

NIBE Limited

October 08, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 180.00 Crore	Regulator[^]
Long Term Rating	IVR BBB-/Stable (Rating Assigned)	RBI
Short Term Rating	IVR A3 (Rating Assigned)	RBI
[^] Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

Infomerics Ratings has assigned its rating to the bank facilities of NIBE Limited. The rating derives strength from the experienced promoter group, healthy orderbook position, comfortable financial risk profile and established relationships with reputed clients. The rating, however, remain constrained by susceptibility of revenues and margins to order delivery schedules, the requirement for regular capex towards technological upgradation, and exposure to regulatory risks inherent in the highly regulated defence industry.

Outlook: Stable

The outlook is stable in view that the group will continue to benefit from the extensive experience of the promoters and established relationships with clients, along with a comfortable financial risk profile.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Consolidated Infomerics has considered the consolidated financial profile of Nibe Limited and its subsidiaries for arriving at the rating, given the common ownership, management, operational & financial interlinkages and common treasury team.
Parent/ Group Support	Not Applicable

Key Rating Drivers with Detailed Description

Strengths

Extensive industry experience of the promoters and healthy order book providing medium-term revenue visibility

The promoters have experience of extensive experience in the aerospace and defence equipment industry, providing them with a sound understanding of industry dynamics and supporting the establishment of strong relationships with reputed customers. Furthermore, the company had an healthy order book to be executed over the next 12-18 months; providing medium-term revenue visibility. The healthy order book, coupled with the continuous flow of orders, is expected to support the scaling up of operations. The extensive industry experience of the promoters and their established customer relationships are expected to continue to support the company's business profile over the medium term. Infomerics Ratings expects the Indian defence industry to witness healthy growth over the medium term, supported by rising defence allocations, ongoing modernisation of the armed forces and the Government's continued thrust on 'Make in India' and 'Atmanirbhar Bharat'.

Comfortable financial risk profile

NIBE Limited has a healthy financial profile marked by networth of Rs. 341.54 crore as on March 31, 2026, with low gearing and total outside liabilities to adjusted tangible networth (TOL/ANW) of 0.31 times and 0.87 times respectively as on March 31, 2026. Capital structure is expected further improve backed by equity infusion in current fiscal and steady accretion to reserves. The debt protection metrics remained comfortable, with Interest Coverage Ratio (ICR) at 4.00x, Debt Service Coverage Ratio (DSCR) at 3.13x and Total Debt/EBITDA at 2.11x in FY26.

Reputed clientele in the defence segment and low counterparty risk

The company has established and long-standing relationships with key customers in the Indian Defence sector, including the Ministry of Defence, Larsen & Toubro Limited, Elbit Systems Land Limited, Mazagaon Dock Shipbuilders Limited, and Goa Shipyard Limited. The company's established clientele comprising government entities and reputed defence and engineering companies supports its business profile and provides revenue visibility. The presence of established customers also results in relatively low counterparty risk. Further, the company's continued association with these customers reflects its established execution capabilities and domain expertise in the defence segment and is expected to support its business prospects over the medium term.

Weaknesses

Working capital intensive operations with chequered revenue booking based on order delivery schedule

The group's Total Operating Income (TOI) declined by 14.70% to Rs. 432.73 crore in FY26 from Rs. 507.32 crore in FY25 on account of scheduling of orders by the customers. Further approximately ~60% of the sales bookings happens in Q4FY26. At the start of the year, order scheduling is finalized while the manufacturing process takes 7-8 months with orders delivered in Q4FY26. The next set of orders are again processed in similar fashion. This has led to variability in revenue booking and margins across quarters as plants fixed costs continue to be incurred across the year. The company had reported healthy profits on annual basis though few quarters have reported losses owing to above nature of business. Further approximately ~50-60% of the sales bookings happens in Q4 of the financial year. At the start of the year, order scheduling is finalized while the manufacturing process takes 7-8 months with orders delivered in Q4. This has led to variability in revenue booking and margins across quarters as plants fixed costs continue to be incurred across the year. The company had reported healthy profits on annual basis though few quarters have reported losses owing to above nature of business.

Susceptibility to regular capex for technological upgrades and expanding product range

Defence equipment manufacturers are required to undertake regular capex towards technological upgradation and enhancement of product capabilities to cater to evolving customer requirements and diversify their product portfolio. Accordingly, the impact of the ongoing capex on the financial risk profile of NIBE Limited remains a key monitorable. The company is undertaking project capex of Rs. 225.37 crore for manufacturing components for missile and rocket launcher systems across various ranges of 37.5 km, 75 km, 120 km, 150 km and 300 km. Further, for products under development leads to higher upfront cost while revenues accrue later.

Regulatory and compliance challenges in the defence industry

As on March 31, 2026, more than 55% of the construction costs had been expended across the projects in execution, indicating that the execution risk is moderate. Further, the group's track record of project completion and execution skills provide comfort and assurance that the projects would be constructed and delivered on time. However, considering the regulated nature of real estate projects, project execution risk persists though remains moderate.

Liquidity – Adequate

The liquidity position of the group is adequate marked by expected GCA in the range of Rs. 68.30 crore – Rs. 137.50 crores over the next three fiscals (FY27 – FY29) which is sufficient for the annual repayment obligations of Rs. 3.87 crore – Rs. 5.40 crore crores over the same period. The consolidated current ratio stood at 1.49x in FY26, which remains comfortable. The company's working capital limits were utilized at an average level of ~71% over the 12 months ending June 2026, reflecting moderate cushion in bank lines.

Rating Sensitivities

Upward Factors

- Substantial and sustained increase in revenue and profitability, led by continuous work orders
- Sustained improvement in TOL/ATNW ratio, maintaining it below 0.5 times.

Downward Factors

- Decline in revenues or operating margins leading to net cash accrual below Rs. 35.00 crore.

About the Company

NIBE Limited, incorporated in 2005, is a defence engineering company engaged in manufacturing high-precision metal structures, machined components, welded assemblies, and sub-components for missile launchers, rocket systems, warships, armoured vehicles, and other defence equipment. Its key products include Pinaka, SURYASTRA rocket systems, and naval rudder blade assemblies.

The company operates a manufacturing facility at Chakan, Pune, with an installed capacity of 5,000 tonnes, while its second facility at Shirdi, Maharashtra, is under development with a proposed capacity of 10,000 tonnes. The company also undertakes heavy fabrication, welding, machining, painting, and assembly services for defence platforms. The company is led by Mr. Ganesh Nibe, CMD and promoter, supported by a management team with experience in defence manufacturing and engineering.

About the Group

NIBE Group, led by Mr. Ganesh Nibe, is engaged in defence and aerospace manufacturing, with presence across land, naval and electronic defence systems. The Group manufactures missile launchers, weapon platforms, defence structures, ammunition components and other defence equipment. Through its subsidiaries, the Group has also diversified into space technology and renewable energy. NIBE Limited, the flagship company of the Group, is listed on the NSE and BSE

Key Financial Indicators (Consolidated):

For the year ended/ As on**	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	507.32	432.73
EBITDA	59.92	50.72
PAT	27.54	16.48
Total Debt	73.18	107.21
Tangible Net Worth (ATNW)	235.74	341.54
EBITDA Margin (%)	11.81	11.72
PAT Margin (%)	5.38	3.77
Overall Gearing (times)	0.31	0.31
Interest Coverage (times)	7.86	4.00

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	481.48	417.16
EBITDA	58.29	54.58
PAT	26.97	17.13
Total Debt	63.40	87.17
Tangible Net Worth (ATNW)	196.23	303.74
EBITDA Margin (%)	12.11	13.08
PAT Margin (%)	5.56	4.06
Overall Gearing (times)	0.32	0.29
Interest Coverage (times)	7.70	3.76

Applicable Criteria

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

Criteria for assigning Rating outlook

Policy on Default Recognition and Post Default Curing Period

Complexity Level of Rated Instruments/Facilities

Consolidation of Companies

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Instruments / Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
1.	Fund based	LT	62.10	IVR BBB-/Stable	-	-	-
2.	Non-Fund based	ST	117.90	IVR A3	-	-	-

Annexure 1: Instrument/Facility Details:

Name of Facility/Security	IS IN	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/Outlook	Listing Status	Regulator^	Complexity Indicator
Term Loan	-	-	-	March 2033	14.07	IVR BBB-/Stable	NA	RBI	Simple
Term Loan	-	-	-	March 2031	11.54	IVR BBB-/Stable	NA	RBI	Simple
Term Loan	-	-	-	March 2031	6.49	IVR BBB-/Stable	NA	RBI	Simple
Cash Credit	-	-	-	Revolving	30.00	IVR BBB-/Stable	NA	RBI	Simple
Bank Guarantee	-	-	-	-	60.00	IVR A3	NA	RBI	Simple
Letter of Credit	-	-	-	-	44.00	IVR A3	NA	RBI	Simple
Proposed Short Term	-	-	-	-	13.90	IVR A3	NA	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/Len_NIBE_08_Oct26_3dae1f9016.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable**Annexure 4: List of companies considered for Consolidated/Combined analysis:**

Name of the entity	Extent of Consolidation	Rationale for consolidation
Nibe Defense and Aerospace Limited	Full	Subsidiary Company
Nibe Technologies Private Limited	Full	Subsidiary Company
Karmayogi Manufacturing Private Ltd	Full	Subsidiary Company
Nibe Automobile Limited	Full	Subsidiary Company
Nibe Meson Naval Limited	Full	Subsidiary Company
Nibe Space Limited	Full	Subsidiary Company

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* \$	RBI
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 and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11a	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI

Sr. No.	Instrument / activity Name	Regulator of the instrument
18	Listed Security Receipts \$	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	+
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side Regulator such as IRDAI, PFRDA @

Footnotes:

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ 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 may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

\$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

+ To be finalized following a discussion with the regulatory authorities.

Note: For activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Analytical Contact

Name: Gaurav Jain

Landline number: (020) 29913006

Email ID: gaurav.jain@infomerics.com

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