

April 15, 2026

FJM Cylinders Private Limited: Ratings upgraded and Assigned for enhanced amount

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term/ Short-term – Fund-based limits	305.00	385.00	[ICRA]A- (Stable)/[ICRA] A2+; Rating Upgraded from [ICRA]BBB+ (Stable)/ [ICRA]A2 and Assigned for enhanced amount
Long-term/ Short-term – Non-fund based limits	165.00	250.00	[ICRA]A- (Stable)/[ICRA] A2+; Rating Upgraded from [ICRA]BBB+ (Stable)/ [ICRA]A2 and Assigned for enhanced amount
Long-term – Fund-based – Term loans	55.08	185.55	[ICRA]A- (Stable); Rating Upgraded from [ICRA]BBB+ (Stable) and Assigned for enhanced amount
Long-term/ Short-term – Unallocated limits	40.42	0.45	[ICRA]A- (Stable)/[ICRA] A2+; Rating Upgraded from [ICRA]BBB+ (Stable)/ [ICRA]A2
Total	565.50	821.00	

*Instrument details are provided in Annexure II

Rationale

The ratings upgrade takes into consideration the sustained improvement in FJM Cylinders Private Limited’s scale of operations and financial risk profile, supported by its strong business position with Maruti Suzuki India Limited (MSIL) as a primary supplier for CNG cylinders for the OEM and the favourable demand environment for CNG vehicles in India. FJM’s key customer, MSIL, remains highly focused on introducing CNG variants across its model range amid increasing acceptance for CNG vehicles in the country, aided by lower running cost and increased availability of CNG outlets across the county. Being a manufacturer of CNG cylinders for automobile applications as well as a key supplier to MSIL, FJM is well positioned to benefit from the increasing demand for CNG vehicle. FJM’s credit profile continues to be also supported by an improvement in the credit profile of the company’s parent entity Neel Metal Products Limited.

FJM has reported substantial revenue growth over the past two fiscals, with revenues increasing from Rs. 583.7 crore in FY2024 to Rs. 726.8 crore in FY2025, and further to Rs. 697.7 crore in 9M FY2026; the company is expected to close FY2026 with revenues of around Rs. 900–930 crore. This strong growth has been driven by higher offtake from MSIL, supported by increasing CNG vehicle penetration and rising share of business for FJM. Operational profitability also remains healthy, with OPM improving to 10.1% in 9M FY2026, aided by higher volumes, pass-through pricing mechanisms, and better operating leverage. The improved scale has also strengthened debt coverage metrics, where in interest coverage has risen to 5 times as of 9M FY2026 compared to 3.5 times as of March 2025. These improvements, along with a visible demand trajectory for CNG vehicles, support stronger creditworthiness for the entity going forward.

The ratings continue to favourably factor in FJM’s established relationships with key OEMs for supply of CNG cylinders and the strong business outlook supported by rising CNG penetration in the Indian PV market. MSIL remains the company’s anchor customer, accounting for the majority of volumes, and demand from the OEM has expanded significantly with the ramp-up of new models and manufacturing lines. CNG penetration in the PV segment stood at around 22% in 11M FY2026, making it the second-most preferred powertrain, which continues to support robust demand for FJM’s products. While cylinder unit volumes to Hyundai Motors India Limited (HMIL) have not grown materially, the company remains one of the primary approved suppliers for MSIL, HMIL and Ashok Leyland Limited (ALL), with additional opportunities emerging as other OEMs expand CNG offerings. This provides strong medium-term revenue visibility for the company.

Despite the improving business prospects, the ratings remain constrained by the company's product concentration, reliance on imported raw materials, and continued client concentration risk. FJM manufactures cylinders solely for automotive CNG applications and remains exposed to cyclical risk in the automotive sector. While MSIL's market leadership provides some comfort, the OEM accounted for 96% of unit sales in 9M FY2026, keeping revenue concentration elevated. Nevertheless, the company's healthy share of business with MSIL and leadership position of MSIL help mitigate the risk to some extent. The company continues to import a healthy proportion of its raw material requirement; however, risks are mitigated by contractual pass-through of both raw material price fluctuations and forex movements.

FJM's capex intensity is expected to remain elevated over the medium term, driven primarily by the ongoing greenfield expansion in Gujarat. As part of its expansion strategy, FJM has already enhanced capacity at its Bawal plant to 45,000 cylinders per month and is now developing a large greenfield facility at Vithalapur, Gujarat. The Gujarat project will increase Type 1 cylinder capacity to 65,000 cylinders per month, with commercial operations expected to commence in April 2027. The site will also house the company's upcoming Type 4 cylinder line (planned capacity 8,000 units per annum) aimed at supplying new-age CNG vehicles and related applications. As of February 2026, FJM has incurred Rs. 70–80 crore on the project, with the total capex expected to be Rs. 220 crore.

Nevertheless, the company is expected to remain self-sufficient in meeting its debt repayments and funding its capex requirements, supported by rising cash flows, healthy order visibility and strong underlying demand from MSIL. While any sharp increase in capex or delays in the commencement of operations of new facility will remain a key monitorable, the medium-term credit outlook stays favourable given the company's growing share of business with MSIL and its expanding capacity base.

The company's leverage metrics and working capital dependence have also improved meaningfully. Total debt reduced to Rs. 158.2 crore as of December 2025 from Rs. 237 crore as of March 31, 2025, supported by healthy internal cash generation. Although debt is expected to increase as the Gujarat capex ramps up, earnings scale up is expected to keep the leverage and coverage metrics at healthy levels.

The Stable outlook on the long-term rating reflects ICRA's expectation that despite elevated capex plans, healthy earnings will help the company's credit metrics remain commensurate to the rating level.

Key rating drivers and their description

Credit strengths

Established relationships with key OEMs provide revenue visibility – FJM has around 50% share of business with its major client, MSIL, and continues to gain business for various models of the OEM, making it a strategically important supplier for MSIL. Additionally, it is one of the key suppliers of HMIL which provides healthy revenue visibility. FJM's business prospects remain healthy, aided by its key OEM client's increasing focus on introducing CNG variants for its models and growing demand for CNG-fuelled vehicles, which is expected to support volume and revenue growth over the medium term.

Favourable demand for CNG vehicles amid regulatory push, lower running cost and healthy increase in CNG outlets across the country – ICRA expects the demand for CNG vehicles to remain healthy over the near to medium term, aided by increasing availability of CNG and favourable economics of using CNG vis-à-vis alternative fuels. Improving CNG availability and favourable operating economics, aided by its superior mileage, supported the rise in the adoption pace of the powertrain over the past few years (reaching around 22% in FY2026). The launch of various variants by leading OEMs has enhanced the options available to buyers and has, in turn, further aided the demand for CNG vehicles.

Access to financial as well as operational support from parent entity – The JBM Group has an extensive presence in the Indian automotive industry and enjoys established relationships with various automotive OEMs. As part of the JBM Group, FJM benefits from shared synergies in material sourcing and managerial expertise. Further, the Group has a history of supporting FJM financially through equity infusion and unsecured loans. Although, going forward, FJM is expected to be self-sufficient in meeting its debt repayments and capex requirements, ICRA expects funding support from the promoter group to meet temporary cash flow mismatches, as and when required.

Credit challenges

High dependence on MSIL; leadership position of the OEM in the PV industry mitigates the risk to some extent – MSIL accounted for 90-95% of FJM’s total revenues in 9M FY2026, resulting in significant client concentration risks. However, this is mitigated to some extent by the leadership position of MSIL in the PV industry. Further, ramp-up in supplies to other customers such as HMIL and ALL in the customer mix, along with plans to add new customers, is expected to reduce customer dependence to some extent over the medium term.

High product and segment concentration risks; exposed to slowdown in automotive sector – FJM is a single-product company, which manufactures CNG cylinders only for automobiles, indicating high product and segment concentration risks. As such, any slowdown in the automotive sector could adversely impact its revenues. The improving demand for CNG vehicles mitigates the risk to an extent.

Debt-funded capex led to moderation in leverage metrics – The company incurred a capex of Rs. 70 crore towards capacity enhancement (5.5 lakh cylinders/annum from around 4.5 lakh cylinders/annum) during 9M FY2026, in line with the healthy demand of CNG vehicles and higher sales expectations by MSIL. The company is also undertaking a greenfield expansion at Vithalapur, covering both Type-1 and Type-4 CNG cylinders, aimed at meeting rising demand for CNG vehicles. The total cost of the capacity expansion (including the greenfield expansion in Gujarat) was estimated at around Rs. 220 crore, to be incurred over FY2026 and FY2027, of which Rs. 70–80 crore has been incurred as of February 2026. This is expected to moderate the credit metrics of the company for FY2026 and beyond as FJM is expecting to onboard debt to finance its capex plans. However, ICRA expects the healthy cash flow generation to help the company in gradually improving its credit metrics over the medium term.

Profitability exposed to fluctuations in prices of key raw materials and product mix – The primary raw material for the company is seamless steel tubes. FJM, like other players in the domestic industry, imports most of its raw material requirements from Italy and China. The operations, therefore, remain susceptible to fluctuations in the prices of seamless tubes. The company has a pass-through clause with its customers under which any change in raw material prices is passed on to customers, albeit with a lag. The company’s margins contracted marginally to 10.8% in FY2024, which was largely due to an increase in raw material prices. Its margins stood at 9.9% in FY2025, but bounced back to 10.1% in 9M FY2026 with healthy operating leverage benefits. Overall, the margins are expected to remain at levels of 10-11% over the medium term.

Liquidity position: Adequate

FJM’s liquidity position remains adequate, characterised by expectations of steady cash flows of around Rs. 40-50 crore. Against this, the company has debt repayments of Rs. 11.6 crore in FY2027. It has capex plans of around Rs. 100-120 crore in FY2027, to be funded via term loan and internal accruals. The company’s financial risk profile also remains supported by financial support from its parent company.

Rating sensitivities

Positive factors – ICRA could upgrade FJM’s ratings, if the company is able to demonstrate a continued ramp up in the scale of operations, leading to an improvement in the company’s credit metrics and liquidity position.

Negative factors – ICRA could downgrade FJM’s ratings, in case of any material deterioration in the credit metrics due to larger-than-expected dividend payout or debt-funded capex. Any material weakening in the credit profile of its parent company or weakness in linkages with the parent could also lead to a downgrade in ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Auto Components Corporate Credit Rating Methodology
Parent/Group support	Parent Company: Neel Metal Products Limited (NMPL). The ratings assigned to FJM factor in the very high likelihood of its parent entity, NMPL (rated [ICRA]A (Positive)/[ICRA]A2+), extending financial support to it because of the close business linkages between them and out of the need to protect its reputation from the consequences of a Group entity's distress.
Consolidation/Standalone	The ratings are based on the standalone financial statements of the issuer.

About the company

FJM Cylinders Private Limited (FJM) started commercial operations in April 2014 and manufactures compressed natural gas (CNG) cylinders as well as cylinders of other high-pressure gases for supplies primarily to automobile OEMs. The company's manufacturing facility is at Bawal, Haryana, with a manufacturing capacity of around 5.4 lakh cylinders/annum as of March 2026. The company enhanced its capacity from 2.64 lakh cylinders/annum to 3.84 lakh cylinders/annum in FY2023; the capacity was further expanded to 4.8 lakh cylinders/annum in FY2025 with further increase in capacity to around 5.5 lakh units/annum as of March 2026.

The company was set up as 50:50 joint venture between Shreeeamjee Infrastructure & Projects Private Limited (SAI, Indian Promoter) and Faber Industries, Italy (foreign partner). Effective January 2016, 49% of Faber's stake was bought out by Neel Metal Products Limited (NMPL, rated [ICRA]A+ (Stable)/ [ICRA]A1, a JBM group company). In FY2022, NMPL acquired 50% stake from SAI and currently holds 99% stake in FJM.

Key financial indicators (audited)

FJM Standalone	FY2024	FY2025	9MFY2026*
Operating income	583.7	726.8	697.7
PAT	22.0	26.4	33.6
OPBDIT/OI	10.8%	9.5%	10.1%
PAT/OI	3.8%	3.6%	4.8%
Total outside liabilities/Tangible net worth (times)	1.9	1.9	-
Total debt/OPBDIT (times)	3.1	3.4	1.7
Interest coverage (times)	3.2	3.5	5.0

Source: Company, ICRA Research; *Provisional numbers; 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

Current (FY2027)				Chronology of rating history for the past 3 years					
FY2027				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	April 15, 2026	Date	Rating	-	-	Date	Rating
Term loans	Long term	185.55	[ICRA]A-(Stable)	Apr 03, 25	[ICRA]BBB+(Stable)	-	-	Jan 15, 24	[ICRA]BBB (Stable)
				April 24, 2025	[ICRA]BBB+ (Stable)				
Fund-based limits	Long term and short term	385.00	[ICRA]A-(Stable) / [ICRA]A2+	Apr 03, 25	[ICRA]BBB+(Stable)/ [ICRA] A2	-	-	Jan 15, 24	[ICRA]BBB (Stable)/ [ICRA]A3+
				April 24, 2025	[ICRA]BBB+ (Stable)/ [ICRA] A2				
Non Fund Based Limits	Long term and short term	250.00	[ICRA]A-(Stable) / [ICRA]A2+	Apr 03, 25	[ICRA]BBB+(Stable)/ [ICRA] A2	-	-	Jan 15, 24	[ICRA]BBB (Stable)/ [ICRA]A3+
				April 24, 2025	[ICRA]BBB+ (Stable)/ [ICRA] A2				
Unallocated Limits	Long term and short term	0.45	[ICRA]A-(Stable) / [ICRA]A2+	Apr 03, 25	[ICRA]BBB+(Stable)/ [ICRA] A2	-	-	Jan 15, 24	[ICRA]BBB (Stable)/ [ICRA]A3+
				April 24, 2025	[ICRA]BBB+ (Stable)/ [ICRA] A2				

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI

16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)
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(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based – Term Loan	Simple
Long-term/ Short-term – Fund-based Limits	Simple
Long-term/ Short-term – Non Fund-based 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 II: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan-I	FY2023	NA	FY2027	1.1	[ICRA]A- (Stable)
NA	Term Loan-II	FY2023	NA	FY2027	4.8	[ICRA]A- (Stable)
NA	Term Loan-III	FY2025	NA	FY2030	29.7	[ICRA]A- (Stable)
NA	Proposed Term Loan	NA	NA	NA	149.95	[ICRA]A- (Stable)
NA	Long-term/ Short-term – Fund-based Limits	NA	NA	NA	385.00	[ICRA]A- (Stable)/[ICRA] A2+
NA	Long-term/ Short-term – Non Fund-based Limits	NA	NA	NA	250.00	[ICRA]A- (Stable)/[ICRA] A2+
NA	Long-term/ Short-term – Unallocated Limits	NA	NA	NA	0.45	[ICRA]A- (Stable)/[ICRA] A2+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis – Not applicable

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