July 22, 2026

J S Auto Cast Foundry India Private Limited: Ratings upgraded; outlook revised to Stable; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long Term / Short Term - Fund-based / Non Fund-based Limits	75.00	180.00	[ICRA]AA- (Stable)/ [ICRA]A1+; upgraded form [ICRA]A+ (Positive)/ [ICRA]A1; outlook revised to Stable from Positive and assigned for enhanced amount	RBI
Long Term – Fund Based / Term Loan	198.10	174.47	[ICRA]AA- (Stable); upgraded form [ICRA]A+ (Positive); outlook revised to Stable from Positive	RBI
Total	**273.10**	**354.47**		

**Instrument details are provided in Annexure I*

#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 Financial Sector Regulators other than SEBI.

Rationale

The upgrade in ratings for the bank lines of J S Auto Cast Foundry India Private Limited (JS Auto or the company) reflects its improved net worth, debt metrics and liquidity position following an equity infusion of around Rs. 300 crore by Premji Invest (PI), a new investor onboarded by the entity, in February 2026. The said equity infusion has supported a healthy expansion of the company's net worth position while also strengthening its liquidity profile, with a majority of the proceeds to be utilised towards the planned capex of around Rs. 180 crore over the next two years. ICRA also takes note of the healthy revenue growth momentum demonstrated by JS Auto in the recent past (growing at a CAGR of 20% during FY2023-FY2026), aided by steady volume offtake from existing customers as well as the addition of new clients. Aided by operating leverage in line with the expanding revenue base, the entity has also shown a notable improvement in profitability, as reflected in the operating margin, which improved from 9.5% in FY2023 to 13.9% in FY2026. The company's focus on higher value-added products has also supported margin expansion in the recent past. ICRA expects the revenue growth momentum and margin expansion to continue going forward, aided by incremental revenue generation from newly acquired clients as they reach their optimal revenue potential over the coming years.

The ratings continue to factor in the strong operational, financial and technical support enjoyed by JS Auto as part of the Kalyani Group (the flagship company being Bharat Forge Limited, or BFL; rated [ICRA]AA+/Stable/[ICRA]A1+). Through its subsidiary, BF Industrial Solutions Limited, BFL acquired JS Auto in July 2022, with the expectations of synergies for JS Auto from the acquisition by BFL in terms of access to new clientele, research and development (R&D) capabilities, operational and technological support, as well as financial support and flexibility, including access to low-cost debt. ICRA notes that many of these synergies have materialised for JS Auto, thereby supporting its operational and financial profile.

Further, the ratings consider JS Auto's presence in the niche renewable energy (wind) castings segment, resulting in limited competition and, hence, comfortable profitability metrics. Over the years, it has established a diversified client base across sectors such as renewable energy, off-highway, automotive, agriculture and infrastructure, supported by a demonstrated track record spanning almost two decades. JS Auto's presence in overseas markets, with a healthy contribution from exports offers sufficient geographic diversification, making its operations relatively resilient to a demand slowdown in any particular territory. JS Auto's capital structure remains fairly comfortable, with a healthy net worth base, as reflected by a gearing of 0.3 times as on March 31, 2026 (PY: 1.0 times). Moreover, its established track record of financial support from BFL (the parent entity) in the form of equity infusions and inter-corporate deposits (ICDs), along with the expectation of continued support in case of exigencies, provides some comfort.

The rating strengths are partially offset by concentration risks arising from the company's dependence on the renewable energy sector, which accounted for around 30-40% of its revenues during FY2024-FY2026, exposing its business to the cyclicality associated with the sector. Further, JS Auto's business operations remain vulnerable to customer concentration risk, with the top five customers contributing around 60-65% of its revenues during FY2024-FY2026. That said, the onboarding of new clients through operational synergies following the acquisition by BFL has started to mitigate this risk to an extent, with further moderation in customer concentration envisaged over the medium term. The ratings also factor in the company's current moderate scale of operations, with revenues of Rs. 756.7 crore in FY2026. Nevertheless, business expansion opportunities following the acquisition by BFL, entry into medium castings, and incremental revenue generation from segments other than wind castings are expected to improve its growth prospects over the medium term.

The Stable outlook on the long-term rating reflects ICRA's opinion that JS Auto will continue to demonstrate steady revenue growth, coupled with comfortable profitability, supported by its focus on value-added product offerings such as heavier and complex castings. Further, the outlook underlines ICRA's expectation that the entity's incremental capex to further expand the capacity will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing rating.

Key rating drivers and their description

Credit strengths

Strong parentage provides operational, technological and financial support – Following the acquisition by BFL, as part of the Kalyani Group, JS Auto has been realising the benefits of BFL's strong parentage through operational, technological and financial synergies. These synergies include access to low-cost funding, financial support from BFL (in the form of inter-corporate deposits and equity infusions), access to new clients, procurement of raw materials at competitive prices, access to BFL's R&D infrastructure, and faster onboarding of new clients, etc. The said synergies have aided JS Auto in maintaining a healthy revenue growth while expanding its margins during FY2024-FY2026. ICRA expects the revenue growth momentum to continue going forward.

Healthy financial profile – Aided by its expanding revenue base, improving profitability resulting in healthy accrual generation, timely funding support from BFL in the form of equity infusions (including around Rs. 80 crore during FY2024-FY2025), and the recent equity infusion by PI, JS Auto demonstrates a healthy financial profile, which is expected to be sustained going forward. Supported by these factors, JS Auto's gearing improved to 1.0 times as of March 2025, and further to 0.3 times as of March 2026, from 1.4 times as of March 2024. TD/OPBDITA showed similar improvement, having improved to 2.2 times as of March 2025, and further to 1.8 times as of March 2026, from 3.2 times as of March 2024, aided by containment of debt levels and improving profitability. JS Auto's capital structure and coverage indicators are expected to remain healthy going forward with no material long-term debt addition expected in the near term, resulting in gradual moderation in debt levels and expectations of steady improvement in earnings.

Limited competition owing to presence in niche segment of renewable energy castings; geographically diversified revenue profile – JS Auto mainly operates in the niche renewable energy (wind) castings segment, wherein product criticality is of paramount importance, resulting in high entry barriers. Aided by its high degree of value addition and limited competition in the wind castings segment, JS Auto has historically maintained comfortable margins. Besides, with exports contributing 40-50% of the overall revenues historically (50% and 53% of revenues in FY2025 and FY2026, respectively), JS Auto demonstrates a geographically diversified revenue profile across multiple overseas markets such as the US, Europe and China. Its presence across multiple territories safeguards its operations against slowdown risks in any particular territory to an extent. Relatively higher exports and concentration in the US (United States of America), however, exposes the company to region-specific risks.

Well-established operational track record in casting operations – Having operated in the wind casting segment since 2012, JS Auto has demonstrated an adequate track record, as well as developed established relationships with entities in this space. This has helped the company in scaling up its operations through repeat orders from existing customers and onboarding new ones.

Credit challenges

Moderate scale of operations due to presence in niche segment – While presence in the niche wind castings space offers JS Auto with limited competition and comfortable margins, it has also resulted in a moderate scale of operations over the years, given the limited number of large-scale clients in this market. Nevertheless, ICRA notes the healthy revenue generation reported in FY2026, with JS Auto having clocked revenues of Rs. 756.7 crore in FY2026 (against Rs. 696.7 crore in FY2025), underlining a steady revenue growth momentum, supported by segmental diversification.

Concentration risks arising from dependence on renewable energy sector – With sizeable exposure towards the renewable energy sector, JS Auto's operations remain vulnerable to sectoral concentration risks, wherein any significant slowdown in the sector could impact the business operations of the company. That said, ICRA notes the segmental diversification underway, with JS Auto having materially started supplying to customers from diverse sectors such as off-highway, automotive, material handling, agriculture, hydraulics, etc., primarily on the back of client acquisitions through BFL, reducing dependence on the wind energy segment.

Customer concentration risk with top five clients contributing around 60% of revenues – JS Auto's business operations remain vulnerable to customer concentration risk, with the company deriving about 58-62% of its revenues from its top five customers in FY2025 and FY2026. Any reduction or deferment in order placements from these key customers could, therefore, adversely impact the company's growth prospects. However, its well-established relationships with key customers, resulting in repeat orders and providing sufficient revenue visibility, offer some comfort against this risk. The company's ability to reduce customer concentration remains a key monitorable going forward.

Liquidity position: Strong

JS Auto's liquidity profile is strong, with cash flow from operations of Rs. 40-50 crore generated annually. It is further supported by cash and liquid investments of around Rs. 231.2 crore as of March 31, 2026, and a sufficient buffer in the form of undrawn working capital limits, which stood at around Rs. 68.1 crore as on March 31, 2026 (with the average fund-based working capital utilisation during FY2026 being 75% of the sanctioned limits). Against these, the company has debt repayment obligations of Rs. 35-40 crore per annum over the near to medium term, which are expected to be serviced through steady accrual generation, and capex requirements of around Rs. 180 crore over FY2027-FY2028, which are expected to be primarily funded through the cash reserves generated from the Rs. 300 crore equity infusion received in February 2026. Further, BFL is expected to support the entity in case of exigencies.

Rating sensitivities

Positive factors – The long term rating could be upgraded if the company is able to considerably scale up its operations and improve its profitability on a sustained basis while maintaining its strong debt metrics and demonstrating greater customer diversification. An improvement in the credit profile of the parent entity would also be considered favourably.

Negative factors – Any significant deterioration in the revenue base and/or profitability metrics, adversely impacting the liquidity position or capital structure, may warrant a revision in the rating outlook and/or result in ratings downgrade. Any substantial debt-funded capital expenditure with no commensurate returns, leading to an adverse impact on the liquidity position and credit metrics such that Total Debt/OPBDITA remains above 2.0 times on a sustained basis, may also lead to a rating downgrade. Deterioration in the credit profile of the parent and/or weakening of linkages with the parent may also trigger ratings downgrade.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	[Corporate Credit Rating Methodology]
Parent/Group support	The ratings assigned to JS Auto factor in the likelihood of its ultimate parent entity, Bharat Forge Limited, extending business and technological support. The ratings also factor in the high likelihood of BFL extending financial support to JS Auto out of the need to protect its reputation from the consequences of distress at a Group entity. BFL has already provided financial support to JS Auto in the form of ICDs and equity infusions in the recent past, highlighting JS Auto's strategic importance to BFL and the Group.
Consolidation/Standalone	The ratings are based on the standalone financial statements of JS Auto.

About the company

Established in 2004 by Mr. S. Jeevanantham as a foundry unit, JS Auto has grown over the years into a manufacturer of critical castings for various sectors such as renewable energy (wind), agriculture, off-highway and automotive, catering to entities such as Vestas Wind Systems A/S, Daimler Group, ZF Group and Poclain Group, among others. Pedestal blocks, bearing covers, brake discs and claw beam assemblies are some of the key products offered by JS Auto. The company operates through three plants in Tamil Nadu: (1) the Perundurai (SIPCOT) facility, where a major part of the foundry operations takes place, with a capacity of 65,520 MTPA; (2) the Kuppepalayam facility, where machining and dispatch operations are carried out. It also houses a smaller foundry with a capacity of 11,232 MTPA and offers post-production services such as painting, sub-assembly, packing and dispatch; and (3) the SEZ unit (erstwhile Indo Shell), with a manufacturing capacity of 48,000 MTPA. This unit is predominantly engaged in supplying fully machined critical castings to marquee customers in the automotive industry.

The company was acquired by BFL in July 2022 as part of the latter's diversification initiative to strengthen its presence in the non-automotive casting space. Accordingly, BF Industrial Solutions Limited (a wholly-owned subsidiary of BFL) holds a 100% stake in the entity at present. JS Auto also raised equity of Rs. 300 crore from PI through a primary infusion into the company. PI will hold a 23% stake on a fully diluted basis following the equity conversion.

Key financial indicators (Audited)

JS Auto	FY2025	FY2026
Operating income	696.7	756.7
PAT	47.6	50.5
OPBDIT/OI	14.9%	13.9%
PAT/OI	6.8%	6.7%
Total outside liabilities/Tangible net worth (times)	1.9	0.6
Total debt/OPBDIT (times)	2.2	1.8
Interest coverage (times)	4.6	6.0

Amounts in Rs. crore; 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 amortization

Status of non-cooperation with previous CRA:

1. Infomerics Ratings: IVR B+/Negative/IVR A4 ISSUER NOT COOPERATING, revised from IVR BB-/Negative/IVR A4 and continued under ISSUER NOT COOPERATING category; press release dated January 09, 2026.
2. Acuite Ratings: ACUITE B-/ACUITE A4 | Long-term rating rating downgraded, short-term rating reaffirmed | Issuer Not Cooperating; press release dated February 02, 2026.
3. CRISIL Ratings: CRISIL B/Stable/CRISIL A4 ISSUER NOT COOPERATING; press release dated July 25, 2025.

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 22, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund based / Non fund based Working Capital Facilities	Long term/ Short term	180.00	[ICRA]AA- (Stable)/ [ICRA]A1+	Jun 13, 2025	[ICRA]A+ (Positive)/ [ICRA]A1	-	-	Mar 28, 2024	[ICRA]A+ (Stable) [ICRA]A1
Fund-based - Term loan	Long term	174.47	[ICRA]AA- (Stable)	Jun 13, 2025	[ICRA]A+ (Positive)	-	-	Mar 28, 2024	[ICRA]A+ (Stable)

Source: Company

Complexity level of the rated instruments

Instrument	Complexity indicator
Fund based / Non fund based Working Capital Facilities	Simple
Fund-based -Term loan	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	Financial Sector Regulator#
NA	Term Loan – 1	FY2023	NA	FY2028	40.00	[ICRA]AA- (Stable)	RBI
NA	Term Loan - 2	FY2023	NA	FY2028	59.60	[ICRA]AA- (Stable)	RBI
NA	Term Loan - 3	FY2024	NA	FY2029	28.50	[ICRA]AA- (Stable)	RBI
NA	Term Loan - 4	FY2023	NA	FY2028	46.37	[ICRA]AA- (Stable)	RBI
NA	Working Capital Facilities	NA	NA	NA	180.00	[ICRA]AA- (Stable)/ [ICRA]A1+	RBI

Source: Company

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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 4545 368
jitinm@icraindia.com

Kinjal Shah
+91 22 6114 3442
kinjal.shah@icraindia.com

Mythri Macherla
+91 22 6114 3435
mythri.macherla@icraindia.com

Yashowardhan Swami
+91 20 6606 9923
yashowardhan.swami@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

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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