

April 01, 2026

## NJA Industries Pvt Ltd: [ICRA]BB (Stable)/[ICRA]A4; assigned

### Summary of rating action

Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Long-Term – Fund based – Cash Credit	25.00	[ICRA]BB(Stable); assigned
Short-Term – Non Fund based – LC/BG	39.00	[ICRA]A4; assigned
Long-Term – Fund based – Term Loan	3.17	[ICRA]BB(Stable); assigned
Short-Term – Fund based – Bills Discounting	2.00	[ICRA]A4; assigned
Unallocated Limits-LT/ST	0.83	[ICRA]BB(Stable)/[ICRA]A4; assigned
<b>Total</b>	<b>70.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

The ratings assigned to NJA Industries Pvt Ltd (NJA) factor in the high client concentration risk for the entity, with its top five customers accounting for more than 90% of revenues in FY2025. Further, the entity operates in the transformer industry, which is highly fragmented and competitive, resulting in pressure on margins and revenues. The ratings are also constrained by the stretched liquidity profile of the company, as reflected by the almost full utilisation of working capital limits. The ratings also take into account the entity's modest net worth and the exposure of margins to volatility in raw material prices, which has led to fluctuations in profitability in the past as well. While revenue growth is largely dependent on securing tenders, the entity's ability to maintain service quality and adhere to execution timelines remains crucial.

Nonetheless, the ratings derive comfort from the extensive experience of the promoters and the established track record in manufacturing various types of transformers. The rating is also supported by a healthy increase in revenues over the years and a strong outstanding order book.

The Stable outlook on the long-term rating reflects ICRA's opinion that NJA will continue to benefit from its extensive operational track record and established market position.

### Key rating drivers and their description

#### Credit strengths

**Extensive experience of promoters and NJA's proven track record** - The promoters have a vast experience in the transformer industry, spanning more than two decades. This, coupled with its extensive presence and proven operational track record in the transformer industry, will help establish better relationships with customers and gain new orders.

**Steady increase in scale and margins; healthy order book position** - The entity has reported growth in revenues over the years, with revenues of Rs. 86 crore in FY2025. Margins have also improved over the past two years owing to a focus on high-margin products. The company's order book stood at around Rs. 90 crore as on date, providing healthy revenue visibility for FY2027. In the current fiscal and the next year, the revenue growth momentum is expected to continue, aided by a strong order book position and available production capacity.

## Credit challenges

**High client concertation risk and vulnerability to tender based business** - The entity's revenues are primarily derived from Gujarat state discoms, exposing the company to client concentration risk. Further, the business is tender-based, and revenues remain vulnerable to the successful receipt of orders.

**Industry competition** - Even though the entity's profit margin improved in FY2025 and 9M FY2026, it remained modest due to competitive pressures. The entity operates in the transformer industry, which is highly fragmented and competitive, thereby limiting pricing flexibility and profitability.

**Volatility in raw material prices and high working capital intensity** - The entity's profitability remains exposed to volatility in raw material prices. Nonetheless, many contracts in the current order book have price escalation clauses based on published indices, thereby protecting margins to an extent. Additionally, the entity exhibits moderately high working capital intensity (26% in FY2025), inherent to the industry in which it operates due to the high receivable period and inventory requirements. The liquidity profile also remains stretched, with almost full utilisation of working capital limits.

## Liquidity position: Stretched

The company's liquidity position is stretched, characterised by negligible cash and bank balances as on December 31, 2025 and marginal buffer in working capital limits (average utilisation of 97% of its working capital limits over the 12 months ending January 2026). The company has debt repayments of Rs. 0.95 crore in FY2027 and minimal capex plans going forward.

## Rating sensitivities

**Positive factors** – ICRA could upgrade the ratings if the entity is able to improve liquidity buffers on a sustained basis, which can support future business growth and aid an improvement in debt coverage metrics.

**Negative factors** – The ratings could be revised downwards if there is a material decline in the entity's revenue/profitability or an elongation of working capital cycle leading to deterioration in its debt protection metrics and liquidity position.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	None
Consolidation/Standalone	Standalone

## About the company

NJA was incorporated in 2009 through the merger of NJA Industries and Jyoti Trading Company. It manufactures distribution transformers and lamination cores used in the production of transformers. In April 2011, NJA forward-integrated into transformer manufacturing. Mr Akhil Jain is the promoter.

### Key financial indicators (audited)

NJA Standalone	FY2024	FY2025	9MFY2026*
Operating income	96.0	85.8	84.2
PAT	1.4	1.9	2.6
OPBDIT/OI	3.2%	6.1%	5.2%
PAT/OI	1.4%	2.2%	3.1%
Total outside liabilities/Tangible net worth (times)	1.6	1.7	2.3
Total debt/OPBDIT (times)	3.1	3.7	2.8
Interest coverage (times)	2.0	2.3	2.2

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore; \*-Provisional financials

### Status of non-cooperation with previous CRA

CRA	Status	Date of Release
CRISIL	CRISIL BB-(Stable)/A4+ ISSUER NOT COOPERATING	January 08,2026

Any other information: None

### Rating history for past three years

Instrument	Type	Current rating (FY2027)			Chronology of rating history for the past 3 years					
		Amount (Rs. crore)	Rated	01-Apr-26	FY2026		FY2025		FY2024	
					Date	Rating	Date	Rating	Date	Rating
Fund-based-Cash credit	Long Term	25.00		[ICRA]BB (Stable)	-	-	-	-	-	-
Fund-based/Non-fund based-Unallocated limits	Long Tem/Short Term	0.83		[ICRA]BB (Stable)/[ICRA]A4						
Fund-based-Term loan	Long Term	3.17		[ICRA]BB (Stable)						
Non-fund based-Bank guarantee/Letter of credit	Short Term	39.00		[ICRA]A4						
Fund-based-Bill discounting	Short Term	2.00		[ICRA]A4						

### Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term/Short-term-Fund-based/Non-fund based-Unallocated limits	NA
Long-term-Fund-based-Cash credit	Simple

Long-term-Fund-based-Term loan	Simple
Short-term-Non-fund based-Bank guarantee/Letter of credit	Simple
Short-term-Fund-based-Bill discounting	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	Long-term/Short-term-Fund-based/Non-fund based-Unallocated limits	NA	NA	NA	0.83	[ICRA]BB(Stable)/[ICRA]A4
NA	Long-term-Fund-based-Cash credit	NA	NA	NA	25.00	[ICRA]BB(Stable)
NA	Long-term-Fund-based-Term loan	NA	NA	FY2029	3.17	[ICRA]BB(Stable)
NA	Short-term-Non-fund based-Bank guarantee/Letter of credit	NA	NA	NA	39.00	[ICRA]A4
NA	Short-term-Fund-based-Bill discounting	NA	NA	NA	2.00	[ICRA]A4

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

## ANALYST CONTACTS

**Jitin Makkar**

+91 124 4545368

[jitinm@icraindia.com](mailto:jitinm@icraindia.com)

**Srikumar Krishnamurthy**

+ 91 44 45964318

[ksrikumar@icraindia.com](mailto:ksrikumar@icraindia.com)

**Rohan Kanwar Gupta**

+91 124 4545808

[rohan.kanwar@icraindia.com](mailto:rohan.kanwar@icraindia.com)

**Gaurav Singla**

+91 124 4545366

[gaurav.singla@icraindia.com](mailto:gaurav.singla@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



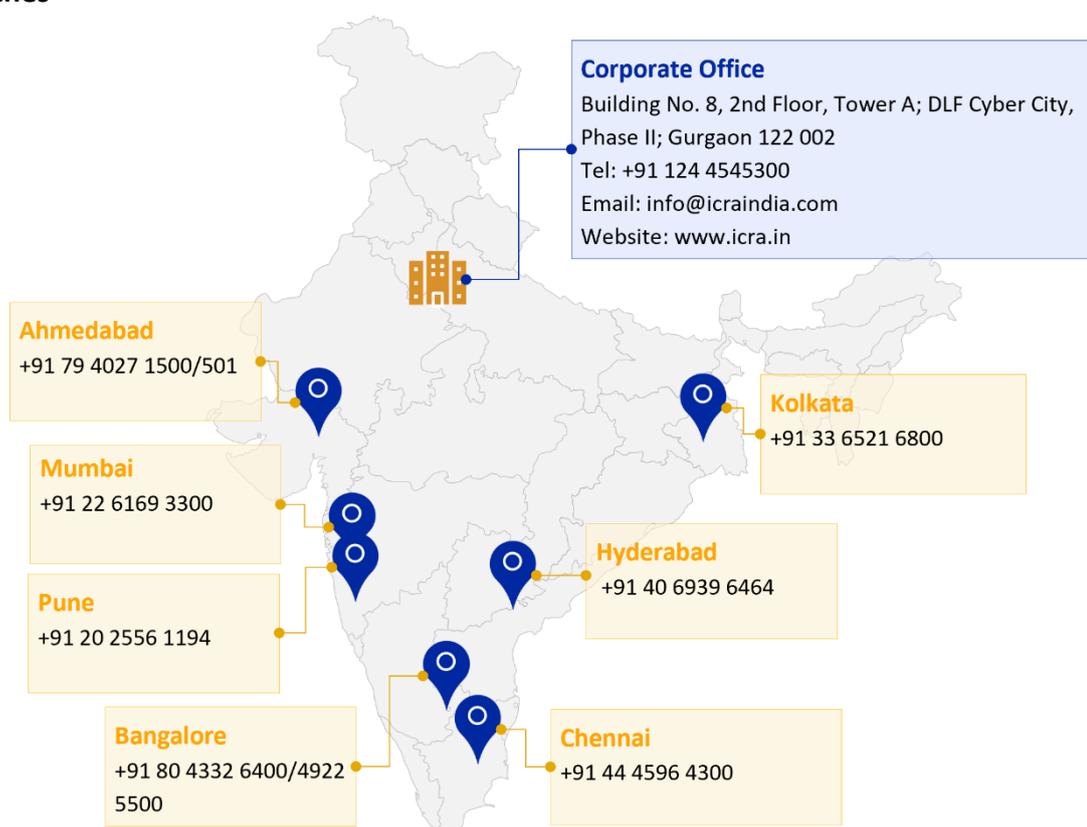
### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.