March 30, 2026

JNS Instruments Limited: [ICRA]BBB- (Stable)/ [ICRA]A3; assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term Fund based –Term Loan	21.54	[ICRA] BBB- (Stable); assigned
Short Term-Non-Fund Based – LC/BG/SBLC	75.00	[ICRA] A3; assigned
Short Term- Fund Based – Bill Discounting/Purchase order	250.00	[ICRA] A3; assigned
Total	**346.54**	

**Instrument details are provided in Annexure I*

Rationale

The ratings assigned to JNS Instruments Limited (JNS) favourably factor in its established market position as a leading manufacturer of instrument clusters for various original equipment manufacturers (OEMs). The company's operations remain supported by its parentage as a joint venture (JV) between the JP Minda Group and Nippon Seiki. The JP Minda Group, led by Mr. Ashwani Minda, has a diversified presence across automotive components business with an extensive experience of over six decades, while Nippon Seiki's equity participation has aided in providing the technological support, particularly for Japanese OEM programmes. The company benefits from its leading position in the speedometer market, catering to reputed two-wheeler (2W) and passenger vehicle (PV) OEMs such as Honda Motorcycle and Scooter India (HMSI), Hero MotoCorp Limited, Bajaj Auto Limited (BAL) and Maruti Suzuki India Limited (MSIL), with long-standing relationships

JNS reported revenues of around Rs. 1,672 crore in FY2025 (28.8% YoY growth) and Rs. 1,640 crore in 9M FY2026 and is expected to achieve Rs. 2,100–2,200 crore in FY2026. The healthy revenue growth over the recent years has been driven by increasing adoption of digital and thin film transistor (TFT) clusters, which has improved the realisations. JNS's operating profit margin (OPM) remained at 7.5% in FY2025 (5.7% in FY2024) and is likely to range at 6–7% in FY2026, with import dependence on key components (microcontrollers, TFT boards, printed circuit boards) remaining high, in line with other players in this segment. Its OPM is expected to gradually improve with operating efficiencies and by shifting its sourcing to direct manufacturers, enabling better pricing and aiding cash accruals.

ICRA also notes the operational, managerial and financial support from JV partners, including unsecured loans of Rs. 90.9 crore outstanding as on March 31, 2025 from JP Minda Group entities, in addition to the external term debt of Rs. 89.8 crore. A significant portion of the promoter group debt is from JPM Industries (o/s of Rs. 57 crore as on March 15, 2026), which is subordinated to banks, interest free, and carries no fixed repayment schedule, thus providing cash flow flexibility. Nippon Seiki had also earlier extended elongated credit period and loans during the pandemic. ICRA expects both the JV partners to continue to provide the operational and need-based financial support. JNS's financial risk profile remains moderate, with TD/OPBITDA at 2.8x as of March 31, 2025, and an interest coverage of 4.5x in FY2025. However, TOL/TNW remains elevated at 21.5x as of March 31, 2025, owing to accumulated losses over FY2020–FY2022, which had eroded the net worth. The leverage metrics are expected to improve with an improvement in profitability and scheduled repayments. The company's operating efficiency is also supported by low working capital intensity. ICRA further notes that the company has significant contingent liabilities relating to GST classification disputes pertaining to the wrong HSN classification. While these remain under litigation, any material crystallisation of these liabilities could exert pressure on its liquidity profile and remain a monitorable.

The company's strengths are offset by its high dependence on the 2W segment (65–70% of revenues), although the same remains partly mitigated by its reputed clientele and established relationships with OEMs. The company also has significant

forex exposure due to the high import content of raw materials (60–65% in FY2025) and technical know-how fees. While the raw material related currency fluctuations are largely passed on to OEMs, any change in this arrangement remains monitorable. Additionally, with most revenues derived from the domestic automotive market, the company remains exposed to the inherent cyclicality of the sector.

The Stable outlook on the rating reflects ICRA's expectation that in the absence of significant debt-funded capex plans in the near term, the company will report steady growth in revenue and earnings, driven by the steady demand from the automotive industry and access to support from JV partners, thereby supporting its credit profile.

Key rating drivers and their description

Credit strengths

Leading position in 2W instrument clusters, supported by healthy relationships with OEMs – The company is one of the largest players in cluster instruments and driver infotainment systems in the 2W sector. It holds around 30% market share in the sector and around 20% in the 4W domestic speedometer market. Its customer base comprises key 2W OEMs, including Honda Motorcycle (41% of revenues in 9M FY2026), Hero MotoCorp (10%), Bajaj Auto (12%), Suzuki Motorcycle, India Yamaha, as well as PV OEMs such as Maruti Suzuki (23%) and Honda Cars; it is also under discussion with other prospective clients. The technological support from Nippon Seiki enables the company to service evolving client requirements, particularly for Japanese OEMs, in addition to its healthy in-house R&D capabilities. With strong clientele and steady demand levels, the company is expected to achieve moderate revenue growth over the near to medium term.

Access to support from JV partners – Backed by the extensive experience of its JV partners in the automotive component business, the company has established relationships with major OEMs. JP Minda Group entities have extended unsecured loans (o/s of Rs. 90.9 crore as of March 31, 2025, and expected o/s of Rs. 75 crore as of March 31, 2026) to meet JNS's business requirements; as per discussions with the management, promoter loans of around Rs. 65 crore are expected to remain outstanding over the next 2-3 fiscals. Nippon Seiki had also provided an extended credit period and loan during the pandemic. The company purchases key raw materials such as microcontrollers (micons), liquid crystal displays (LCDs) and printed circuit boards (PCBs) from Nippon Seiki, a leading player in the instrument cluster segment in Japan. ICRA expects both JV partners to continue to provide operational and need-based financial support.

Moderate financial risk profile – The company's financial risk profile remains moderate, with TD/OPBITDA at 2.8x as of March 31, 2025, and an interest coverage of 4.5x in FY2025. However, TOL/TNW remains elevated at 21.5x as of March 31, 2025, owing to accumulated losses over FY2020–FY2022, which had eroded the net worth. The leverage metrics are expected to improve, going forward, with an improvement in profitability and scheduled repayments. The company's operating efficiency is also supported by low working capital intensity.

Credit challenges

Segment concentration risk with high dependence on 2W segment – JNS derives a significant portion of its top line from the 2W segment, which accounted for 64% of its revenues in FY2025 and 69% in 9M FY2026, with Honda Motorcycle contributing around 41% of its sales in 9M FY2026, exposing the company to customer and segment concentration risks. The PV segment accounts for around 25% of its revenues. The risk is, however, partially mitigated by established relationships with OEMs and expected addition of new customers over the medium term.

Exposure to downturn in demand in the automotive industry – The company mainly caters to OEMs in the domestic market, which accounts for around 95% of its revenue with the remaining coming from exports. This exposes the company to demand slowdown in the domestic automotive market and intense pricing pressure. Nevertheless, the Group's long track record and established relationships with OEMs across the various automotive segments are likely to continue to generate business and provide some comfort.

Liquidity position: Adequate

JNS's liquidity is expected to remain adequate, supported by an estimated net cash accrual of approximately Rs. 100-120 crore in FY2026 and Rs. 110-130 crore in FY2027, against long-term debt repayment obligations of Rs. 40-50 crore in FY2027. The company has capex plans of Rs. 35-40 crore p.a. towards routine maintenance, which is expected to be met through a mix of debt and internal accruals.

Rating sensitivities

Positive factors – Sustained ramp-up in revenues with improving profitability indicators, resulting in higher cash flows and a consequent improvement in the debt metrics and liquidity, could lead to a positive rating action.

Negative factors – A negative rating action could be triggered in case of a significant deterioration in revenues and profitability or any large debt-funded capex, leading to weakening in the overall financial risk profile. Any material crystallisation of contingent liability relating to GST dispute due to the wrong HSN classification, leading to adverse impact on the company's overall liquidity will also be a credit negative. A specific credit metric for ratings downgrade includes DSCR of lower than 1.4 times, on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

JNS Instruments Limited, incorporated in July 1998, is a joint venture between the JP Minda Group (India) and Nippon Seiki Co., Ltd., Japan. The company is engaged in the manufacturing of automotive infotainment system, instrument clusters, fuel units, and speed sensors for two-wheeler (2W) and four-wheeler (4W) segments. JNS operates five manufacturing facilities across Manesar (Haryana), Haridwar (Uttarakhand), Chakan (Pune), Bhagapura (Gujarat), and Bhiwadi (Rajasthan).

The company is a leading player in instrument clusters in India, supplying to major OEMs including Maruti Suzuki, Honda, Hero, Yamaha, Bajaj, Nissan, and Piaggio. JNS has manufacturing capabilities encompassing PCB assembly, injection moulding, printing, and final assembly, supported by in-house R&D facilities and a centralised tooling setup through the JP Minda Group.

Key financial indicators (audited)

JNS Instruments Limited (Standalone)	FY2024	FY2025
Operating income	1,298.2	1,672.1
PAT	26.1	17.9
OPBDIT/OI	5.7%	7.5%
PAT/OI	2.0%	1.1%
Total outside liabilities/Tangible net worth (times)	23.7	21.5
Total debt/OPBDIT (times)	3.2	2.8
Interest coverage (times)	3.4	4.5

Source: Company, ICRA Research; 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

CRA	Rating Action	Date of Release
CRISIL	Crisil BB+ /Stable/ Crisil A4+; ISSUER NOT COOPERATING	October 23, 2025
Brickworks	BWR BB - /Stable/ BWR A4; ISSUER NOT COOPERATING	March 11,2026

Any other information: None

Rating history for past three years

				Chronology of rating history for the past 3 years					
		Current (FY2026)		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Mar 30, 2026	Date	Rating	Date	Rating	Date	Rating
Fund based –Term Loan	Long term	21.54	[ICRA] BBB- (Stable)	-	-	-	-	-	-
Non-Fund Based – LC/BG/SBLC	Short term	75.00	[ICRA] A3	-	-	-	-	-	-
Fund Based – Bill Discounting/Purchase order	Short term	250.00	[ICRA] A3	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term Fund based –Term Loan	Simple
Short Term-Non-Fund Based – LC/BG/SBLC	Simple
Short Term- Fund Based – Bill Discounting/Purchase order	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	**Fund based –Term Loan**	FY2026*	NA	FY2030	21.54	[ICRA] BBB- (Stable)
NA	**Non-Fund Based – LC/BG/SBLC**	NA	NA	NA	75.00	[ICRA] A3
NA	**Fund Based – Bill Discounting/Purchase order**	NA	NA	NA	250.00	[ICRA] A3

*Source: Company; *as per the latest sanction letter*

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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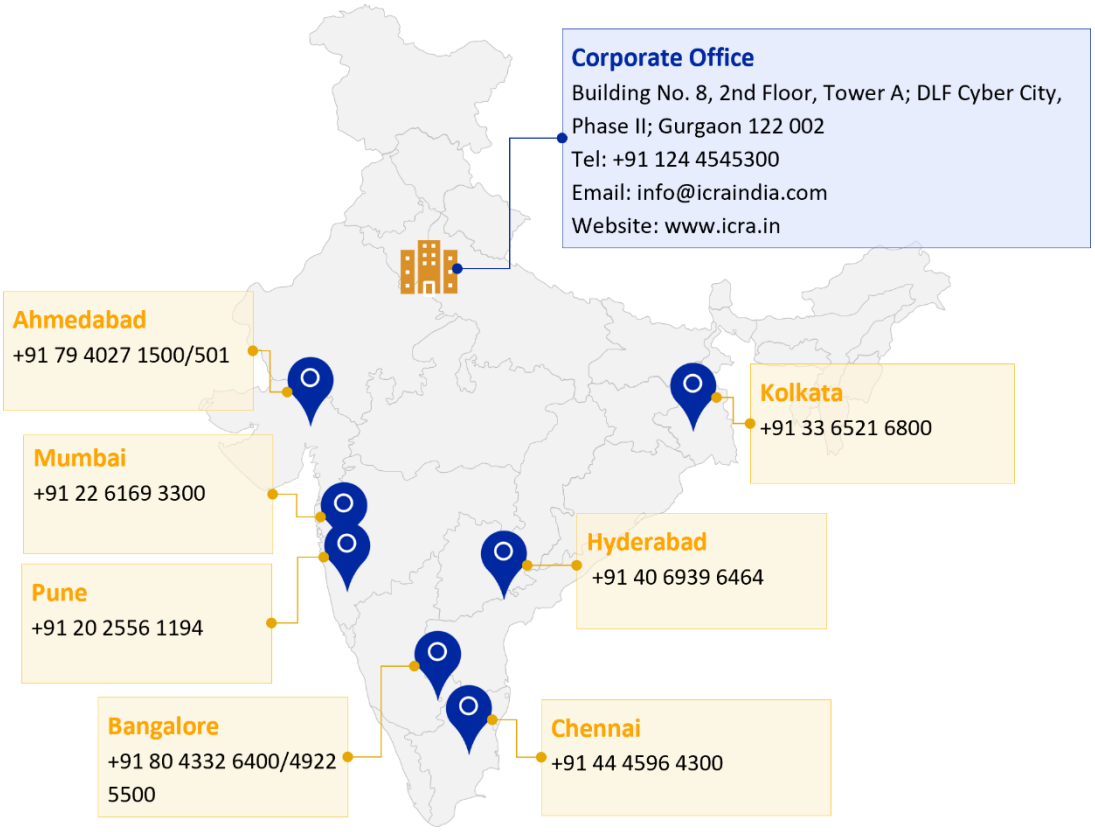

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