John Cockerill India Limited

April 10, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term / Short-term bank facilities	347.50	CARE BBB / CARE A3+ (RWD)	Continues to be on Rating Watch with Developing Implications

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings reaffirmation and continuation of ratings on 'Rating Watch with Developing Implications' reflects John Cockerill India Limited's (JCIL's) stable operating and financial performance in CY25 (refers to January 01 to December 31) as indicated by steady revenue and profitability, despite industry-wide headwinds and CARE Ratings Limited's (CareEdge Ratings') expectations of sustained performance in the coming years, supported by established relations with reputed clientele and revenue visibility from healthy order book.

CareEdge Ratings had placed ratings on 'Rating Watch with Developing Implications' in December 2025, following the approval given by JCIL's shareholders for the proposed acquisition of the global metals business of John Cockerill Group through acquisition of 100% equity stake in John Cockerill Metals International SA (JCMI) from its ultimate parent entity, John Cockerill SA, subject to requisite approvals, for a consideration of up to €50 million (~₹500 crore), including 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. While reaffirming ratings, CareEdge Ratings notes that the company has completed the acquisition of 100% stake in JCMI from January 01, 2026, which includes the group's metals businesses in China and Europe, while the transfer of the US metals business is likely to happen at a later date. Per JCIL's stock exchange filing, consideration for the current transaction is €29.6 million (~₹320 crore), of which €5.0 million (~₹55 crore) is payable in cash by June 30, 2026, post deferment approval received from the transferor, and balance being payable in the next five years without interest. Acquisition aims to consolidate and enhance the strategic operations of the group's metals business and could significantly improve scale and geographical diversification of JCIL's operations. Clear details of the acquired business' financial risk profile remain to be known. CareEdge Ratings will continue to closely monitor 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, highly working capital intensive operations, 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 to adequate accruals.
- Decline in gross current assets to below 300 days, led by lower receivables, on a sustained basis.

Negative factors

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

Analytical approach: Standalone, factoring in operational and business linkages with the John Cockerill group.

Outlook: Not applicable

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

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 the John Cockerill group, which owns 70.33% equity stake in the company as on December 31, 2025. Headquartered in Belgium, the John Cockerill 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 five heads: energy, defence, industry, environment, and services. JCIL has over three decades of experience in designing, manufacturing, erecting and commissioning 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 catered to domestic and international clientele with revenue spread across geographies. The company's established track record is expected to benefit it in winning new orders and retaining reputed clientele.

Adequate capital structure and coverage metrics

The company continues to maintain an adequate capital structure with healthy net worth of ₹209 crore as on December 31, 2025, translating to overall gearing of 0.63x (PY: 0.40x). 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. Its debt coverage metrics also remain adequate with PBILDT interest cover of 7.6x and total debt (TD)/PBILDT of 5.79x in CY25.

Strong order book position with reputed clientele

JCIL has an outstanding orderbook worth over ₹1,100 crore as on December 31, 2025, indicating an order book-to-operating income ratio of over 3x, providing medium term revenue visibility. The company has a reputed client base such as Tata Steel Limited (CARE AA+; Stable), JSW JFE Electrical Steel Nashik Private Limited (CARE AA-; Stable / CARE A1+), and Jindal Steel Works, among others. Track record of repeat orders from reputed clientele also benefits its business profile. JCIL benefits from an established global presence, which enabled access to a geographically diverse range of clients. The company exports primarily to countries such as Bangladesh, Spain, the US, Mexico and Europe. In CY25, exports contributed ~28% to the total revenue.

Key weaknesses

Moderate scale of operations and low profitability

The company's scale of operations declined by 8% YoY to ₹358 crore in CY25. However, operating profit margin improved in CY25 to 6.40% from -0.83% in the previous year. Improvement is due to better absorption of fixed cost, speedy execution of orderbook compared to last year. Moderate scale of operations and volatile profitability constrains the company's ability to manage external shocks and limits economies of scale.

High working capital intensity of operations

JCIL's operations are highly working capital intensive as evidenced by average gross current assets of over 400 days in the last two years owing to sizeable receivables and unbilled revenue, indicating weak cash flow conversion and dependence on creditors or advance from customers to meet cash flow shortfall. The company had sizeable average receivables of 353 days due to the nature of the industry and average creditors of 170 days in CY25. The company's ability to reduce working capital intensity through swift collection of receivables remains a key credit monitorable.

Exposed to input price volatility and inherent cyclicality of the steel industry

Majority JCIL contracts are fixed price in nature, exposing it to input price volatility. The company mitigates risk to an extent by procuring materials on receipt of the order and renegotiating the orders in case of delay in execution. The contract execution period is short with timeline typically spanning 2-3 years, providing some mitigant. Prospects of steel industry are strongly co-related to economic cycles as demand for steel is sensitive to trends of industries, automotive, construction, infrastructure, and consumer durables, which depend on macroeconomic factors, such as consumer confidence, employment rates, interest rates and inflation rates, among others.

Liquidity: Adequate

The liquidity profile remains adequate marked by free cash and liquid investments of ~₹206 crore as on December 31, 2025. It is projected to generate gross cash accruals (GCA) of ₹20-25 crore pa in the next 1-2 years against scheduled repayments of ~₹1.6 crore pa towards lease liabilities. Its debt comprises customer advances, backed by bank guarantee, worth ₹127 crore as on December 31, 2025, with no fixed repayment obligations. Sanctioned fund-based limits remained unutilised for 12 months ended December 2025, which provides additional liquidity cushion. The current ratio stood at 1.27x as on December 31, 2025 (CY24: 1.21x).

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 TR 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 the John Cockerill group). Since then, the company has been part of the John Cockerill 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, the Middle East, Europe, North America, and South America.

Brief Financials (₹ crore)	December 31, 2024 (A)	December 31, 2025 (A)
Total operating income	389.19	357.59
PBILDT	-3.25	22.88
PAT	-5.38	7.31
Overall gearing (times)	0.40	0.63
Interest coverage (times)	-1.67	7.63

A: Audited UA: Unaudited; 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 / CARE A3+ (RWD) (31-Dec-25) 2)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 / CARE A3+ (RWD) (31-Dec-25) 2)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.

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About us:

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