

March 27, 2025

Sunstar Precision Forge Limited: Rating moved to Issuer Non-Cooperating Category; rating downgraded based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Issuer Rating	-	-	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB+ (Stable) and moved to 'Issuer Not Cooperating' category
Total	-	-	

[^]Instrument details are provided in Annexure-I

*Issuer did not cooperate; based on best available information

Rationale

ICRA has downgraded and moved the rating for the issuer rating of Sunstar Precision Forge Limited (Sunstar) to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]BB+ (Stable); ISSUER NOT COOPERATING".

The rating downgrade is because of the lack of adequate information on Sunstar's performance and, hence, the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its 'Policy in respect of non-cooperation by a rated entity' available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating does not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with <name of the entity>, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy In Respect of Non-Cooperation by a Rated Entity Auto Components
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Promoted by the Garg and Gupta families, Sunstar is engaged in the forging and machining of auto components for various auto ancillary companies in India and abroad. The company's product portfolio has over 70 products and its manufacturing facility is in Greater Noida with a forging capacity of around 1,300 MT/month. Sunstar makes components primarily for the CV

segment. The components find use in transmission. Yoke, shifter forks and companion flanges make up 60-70% of production volume, contributing 55% of total revenues. The company is also engaged in the machining of gear parts.

Key financial indicators (audited)

Standalone	FY2023	FY2024
Operating income	314.8	341.0
PAT	24.0	26.7
OPBDIT/OI	12.9%	11.9%
PAT/OI	7.6%	7.8%
Total outside liabilities/Tangible net worth (times)	0.8	0.7
Total debt/OPBDIT (times)	1.1	1.4
Interest coverage (times)	17.0	11.7

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

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Current rating (FY2025)				Chronology of rating history for the past 3 years					
				FY2024		FY2023		FY2022	
Instrument	Type	Amount rated (Rs. crore)	Mar 27, 2025	Date	Rating	Date	Rating	Date	Rating
Issuer Rating	Long term	-	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	Jan-23-2024	[ICRA]BBB+ (Stable)	-	-	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Issuer Rating	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-I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Issuer Rating	NA	NA	NA	-	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING

Source: Company

Annexure II: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

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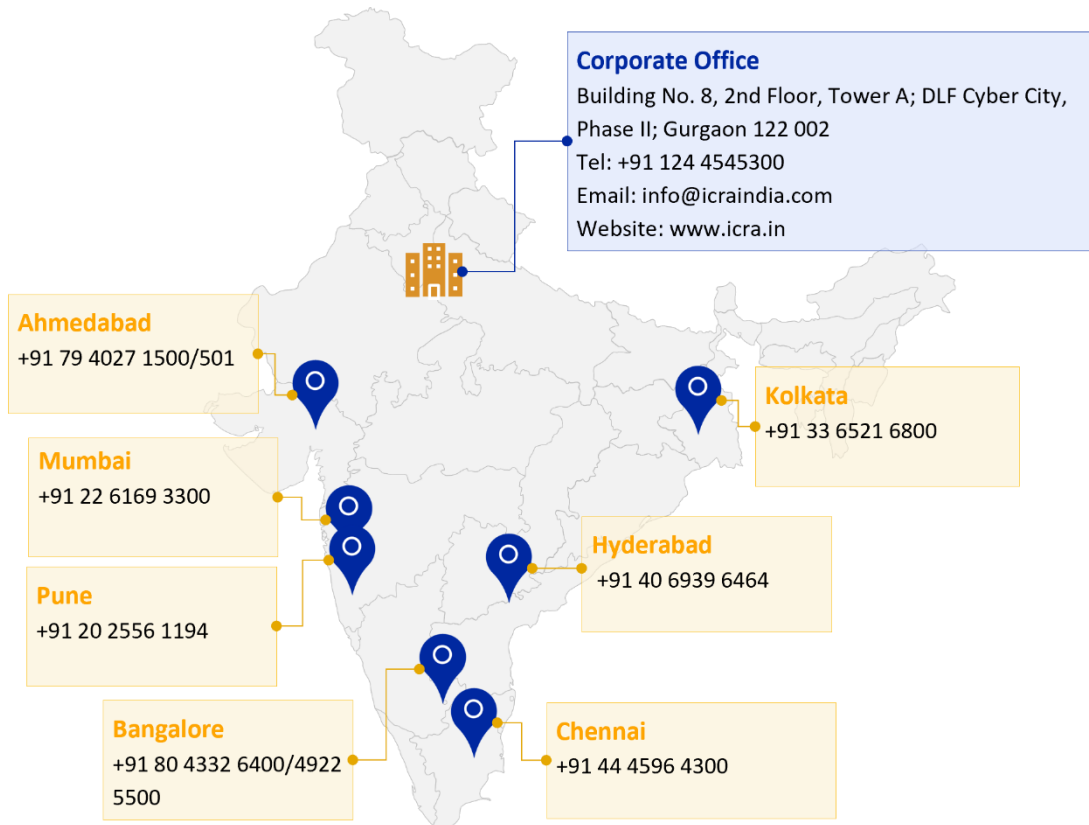
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