

February 13, 2026

JBM Industries Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term/ Short-term – Fund-based/ Non-fund based working capital	90.00	90.00	[ICRA]BBB+ (Stable)/[ICRA]A2; Reaffirmed
Long-term/Short-term – Non-fund based	5.00	5.00	[ICRA]BBB+ (Stable)/[ICRA]A2; Reaffirmed
Long-term Fund-based – Term loan	11.68	6.10	[ICRA]BBB+ (Stable); Reaffirmed
Long-term/ Short-term – Fund-based working capital	20.00	20.00	[ICRA]BBB+ (Stable)/[ICRA]A2; Reaffirmed
Long-term/ Short-term – Unallocated limits	8.32	13.90	[ICRA]BBB+ (Stable)/[ICRA]A2; Reaffirmed
Total	135.00	135.00	

*Instrument details are provided in Annexure I

Rationale

The reaffirmation of ratings factors in ICRA's expectation that JBM Industries Limited (JBMI) will sustain its steady operational performance, supported by its established relationships with key customers. While revenues are expected to moderate in FY2026 owing to the transfer of a share of business to its investee entity, JBM EV Industries Private Limited, effective August 2025, the shift is anticipated to improve JBMI's receivable turnover and reduce its working capital borrowings, thereby strengthening its credit metrics. Over the medium term, revenues are expected to gradually scale up, aided by the company's diversified product portfolio, which provides resilience against demand volatility. The rating reaffirmation also factors in the healthy financial flexibility of the company as part of the JBM Group.

The company is present in four product lines—auto components, fabrications, fasteners and toolings—catering to various automotive segments including four-wheelers, two-wheelers, commercial vehicles, railways and construction equipment; and accordingly, it is well diversified. Over the years, Group companies have consistently driven 50-60% of JBMI's revenues, providing healthy revenue visibility for the company. Further, the Group companies have enjoyed established relationships with key original equipment manufacturers (OEMs), providing comfort about their business prospects.

The company reported a flattish revenue performance in FY2025 due to muted demand in certain end-user industries, with a marginal decline of 0.6%, recording revenues of Rs. 526.3 crore on a consolidated basis, supported by modest growth in its auto components and fabrication businesses. The scale of operations in these segments is expected to be sustained by the healthy order book of JBM Auto Limited, a key Group company to whom JBMI supplies fabrication parts for buses, thereby benefiting both JBMI's fabrication division and the prospects of its joint venture, JBM EV Industries Private Limited (JBM EVI). Further, JBMI's key customers continue to maintain healthy market positions in their respective automotive segments, which is likely to support stable order flows for the company.

The company's operating profit margin improved to 8.0% in FY2025, over 7.7% in FY2024, supported primarily by a reduction in raw material costs. The margins are estimated to remain in the high single-digit range over the near to medium term, aided by stable demand prospects and the company's diversified product mix.

JBMI's consolidated total debt in FY2025 reduced to Rs. 92.0 crore (vis-à-vis Rs. 120.3 crore in FY2024). The company's coverage metrics also improved in FY2025, aided by reduction in total debt and steady profit margins, with an interest coverage of 4.2

times in FY2025 (3.7 times in FY2024) and Total Debt/ OPBITDA of 2.2 times in FY2025 (2.9 times in FY2024). Aided by the reduction in working capital intensity, the company's total debt (standalone) declined from Rs. 49.3 crore as of March 31, 2025 to Rs. 23.5 crore as of December 31, 2025, thereby aiding an improvement in credit metrics. Going forward, the company has limited capex requirements, which are likely to keep its dependence on incremental external borrowings limited.

The Stable outlook on the long-term rating reflects ICRA's opinion that JBMI will continue to benefit from its strong business relationships with its key customers, which will help the entity generate healthy earnings and maintain a stable credit profile. An expectation of healthy ramp-up in sales of the JV entity (JBM EVI) over the medium term is also likely to support the company's business prospects.

Key rating drivers and their description

Credit strengths

Financial flexibility as part of JBM Group and steady business with Group companies – JBMI enjoys strong financial flexibility and lender comfort as part of the JBM Group, which is one of the leading manufacturers of sheet metal-based auto components in India, with presence across the industry value chain. JBMI is positioned as a tier-II supplier of certain components, which are supplied to Group companies such as Jay Bharat Maruti Limited (JBML), JBM Auto Limited (JBMA), and Neel Metal Products Limited (NMPL). The company consistently generates around 50-60% of its revenue from its Group companies annually (almost 59% in FY2025). Besides business linkages ensuring revenue visibility, the company benefits from the synergies in common material sourcing, supply chain and managerial expertise.

Diversified product portfolio and operations across automotive and non-automotive segments – JBMI is involved in manufacturing exhaust systems, sheet metal components, and fasteners through its various divisions. Revenues from the auto component divisions have grown considerably over the past few years, generating ~79% of its revenues in FY2025 at a standalone level. Railways also remain a key customer of the company, contributing to ~13% of its standalone revenues. Hence, JBMI's varied range of products allows it to cater to both automotive and non-automotive segments. Additionally, its automotive division caters to tier-I component manufacturers, who further service passenger vehicle and two-wheeler OEMs. A healthy diversification thus aids in mitigating the impact of any slowdown in the auto industry to an extent.

Healthy financial risk profile – JBMI's financial risk profile remains healthy, supported by its strong capital structure and comfortable debt-coverage metrics. The company's consolidated total debt reduced to Rs. 92.0 crore in FY2025, from Rs. 120.3 crore in FY2024, reflecting consistent deleveraging. This improvement, coupled with stable profitability, strengthened key credit metrics, with interest coverage rising to 4.2x in FY2025 (from 3.7x in FY2024) and Total Debt/OPBITDA improving to 2.2x in FY2025 (from 2.9x in FY2024). The company's reliance on external borrowings remains modest, aided by limited capex requirements and improving internal accrual generation. Further, anticipated improvement in receivable turnover (after the business shifts to its investee entity JBM EVI) is expected to moderate working-capital borrowings, going forward, providing additional liquidity headroom and supporting further strengthening of coverage indicators over the medium term.

Credit challenges

Exposure to cyclical and competitive auto component industry, which limits pricing power and margins – JBMI remains exposed to the inherent cyclicity and competitive intensity of the automotive components industry, which places structural pressures on its operating profile. Demand across key end-user segments such as passenger vehicles, tractors, and construction equipment typically follow broader economic cycles, OEM production schedules, and investment activity in infrastructure and rural sectors. This heightens JBMI's sensitivity to fluctuations in OEM volumes and platform demand, constraining its ability to consistently grow its revenues during industry downturns. The competitive nature of the sheet-metal fabrication, exhaust components, and fasteners businesses—where multiple suppliers offer similar products—further limits pricing flexibility and often results in OEM-driven price reductions and cost-down expectations, compressing supplier margins.

High revenue volatility in tender-based businesses of fabrication division – The Indian Railways drove 10-11% of JBMI’s revenues in FY2025 and FY2024 each, over 15% in FY2023. While the railway business adds diversification to its portfolio, this is largely tender-based and, hence, volatile in nature.

Liquidity position: Adequate

The company’s liquidity position remains adequate, supported by expectation of comfortable fund flow from operations of Rs.20-25 crore p.a. over FY2026 and FY2027, along with buffer of Rs. 29.2 crore, vis-à-vis the drawing power, as of December 2025. Against this, the company has debt repayments of Rs. 8-9 crore p.a. in FY2026 and FY2027 each, along with limited capex requirements of Rs. 8-10 crore p.a., which are expected to be met from internal accruals. In addition, the company enjoys strong financial flexibility as part of the JBM Group.

Rating sensitivities

Positive factors – The ratings may be upgraded if there is a significant improvement in the company’s scale of operations, while maintaining comfortable credit and profitability indicators.

Negative factors – A downward pressure on the ratings may arise in case of a decline in profitability indicators or weakening of credit metrics such as Total Debt/OPBDITA exceeding 2.5 times on a sustained basis. In addition, a significant increase in working capital intensity may also put pressure on the company’s liquidity position and may exert pressure on the ratings.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financial statements of the rated entity. The company has one subsidiary and one joint venture, which are enlisted in Annexure II.

About the company

JBMI was incorporated in 1982 to manufacture and supply engineering products such as baffles, piping parts, doors and booms. In FY2010, it was amalgamated with three companies—Jaico Steel Fasteners Limited, Jay Bharat Exhaust Systems Limited and Jay Bharat Breed Limited. At present, the company operates four business divisions (in order of contribution to revenues in FY2025)—the auto component division, the fabrication division, the tool room division and the fasteners division. The company is a part of the JBM Group, which has been involved in manufacturing sheet-metal components for the automotive industry since 1985. It is positioned as a tier-II supplier of components to its various Group companies who drive 50-60% of its turnover. The Group is promoted by Mr. S. K. Arya, with an experience of over three decades in the manufacturing industry.

Key financial indicators (audited)

JBMI Consolidated	FY2024	FY2025
Operating income	529.2	526.2
PAT	17.0	22.9
OPBDIT/OI	7.7%	8.0%
PAT/OI	3.2%	4.4%
Total outside liabilities/Tangible net worth (times)	1.5	1.0
Total debt/OPBDIT (times)	2.9	2.2
Interest coverage (times)	3.7	4.2

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
Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
	Type	Amount rated (Rs crore)	Feb 13, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based	Long Term/Short Term	20.00	[ICRA]BBB+ (Stable)/ [ICRA]A2	Nov 29, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	Aug 31, 2023	[ICRA]BBB+ (Stable)/ [ICRA]A2	May 30, 2022	[ICRA]BBB+ (Stable)/ [ICRA]A2
Fund-based/Non-fund based	Long Term/Short Term	90.00	[ICRA]BBB+ (Stable)/ [ICRA]A2	Nov 29, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	Aug 31, 2023	[ICRA]BBB+ (Stable)/ [ICRA]A2	May 30, 2022	[ICRA]BBB+ (Stable)/ [ICRA]A2
Non-fund based	Long Term/Short Term	5.00	[ICRA]BBB+ (Stable)/ [ICRA]A2	Nov 29, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	Aug 31, 2023	[ICRA]BBB+ (Stable)/ [ICRA]A2	May 30, 2022	[ICRA]BBB+ (Stable)/ [ICRA]A2
Unallocated limits	Long Term/Short Term	13.90	[ICRA]BBB+ (Stable)/ [ICRA]A2	Nov 29, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	Aug 31, 2023	[ICRA]BBB+ (Stable)/ [ICRA]A2	May 30, 2022	[ICRA]BBB+ (Stable)/ [ICRA]A2
Term loan	Long Term	6.10	[ICRA]BBB+ (Stable)	Nov 29, 2024	[ICRA]BBB+ (Stable)	Aug 31, 2023	[ICRA]BBB+ (Stable)	May 30, 2022	[ICRA]BBB+ (Stable)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term/ Short -term – Fund based	Simple
Long-term/ Short -term – Non-Fund based	Simple
Long-term/ Short -term – Fund based/ Non fund based	Simple
Long-term/ Short -term – Unallocated Limits	Not Applicable
Long-term Fund-based – Term loan	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 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 Loans	FY2023	NA	FY2028	6.10	[ICRA]BBB+ (Stable)
NA	Fund Based Limits	NA	NA	NA	20.00	[ICRA]BBB+ (Stable)/ [ICRA]A2
NA	Non Fund-Based Facilities	NA	NA	NA	5.00	[ICRA]BBB+ (Stable)/ [ICRA]A2
NA	Fund/Non Fund-based Limits	NA	NA	NA	90.00	[ICRA]BBB+ (Stable)/ [ICRA]A2
NA	Unallocated Limits	NA	NA	NA	13.90	[ICRA]BBB+ (Stable)/ [ICRA]A2

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	JBMI Ownership	Consolidation Approach
JBMI Industries Limited	Rated entity	Full Consolidation
JBMI EV Industries Private Limited	49.00%	Proportionate Consolidation
JBMI Agri Private Limited*	100.00%	Full consolidation

Source: JBMI Annual Report FY2025

*The business of JBMI Agri (the company's subsidiary) has been closed, with JBMI selling all its assets to M&M in February 2024.

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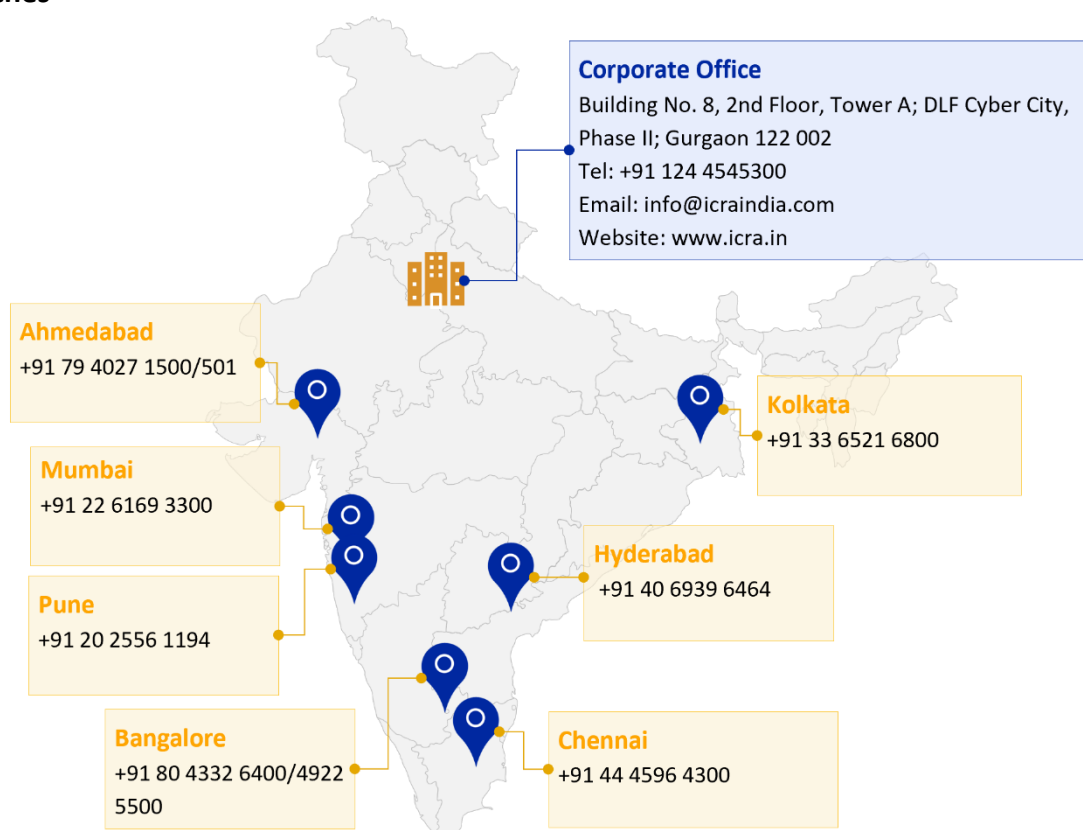
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