

July 28, 2025

NTF (India) Private Limited: Ratings reaffirmed and withdrawn

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term –Fund-based limits – Term loan^	102.00	102.00	[ICRA]BBB+ (Stable); reaffirmed and withdrawn
Long-term –Fund-based limits – Cash credit^	140.00	140.00	[ICRA]BBB+ (Stable); reaffirmed and withdrawn
Short-term –Non-fund based limits	34.00	34.00	[ICRA]A2; reaffirmed and withdrawn
Total	276.00	276.00	

*Instrument details are provided in Annexure I; ^includes proposed facilities

Rationale

ICRA has reaffirmed and withdrawn the ratings assigned to the bank facilities of NTF (India) Private Limited (NTF) at the request of the company and based on the No Objection Certificate (NOC) and No Dues Certificate (NDC) received from its bankers, and in accordance with ICRA's policy on withdrawal of credit ratings.

The ratings reaffirmation factors in the company's established business position and the promoter's extensive experience of more than three decades in the automotive components industry. Over the years, NTF has maintained a strong relationship with MSIL, the leading passenger vehicle (PV) original equipment manufacturer (OEM) in India through its diverse product offerings, which include plastic and composite parts for exterior body parts including body kits and spoilers along with interior parts like rear parcel shelf tray and load floor. NTF has reported healthy revenue growth from FY2022 to FY2025 with a CAGR of about 40%, driven by increasing content per vehicle of components supplied, capacity expansions, healthy share of business and steady offtake from its key customer, MSIL. Additionally, the company's operating margins have expanded to 15.5% in FY2025 on the back of the margin-accretive nature of its products. This has led to adequate debt protection metrics, despite continued debt-funded capex towards capacity and product augmentation.

However, the ratings are constrained by NTF's relatively high leverage levels in recent years due to high working capital intensity of its business and debt-funded capex incurred towards setting up incremental capacities, which are, however, expected to improve slightly with repayment of debt obligations. NTF also remains exposed to high customer concentration risk as its top customer, MSIL, accounted for ~80% of its revenue in recent years. However, the same is mitigated to an extent by its long relationship and healthy share of business with the OEM. Also, given that most of the company's earnings are generated from the automotive sector, it remains susceptible to the competitive intensity and cyclicity inherent in the industry.

The Stable outlook on NTF's long-term rating reflects ICRA's opinion that the company will continue to benefit from its established business position, long relationship with its key customer and stable demand outlook for the PV industry.

Key rating drivers and their description

Credit strengths

Established track record in the automotive component industry – Incorporated in 1996, NTF has established itself as a prominent manufacturer of automotive components in the industry, supported by its strong positioning with MSIL and other

key OEMs, diverse product profile, established operational track record and sizeable manufacturing set-up. The company has been promoted by the Jain family, who have an extensive experience of more than three decades in the business. NTF is a single-source leading supplier of engine undercover, parcel trays and luggage board with a pan-India presence.

Customer base includes reputed OEMs – Over the years, NTF has developed a diverse customer base of reputed OEMs in the domestic market such as MSIL, Fiat India Automobile Private Limited, MG Motors India Private Limited, Volkswagen India Private Limited, and Toyota Kirloskar Motor Private Limited, among others. However, the company's revenues are largely driven by MSIL. In the export segment, NTF's customer base includes Ashok Leyland UAE, GE Healthcare, Hispacold International and Toyota Saudi Arabia-ALJ Motors. Over the past two fiscals, the company has also added new customers such as Honda Motor Co. Ltd., JBM Auto Ltd. and Hyundai Kia (Hyundai Motor Group), among others. Moreover, the company has maintained a healthy share of business with its key customers, which has supported revenue growth over the years.

Adequate financial risk profile – NTF's financial profile is adequate, marked by healthy revenue growth, steady accrual generation, and moderate capital structure and coverage metrics. The company registered healthy revenue growth of 32% YoY to Rs. 1,005 crore in FY2025, supported by improved demand from MSIL, higher content per vehicle, widening product portfolio, expansion of capacities and addition of customers. NTF's profitability has witnessed similar growth, with operating profit margins expanding to 15.5% in FY2025 from 14.5% in FY2024, on a consolidated basis. While the leverage levels have remained relatively high, the same is mitigated by its margins, which has enabled the debt protection metrics to remain stable. Going forward, NTF is likely to report healthy revenue growth and stable earnings profile supported by stable demand, planned capacity expansion and addition of new customers, which coupled with expected reduction in debt levels are expected to further improve its coverage metrics over the near to medium term.

Credit challenges

Working capital-intensive nature of operations – NTF's inventory levels have remained high historically owing to the wide variety of products manufactured with development of their associated dies/moulds and multiple manufacturing facilities. NTF funding requirements also remain high but are comfortably met through credit of up to two months from its vendors and available working capital lines from the bank. Incremental funding requirements of the business from healthy anticipated growth in the current fiscal are expected to be funded through internal accruals and sanctioned working capital lines.

High leverage levels; expected to moderate over the medium term – NTF's leverage levels remain high owing to high working capital intensity of the business and relatively higher debt-funded capex incurred towards capacity expansions in recent years. However, the same is mitigated by strong accrual generation because of healthy ramp-up of capacity utilisation and margin expansion. Going forward, NTF's coverage profile is expected to improve further aided by higher accrual generation and no material increase in debt for the near to medium term.

High concentration risk with top customer accounting for ~80% of sales – NTF faces high client concentration risk with its top customer, MSIL, driving ~80% of its revenue in recent years. The company's business performance is, thus vulnerable to the performance and market share of the OEM. However, given the healthy market share of MSIL in the PV segment and 100% share of business with the customer, the risk is mitigated to a large extent. Further, with the addition of new customers and increased supplies to the electric vehicles, railways and agriculture segments, the reliance on the top customer is expected to reduce to some extent over the medium term.

Exposure to cyclicity in the auto sector with PV segment driving large share of revenues – NTF derives majority of its revenue from the automotive sector, mainly the PV segment, thereby exposing it to competitive intensity and inherent cyclicity in the auto industry. In recent years, the company has also diversified into non-PV segments such as agriculture, railways and windmills; however, the contribution from the same is low at present.

Liquidity position: Adequate

NTF's liquidity position is adequate, supported by cash and liquid investments of Rs. 3 crore and cushion of Rs. 21 crore in its working capital limits, as of March 2025. The company has annual debt repayment obligations of Rs. 30-35 crore in FY2026 and FY2027. Its internal accrual generation is expected to be sufficient to service the same.

Rating sensitivities

Positive factors – Not applicable

Negative factors – Not applicable

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on Withdrawal of Credit Ratings Auto Components
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the consolidated financials of the company. As on March 31, 2025, the company had one subsidiary, details of which can be found in Annexure II.

About the company

NTF, incorporated in 1996, is involved in manufacturing plastic components, as well as exterior and interior auto components for leading automotive OEMs in India. The company has been promoted by the Jain family, who have an extensive experience of more than three decades in the business. NTF's manufacturing units are spread across five states in India, namely, Haryana (Manesar), Maharashtra (Pune), Rajasthan (Neemrana), Gujarat (Sanand and Naviyani) and Karnataka (Bengaluru). The company has established a wholly-owned subsidiary, NTF South India Private Limited, which was incorporated in March 2021, headquartered in Bengaluru, to serve the southern region of India. This subsidiary primarily supports the assembly operations of Maruti Suzuki, which are conducted in collaboration with Toyota.

Key financial indicators (audited)

NTF (Consolidated)	FY2023	FY2024	FY2025*
Operating income (Rs. crore)	607.9	763.8	1,004.9
PAT (Rs. crore)	22.1	22.4	27.9
OPBDIT/OI (%)	13.5%	14.5%	15.5%
PAT/OI (%)	3.6%	2.9%	2.8%
Total outside liabilities/Tangible net worth (times)	3.9	3.9	4.3
Total debt/OPBDIT (times)	4.3	3.2	2.9
Interest coverage (times)	2.9	3.0	3.8

Source: Company, ICRA Research; *Provisional; All ratios as per ICRA's calculations; Amounts in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA:

CRA	Date	Rating Action
Brickwork Ratings	September 26, 2023	BWR BBB-/Stable/A3; ISSUER NOT COOPERATING/ Downgraded
Brickwork Ratings	March 21, 2024	BWR BB+/Stable/A4+; Continues to be in ISSUER NOT COOPERATING category/ Downgraded
Brickwork Ratings	April 08, 2025	BWR BB+/Stable/A4+; Continues to be in ISSUER NOT COOPERATING category/ Reaffirmed

Source: Company

Any other information: None

Rating history for past three years

Instrument			Current rating (FY2026)	Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	Date & Rating in Jul 28, 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based – Term Loan [^]	Long term	102.00	[ICRA]BBB+ (Stable); reaffirmed and withdrawn	Apr 29, 2024	[ICRA]BBB+ (Stable)	-	-	Jan 31, 2023	[ICRA]BBB+ (Stable)
Fund-based – Cash Credit [^]	Long term	140.00	[ICRA]BBB+ (Stable); reaffirmed and withdrawn	Apr 29, 2024	[ICRA]BBB+ (Stable)	-	-	Jan 31, 2023	[ICRA]BBB+ (Stable)
Non-fund-based limits	Short term	34.00	[ICRA]A2; reaffirmed and withdrawn	Apr 29, 2024	[ICRA]A2	-	-	Jan 31, 2023	[ICRA]A2
Unallocated	Long term/ Short term		-	-	-	-	-	Jan 31, 2023	[ICRA]BBB+ (Stable)/ [ICRA]A2

[^]includes proposed facilities

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based limits –Term Loan	Simple
Long-term – Fund-based limits –Cash Credit	Simple
Short-term – Non-fund based limits	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term Loans [^]	FY2020-FY2024	~9.00%	FY2027-FY2029	102.00	[ICRA]BBB+ (Stable); reaffirmed and withdrawn
NA	Cash Credit [^]	-	-	-	140.00	[ICRA]BBB+ (Stable); reaffirmed and withdrawn
NA	Non-fund-based limits	-	-	-	34.00	[ICRA]A2; reaffirmed and withdrawn

Source: Company; [^]includes proposed facilities

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
NTF South India Private Limited	100%	Full Consolidation

Source: Company

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