NMPL's material reliance on short-term borrowings, which exposes it to refinancing risks. While the company is gradually shifting towards long-term borrowings to address this issue, its ability to sustainably manage the asset-liability mismatch will remain monitorable. ICRA continues to factor in NMPL's position as a key entity within the JBM Group positively, as it provides the company with considerable financial flexibility. This status has historically enabled NMPL to secure necessary credit lines, a trend expected to persist.

An additional rating constraint stems from the anticipated financial support required by JBM Global Technologies (JBM Global), a wholly owned subsidiary, to service its debt obligations arising from the acquisition of a 50% stake in Linde + Wiemann SE & Co. KG (L&W) in February 2019. However, as the debt is expected to be fully retired by February 2026, ICRA does not anticipate this support to have a sustained impact on the company's credit profile. Although L&W's performance has improved over the past 15–18 months and it is expected to remain largely self-sufficient, NMPL's exposure to L&W and its Dubai-based entity, Isuki Global FZCO (involved in trading and cylinder manufacturing through indirect subsidiaries/joint ventures), introduces risks associated with new geographies and business lines where the management has limited experience. ICRA will continue to monitor the performance of these entities and the extent of support extended by NMPL.

The Stable outlook on long-term rating reflects ICRA's expectation that NMPL's strong customer relationships and diversified business profile will continue to support healthy cash accruals, enabling the company to maintain credit metrics commensurate to the rating category.

Key rating drivers and their description

Credit strengths

Diversified revenue profile with presence across various automotive segments – NMPL enjoys a comfortable business profile with presence across multiple automotive segments, and limited dependence on a single customer. About 45-50% of its revenues (at a standalone level) from the auto component business is driven by the 2W and 3W segments, ~11% by PVs and ~4% by CVs during FY2025, thereby lending diversity to its revenue streams. Additionally, its presence in multiple product segments, including wheel rims, exhaust systems, frames and painted bodies, etc, have supported its business prospects with OEMs.

Captive supplier for sheet metal blanks for JBM Group; healthy relationships with major domestic OEMs – Approximately 32% of the company's revenue (FY2025) was derived from Group companies, who procure cut-to-length and profiled sheet metal blanks from NMPL as per their requirements. The domestic steel processing industry is fragmented, with small and unorganised players accounting for a major portion of the market. However, NMPL faces limited competition with steady business from various Group companies. Further, over the years, the company has forged strong relationships with most of its major domestic OEMs, including Honda Motorcycle and Scooter India Private Limited (HMSI), Bajaj Auto Limited (BAL), TVS, Maruti Suzuki India Limited (MSIL), Hero MotoCorp Limited (HMCL), ALL, and Tata Motors Limited (TML), among others, ensuring healthy revenue visibility.

Stake in L&W provides diversification benefits and access to new technology – The acquisition of L&W has given NMPL access to European markets as well as luxury PV OEMs, such as Daimler and the Volkswagen Group, among others. The acquisition has also given the entity access to new technologies, including expertise in the electric vehicle (EV) components segment.

However, the management's ability to scale-up the operations of L&W remains to be seen, given its limited experience in international markets.

Credit challenges

Exposure to new businesses and geographies through incremental investments, where management currently has limited experience – Despite the diversification benefits offered by the L&W acquisition and the new businesses (trading of plastic polymers, and cylinder, and polyethylene terephthalate bottle manufacturing) set up under its subsidiary in Dubai, it also exposes the company to additional risks, given the current limited experience of the Group in managing overseas operations. The management's ability to cope with the risks associated with such large scale of operations in international businesses across geographies, remains to be seen, as the Group's experience has been largely limited to the domestic automotive market.

Material reliance on short-term borrowings along with limited buffer in credit facilities – NMPL has, over the years, been reliant on short-term borrowings for meeting its funding requirements, including investments, exposing the company to asset-liability mismatches. Accordingly, its liquidity position has remained moderate with high utilisation of working capital limits, and limited buffer available from unutilised lines. Even as ICRA notes that the reliance on short-term borrowings has reduced over the past few years, the sustainability of the same needs to be seen.

Liquidity position: Adequate

NMPL's liquidity position is adequate, aided by expectation of net cash accruals of Rs. 400-500 crore per annum and buffer available from unutilised lines of credit. Further, the company has been recovering surplus funds from various investee companies, which would also support its liquidity over the near to medium term. The company's near-term capex and investment outgo requirements remain moderate. Although the company has significant debt repayment obligations, both in India and overseas over the medium term (total repayments of Rs. 180-200 crore p.a. in FY2026-FY2027 at a consolidated level), ICRA expects the company to meet these through a combination of its free cash flows, available lines of credit and incremental loans to be raised. To this effect, NMPL's financial flexibility and its access to financial markets as one of the flagship entities of the JBM Group would offer support.

Rating sensitivities

Positive factors – The company's ratings could be upgraded in case of a sustained improvement in leverage and coverage indicators. Additionally, improvement in its liquidity profile such that reliance on short-term borrowings is reduced through the infusion of long-term funds, and adequate liquidity buffer against peak debt servicing requirements is maintained, remain critical.

Negative factors – Significant deterioration in earnings or sustained deterioration in the financial risk profile, either triggered by a debt-funded capex or investments in Group entities, could lead to a downward rating revision. Sizeable incremental investments or incremental support to Group entities would be a key monitorable.

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 NMPL, after excluding the financials of the solar entities. However, analysis includes extraordinary

	support estimation for the solar business from NMPL. The details of the consolidated entities can be found in Annexure II.

About the company

Incorporated in 1997, NMPL is a manufacturer of sheet metal components, catering to the domestic automotive market. The company supplies components such as wheel rims, exhaust systems and frames for 2Ws and welded and painted bodies for 3Ws, in addition to front-end structures for LCVs. The company's major customers for this business include HMSI, Mahindra & Mahindra Limited (M&M) and ALL. During FY2019, Neel Auto Private Limited (NAPL), a 100% subsidiary of NMPL, was merged with it. Following the merger, NMPL also supplies sheet metal and tubular components, primarily for 2Ws of BAL, TVS, HMSI and HMCL.

In addition to supplying sheet metal components to these OEMs, the company operates as an SSC for its Group companies, including Jay Bharat Maruti Limited and JBM Auto Limited. The SSC business accounted for ~29% of the company's sales in FY2025, providing stability to its revenues as a captive Group business.

In addition to manufacturing automotive components, NMPL has been an investment vehicle for the Group. Over the years, it has invested in renewable energy as well as waste management projects, in addition to investments in the automotive sector. During FY2019, the company acquired a 50% stake in an overseas entity, Linde + Wiemann SE & Co KG (L+W), through a 100% subsidiary, JBM Global Technologies. As on March 31, 2025, the total investments in JVs, subsidiaries and other JBM Group companies amounted to Rs. 1,404.8 crore.

Key financial indicators (audited)

NMPL	Standalone		Consolidated[1]	
	FY2023	FY2024	FY2023	FY2024
Operating income	5,293.8	5,500.8	5,950.6	6,447.7
PAT	311.8	242.0	249.1	268.2
OPBDIT/OI	7.6%	8.0%	8.6%	9.0%
PAT/OI	5.9%	4.4%	4.2%	4.2%
Total outside liabilities/Tangible net worth (times)	0.9	0.7	1.3	0.9
Total debt/OPBDIT (times)	1.9	1.6	2.5	2.0
Interest coverage (times)	5.9	5.7	5.4	5.1

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

[1] *ICRA's estimate, excluding solar entities*

Rating history for past three years

	Current (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Sep 25, 2025	Date	Rating	Date	Rating	Date	Rating
Long term-others-non fund based	Long Term	104.52	[ICRA]A+ (Stable)	Dec 16, 2024	[ICRA]A (Positive)	Jul 31, 2023	[ICRA]A (Stable)	Apr 04, 2022	[ICRA]A- (Stable)
				Oct 30, 2024	[ICRA]A (Positive)	-	-	-	-
Long term / short term-others-interchangeable	Long Term/ Short Term	(390.00)	[ICRA]A+ (Stable)/ [ICRA]A1	Dec 16, 2024	[ICRA]A (Positive)/ [ICRA]A2+	Jul 31, 2023	[ICRA]A (Stable)/ [ICRA]A2+	Apr 04, 2022	[ICRA]A- (Stable)/ [ICRA]A2+
				Oct 30, 2024	[ICRA]A (Positive)/ [ICRA]A2+	-	-	-	-
Long term / short term-others-fund based	Long Term/ Short Term	618.00	[ICRA]A+ (Stable)/ [ICRA]A1	Dec 16, 2024	[ICRA]A (Positive)/ [ICRA]A2+	Jul 31, 2023	[ICRA]A (Stable)/ [ICRA]A2+	Apr 04, 2022	-
				Oct 30, 2024	[ICRA]A (Positive)/ [ICRA]A2+	-	-	-	-
Long term / short term-unallocated-unallocated	Long Term/ Short Term	60.94	[ICRA]A+ (Stable)/ [ICRA]A1	Dec 16, 2024	[ICRA]A (Positive)/ [ICRA]A2+	Jul 31, 2023	[ICRA]A (Stable)/ [ICRA]A2+	Apr 04, 2022	-
				Oct 30, 2024	[ICRA]A (Positive)/ [ICRA]A2+	-	-	-	-
Long term-term loan-fund based	Long Term	181.05	[ICRA]A+ (Stable)	Dec 16, 2024	[ICRA]A (Positive)	Jul 31, 2023	[ICRA]A (Stable)	Apr 04, 2022	[ICRA]A- (Stable)
				Oct 30, 2024	[ICRA]A (Positive)	-	-	-	-
Long term / short term-others-non fund based	Long Term/ Short Term	545.49	[ICRA]A+ (Stable)/ [ICRA]A1	Dec 16, 2024	[ICRA]A (Positive)/ [ICRA]A2+	Jul 31, 2023	[ICRA]A (Stable)/ [ICRA]A2+	Apr 04, 2022	[ICRA]A- (Stable)/ [ICRA]A2+
				Oct 30, 2024	[ICRA]A (Positive)/ [ICRA]A2+	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term Fund-based – Term loan	Simple
Long-term– Non Fund based Limits	Simple
Long-term/ Short -term – Fund based Limits	Simple
Long-term/ Short -term – Non Fund based Limits	Simple
Long-term/ Short -term – Interchangeable Limits	Simple

Long-term/ Short -term – 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	FY2016	NA	FY2025	4.05	[ICRA]A+ (Stable)
NA	Term loan-II	FY2023	NA	FY2029	15.00	[ICRA]A+ (Stable)
NA	Term loan-III	FY2025	NA	FY2031	40.00	[ICRA]A+ (Stable)
NA	Term loan-IV	FY2025	NA	FY2031	50.00	[ICRA]A+ (Stable)
NA	Term loan-V	FY2025	NA	FY2031	72.00	[ICRA]A+ (Stable)
NA	Non Fund-Based Facilities	NA	NA	NA	104.52	[ICRA]A+ (Stable)
NA	Fund Based Limits	NA	NA	NA	618.00	[ICRA]A+ (Stable)/ [ICRA]A1
NA	Non Fund-Based Facilities	NA	NA	NA	545.49	[ICRA]A+ (Stable)/ [ICRA]A1
NA	Interchangeable Limits	NA	NA	NA	(390.00)	[ICRA]A+ (Stable)/ [ICRA]A1
NA	Unallocated Limits	NA	NA	NA	60.94	[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	NMPL ownership	Consolidation approach
JBM Motors Limited*	90.91%	Full Consolidation
JBM Green Energy Systems Private Limited*	49.00%	Equity Method
JBM Cadmium Private Limited	100.00%	Full Consolidation
JBM Environment Management Private Limited	99.20%	Full Consolidation
JBM Global Technologies GMBH	100.00%	Full Consolidation
ANS Steel Tubes Limited	100.00%	Full Consolidation
Green Land Technobuilders Private Limited	60.00%	Full Consolidation
FJM Cylinders Private Limited	99.00%	Full Consolidation
Neel Metal Fanalca Environment Management Private Limited*	51.00%	Equity Method
JBM Enviro Bioenergy Lucknow Pvt. Ltd.	99.90%	Full Consolidation
JBM Exhaust Systems Private Limited	100.00%	Full Consolidation
JBM Kanemitsu Pulleys Private Limited	51.00%	Full Consolidation
Arcelormital Neel Tailored Blanks Private Limited*	50.00%	Equity Method
Rose Engineered Products Private Limited*	50.00%	Equity Method
Augen Technologies Software Solution Private Limited*	50.10%	Equity Method
Lean Automation Equipments Private Limited*	60.00%	Equity Method
Linde+Weimann SE & Co. KG*	50.00%	Equity Method
Isuki Global FZCO	100.00%	Full Consolidation
Kian Ventures FZCO*	51.00%	Equity Method

Company name	NMPL ownership	Consolidation approach
Kian International*	95.00%	Full Consolidation
Horizon Technologies*	45.00%	Equity Method
JBM Renewables Private Limited	100.00%	Full Consolidation
JBM Solar Energy Maharashtra Private Limited*	100.00%	Full Consolidation
JBM Solar Power Maharashtra Private Limited*	100.00%	Full Consolidation
JBM Solar Power Private Limited*	100.00%	Full Consolidation

*Source: NMPL annual report FY2024; *step down subsidiary/ JV*

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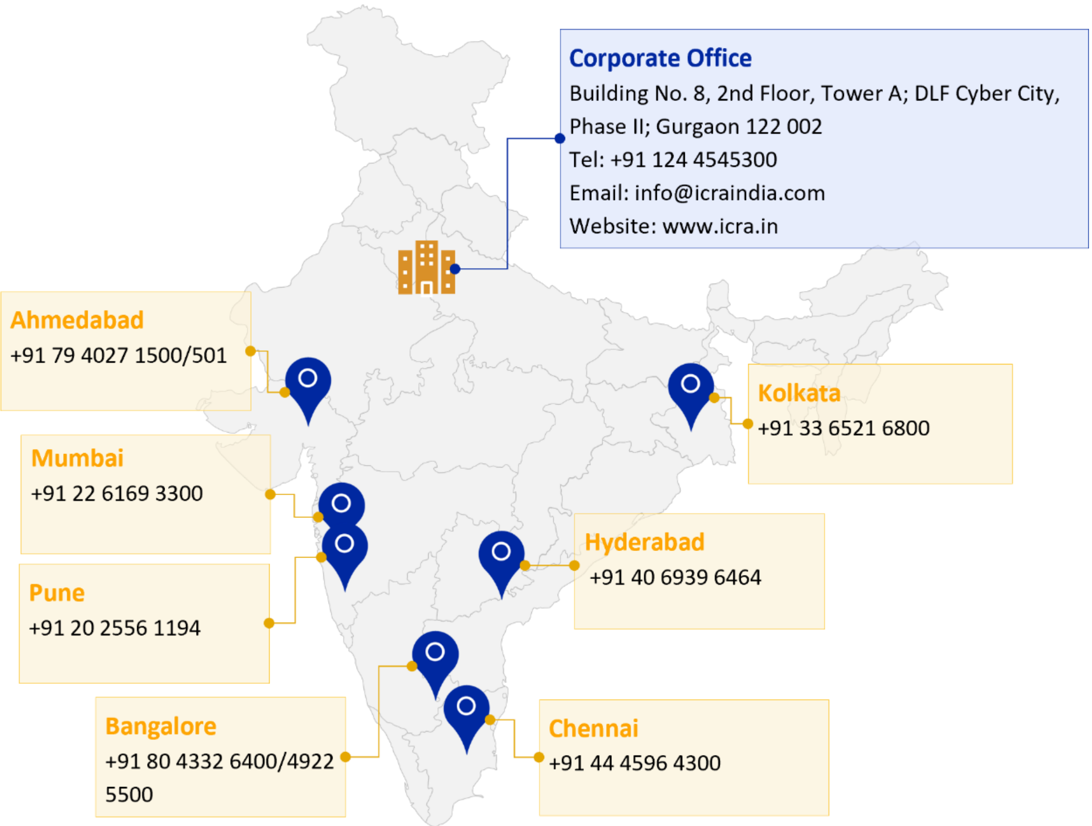

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