

July 10, 2026

## Remsons Industries Limited: Ratings reaffirmed and assigned for enhanced limits

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund-based – Cash credit	27.00	32.00	[ICRA]BBB+(Stable); reaffirmed and assigned for enhanced amount
Long-term – fund-based – Overdraft	8.00	18.00	[ICRA]BBB+(Stable); reaffirmed and assigned for enhanced amount
Long-term – fund-based – Term loans	32.74	47.70	[ICRA]BBB+(Stable); reaffirmed and assigned for enhanced amount
Short-term – fund-based – Invoice discounting	15.00	15.00	[ICRA]A2; reaffirmed
Short-term – non-fund based	3.00	3.00	[ICRA]A2; reaffirmed
Short-term – Unallocated	1.08	1.12	[ICRA]A2; reaffirmed and assigned for enhanced amount
<b>Total</b>	<b>86.82</b>	<b>116.82</b>	

\*Instrument details are provided in Annexure II

### Rationale

The ratings outstanding on the bank lines of Remsons Industries Limited (RIL) remain supported by the company's strong business and financial profile, the promoters' extensive experience in the auto ancillary industry and the entity's established client base, comprising leading domestic and international automobile original equipment manufacturers (OEMs). RIL manufactures auto components such as auto control cables, flexible shafts, gear shift systems, push-pull cables and parking brake mechanisms. It caters to domestic OEMs and exports auto control cables to Europe and the US, with Europe accounting for the bulk of the exports. Over the years, the company's scale of operations and earnings have risen steadily, supported by healthy growth in both standalone and consolidated operations. RIL's consolidated operating income grew by 24.5% YoY to Rs. 468.7 crore in FY2026, primarily supported by contributions from the entities acquired during FY2025 and improvement in standalone operations. RIL's operating margins increased by 40 bps to 10.6% in FY2026 due to a better product mix and the benefits of operating leverage. The net cash accruals remained largely similar YoY despite relatively higher dividend payouts in FY2026. The debt metrics remained comfortable, with total debt/OPBITDA at 2.0 times, interest coverage at 6.3 times and the debt service coverage ratio at 3.4 times as on March 31, 2026. The ratings also favourably consider the product and geographical diversification achieved through the inorganic expansions undertaken by the entity in the recent past.

The ratings, however, remain constrained by RIL's moderate scale of operations and the susceptibility of its earnings to cyclical in the automotive industry, along with volatility in raw material prices. RIL's ability to pass on such increases in raw material prices in a timely manner remains critical to protecting its margins. The ratings also factor in the intense competition from domestic and international players in the OEM segment and the large unorganised segment in the replacement market.

The Stable outlook on the long-term rating reflects ICRA's opinion that the company will continue to maintain its credit profile, given the stable domestic demand and its established track record of servicing clients. Further, the outlook underlines ICRA's expectation that the entity's incremental capex, if any, will be funded in a manner that enables it to durably maintain debt protection metrics commensurate with the existing rating.

## Key rating drivers and their description

### Credit strengths

**Long and established track record of promoters in auto ancillary industry** – Remsons was incorporated by Late V. Harlalka on May 11, 1971, to manufacture auto ancillary components, mainly auto control cables and gear shift assemblies. The promoters have an extensive track record of over five decades in the auto ancillary business. In FY2024, the company raised equity funds worth Rs. 63 crore. A portion of these funds was utilised for planned diversification into various product segments. The company has three subsidiaries, three step-down subsidiaries, two joint ventures (JVs) and one associate manufacturing various components, including a broad spectrum of automotive solutions such as sensors, tyre mobility kits, infotainment systems, and various internal and external lighting systems, among others. These acquisitions strengthened RIL's presence in the export market and aided revenue growth.

**Established relationships with reputed clients** – The company's client base includes reputed automobile OEMs in the domestic and export markets, such as Hero Moto Corp Limited, Tata Motors Limited, Ashok Leyland Limited, Force Motors Limited and Mahindra & Mahindra Limited, among others. The company has maintained relationships with its clients for 15-30 years. RIL also caters to globally reputed players such as Ford Motors Ltd., Jaguar Land Rover (JLR), Ineos Automotive Limited and Stanley Black & Decker. Its established relationships with customers and limited churn in its customer base have ensured significant repeat business.

**Comfortable financial risk profile** – The financial profile of RIL is comfortable with healthy coverage indicators. With focus on high-margin clients, the operating margins also increased over the last three years, which led to an improvement in its debt protection metrics. RIL's interest coverage and debt service coverage ratio improved to 6.3 times and 3.4 times, respectively, as of March 31, 2026, from 6.0 times and 3.1 times, respectively, as of March 31, 2025. Supported by the Rs. 63-crore equity fund infusion in FY2024, the gearing improved and remained comfortable at 0.6 times as of March 31, 2026. As RIL has no major debt-funded capex plans over the near-to-medium term, its debt protection metrics are expected to remain comfortable.

**Product and geographical diversification through investments in joint ventures and subsidiaries** – Between FY2024 and FY2026 (till May 2025), RIL invested in two joint ventures and acquired three subsidiaries and one associate, with some of these investments spread across Turkey, Poland and the UK. Through these strategic investments, RIL expanded its product portfolio to include railway brake systems, steering systems and a broad spectrum of automotive solutions.

### Credit challenges

**Moderate scale of operations** – The company's scale of operations remains moderate. RIL invested in two joint ventures and acquired three subsidiaries and one associate to diversify its product base. As some of these entities are currently at a nascent stage of operations, the company's ability to scale them up meaningfully and achieve healthy growth at the consolidated level remains important from a credit perspective.

**Profit margins remain susceptible to volatility in raw material prices and labour costs** – The key raw materials used by the company include steel, plastic, PVC, zinc and other consumables. In addition, labour and other operating overheads also constitute a significant part of the company's overall cost structure. Given its limited ability to pass on increases in labour and manufacturing expenses to customers because of its low bargaining power and intense competition, profitability remains vulnerable to such cost increases. The current rise in key input costs has also put margins under pressure. Hence, the ability of the company to seek price revision in a timely manner from its key OEM customers remains critical.

**Stiff competition from organised players in OEM segment and large unorganised segment in the replacement market** – The company faces stiff competition from other auto component manufacturers in both the domestic and export markets in the OEM segment. Further, the replacement market remains largely unorganised in India at present, limiting the company's bargaining power to some extent.

## Environmental and social risks

**Environmental considerations:** Although RIL is not directly exposed to climate transition risks arising from the likelihood of tightening emission-control requirements, its automotive manufacturing customers remain exposed because their products are used across different fuel powertrains, which may have an impact on the company. Further, it remains exposed to tightening environmental regulations relating to waste management and pollution norms, which could lead to an increase in operating costs and new capacity installation costs.

**Social considerations:** Social considerations for RIL relate primarily to maintaining healthy industrial relations and ensuring product safety. Attracting and retaining skilled manpower is critical as the company seeks to keep pace with innovation and technological changes. On the product front, vehicle recalls by original equipment manufacturers (OEMs) because of defective auto parts could create additional cost burdens and liabilities. The company is also exposed to increasing awareness of the potential environmental damage caused by emissions and the need to use sustainable materials.

## Liquidity position: Adequate

The liquidity position remains adequate, supported by expected healthy cash flow from operations of more than Rs. 15 crore against annual debt repayment obligations of Rs. 8.7 crore (including Rs. 1.3 crore pertaining to debt in a subsidiary) in FY2027. The average working capital utilisation of the entity remained high at around 89% of the sanctioned working capital limit of Rs. 45 crore (on a standalone basis) during the last 12 months ending May 2026. The entity has recently received an enhancement in its working capital limits to the extent of Rs. 5 crore. Besides, the undrawn working capital limit stood at Rs. 2.0 crore (on a standalone basis) as on March 31, 2026. The entity also had healthy free cash and liquid investments of Rs. 19.6 crore as on March 31, 2026 (on a consolidated basis).

## Rating sensitivities

**Positive factors** – ICRA may upgrade the ratings if the company registers healthy growth in revenues and earnings by securing recurring business from existing or new customers, thereby improving its overall debt metrics and liquidity position on a sustained basis.

**Negative factors** – Pressure on RIL's ratings could arise if there is any substantial decline in its scale of operations or profitability, resulting in a deterioration in key credit metrics (marked by total debt/OPBITDA above 2.5 times) on a sustained basis. Further, any large debt-funded capex, a stretch in receivables, or higher dividend payouts affecting the liquidity profile would also put pressure on RIL's ratings.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology for auto Components</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	ICRA has considered the consolidated profile of Remsons Industries Limited and its subsidiaries/JVs, details of which are listed in Annexure-III.

## About the company

Remsons Industries Limited was incorporated in 1971 by Late V. Harlalka as Remsons Cables Industries Private Limited (RCPL). In May 1984, RCPL took over the auto component trading business of Remsons India, a partnership concern that was initially a proprietorship concern of Late V. Harlalka. Subsequently, RCPL was converted into a public limited company in October 1986 and was renamed Remsons Industries Limited in November 1986. Further, Daman Auto Industries Ltd., Rems Auto Engineers Ltd. and Remsons Auto Industries Pvt. Ltd. were amalgamated with the company with effect from April 2005.

Remsons manufactures auto components such as auto control cables, flexible shafts, gear shift systems, push-pull cables and parking brake mechanisms. The company caters to domestic OEMs and exports auto control cables to Europe and the US, with Europe accounting for the bulk of the exports. Remsons also supplies various auto control cables to the replacement market.

The company has manufacturing plants in Gurgaon (Haryana), Daman, Pardi (Gujarat), Pune (Maharashtra) and Stourport (UK). Its design and validation facilities are located in Gurgaon, Pune and Mumbai.

## Key financial indicators (audited)

Consolidated	FY2025	FY2026*
Operating income (Rs. crore)	376.6	468.7
PAT (Rs. crore)	17.0	20.6
OPBDIT/OI (%)	10.2%	10.6%
PAT/OI (%)	4.5%	4.4%
Total outside liabilities/Tangible net worth (times)	1.4	1.3
Total debt/OPBDIT (times)	2.2	2.0
Interest coverage (times)	6.0	6.3

Source: Company, ICRA Research; \*Results; All ratios as per ICRA's calculations

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

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	July 10, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based-Cash credit	Long Term	32.00	[ICRA]BBB+ (Stable)	Jun 19, 2025	[ICRA]BBB+ (Stable)	Sep 09, 2024	[ICRA]BBB (Stable)	Jul 06, 2023	[ICRA]BBB- (Stable)
Fund-based-Overdraft	Long Term	18.00	[ICRA]BBB+ (Stable)	Jun 19, 2025	[ICRA]BBB+ (Stable)	Sep 09, 2024	[ICRA]BBB (Stable)	Jul 06, 2023	[ICRA]BBB- (Stable)
Fund-based-Term loan	Long Term	47.70	[ICRA]BBB+ (Stable)	Jun 19, 2025	[ICRA]BBB+ (Stable)	Sep 09, 2024	[ICRA]BBB (Stable)	Jul 06, 2023	[ICRA]BBB- (Stable)
Fund-based-Bill discounting (channel financing)	Short Term	15.00	[ICRA]A2	Jun 19, 2025	[ICRA]A2	Sep 09, 2024	[ICRA]A3+	Jul 06, 2023	[ICRA]A3
Non-fund based- Others	Short Term	3.00	[ICRA]A2	Jun 19, 2025	[ICRA]A2	Sep 09, 2024	[ICRA]A3+	Jul 06, 2023	[ICRA]A3
Unallocated limits- Unallocated limits	Short Term	1.12	[ICRA]A2	Jun 19, 2025	[ICRA]A2	Sep 09, 2024	[ICRA]A3+	Jul 06, 2023	[ICRA]A3
Fund-based- Others	Long Term			-	-	-	-	Jul 06, 2023	[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 the regulatory purview of various Financial Sector Regulators (FSRs), 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 FSRs, 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

Sr. No.	Activity Name	FSR
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 FSRs other than SEBI.

### Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term - Fund-based – Cash credit	Simple
Long-term – Fund-based – Overdraft	Simple
Long-term – Fund-based – Term loans	Simple
Short term -Fund based-Bill discounting	Simple
Short-term – Non-fund Based	Simple
Short-term – Unallocated	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 II: 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	32.00	[ICRA]BBB+(Stable)
NA	Overdraft	NA	NA	NA	18.00	[ICRA]BBB+(Stable)
NA	Term Loan	Jun-2024	NA	Jun-2039	47.70	[ICRA]BBB+(Stable)
NA	Bill Discounting	NA	NA	NA	15.00	[ICRA]A2
NA	Non-fund based	NA	NA	NA	3.00	[ICRA]A2
NA	Unallocated	NA	NA	NA	1.12	[ICRA]A2

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
Remsons Holdings Limited (RHL)	100.00%	Full Consolidation
Remsons Properties Ltd (Step Down Subsidiary of RIL); (erstwhile Woolford Properties Ltd.)	100.00%	Full Consolidation
Remsons Automotive Ltd (Step Down Subsidiary of RIL); (erstwhile Magal Automotive Ltd.)	100.00%	Full Consolidation
BEE Lighting Limited (Step Down Subsidiary of RIL)	51.00%	Full Consolidation
Remsons-Uni Autonics Private Limited	55.00%	Full Consolidation
Remsons Edge Technologies Private Limited	51.00%	Full Consolidation
Astro Motors Private Limited*	35.86%	Equity Method
Aircom Remsons Automotive Private Limited (JV)	26.00%	Equity Method
Daiichi Remsons Electronics Private Limited (JV)	50.00%	Equity Method

Source: Company; \*In March 2026, RIL approved the sale of entire stake held in Astro Motors. The proceeds are likely to be received in FY2027 and upon the completion of this transaction, Astro Motors will cease to be an associate of the company.

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