

April 27, 2026

Lumax Industries Limited: Ratings upgraded to [ICRA]AA-(Stable)/[ICRA]A1+; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based limits	479.50	570.00	[ICRA]AA-(Stable); upgraded from [ICRA]A+ (Stable) for existing limits and assigned for enhanced limits
Long-term – Fund-based – Term loans	307.50	247.63	[ICRA]AA-(Stable); upgraded from [ICRA]A+(Stable)
Long-term – Unallocated limits	225.00	250.00	[ICRA]AA-(Stable); upgraded from [ICRA]A+(Stable) for existing limits and assigned for enhanced limits
Short-term – Fund-based limits	155.00	155.00	[ICRA]A1+; upgraded from [ICRA]A1
Short-term – Non-fund based limits	165.00	280.30	[ICRA]A1+; upgraded from [ICRA]A1 for existing limits and assigned for enhanced limits
Total	1,332.00	1,502.93	

*Instrument details are provided in Annexure II

Rationale

The rating upgrade for Lumax Industries Limited (LIL) factors in the sustained improvement in its scale of operations, supported by an increasing share of business (SoB) in automotive lighting systems with leading domestic original equipment manufacturers (OEMs) across automotive segments, particularly the passenger vehicle (PV) segment. The company's diversified manufacturing footprint, along with technological and business support from Stanley Electric Co. Ltd., Japan (SECL; joint venture partner with a 37.5% equity stake), has supported the maintenance of a strong market position in the automotive lighting space. The rating upgrade also favourably factors in the improvement in the company's profitability, aided by economies of scale, higher automation levels at newly commissioned plants, and cost-efficiency measures undertaken by the company. While profitability remained under pressure during FY2024–FY2025 owing to elevated raw material costs, foreign currency volatility, and higher fixed overheads, the operating profit margin improved to 9.4% in 9M FY2026 (from 8.5% in FY2025). The margin is expected to remain at healthy levels of 10–11% over the medium term, supporting strong cash accruals and a gradual improvement in the credit metrics.

The ratings factor in the company's strong customer base and long-standing relationships with OEMs across all segments of the automobile industry. Although around 85% of LIL's revenues are derived from its top eight customers, ICRA believes that the associated client concentration risk is largely mitigated by the company's high share of business with key OEMs that enjoy strong market positions in their respective segments. In the two-wheeler (2W) segment, LIL supplies to Honda Motorcycle and Scooter India (HMSI) and Hero MotoCorp Limited (HMCL), both market leaders, while Maruti Suzuki India Limited (MSIL), Mahindra and Mahindra Limited (M&M), and Tata Motors Passenger Vehicle Limited (TMPV) are its key customers in the passenger vehicle (PV) segment.

Over the years, the company has relied relatively more on short-term funding sources to meet its capital expenditure (capex) requirements, resulting in an asset–liability mismatch (ALM). However, over the past few years, the company has increasingly availed term debt to fund its capex; aided by healthy cash accruals and a moderation in capex levels, the ALM is expected to reduce gradually going forward. LIL's debt levels increased to approximately Rs. 800 crore (excluding lease liabilities) as on March 31, 2026, compared to Rs. 772 crore as on March 31, 2025 and Rs. 597 crore as on March 31, 2024, primarily driven by debt-funded capex undertaken over the last three financial years. Nevertheless, the company's profitability has also improved

materially, resulting in a strengthening of key debt coverage metrics, with total debt/OPBITDA improving to around 2.5 times as on March 31, 2026 from 3.1 times as on March 31, 2025.

ICRA notes that the company has set up a new manufacturing facility at Chakan, Pune, to cater to key models of M&M, TMPV, Skoda Volkswagen India, and MSIL. Further, the company plans to expand capacities at several other plants to meet the expected growth in demand, which is likely to support an improvement in its scale of operations. While the company's overall debt levels are expected to remain elevated in the near to medium term to fund its capex plans and working capital requirements, the resulting improvement in cash accruals is expected to support a strengthening of its credit metrics. ICRA also continues to derive comfort from the company's healthy financial flexibility and access to financial markets, its established relationships with vendors, and the fact that most of its manufacturing facilities are free of encumbrances, which mitigate refinancing risk to an extent.

ICRA notes that LIL's revenues remain susceptible to demand slowdowns in the domestic automobile industry. Nevertheless, the company reported healthy revenue growth over the past two fiscals, supported by diversification of its customer profile and strong business gains from key customers such as M&M and TMPV. Going forward, with underlying industry demand expected to remain steady and continued business from multiple OEMs, LIL is expected to report healthy earnings growth over the medium term.

The Stable outlook on the rating reflects ICRA's expectation that healthy cash accruals aided by strong customer relationships would lead to a gradual improvement in the company's credit metrics and bring them at levels commensurate to the rating level.

Key rating drivers and their description

Credit strengths

Strong market position in domestic automotive lighting segment – LIL is a leading supplier of automotive lighting solutions in the domestic market with a product portfolio of automotive lighting systems such as headlamps (69% of revenues in 9M FY2026), tail lamps (22%), and other sundry auxiliary lamps. The company's presence spans all segments in the automobile sector, viz., PVs, 2Ws, commercial vehicles (CVs), buses, tractors and off-highway vehicles, among others. The PV segment is the primary revenue driver with a 65% contribution in 9M FY2026. It is the leading supplier of lighting solutions for the PV segment and the third largest in the 2W segment, providing comfort to the company's future revenue visibility

Access to technology from collaborator and largest shareholder, SECL – SECL is one of the leading suppliers of automotive lighting solutions globally and it developed the first LED high-mount stop lamp for the automotive sector. The strong technical support from its collaborator helps LIL stay abreast of evolving trends in the lighting industry, such as LED headlamps.

Diversified customer base and established relationships with OEMs across automobile segments – LIL has a presence across all segments of the automobile industry with 12 manufacturing plants in proximity to its key customers. The company enjoys a high share of business with MSIL (estimated market leader with about 39% share of the domestic PV market in FY2026) and services multiple models of the OEM, which has supported its business prospects over the years. In addition, the company enjoys a high share of business with other OEMs, such as HMCL, HMSI, Honda Cars India Limited (HCIL), TMPV and M&M. It has gained a high share of business in LED models and its technical centre helps LIL with new product developments.

Trend of improving LED penetration in domestic automotive market augurs well for revenue growth – The LED segment drove 61% of LIL's revenues in 9M FY2026 compared to 52% in 9M FY2025, aided by the increasing trend of LED adoption by OEMs, especially in the PV and 2W segments. The increasing penetration of LED headlamps, coupled with the higher realisation, is expected to aid revenue growth for the company over the medium term.

Credit challenges

Intense competition in the domestic automotive lighting segment – LIL faces stiff competition from other companies in the automotive lighting industry, such as Uno Minda Limited (PVs and 2Ws), FIEM Industries Limited (2Ws), India Japan Lighting (PVs) and Marelli Motherson Automotive Lighting India Private Limited (PVs). The PV lighting market is highly competitive, which renders the margins of lighting companies, including LIL, to remain at moderate levels.

Capex plans for the new plant to constrain improvement in credit metrics – The company has material capex plans over the next three years, primarily towards capacity expansion at its existing plants, as well as automation and upgradation initiatives at its Sanand and Bawal facilities. The estimated capex of around Rs. 150–200 crore per annum over the next two years is expected to be largely funded through internal accruals. Despite the same, the company will require incremental working capital to support the scaling-up of operations and the company's credit metrics are likely to only gradually improve. However, with an anticipated healthy improvement in the scale of operations and OPBITDA, the company's overall financial profile is expected to strengthen over the medium term.

High reliance on short-term borrowings leads to refinancing risk; LIL's ability to access financial markets and strong relationships with suppliers mitigate the risk – The company has a high reliance on short-term debt and creditors for the funding requirements of its business, leading to refinancing and asset liability mismatch risks. However, the situation has improved to some extent over the past two years. Despite the improvement, however, the company's TOL/TNW continues to be high approximately 2.6 times as on March 31, 2026. Nevertheless, the refinancing risk is mitigated to some extent by its healthy financial flexibility and access to financial markets, healthy relationships with its suppliers, moderate debt repayment obligations, and by most of its plants being free of any charge.

Susceptible to demand slowdowns in domestic automotive market – LIL supplies automotive lighting solutions to various OEMs in the domestic market, with exports remaining minimal. This reflects its vulnerability to demand slowdowns in the domestic automotive market. The company's revenues improved by 29% during FY2025 and around 20% in FY2026, aided by stable demand from the automotive industry. With underlying demand for the industry continuing to be stable and business wins from several OEMs and new capacities being set up, LIL is expected to report healthy revenue growth over the medium term.

Environmental and social risks

Environmental considerations: While LIL is not directly exposed to climate transition risks arising from tightening emission norms, given that its products are used across multiple fuel powertrains, its automotive OEM customers remain significantly exposed to such risks. Accordingly, LIL's business prospects remain linked to its customers' ability to comply with progressively stringent emission regulations. Further, the company may need to undertake sustained investments to develop products aligned with evolving trends in automotive lighting and the requirements of electric vehicles (EVs), although the transition towards EVs in the segments catered by the company is expected to be gradual. The company's exposure to risks relating to litigation or penalties associated with waste and water management remains relatively low.

Social considerations: Like most automotive component suppliers, LIL has a high dependence on human capital. Accordingly, the ability to retain skilled manpower, maintain healthy employee relations, and sustain a stable supplier ecosystem remains critical for ensuring disruption-free operations. Another key social risk pertains to product safety and quality, as instances of product recalls or elevated warranty claims could have adverse financial implications and potentially impair the company's reputation with long-term consequences. In this context, LIL's strong track record of supplying to leading automotive OEMs underscores its ability to mitigate such risks to an extent. Further, the company's robust technological capabilities, supported by SECL, are expected to aid timely alignment of its product offerings with evolving customer requirements.

Liquidity position: Adequate

LIL's liquidity position remains adequate, supported by an expectation of healthy cash flows from operations and availability of unutilised working capital limits (unutilised limit of around Rs. 125 crore as of December 31, 2025). The company is expected to generate retained cash flows of about Rs. 190-200 crore per annum, which will be sufficient to meet its repayments obligations (Rs. 88 crore in FY2027). ICRA takes comfort from the fact that many of the company's manufacturing units are collateral-free and can be pledged to borrow long-term funds, thereby supporting its financial flexibility.

Rating sensitivities

Positive factors – The ratings of LIL could be upgraded in case of any material improvement in its credit metrics, while it continues to maintain a healthy scale of operations and diversified business profile.

Negative factors – The ratings could be downgraded in case of material weakening of profitability and return indicators on a sustained basis. Pressure on the ratings could also arise in case of a larger-than-expected debt-funded capex and corresponding moderation in profitability, leading to a weakening in the overall financial credit metrics.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of LIL. As on March 31, 2025, the company had one subsidiary and one associate, which are all enlisted in Annexure-III.

About the company

Lumax Industries Limited is one of the leading players in the domestic automotive lighting industry with a product portfolio comprising automotive lighting systems such as head lamps, tail lamps, sundry and auxiliary lamps. The company's presence spans all segments of the auto sector, viz., passenger four-wheelers (4Ws), two-wheelers, commercial vehicles, buses, tractors, etc. However, sales of the passenger vehicle segment remain dominant with 67% contribution in 9M FY2026. The company is one of the leading suppliers of automotive lightings to Maruti Suzuki India Limited and enjoys a healthy share of business with OEMs such as Mahindra and Mahindra (M&M), Tata Motors Passenger Vehicle Limited (TMPV), Honda Motorcycle and Scooter India, and Hero MotoCorp Limited. At present, it has 12 manufacturing units across Haryana, Uttarakhand, Maharashtra, Karnataka and Gujarat.

LIL was founded as a trading company in 1945 under the aegis of its founder, the Late S.C. Jain. In 1955, the company set up an automotive lighting equipment manufacturing unit and later diversified into manufacturing automotive filters and rear-view mirrors. The company went public in 1984 and entered a technical collaboration with Stanley Electric Co. Ltd., Japan, in the same year. The SECL Group and the Indian promoters (Mr. D.K. Jain and family) each hold 37.5% equity stake in the company. Through other entities, the group also has presence in other automotive segments such as gear shifters, moulded parts and oxygen sensors, among others.

Key financial indicators

Consolidated	FY2024	FY2025	9M FY2026*
Operating income	2,637.2	3,404.5	2,983.8
PAT	52.9	65.2	76.9
OPBDIT/OI	8.8%	8.5%	9.4%
PAT/OI	2.0%	1.9%	2.6%
Total outside liabilities/Tangible net worth (times)	2.9	2.7	-
Total debt/OPBDIT (times)	3.1	3.1	-
Interest coverage (times)	4.5	3.8	5.1

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; Unaudited financials for 9M FY2026*

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)	Apr 27, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Non-fund based - Others	Short-term	280.30	[ICRA]A1+	Apr 04, 2025	[ICRA]A1	-	-	Feb 19, 2024	[ICRA]A1
Fund-based - Cash credit	Long-term	570.00	[ICRA]AA-(Stable)	Apr 04, 2025	[ICRA]A+(Stable)	-	-	Feb 19, 2024	[ICRA]A+(Stable)
Unallocated limits	Long-term	250.00	[ICRA]AA-(Stable)	Apr 04, 2025	[ICRA]A+(Stable)	-	-	Feb 19, 2024	[ICRA]A+(Stable)
Fund-based - Term loan	Long-term	247.63	[ICRA]AA-(Stable)	Apr 04, 2025	[ICRA]A+(Stable)	-	-	Feb 19, 2024	[ICRA]A+(Stable)
Fund-based - Cash credit	Short-term	155.00	[ICRA]A1+	Apr 04, 2025	[ICRA]A1	-	-	Feb 19, 2024	[ICRA]A1

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 the 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 the regulatory purview of various 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 FSR other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term - Fund-based - Cash credit	Simple
Long-term - Fund-based - Term loan	Simple
Short-term - Fund-based - Cash credit	Simple
Short-term - Non-fund based - Others	Simple
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	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loan-I	May 2021	NA	May 2026	8.89	[ICRA]AA-(Stable)
NA	Term loan-II	Nov 2022	NA	Dec 2027	115.50	[ICRA]AA-(Stable)
NA	Term loan-III	Mar 2024	NA	Mar 2030	123.24	[ICRA]AA-(Stable)
NA	Fund-based limits	May 2021	NA	Jun 2026	570.00	[ICRA]AA-(Stable)
NA	Fund-based limits	NA	NA	NA	155.00	[ICRA]A1+
NA	Non-fund based	NA	NA	NA	280.30	[ICRA]A1+
NA	Unallocated	NA	NA	NA	250.00	[ICRA]AA-(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

Company Name	Ownership	Consolidation Approach
Lumax Industries Limited	100.00% (rated entity)	Full consolidation
Lumax Industries Czech s.r.o	100.00%	Full consolidation
SL Lumax Limited	21.28%	Equity method

Source: LIL annual report FY2025

Note: ICRA has factored in consolidated financials of LIL while assigning the ratings.

ANALYST CONTACTS

Jitin Makkar

0124-4545368

jitinm@icraindia.com

Srikumar Krishnamurthy

044-45964318

ksrikumar@icraindia.com

Rohan Kanwar Gupta

+91 124 4545 808

rohan.kanwar@icraindia.com

Akshay Dangi

+91 124 4545 396

akshay.dangi@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

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

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

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 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.