

## John Cockerill India Limited

December 31, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term / Short-term bank facilities	347.50	CARE BBB / CARE A3+ (RWD)	Placed on Rating Watch with Developing Implications

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has placed ratings outstanding on bank facilities of John Cockerill India Limited (JCIL) under rating watch with developing implications considering the shareholders' approval for the proposed acquisition of the global metals business of John Cockerill Group by way of acquisition of 100% equity stake in John Cockerill Metals International SA from its ultimate parent entity, John Cockerill SA, subject to requisite approvals. Per the approved scheme, the consideration for the acquisition will be up to EUR 50 million (~₹500 crore) which could include an upfront advance payment in cash and the balance to be paid on a deferred basis over five years as interest free loan from the promoter with an option to convert the outstanding debt into equity upon expiry of the deferral period. The objective of the acquisition is to consolidate and enhance the strategic operations of the Group's metals business and the transaction is expected to conclude by February 2026. While the transaction could significantly improve the scale and geographical diversification of JCIL's operations, the exact details of the financial risk profile of the business proposed to be acquired, final consideration and its funding arrangement remain to be known. CareEdge Ratings will continue to closely monitor the developments in this regard and take a view once further clarity emerges on the transaction.

Ratings continue to draw comfort from JCIL's established track record of operations, its global presence and geographical diversification of operations owing to strong parentage and strong order book position providing medium-term revenue visibility. However, these rating strengths are offset by the fixed price nature of contracts exposing the company to increase in input costs, moderate profitability due to competitive nature of industry, customer concentration risk, and correlation with capex cycle of the steel industry.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Improvement in scale of operations above ₹600 crore and profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 3% on a sustained basis translating into adequate accruals.

#### Negative factors

- Decline in order book position leading to reduced revenue visibility.
- Moderation in PBILDT margin below 2% on a sustained basis.
- Any significant deterioration in the operating cycle putting pressure on liquidity position.

**Analytical approach:** Standalone while factoring in operational and business linkages with JC Group.

**Outlook:** Not applicable

### Detailed description of key rating drivers:

#### Key strengths

#### Strong parentage and established track record of JCIL in industrial construction activity

JCIL is majorly held by JC group (75% shareholding by John Cockerill group as on December 31, 2024). Headquartered in Belgium, JC group is an international supplier specialising in the production of machinery for steel plants (cold rolling mills, pickling lines, processing lines, automation, and process controls among others), industrial heat recovery equipment, boilers, defence equipment and others. The group's operations are classified under the five heads: Energy, Defence, Industry, Environment, and Services. JCIL has over three decades of experience in the designing, manufacturing, erection and commissioning of cold rolling mill complexes, processing lines, chemical equipment, industrial furnaces, and auxiliary equipment meeting global demand for ferrous and nonferrous industries. Over the years, the company has catered to domestic and international clientele with revenue spread

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

across geographies. The established track record of the company is expected to benefit it in winning new orders and retaining reputed clientele.

### **Adequate capital structure**

The company continues to maintain an adequate capital structure with healthy net worth of ₹201 crore as on December 31, 2024, translating into overall gearing of 0.40x (PY: 0.67x). With access to sizeable customer advances, backed by bank guarantees, the company's reliance on external bank borrowings remains negligible as reflected in nil utilisation of fund-based working capital limits. JCIL is expected to maintain an adequate capital structure in the coming year.

### **Strong order book position with reputed clientele**

JCIL has an orderbook worth over ₹1,100 crore from reputed clientele such as Tinsplate Company of India Ltd, Jindal India Limited, and ArcelorMittal Nippon Steel India Private Limited (rated 'CARE A1+') among others. The sizeable order book provides medium-term revenue visibility. Moreover, the track record of repeat orders from reputed clientele also benefits its business profile. JCIL benefits from an established global presence, which has enabled access to a geographically diverse range of clients. The company exports primarily to countries such as Bangladesh, Spain, US, Mexico, Kenya, Myanmar, and Egypt. In CY24, exports contributed ~3% to the total revenue.

### **Key weaknesses**

#### **Moderate scale of operations and low profitability**

The company's scale of operations declined by 42% YoY to ₹389 crore in CY24 and ~19% YoY to ₹255.52 crore in 9M CY25, primarily due to slower order execution amid a challenging market environment. In addition to industry-wide pricing pressure and intense competition, order intake was also affected by global geopolitical tensions, which led to delays in investment decisions and project finalisations by customers, particularly in export-driven markets. As a result, CY24 reported cash loss, in contrast to the cash profit recorded in the corresponding period last year. PBILDT margin declined to -0.83% in CY24, mainly due to lower absorption of fixed costs. The company has taken several initiatives to counter the headwinds including reinforcement of its sales team to accelerate order inflow and improvement in operating efficiencies, which is expected to support its performance over the medium term. The same is reflected in improvement of the PBILDT margin to 5% in 9M CY25. However, profitability is expected to remain subdued in the near term due to evolving market environment.

#### **Customer concentration risk**

The company primarily serves the steel sector, focusing on the design, manufacturing, erection, and commissioning of facilities. Despite some rotation, revenue remains highly concentrated, with the top 10 customers contributing 99% in CY24. This is due to India's limited number of major steelmakers, shaped by high capital requirements, strict regulations, and industry consolidation. As a result, the company faces customer concentration risk and delay or loss of orders from a few key clients could impact revenues and cash flow. While the company has structured its contractual arrangements to include phased payments such as 10%–30% advance on order receipt, milestone-based payments in engineering and dispatch and retention money post commissioning, the timing and realisation of these cash flows remain closely tied to the financial health, capex cycle, and decision making of a small group of large customers.

#### **Exposed to input price volatility and inherent cyclical nature of the steel industry**

The contracts are fixed price in nature. Thus, the company is exposed to input price volatility. The company tries to mitigate the risk by procuring the materials on receipt of the order. The contract execution period is short with timeline typically spanning 1-2 years providing some mitigant. Prospects of steel industry are strongly co-related to economic cycles. Demand for steel is sensitive to trends of industries, automotive, construction, infrastructure, and consumer durables, which are the key consumers of steel products. These key user industries in turn depend on macroeconomic factors, such as consumer confidence, employment rates, interest rates and inflation rates, among others, in the economies in which they sell their products. When downturns occur in these economies or sectors, steel industry may witness decline in demand, impacting volumes, revenue, and margins of steel makers. The company is mainly engaged in the design, manufacturing, erection, and commissioning of facilities for steel players. Thus, the order book and hence, the company's performance primarily depend on the prospects of the highly cyclical steel industry.

#### **Liquidity: Adequate**

The liquidity profile remains adequate marked by free cash and liquid investments of over ₹140 crore as on September 30, 2025. It is projected to generate gross cash accruals (GCA) of ₹12-15 crore p.a. over the next 1-2 years. Its debt comprises customer advances, backed by bank guarantee, worth ₹75 crore as on December 31, 2024 with no fixed repayment obligations. The

utilisation of fund-based limits remained Nil for the 12 months ended November 2024, which provides additional cushion. The current ratio improved slightly at 1.21x as on December 31, 2024 (9MFY24: 1.10x).

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

### Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Notching by Factoring Linkages in Rating](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Industrial products	Other industrial products

Incorporated in 1986, JCIL (formerly known as CMI FPE Limited) was promoted by T R Mehta as Flat Products Equipment India Limited (FPE). In June 2008, FPE was acquired by Cockerill Maintenance and Ingenerie SA group (CMI, now rebranded as JC group). Since then, the company has been a part of the JC group. JCIL designs, manufactures, and installs cold-rolling mills, galvanising lines, colour-coating lines, tension levelling lines, skin-pass mills, acid regeneration plants, wet-flux lines, and pickling lines for ferrous and non-ferrous industries world-wide. It has two manufacturing facilities at Taloja and Hedavali, in Maharashtra, and has global footprints across Asia, Africa, Middle East, Europe, North America, and South America.

Brief Financials (₹ crore)	December 31, 2023 (A)	December 31, 2024 (A)	9M CY25 (UA)
Total operating income	666.25	389.19	255.52
PBILDT*	24.64	-3.25	12.80
Profit after tax (PAT)	21.64	-5.38	3.32
Overall gearing (x)	0.67	0.40	NA
Interest coverage (x)	10.88	-1.67	9.41

A: Audited UA: Unaudited NA: Not Available CY: Calendar Year; Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation, and tax

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based/Non-fund-based-LT/ST	-	-	-	-	104.00	CARE BBB / CARE A3+ (RWD)
Fund-based/Non-fund-based-LT/ST	-	-	-	-	243.50	CARE BBB / CARE A3+ (RWD)

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based/Non-fund-based-LT/ST	LT/ST	104.00	CARE BBB / CARE A3+ (RWD)	1)CARE BBB; Stable / CARE A3+ (08-Apr-25)	-	1)CARE BBB+; Stable / CARE A2 (07-Mar-24)	1)CARE BBB+; Stable / CARE A2 (17-Mar-23)
2	Fund-based/Non-fund-based-LT/ST	LT/ST	243.50	CARE BBB / CARE A3+ (RWD)	1)CARE BBB; Stable / CARE A3+ (08-Apr-25)	-	1)CARE BBB+; Stable / CARE A2 (07-Mar-24)	1)CARE BBB+; Stable / CARE A2 (17-Mar-23)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based/Non-fund-based-LT/ST	Simple

**Annexure-5: Lender details**

To view lender-wise details of bank facilities please [click here](#)

**Annexure-6: List of entities consolidated:** Not applicable

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

## Contact us

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Ankur Sachdeva Senior Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3444 E-mail: <a href="mailto:ankur.sachdeva@careedge.in">ankur.sachdeva@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Akhil Goyal Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3590 E-mail: <a href="mailto:akhil.goyal@careedge.in">akhil.goyal@careedge.in</a></p> <p>Raunak Modi Assistant Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3537 E-mail: <a href="mailto:raunak.modi@careedge.in">raunak.modi@careedge.in</a></p> <p>Lavish Mittal Rating Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:lavish.mittal@careedge.in">lavish.mittal@careedge.in</a></p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

### About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: [www.careratings.com](http://www.careratings.com)

### Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to [https://www.careratings.com/privacy\\_policy](https://www.careratings.com/privacy_policy)

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,  
please visit [www.careratings.com](http://www.careratings.com)**