

September 22, 2025

## Suprajit Engineering Limited: Update on entity

### Summary of rating(s) outstanding

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Long Term-Fund Based-Cash Credit	292.70	292.70	[ICRA]AA (Stable); Outstanding
Long Term-Fund Based-Term Loan	52.50	52.50	[ICRA]AA (Stable); Outstanding
Short Term-Non Fund Based-Others	3.60	3.60	[ICRA]A1+; Outstanding
<b>Total</b>	<b>348.80</b>	<b>348.80</b>	

\*Instrument details are provided in Annexure-1

### Rationale

India's exporters have been navigating a turbulent trade environment, following the high level of tariffs imposed by the United States of America (USA or US). The latest round of US tariffs—effective August 27, 2025—has added a punitive 25% duty on select Indian goods, significantly increasing the overall tariff burden and creating cost pressures. The US has also levied tariffs on steel, aluminum, copper and their derivative products under Section 232 of the Trade Expansion Act.

Suprajit Engineering Limited's (SEL/the company) business is also susceptible to the turbulent trade environment, with some of its products falling under the Section 232 tariff categories. On a consolidated basis, SEL generates about 25% of its overall revenues from the US, out of which around 70% is United States-Mexico-Canada Agreement (USMCA) compliant and does not attract any tariffs. According to the management, ICRA understands that majority customers have agreed to bear the additional tariff-related costs and overall cost impact from the recently announced reciprocal tariffs of 50% is limited to around Rs. 4-5 crore (\$ 0.5 million), thereby limiting the impact on earnings.

The company has established relationships with its customers, and considering the long product development and validation cycle and costs involved, any change in vendor from the customer's end is not expected in the near term. Moreover, the company benefits from a geographically diversified manufacturing presence and has capabilities to serve customers from various locations, which provides the company with a unique advantage and reduces the risk of tariff-related uncertainties to some extent. The company reported healthy revenue growth of 17.4% in Q1 FY2026 to Rs. 862.9 crore at operating margins of 9.5%, which is expected to sustain going forward as well supported by strong domestic demand, addition of customers and improving market share. The company has strong liquidity with Rs. 256.8 crore of investments in mutual funds and bonds as on June 30, 2025, 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 on this front and its implications on the company'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	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Auto Components</a>
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of SEL. Details are enlisted in Annexure - II

## About the company

SEL primarily manufactures mechanical control cables and halogen lamps for automotive and non-automotive applications and speedometers, digital clusters, throttle position controls and actuators for 2Ws and 3Ws. About 52% of SEL's consolidated revenues came from the overseas markets in FY2025. SEL has 25 manufacturing facilities across the globe, producing 300 million cables and 80 million halogen lamps, annually. The promoters hold a 45.09% stake (as on June 30, 2025) in SEL, while the remaining is held by public.

## Key financial indicators (audited)

Consolidated	FY2024	FY2025
Operating income	2,909.4	3,277.0
PAT	167.3	99.3
OPBDITA/OI (%)	11.6%	10.2%
PAT/OI (%)	5.7%	3.0%
Total outside liabilities/Tangible net worth (times)	0.9	1.1
Total debt/OPBDITA (times)	2.1	2.4
Interest coverage (times)	6.6	5.5

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

Instrument	Current rating (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	Sep 22, 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
<b>Fund Based-Cash Credit</b>	Long Term	292.70	[ICRA]AA (Stable)	Jun 30, 2025	[ICRA]A A (Stable)	Jun 18, 2024	[ICRA]A A (Stable)	Mar 07, 2024	[ICRA]AA (Stable)	Oct 20, 2022	[ICRA]AA (Stable)
				-	-	-	-	-	-	Dec 15, 2022	[ICRA]AA (Stable)
<b>Fund Based-Term Loan</b>	Long Term	52.50	[ICRA]AA (Stable)	Jun 30, 2025	[ICRA]A A (Stable)	Jun 18, 2024	[ICRA]A A (Stable)	Mar 07, 2024	[ICRA]AA (Stable)	Oct 20, 2022	[ICRA]AA (Stable)
				-	-	-	-	-	-	Dec 15, 2022	[ICRA]AA (Stable)
<b>Non Fund Based-Others</b>	Short Term	3.60	[ICRA]A1+	Jun 30, 2025	[ICRA]A1+	Jun 18, 2024	[ICRA]A1+	Mar 07, 2024	[ICRA]A1+	Oct 20, 2022	[ICRA]A1+
				-	-	-	-	-	-	Dec 15, 2022	[ICRA]A1+

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term-Fund Based-Cash Credit	Simple
Long Term-Fund Based-Term Loan	Simple
Short Term-Non Fund Based-Others	Very 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, is available on ICRA's website: [Click Here](#)

**Annexure-I: Instrument details**

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long Term-Fund Based-Cash Credit	NA	NA	NA	292.70	[ICRA]AA (Stable)
NA	Long Term-Fund Based-Term Loan	FY2021	8.1%	FY2026	52.50	[ICRA]AA (Stable)
NA	Short Term-Non Fund Based-Others	NA	NA	NA	3.60	[ICRA]A1+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure-II: List of entities considered for consolidated analysis**

Company Name	Ownership	Consolidation Approach
Suprajit Automotive Private Limited	100.00%	Full Consolidation
Suprajit Europe Limited	100.00%	Full Consolidation
Suprajit USA Inc.	100.00%	Full Consolidation
Trifa Lamps, Germany GmbH	100.00%	Full Consolidation
Luxlite Lamps SARL	100.00%	Full Consolidation
Suprajit Brownsville, LLC (USA)*	100.00%	Full Consolidation
Suprajit Mexico S de R.L. de C.V. (Mexico)*	100.00%	Full Consolidation
Suprajit Hungary Kft. (Hungary)*	100.00%	Full Consolidation
Shanghai Lone Star Cable Co., Ltd. (China)*	100.00%	Full Consolidation
Wescon Controls LLC*	100.00%	Full Consolidation
Suprajit Germany GmbH	100.00%	Full Consolidation
Suprajit Canada Limited	100.00%	Full Consolidation
Suprajit Morocco SARL	100.00%	Full Consolidation
Suprajit (Jiaxing) Automotive Systems Company Limited	100.00%	Full Consolidation
Suprajit Chuhatsu Controls System Private Limited	100.00%	Full Consolidation

Source: Annual report; Note: Suprajit Brownsville, LLC (USA), Suprajit Mexico S de R.L. de C.V. (Mexico), Suprajit Hungary Kft. (Hungary), Shanghai Lone Star Cable Co., Ltd. (China) and Wescon Controls are subsidiaries of Suprajit USA Inc

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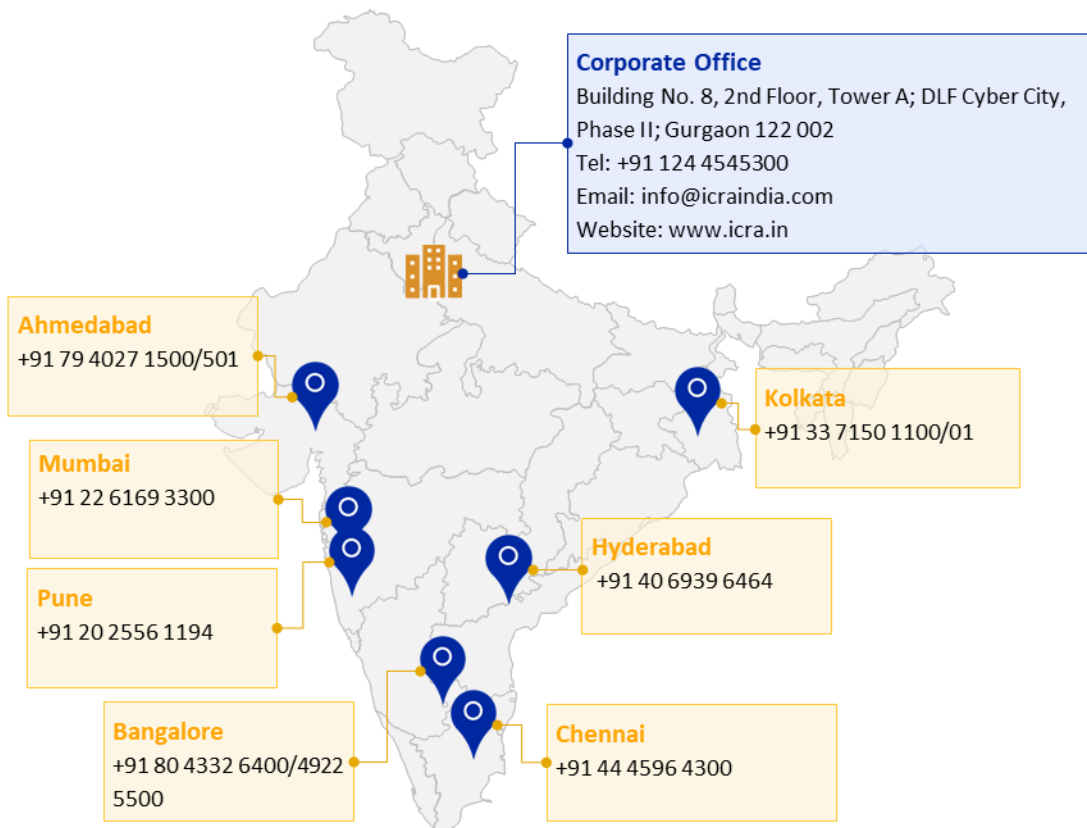


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