

## JBM Auto Limited

February 13, 2018

### Summary of Rated Instrument:

| Instrument                         | Rated Amount(Rs. crore) | Rating Outstanding            |
|------------------------------------|-------------------------|-------------------------------|
| Term Loan                          | 102.19                  | [ICRA]BBB (Stable)            |
| Cash Credit/WCDL                   | 114.25                  | [ICRA]BBB (Stable)/ [ICRA]A3+ |
| Non Fund Based Facilities          | 64.50                   | [ICRA]A3+                     |
| Fund Based & Non Fund Based Limits | 97.25                   | [ICRA]BBB (Stable)/ [ICRA]A3+ |
| Unallocated Limits                 | 6.18                    | [ICRA]BBB (Stable)            |
| Total                              | 384.37                  |                               |

### Material Event

JBM Auto Limited (JBMA, rated [ICRA]BBB (Stable)/[ICRA]A3+), which holds 50% equity stake in JBM MA Automotive Private Limited (JBM MA), announced to the stock exchange on February 2, 2018 that the 50% joint venture (JV) partner in JBM MA, namely Magnetto Automotive S.r.l., Italy (MA) has exited the joint venture.

### Impact of the Material Event

As per the press release made by JBMA on BSE, the exit of the foreign partner from the joint venture is in line with MA's strategy of increasing its focus on its European operations. The 50% stake of MA has been bought out by a JBM Group company, Neel Metal Products Limited (NMPL, rated [ICRA]A+ (Stable)/[ICRA]A1+). Hence, the ownership of JBM MA is now completely within the JBM Group with effect from January 31, 2018.

The ratings of JBM Auto Limited remain unchanged at the earlier rating of [ICRA] BBB (Stable)/[ICRA]A3+ as the exit of the foreign JV partner from JBM MA is not expected to impact the operations of either JBM MA or JBM Auto Limited materially. However, ICRA would continue to monitor developments with respect to restructuring within the Group, and its impact on the credit metrics and operations of the company going forward.

The previous detailed rating rationale is available on the following link: [Click here](#)

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