

September 19, 2025

Super Auto Forge Private Limited: Update on entity

Summary of rating outstanding

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Long-term Fund-based – CC	60.00	60.00	[ICRA]AA(Stable); Outstanding
Short-term Fund-based	60.00	60.00	[ICRA]A1+; Outstanding
Short-term Interchangeable (sublimit)	(140.00)	(140.00)	[ICRA]A1+; Outstanding
Long term/short term – Unallocated	20.00	20.00	[ICRA]AA(Stable)/[ICRA]A1+; Outstanding
Total	140.00	140.00	

*Instrument details are provided in Annexure-I

Rationale

India's exporters have been navigating a turbulent trade environment, with recent tariff hikes by the United States of America (USA or US) threatening to reshape long-standing business dynamics. The latest round of US tariffs—effective August 27, 2025—has added a punitive 25% duty on select Indian goods, pushing the effective tariff burden to nearly 60-70% in some categories when combined with pre-existing levies. This escalation places Indian exporters at a disadvantage compared to competitors in East and Southeast Asia, who face lower tariff rates.

Super Auto Forge Private Limited's (SAFPL's) business is also susceptible to the turbulent trade environment, as it generates more than 60% of its overall revenues from the US; accordingly, its business is exposed to the elevated tariffs.

ICRA notes that SAFPL has been actively negotiating with its customers to pass on the increased tariff costs and most of the customers have agreed to the revised pricing, thereby limiting the impact on earnings. SAFPL's strong engineering and product development capabilities and established relationships and healthy business share with some of the leading global original equipment manufacturers (OEMs) and tier-I suppliers in the Passenger Vehicle (PV) industry, is expected to cushion the near-term impact on operations and profitability. Moreover, the long lead time associated with product development and validation in the automotive industry, and critical nature of products supplied by SAFPL, protects the company's business to a large extent from any temporary disruptions from the tariffs. In the interim, however, the working capital requirements of the company are likely to increase, as the company explores alternative warehousing arrangements, necessitating higher inventory requirements in order to ensure uninterrupted supply to customers and manage the tariff impact.

SAFPL's performance remained stable in Q1 FY2026, despite application of incremental 25% tariffs from March 2025 onwards (further increased to 50% from August 27, 2025) indicating steady supplies and the ability of the company to pass on increased costs. In addition, the company has strong cash and liquid investments of about Rs. 1,143.27 crore as of August 31, 2025 (resulting in a negative net debt position), which continues to support its credit profile, and is likely to help the entity withstand any near-term adverse impact on its earnings. Nonetheless, ICRA will continue to monitor the developments in this front and its implications on SAFPL's credit profile.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Auto Components
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on SAFPL's consolidated financial profile.

About the company

Super Auto Forge Private Limited is primarily a tier-II auto component supplier and is involved in the manufacturing of cold forged/cold extruded steel and aluminium components for exports (84% of revenues in 9M FY2025) and domestic market (16%). Driveshaft application components generated 57% of revenues, followed by steering and suspension components (27%) and brake parts (17%). The company has six manufacturing facilities in and around Chennai. SAFPL has two fully-owned subsidiaries—Super Auto Forge Inc., USA, and Super Auto Forge BVBA, Belgium— engaged in the exclusive distribution of the company's products in North America and Europe.

Key financial indicators (audited)

SAFPL (Consolidated)	FY2024	FY2025 (Provisional)
Operating income	1,519.0	1,465.4
PAT	394.9	373.9
OPBDIT/OI	34.1%	31.5%
PAT/OI	26.0%	25.5%
Total outside liabilities/Tangible net worth (times)	0.1	0.1
Total debt/OPBDIT (times)	0.1	0.1
Interest coverage (times)	143.5	96.4

Amounts in Rs. crore; Source: Company, ICRA Research; Financial ratios in this document are ICRA adjusted figures and may not be directly comparable with results reported by the company in some instances; PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; total debt includes lease liabilities

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Type	Current rating (FY2026)		Chronology of rating history for the past 3 years				
		Amount rated (Rs. Crore)	Date & Rating in FY2026		Date & Rating in FY2025	Date & rating in FY2024	Date & rating in FY2023	
			September 19, 2025	April 08, 2025				
1	Fund based - CC	Long-term	60.00	[ICRA]AA (Stable)	[ICRA]AA (Stable)	-	[ICRA]AA (Stable)	[ICRA]AA- (Positive)
2	Fund Based	Short-term	60.00	[ICRA]A1+	[ICRA]A1+	-	[ICRA]A1+	[ICRA]A1+
3	Interchangeable (Sublimit)	Short-term	(140.00)	[ICRA]A1+	[ICRA]A1+	-	[ICRA]A1+	[ICRA]A1+
4	Unallocated	Long-term/ Short-term	20.00	[ICRA]AA (Stable)/ [ICRA]A1+	[ICRA]AA (Stable)/ [ICRA]A1+	-	[ICRA]AA (Stable)/ [ICRA]A1+	[ICRA]AA- (Positive)/ [ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-Term - Fund Based/ CC	Simple
Short-term - Fund Based	Simple
Short-Term – Interchangeable (sublimit)	Simple
Long-Term/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 I: 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	60.00	[ICRA]AA (Stable)
NA	WCDL/ Export Credit (sublimit of cash credit)	NA	NA	NA	(60.00)	[ICRA]A1+
NA	Export Credit	NA	NA	NA	20.00	[ICRA]A1+
NA	PCFC	NA	NA	NA	20.00	[ICRA]A1+
NA	PSCFC (sublimit of PCFC)	NA	NA	NA	(20.00)	[ICRA]A1+
NA	EPC (sublimit of PCFC)	NA	NA	NA	(20.00)	[ICRA]A1+
NA	Multiline	NA	NA	NA	20.00	[ICRA]A1+
NA	Pre-shipment finance (sublimit of multiline)	NA	NA	NA	(20.00)	[ICRA]A1+
NA	Post-shipment finance (sublimit of multiline)	NA	NA	NA	(20.00)	[ICRA]A1+
NA	Unallocated	NA	NA	NA	20.00	[ICRA]AA (Stable)/[ICRA]A1+

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Super Auto Forge Private Limited	-	Rated Entity
Super Auto Forge Inc, USA	100.00%	Full Consolidation
Super Auto Forge BVBA, Belgium	100.00%	Full Consolidation

Source: Company

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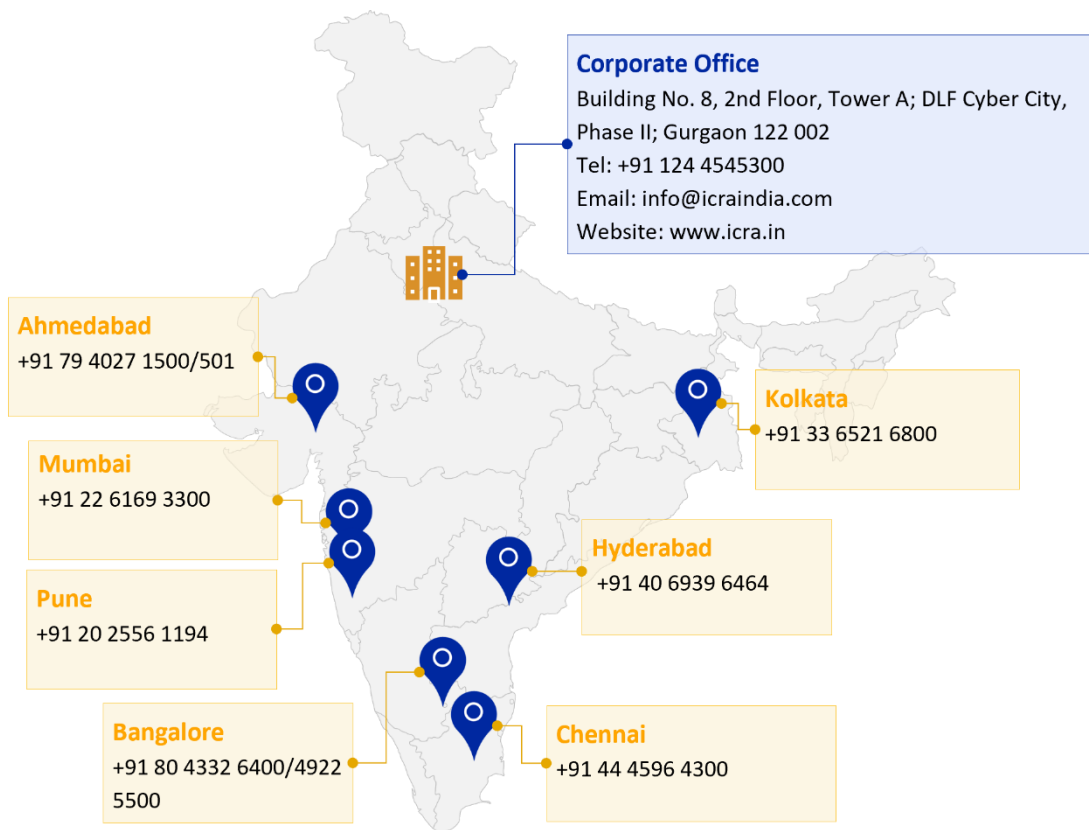
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