

June 23, 2026

Janatics Industrial Automation Private Limited: [ICRA]BBB (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Cash credit	25.00	[ICRA]BBB (Stable); assigned
Long-term – Unallocated limits	6.00	[ICRA]BBB (Stable); assigned
Total	31.00	

**Instrument details are provided in Annexure-II*

Rationale

The rating assigned to the bank facilities of Janatics Industrial Automation Private Limited (JIAPL) factors in its business position as a leading player in the domestic electro pneumatic flushing system (EPFS) segment, its strong linkages with Janatics India Private Limited (JIPL, rated [ICRA]A+ (Stable)), the flagship company of the Janatics Group (the Group), and the healthy financial flexibility arising from the same. The Group has committed to ensure timely and adequate financial support to JIAPL so that the latter’s operational and financial commitments are met in a timely manner, as and when required. The rating also factors in the established position of the Janatics Group in the pneumatics market, characterised by its track record of over 35 years in the pneumatic component industry and the considerable experience of the promoters, spanning over five decades in the industry.

In FY2026, JIAPL demonstrated healthy growth in its scale of operations, with revenues increasing to Rs. 73.4 crore from Rs. 46.0 crore in FY2025, driven by higher supplies of flushing systems and other railway products, coupled with the sale of coils to JIPL. The company is one of the leading domestic players in India’s EPFS market and has been gradually improving its business position over the years, with cost-competitive and efficient product offerings as well as marketing efforts supporting product acceptance. The company expects to further scale up its revenues going forward, with a focus on orders for automated railway doors and other pneumatic products such as electrical actuators and motors, which are in various stages of product approval by prospective customers.

The rating is, however, constrained by the current modest scale of operations, working capital intensity of operations, revenue concentration and stiff competition in the industry, which restricts pricing power. The company’s financial risk profile is currently moderate and characterised by modest margins due to the tender-driven nature of the business in a competitive market and its reliance on external borrowings, with interest coverage of 2.8 times and Total Debt/OPBITDA of 7.0 times in FY2026. The rating also factors in the vulnerability of its profitability to fluctuations in raw material prices, as the business remains largely tender driven. Nonetheless, the Group’s established position in the pneumatic component industry and its strong product development and manufacturing capabilities are expected to mitigate this risk to some extent.

The Stable outlook on the long-term rating reflects ICRA’s opinion that the company will be able to maintain its market position and report a gradual scale-up in operations over the medium term. ICRA expects steady cash accruals and moderate capex plans to support its overall credit profile.

Key rating drivers and their description

Credit strengths

Established position in pneumatic components, supported by promoter's extensive industry experience - JIPL, the flagship company of the Janatics Group, has established itself as a key player in the pneumatic component space, having been in operations for over 35 years and with presence across various product categories such as air cylinders, directional control valves, air preparation units, and didactic systems. While JIAPL is a relatively new entrant in this space, the company's operations are managed by Mr. J. Ganeshkumar and Mr. G. N. Balachandar, who have more than five decades of experience in the pneumatic component sector.

Diversified product profile - JIAPL has a diversified product profile, including pneumatic components, automated systems, railway and infrastructure solution products, robotics and cobots, and electrical actuators. These products have applications across various industries such as automotive, general engineering, textiles, education, packaging, food processing, and railways. Although the company currently generates around 60.0% of its revenues from electro pneumatic flushing systems supplied to the Indian Railways, it has developed several other products, as mentioned above, which support its overall revenue growth and diversification prospects.

Strong operational and financial linkages with JIPL - JIAPL is an integral part of the Janatics Group and markets its products under the Janatics brand. The company has strong operating linkages with the Group, including the sale of copper coils to JIPL, which are further used in the manufacture of pneumatic valves. In addition, the company procures raw materials from JIPL on need basis. ICRA expects JIAPL's revenues to remain supported by the Group's healthy business prospects, driven by its strong brand equity. Additionally, JIPL has extended a corporate guarantee for the debt availed by JIAPL, and ICRA expects the Group to provide timely and adequate financial support to JIAPL should the need arise.

Credit challenges

Higher revenue concentration from single segment – Almost 60-65% of the company's revenues are generated from railways segment, of which the sale of electro pneumatic flushing systems contributes the largest share. The company is also in the process of obtaining product approval and regular vendor status for the supply of automated railway doors. This is expected to aid revenue growth; however, the dependence on the railway sector is likely to continue. To mitigate this risk, the company has developed other products such as electrical actuators and motors and is in the process of foraying into non-railway segments. This is expected to gradually reduce concentration risk over the medium term as sales of these products scale up meaningfully.

Inherent competition from multinational firms and smaller companies in the unorganised sector - The company operates in a highly competitive and fragmented pneumatics industry. It competes with established multinational companies that leverage their global presence, as well as smaller companies from the unorganised sector and imports, which limit the company's pricing flexibility and margins.

Moderate financial risk profile - JIAPL's scale remains modest, with an operating income of Rs. 73.4 crore in FY2026, despite strong year-on-year growth of 59.5%. JIAPL's profitability also remains moderate, with an OPM of 4.8% in FY2026, largely on account of tender-based revenues where pricing remains competitive. The company also has a moderate working capital intensity of 10.6% in FY2026, characterised by receivable days of 120-125. Accordingly, the company is expected to remain dependent on external borrowings for its working capital requirements as operations scale up, which, coupled with moderate margins, is likely to keep the coverage metrics range bound. As on March 31, 2026, the company had working capital borrowings of Rs. 24.8 crore, and its coverage indicators were moderate, with interest coverage of 2.8 times in FY2026 and total debt/OPBITDA of 7.0 times. While the company expects profitability to improve with the scale-up of operations, its ability

to maintain the working capital cycle at optimal levels will be critical for an overall improvement in cash flows and its credit profile.

Liquidity position: Adequate

JIAPL's liquidity position remains adequate despite cash flows being negligible, largely supported by cash and bank balances of Rs. 3.1 crore and an undrawn term loan facility of Rs. 6.5 crore as on March 31, 2026. These sources of funds are expected to finance the anticipated capital expenditure (capex) of Rs. 5.0 crore in FY2027 and annual repayments of Rs. 0.7 crore in FY2027. Moreover, the Janatics Group is expected to extend support in case of any funding requirements.

Rating Sensitivities

Positive factors – The rating could be upgraded if the company demonstrates a significant scale-up of operations and earnings, supported by expansion into additional products, industries, or geographies.

Negative factors – Pressure on the rating could arise if the company's revenues or earnings significantly weaken, or in case of a sustained weakening in its key credit metrics or liquidity position due to large debt-funded capex or elongation of working capital cycle. Moreover, any weakening of credit profile of Janatics Group or weakening of JIAPL's linkages with the group may also warrant a rating downgrade.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	The company belongs to Janatics Group and the Group's flagship entity, Janatics India Private Limited (JIPL, rated [ICRA]A+(Stable) has extended corporate guarantee to the company. The Janatics Group is expected to extend timely and adequate financial support, as and when required.
Consolidation/Standalone	Standalone

About the company

Incorporated in 2020, Janatics Industrial Automation Private Limited (JIAPL) is part of the Janatics Group, of which Janatics India Private Limited is the flagship entity. The company is an Indian manufacturer specialising in industrial automation solutions, with a strong focus on pneumatic systems and advanced engineering applications. The company sells copper coils to JIPL for the manufacture of pneumatic valves, which constituted around 30% of its revenues in FY2026. The Group's key strength remains its design and engineering capabilities, with more than 200 employees forming part of its engineering and production teams.

Key financial indicators

JIAPL (standalone)	FY2025	FY2026 (Provisional)
Operating income (OI)	46.0	73.4
PAT	-3.9	1.4
OPBDIT/OI (%)	-5.2%	4.8%
PAT/OI (%)	-8.5%	1.9%
Total outside liabilities/Tangible net worth (times)	-17.0	-47.5
Total debt/OPBDIT (times)	-4.0	7.0

JIAPL (standalone)	FY2025	FY2026 (Provisional)
Interest coverage (times)	-4.7	2.8

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

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	June 23, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based-Cash credit	Long Term	25.00	[ICRA]BBB (Stable)	-	-	-	-	-	-
Unallocated limits	Long Term	6.00	[ICRA]BBB (Stable)	-	-	-	-	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
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/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

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

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) 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 can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Cash credit	Simple
Long-term – Unallocated limits	NA

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 II: Instrument details

ISIN	Instrument name	Date of issuance/Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund-based – Cash Credit	NA	8.0%-9.0%	NA	25.00	[ICRA]BBB (Stable)
NA	Unallocated	NA	NA	NA	6.00	[ICRA]BBB (Stable)

Source: Company

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

Annexure III: List of entities considered for consolidated analysis – Not applicable

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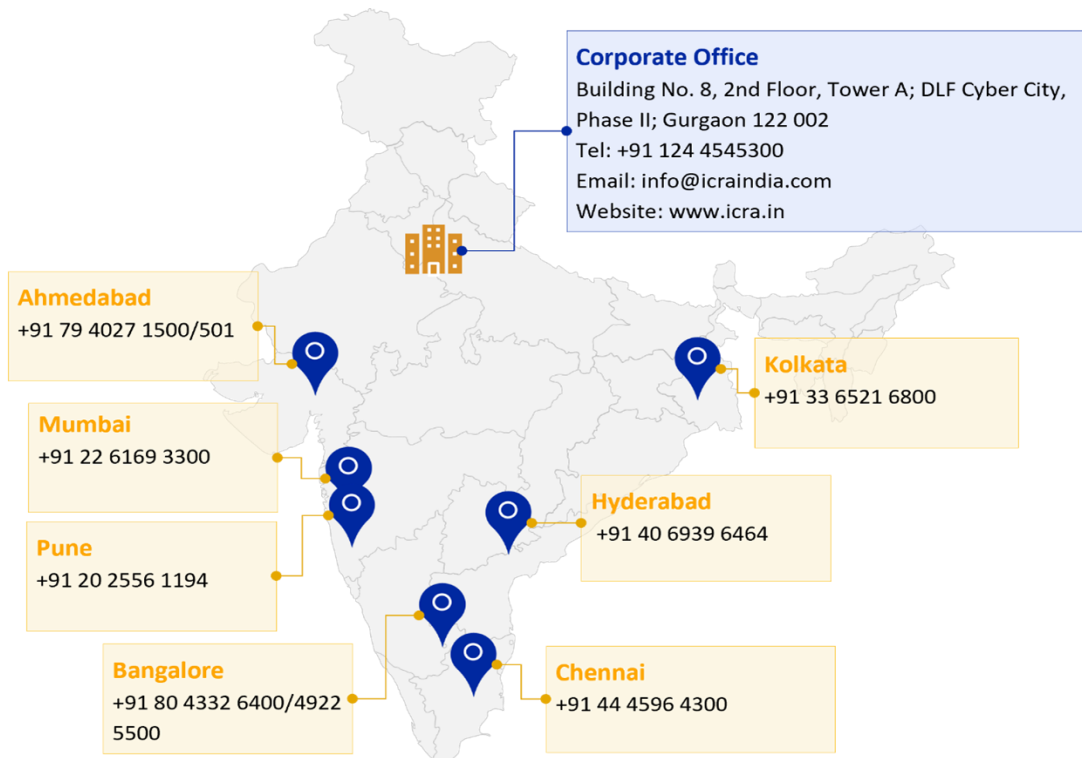


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