Press Release

Jammu Pigments Limited

March 28, 2026

Ratings

Instrument/ Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	114.19 [enhanced from Rs. 60.75 crore]	IVR A/ Stable [IVR Single A with stable outlook]	IVR A/ Stable [IVR Single A with stable outlook]	Rating reaffirmed	Simple
Short Term Bank Facilities	69.82 [enhanced from Rs. 16.25 crore]	IVR A1 [IVR Single A One]	IVR A1 [IVR Single A One]	Rating reaffirmed	Simple
Total	**184.01 [enhanced from Rs. 77.00 crore]**	**[Rupees One hundred eighty-four crore and one lakh only]**			

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed its rating assigned to the bank facilities for the long-term facilities to IVR A with stable outlook and short-term facilities to IVR A1 for Jammu Pigments Limited (JPL).

The rating reaffirmation continues to factor in the company's comfortable capital structure, its established track record of operations, and a diversified and reputed customer base. The ratings also derive strength from the experienced promoters and continued support from the strong group Godawari Power and Ispat Limited (GPIL) part of Hira Group.

The above strengths are, however, partially offset by moderation in the scale of operations during the year, along with susceptibility of margins to volatility in raw material prices and foreign exchange rates, amid intense competition in the industry.

The decline in revenue during the year was primarily on account of a planned maintenance shutdown. Nevertheless, the company's operational performance is expected to improve in FY2026, supported by recovery in volumes and stabilisation in margins.
The ratings also factor in the company's exposure to regulatory risks, particularly with respect to evolving environmental norms and policy changes. Nonetheless, the company's established market position and continued promoter support are expected to provide comfort.

The 'Stable' outlook reflects Infomerics Ratings expectation of sustained profitability and growing scale of operations. Infomerics believes JPL will continue to benefit from its operational track record in the business resulting in increased scale of operations

Infomerics Ratings has principally relied on the consolidated audited financial results of JPL and Mittal Pigment Private Limited, Chambal Alums Private Limited, Chem Colour (India) Private Limited, R.R. Pigment Private Limited and R.G. Pigment Private Limited up to 31 March 2025 (refers to period April 1st , 2024, to March 31st , 2025) and projected financials for FY2026 (refers to period April 1st , 2025, to March 31st , 2026) - FY2028 (refers to period April 1st , 2027, to March 31st , 2028), and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:

Upward Factors

- Substantial & sustained improvement in the revenue & EBITDA margin while improving the debt protection metrics.
- Effective working capital management with improvement in operating cycle and liquidity.
- Any further increase in the stake by GPIL in the company

Downward Factors

- Significant decline in operating income and/or profitability impacting the debt coverage indicators.
- Elongation in the operating cycle impacting liquidity.
- Any significant deterioration in the credit profile of GPIL or the weakening of linkages or strategic importance with GPIL could put pressure on the ratings

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced promoters along with strong group support**
  Mr. Ramesh Agarwal, a first-generation entrepreneur with over three decades of experience in the metal industry, oversees the overall management of the company, contributing to the development of stable relationships with customers and suppliers. GPIL holds a 43.96% stake in JPL which was 51% previously, supporting the company's entry into the non-ferrous metals segment and broadening its business portfolio. Established in 1999, GPIL operates in the steel sector under the leadership of Mr. B.L. Agarwal, who brings over three decades of industry experience. This association supports continuity in operations and strengthens engagement with key stakeholders.

- **Long standing track record of operations along with diversified customer base**
  The extensive experience of the promoter has helped the group to establish a healthy and long-standing relationship with customers and suppliers. The group has diversified customer base, which mitigates business risks. The group is engaged in the same line of business i.e. manufacturing lead and zinc 3 products like lead ingot, lead alloys, zinc oxide.

- **Comfortable capital structure**

The capital structure of the group stood comfortable marked by overall gearing of 0.76x as on March 31, 2025, improved from 1.18x as on March 31, 2024, on account of schedule repayment of term liabilities along with higher improvement TNW compared to increase in debt. The indebtedness of the company also stood moderate marked by TOL/TNW stood at 1.09 times as on March 31, 2025, however improved from 2.24 times as on March 31, 2024, on account of improved TNW along with decline in creditors.

B. Key Rating Weaknesses

- **Moderation in scale of operations during the year**

The company has restated its financial results during the year on account of transition to IND AS which were previously measured as GAAP. The group grew at a CAGR of 1.36% during last three years ending March 31, 2025, however on y-o-y basis the TOI of the company declined by 26.76% and stood at Rs. 859.88 crore during FY25 compared to Rs. 1174.01 crore during FY24. The decline in revenue during the year was primarily on account of a planned maintenance shutdown. Nevertheless, the company's operational performance is expected to improve in FY2026, supported by recovery in volumes and stabilisation in margins.

- **Exposure of margins to volatility in raw material prices and exchange rates along with Intense competition**

  The group's margins remain susceptible to fluctuations in raw material prices such as lead scrap, zinc dross etc. Apart from this, group also import raw materials exposing the company to foreign exchange fluctuation risk. However, the risk is mitigated to some extent by use of forward cover to hedge its foreign exchange exposure. Further, the group operates in a fragmented and unorganized industry with presence of large number of small sized unorganised players as the industry is characterized by low entry barriers. Intense industry competition coupled with limited value addition of the product limits the company's pricing flexibility and bargaining power.

- **Risks associated with change in government policies related to tightened environmental norms**

  Companies in the lead metal industry must adhere to rigorous pollution control norms. With norms getting tightened and environmental activism taking centre stage, players are exposed to risks on the grounds of environmental concerns. Thus, change in government policies may continue to impact the operations and will remain monitorable.

Analytical Approach: Consolidated

For arriving at the rating, Infomerics has consolidated view of the business and financial risk profiles of Jammu Pigment Limited (JPL, the parent company), Mittal Pigment Private Limited, Chambal Alums Private Limited, Chem Colour (India) Private Limited, R.R. Pigment Limited and R.G. Pigment Limited as they are running under a common management with strong operational and financial linkages between the entities. Infomerics has analysed the consolidated financial statement to arrive at the ratings. Further, parent notch up is taken into consideration as it is now a part of GPIL (Hira Group). (Extent of Consolidation: Full)

Applicable Criteria:

Rating Methodology for Manufacturing Companies.
Financial Ratios & Interpretation (Non-Financial Sector).
Criteria for assigning Rating outlook.
Policy on Default Recognition
Complexity Level of Rated Instruments/Facilities
Criteria on consolidation
Criteria for Parent support

<u>Liquidity</u> – Adequate

The liquidity position of the group remains adequate, marked by its sufficient cash accruals as against its repayment obligations. The group's average fund based working capital limit utilization stood moderate at 76.08% for the last 12 months ended December 2025 indicate sufficient buffer in its working capital limits. Further, the group had free cash and cash equivalents to the tune of Rs. 20.76 crore as on December 31, 2025, which is expected to support the liquidity profile of the company in the near to medium term. The current ratio of the group stood comfortable at 1.99x as on March 31, 2025. Further, the group expects sufficient cushion in cash accruals against its debt repayments. The group is expecting GCA in the range of Rs. 52.76 Cr. - Rs. 78.98 Cr. during FY26-28 against debt repayment of Rs. 9.31 Cr.- 6.71 Cr. in FY26-28. The working capital cycle of the group stood at 154 days in FY25.

<u>About the Group</u>

All the above-mentioned companies are flagship company of Mittal Group, which is one of India's largest manufacturers of metals, industrial chemicals, additives, stearates, stabilizers & catalysts. The group is one of the lowest cost producers in the world and are well placed to serve the growing demands of rubber, glass, polyester, paint, PVC & pigment industries all over the world. Since its inception the group has been presenting a promising picture in the field of chemicals and metals manufacturing globally, through its untiring mission & care for the industry.

<u>About the Company</u>

Incorporated in August 2005, JPL is part of Mittal group and is promoted by Mr. Ramesh Kumar Agarwal. The company is engaged in manufacturing lead and zinc-based products such as lead ingots, lead alloys, and zinc oxide. The entity also trades lead ore, lead concentrate, and zinc. It has two manufacturing units located one each at Dariba (Rajasthan) and Kathua (Jammu & Kashmir). It caters to battery, rubber, glass, tire and pharmaceuticals, polyester, paint, PVC, and pigment industries. The company is a member of ICC, ISRI, and MSME.

Financials (Consolidated): **(Rs. Crore)**

For the year ended* / as on	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	1174.01	859.88
EBITDA	76.51	47.85
PAT	32.24	28.69
Total Debt	196.20	307.02
Tangible Net Worth (Adj.)	166.21	402.44
Ratios		
EBITDA Margin (%)	6.52	5.57
PAT Margin (%)	2.74	3.22
Overall Gearing Ratio (x)	1.18	0.76
Interest Coverage (Times)	2.86	1.33

**Classification as per Infomerics` standards*

Status of non-cooperation with previous CRA: None

Any other information: Not Applicable

Rating History for last three years: **(Rs. Crore)**

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					Jan 27, 2025	March 20, 2024	Jan 31, 2023
1.	Long Term Facilities	LT	114.19	IVR A/Stable	IVR A/Stable **Nov 28, 2024** IVR BBB/ RWDI	IVR BBB/ Stable	IVR BBB/ Stable
2.	Short Term Facilities	ST	69.82	IVR A1	IVR A1	IVR A3+	IVR A3+

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					Jan 27, 2025	March 20, 2024	Jan 31, 2023
					Nov 28, 2024 IVR A3+		

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	Nov 15, 2026	1.19	IVR A/Stable
Term Loan	-	-	Jun 29, 2031	26.00	IVR A/Stable
Cash Credit	-	-	-	87.00	IVR A/Stable
E-VFS	-	-	-	30.00	IVR A1
Letter of Credit	-	-	-	38.00	IVR A1
Interest Rate Derivative	-	-	-	1.82	IVR A1

Annexure 2: Facility wise lender details:
https://infomericstorage.blob.core.windows.net/uploads/len_Jammu_Pig_mar26_5f1b71fc79.pdf

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis:

Name of the Company	Consolidated Approach
Jammu Pigments Limited	Full Consolidation
Mittal Pigments Private Limited	Full Consolidation
Chambal Alums Private Limited	Full Consolidation
Chem Colour (India) Private Limited	Full Consolidation
RR Pigment Limited	Full Consolidation
RG Pigment Limited	Full Consolidation

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.