

September 18, 2025

Jasper Industries Private Limited: Ratings reaffirmed and withdrawn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Long-term fund-based working capital	247.98	247.98	[ICRA]BB+ (Stable); reaffirmed and withdrawn
Long-term fund based- Term loans	81.02	81.02	[ICRA]BB+ (Stable); reaffirmed and withdrawn
Long-term/short-term – Unallocated	88.25	88.25	[ICRA]BB+(Stable)/[ICRA]A4+; reaffirmed and withdrawn
Total	417.25	417.25	

*Instrument details are provided in Annexure I

Rationale

ICRA has reaffirmed and withdrawn the ratings assigned to the bank facilities of Jasper Industries Private Limited (JIPL). The ratings are withdrawn based on the request from the company, no-objection certificates from lenders, and in accordance with ICRA's policy on withdrawal.

The ratings consider Jasper Industries Private Limited's (JIPL) established operational track record as an authorised dealer of commercial vehicles (CV) and passenger vehicles (PV) of Tata Motors Limited (TML), with more than 80 touch points and the strong association of the Jasper Group with the Tata Group of companies. The ratings also consider the strong market position of JIPL in both the PV and CV segments in Andhra Pradesh and Telangana. The company recorded a healthy revenue growth of around 13% in FY2025 on the back of strong demand for TML's PVs and recovery in demand for CVs. However, in 5M FY2026, PV and CV sales volume declined by around 2% and 12%, respectively, on a YoY basis, owing to high rainfall during the period and postponement of purchases by customers in anticipation of reduction in prices once new GST slabs are implemented. However, sales are expected to improve in H2 FY2026, on the back of pent-up and festive demand, supported by moderation in prices. ICRA expects the company to report a revenue growth of 5-10% in FY2026 on the back of expected improvement in demand in H2 FY2026, while the operating margin is expected to remain range-bound at 2.3-2.6% in the near to medium term. TML's market leadership position in CVs and healthy demand for its PVs augur well for JIPL's growth, going forward.

The ratings are, however, constrained by JIPL's moderate financial profile, characterised by a leveraged capital structure and modest debt coverage indicators, as indicated by total debt/OPBDITA of 9.5 times and DSCR of 0.9 times in FY2025. High repayment obligations are likely to constrain the coverage indicators in the near term. Moreover, the company has extended sizeable loans and advances to its Group entities, impacting its debt levels. The ratings also factor in the company's thin profit margins, inherent to the dealership nature of the business, as new vehicle sales, which dominate the revenue mix, command lower margins. The ratings consider the intense competition from dealers of TML and other original equipment manufacturers (OEMs) in the region. The ratings also consider high geographical concentration risk, as most of the revenues are generated from Andhra Pradesh, Telangana and Delhi. Further, the company's liquidity profile is stretched, given the limited buffer in working capital limits and modest free cash. ICRA notes that the company is demerging its PV segment into a separate entity named Jasper Cars Private Limited. The division of assets / liabilities between the two entities remains uncertain.

The Stable outlook on the long-term rating reflects ICRA's opinion that JIPL will continue to record a healthy revenue growth, driven by healthy demand for TML's CVs and PVs in Andhra Pradesh and Telangana.

Key rating drivers and their description

Credit strengths

Established track record as TML dealer; recovery in demand expected to support revenue growth – JIPL is an authorised dealer of TML’s CVs and PVs with a wide sales network across Andhra Pradesh and Telangana. JIPL was one of the first few dealers appointed by TML in 1955. Further, TML is the largest CV manufacturer in India with around 36% market share in FY2025, which is expected to support JIPL’s revenues. The company has more than 80 touch points across all the districts of Telangana and three districts of Andhra Pradesh. The company is expected to witness a healthy revenue growth of 5-10% in FY2026, driven by expected improvement in demand for PV and CV.

Strong relationship with Tata Group – JIPL enjoys an established relationship with the Tata Group of companies. JIPL also undertakes automotive body-building activities for TML’s chassis requirements at its Uttar Pradesh plant through its Group company, Adithya Automotive Applications Private Limited (AAA).

Credit challenges

Moderate financial profile – The company’s financial profile is moderate, characterised by high debt levels and low margins, resulting in a leveraged capital structure and moderate coverage indicators. Moreover, the company has extended sizeable loans and advances to Group entities, which led to higher reliance on debt. The company’s coverage indicators are expected to remain stretched in the near term owing to high repayment obligations.

Thin margins and low bargaining power inherent to dealership business; revenue concentration on single principal – The dealership business is characterised by thin margins and low bargaining power of the dealer as margins on vehicles are determined by the principal. Further, intense competition in the auto dealership business results in low margins. JIPL’s operating margin decreased to 2.4% in FY2025 from 2.8% in FY2024 owing to higher proportion of vehicle sales and high fixed overheads. The company’s operating margins are expected to remain thin at 2.3-2.6% in the near to medium term. JIPL faces revenue concentration being dependent on a single principal, TML, for both CVs and PVs. Moreover, JIPL’s revenues and earnings are vulnerable to the underlying cyclicity inherent in the CV industry.

Intense competition in the industry – Although the company is an authorised dealer of TML, its sales and profitability remain susceptible to intense competition from dealers of TML as well as other OEMs in the region. The dealers have to pass on additional benefits to customers to increase sales owing to intense competition, which impacts its profitability to an extent.

Liquidity position: Stretched

The company’s liquidity position is stretched, as reflected in the limited buffer available in the working capital, expected to generate retained cash flows of Rs. 40-50.0 crore and free cash and bank balances of around Rs. 18.0 crore as on June 30, 2025. The company has high repayment obligations of Rs. 25.0-30.0 crore and capex plans of Rs. 15-20.0 crore in FY2026, which would be funded through mix of term loans and internal accruals.

Rating sensitivities

Positive factors – NA.

Negative factors – NA.

The rating sensitivities have not been captured in PR as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Automobile Dealers Policy on withdrawal of Credit Ratings
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

JIPL was set up in 1955 by Mr. Badiga Seshagiri Rao as a partnership firm and was later converted into a private limited company in 1987. It was among the earliest dealers appointed by Tata Motors Limited (TML) in 1955. The company's first outlet of TML's commercial vehicles was at Vijayawada in 1955, and at present it has more than 80 touch points spread across all the ten districts (Adilabad, Karimnagar, Ranga Reddy, Khammam, Medak, Nizamabad, Warangal, Mahabubnagar, Hyderabad, Suryapet) of Telangana and three districts (Guntur, Krishna and West Godavari) of Andhra Pradesh, where it is the dealer of TML's commercial vehicles.

Jasper Automobiles Private Limited (was 100% subsidiary of JIPL) was involved in the sale of passenger vehicles in three districts of Andhra Pradesh before being merged with JIPL with effect from April 01, 2018. In 5M FY2026, the company expanded its presence in Delhi by acquiring and launching a new dealership. JIPL currently sells both PV and CV vehicles. The Jasper Group also manufactures automotive applications (primarily body building) for TML through Adithya Automotive Applications Private Ltd (AAA).

JIPL is part of the Jasper Group, which is involved in automobile trading, manufacture of automotive applications, power generation, mining and material handling. JIPL is the flagship company of the Group. The company is demerging its passenger vehicle (PV) segment into a separate entity named Jasper Cars Private Limited. The division of assets/liabilities between the two entities remains uncertain.

Key financial indicators (audited)

JIPL (Standalone)	FY2024	FY2025*
Operating income	1,970.8	2,222.8
PAT	5.6	6.9
OPBDIT/OI	2.8%	2.4%
PAT/OI	0.3%	0.3%
Total outside liabilities/Tangible net worth (times)	4.1	4.1
Total debt/OPBDIT (times)	9.4	9.5
Interest coverage (times)	1.3	1.2

Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore
PAT: Profit after tax; OPBDIT: 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

Current (FY2026)			Chronology of rating history for the past 3 years								
			FY2026			FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Sep 18, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Cash credit	Long-term	247.98	[ICRA]BB+ (Stable); reaffirmed and withdrawn	Apr-04-25	[ICRA]BB+ (Stable)	Apr-05-24	[ICRA]BB+ (Stable)	-	-	Jan-31-23	[ICRA]BB+ (Stable)
Term Loan	Long Term	81.02	[ICRA]BB+ (Stable); reaffirmed and withdrawn	Apr-04-25	[ICRA]BB+ (Stable)	Apr-05-24	[ICRA]BB+ (Stable)	-	-	Jan-31-23	[ICRA]BB+ (Stable)
Unallocated Limits	Long Term/ Short Term	88.25	[ICRA]BB+(Stable)/[ICRA]A4+; reaffirmed and withdrawn	Apr-04-25	[ICRA]BB+ (Stable)/[ICRA]A4+	Apr-05-24	[ICRA]BB+ (Stable)/[ICRA]A4+	-	-	Jan-31-23	[ICRA]BB+ (Stable)/[ICRA]A4+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based – Cash Credit	Simple
Long-term fund-based – Term loan	Simple
Long-term/ short-term – Unallocated Limits	Not Applicable

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	Cash Credit	NA	NA	NA	247.98	[ICRA]BB+ (Stable); reaffirmed and withdrawn
NA	Term Loan	FY2018	NA	FY2033	81.02	[ICRA]BB+ (Stable); reaffirmed and withdrawn
NA	Unallocated Limits	NA	NA	NA	88.25	[ICRA]BB+(Stable)/[ICRA]A4+; reaffirmed and withdrawn

Source: Company

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

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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