

Adithya Automotive Applications Limited

(Formerly known as Adithya Automotive Applications Private Limited)

September 17, 2025

Facilities	Amount (₹ crore)	Ratings ¹	Rating Action
Long-term bank facilities	7.00	CARE BBB-; Stable	Downgraded from CARE BBB; Stable
Long-term / Short-term bank facilities	8.00	CARE BBB-; Stable / CARE A3	Downgraded from CARE BBB; Stable / CARE A3+
Short-term bank facilities	45.00	CARE A3	Downgraded from CARE A3+

Details of facilities in Annexure-1.

Rationale and key rating drivers

The revision in the ratings assigned to the bank facilities of Adithya Automotive Applications Limited (AAAL; formerly known as Adithya Automotive Applications Private Limited) take into account the moderation in financial performance of the company in FY25 (provisional; refers to the period April 1 to March 31) with company incurring net loss in FY25.

The company continues to derive strength from the long association of Jasper group with Tata Motors Limited (TML; rated CARE AA+; Stable and CARE A1+) and AAAL's established business position as one of the leading supplier of tippers largely used in M&HCV segment to TML's Lucknow and Jamshedpur plant, locational advantage of the manufacturing unit, insulation from volatility in raw material prices and satisfactory capital structure.

The ratings are however, constrained by its modest scale of operations, moderate debt coverage indicators in FY25, customer concentration risk and project implementation and post-implementation risk.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in scale of operation beyond ₹250 crore with PBILDT margin above 4% on a sustained basis.
- Improvement in debt coverage indicators with TDGCA going below 3x on a sustained basis.

Negative factors

- Decline in scale of operation below ₹125 crore per annum with PBILDT margin below 3% from FY27.
- Deterioration in overall gearing beyond 0.80x on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CARE Ratings' opinion that the entity is likely to benefit from its long association with leading CV manufacturer, TML, which coupled with favourable demand scenario shall enable it to sustain its satisfactory operating performance over the medium term.

Detailed description of key rating drivers:

Key strengths

Long association of Jasper group with TML

Jasper Industries Pvt Ltd (JIPL), the flagship company of the Jasper group, is one of the oldest dealers of TML's commercial vehicles and passenger cars in the states of Andhra Pradesh and Telangana. It currently operates in various districts of Telangana and Andhra Pradesh wherein it is the exclusive dealer for TML's commercial vehicles. TML is one of the largest commercial vehicle manufacturers in India, with a substantial market share in FY25 and its market leadership position is expected to support the revenues of AAAL.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Locational advantage of manufacturing unit

AAAL was promoted as a backward integration unit for TML's Lucknow unit's requirement for tippers. Accordingly, its manufacturing facility is located inside the vendor park of TML's plant in Lucknow which provides the advantage in terms of lower logistic costs. However, it also provides tipper variants for its Jamshedpur plant.

Insulated from volatility in raw material prices

The major raw materials required for AAAL are hydraulic kits, steel & steel related items. AAAL purchases its raw materials from TML approved vendors, such as Tata Steel Ltd for steel and related products and Hyva India Pvt Ltd, Wipro Enterprises and Hidromas Hydraulic Automotive Industry and Trading Co. for hydraulic kits. The company has a built-in price escalation clause for most of its raw materials (such as steel, square tubes and hydraulic kits). Raw material cost accounts for approximately 85% of its total cost of sales in FY25 vis-à-vis 87% in FY24. Accordingly, the company remains insulated from volatility in raw material prices to a great extent.

Satisfactory capital structure

The capital structure of the company though deteriorated remains satisfactory marked by overall gearing ratio of 0.49x as on March 31, 2025, as compared to 0.01x as on March 31, 2024, mainly on account of increase in total debt. The total debt levels increased to Rs.12.34 mainly due to commencement of new projects in Jaipur and increase in working capital utilisation levels. The company has issued bonus shares worth Rs.3.50 crore in FY25. With company availing term debt for its Lucknow unit, the overall debt is expected to increase going forward. However, the peak overall gearing is not expected to go beyond 0.75x in the near term.

Key weaknesses**Modest scale of operations**

The overall scale of the company continues to remain modest with moderation in overall revenue from Rs.200 crore in FY24 to Rs.147 crore in FY25 on account of lower offtake by Tata Motors Limited in FY25. The modest scale restricts the financial flexibility of the company in times of stress and deprives it from benefits of economies of scale.

Moderation in financial performance in FY25

With decline in total operating income in FY25, the operating margin of the company witnessed moderation from 4.53% in FY24 to 1.66% in FY25. Going forward, the margins are expected to improve again with expected higher orders from TML. With decline in operating margin, the company incurred net loss of Rs.0.23 crore in FY25.

Moderate debt coverage indicators in FY25

The debt coverage indicators of the company have witnessed moderation with TDGCA moderating from 0.05x as on March 31, 2024 to 6.50x as on March 31, 2025. The interest coverage indicator has also witnessed moderation from 43.48x in FY24 to 4.27x in FY25.

Customer concentration risk

AAAL is engaged in the manufacturing of tippers (mounted on the chassis of vehicles) majorly for TML. TML produces tipper mounted vehicles in its Lucknow and Jamshedpur plants. Gradually, the company has diversified its customer base by selling tippers as well as trailers to non-TML players. However, currently, approximately 78% of sales is derived from TML while the balance is from other OEMs. Although there is customer concentration, TML's established position in the market lowers off-take risk and counter party risks. Furthermore, the company is diversifying its customer base by selling trailers to non-TML players.

Project implementation and post-implementation risk

The company is planning to expand its existing trailers capacity by 100 trailers per month in the Lucknow unit. The total cost of the project is expected around Rs.12 crore, out of which Rs.8 crore has been incurred as on date. The company has tied-up term loan of Rs.10 crore, whereas the promoters have infused Rs.2.04 crore for the project. Civil work was completed in April 2025, and machinery installation is anticipated by the end of September 2025. The unit is expected to commence operations from October 2025. The successful implementation of the project and post-implementation successful ramping-up of the same shall remain key monitorable.

The Jaipur project, which began in October 2024, was discontinued in May 2025 due to underperformance in sales.

Liquidity: Adequate

Liquidity of the company is marked adequate with company generating GCA of Rs.1.90 crore vis-à-vis debt repayment obligation of Rs.0.37 crore in FY25. In FY26, the company does not have any long-term debt repayment obligation. Furthermore, the monthly average fund-based working capital utilization stood at around 37% during the last 12 months period ended May 2025.

Further, the company is availing term loan of Rs.10 crore to fund its expansion in Lucknow unit, the repayment of which is expected to start from FY27 against which it is expected to generate sufficient cash accruals to meet its debt repayment obligations going forward.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Auto Components & Equipments](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Automobile and Auto Components	Auto Components	Auto Components & Equipments

AAAL was jointly promoted by Tata Group (holding 70.95% stake) and Jasper group (holding 29.05% stake) in August 2009. However, in FY18, Tata group sold its 51% stake in AAAL to Jasper group and further in H1FY19, Tata group sold the balance stake in AAAL to the Jasper group resulting in Jasper group holding the entire stake in the company as on September 30, 2018. AAAL is engaged in the business of providing end-to-end solutions to automotive applications such as tippers, trailers, load bodies, refrigerated bodies etc. The company's manufacturing facility is located inside the vendor park of TML's plant in Lucknow, having a manufacturing capacity of around 6,000 mixed tipper and trailers variants.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	200.26	147.21
PBILD	9.07	2.44
PAT	5.42	-0.23
Overall gearing (times)	0.01	0.49
Interest coverage (times)	43.48	4.27

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	7.00	CARE BBB-; Stable
Fund-based - ST-Bill Discounting/ Bills Purchasing		-	-	-	45.00	CARE A3
Non-fund-based - LT/ ST-BG/LC		-	-	-	8.00	CARE BBB-; Stable / CARE A3

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	7.00	CARE BBB-; Stable	-	1)CARE BBB; Stable (04-Jul-24)	1)CARE BBB; Stable (30-Jun-23)	1)CARE BBB; Stable (23-Jun-22)
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	8.00	CARE BBB-; Stable / CARE A3	-	1)CARE BBB; Stable / CARE A3+ (04-Jul-24)	1)CARE BBB; Stable (30-Jun-23)	1)CARE BBB; Stable (23-Jun-22)
3	Fund-based - ST-Bill Discounting/ Bills Purchasing	ST	45.00	CARE A3	-	1)CARE A3+ (04-Jul-24)	1)CARE A3+ (30-Jun-23)	1)CARE A3+ (23-Jun-22)
4	Non-fund-based - ST-Letter of credit	ST	-	-	-	1)Withdrawn (04-Jul-24)	1)CARE A3+ (30-Jun-23)	1)CARE A3+ (23-Jun-22)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - ST-Bill Discounting/ Bills Purchasing	Simple
3	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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