

November 25, 2025

Autocomp Corporation Panse Private Limited: Ratings reaffirmed, rated amount enhanced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based/term Loans	148.00	141.71	[ICRA]A-(Stable); reaffirmed
Long-term – Fund-based/cash credit	176.00	225.00	[ICRA]A-(Stable); reaffirmed /assigned for enhanced limits
Short-term – Non-fund-based facilities	75.00	75.00	[ICRA]A2+; reaffirmed
Total	399.00	441.71	

*Instrument details are provided in Annexure-1

Rationale

The ratings reaffirmation for Autocomp Corporation Panse Private Limited (ACPPL) continues to draw comfort from the long and established track record of its promoters in the auto ancillary industry. In its operational track record spanning over three decades, ACPPL has developed established relationships with key original equipment manufacturers (OEMs) based in and around its manufacturing facilities in Pune, Pantnagar and Sanand, which have supported its strong revenue growth momentum, reflected by a robust CAGR of 33% between FY2021 and FY2025. ACPPL's healthy share of business for most of the components supplied to the OEMs highlights client stickiness. Further, segmental diversification through its presence in two-wheelers (2W), light commercial vehicles (LCV), passenger vehicles (PV), heavy trucks and tractors, augurs well for its operational stability, and safeguards ACPPL's business against any sector-specific slowdown to an extent.

ACPPL reported a 14% YoY revenue growth in FY2025 (24% in FY2024), aided by a healthy volume offtake from the key existing customers of the company. Further, new client acquisitions in the recent past have supported revenue growth for ACPPL, strengthening its business prospects. On the other hand, decent share of exports provides geographical diversification to an extent for the company. While the revenue growth momentum slowed down to 2% on a YoY basis in H1 FY2026, it was mainly on account of deferment of sales from H1 FY2026 to H2 FY2026 for one of the key customers due to operational constraints at the customer's end. The Goods & Services Tax (GST) rate cuts, coupled with festive season, are expected to boost demand across automotive segments in the domestic market, which is likely to reflect in a decent YoY revenue growth for ACPPL in H2 FY2026.

The ratings are constrained by the sizeable debt-funded capex towards capacity addition undertaken by the company (with capex outlay of around Rs. 155 crore in FY2025-H1 FY2026), which led to an elevated leverage and is thus expected to have some bearing on ACPPL's capital structure and debt metrics over the near-to-medium term. With this, ICRA expects the company's total debt/OPBITDA to remain in the range of 3.0-3.2 times as on March 31, 2026. However, ICRA notes the capacity expansion to meet higher demand estimates from the OEMs and expects the increased scale to bring in economic benefits to the operating margin over the longer term. While the capacity addition would largely cater to the requirements of its existing clients, and there is sufficient revenue visibility for the same, the company's ability to ramp-up utilisation across newly added capacities in a timely manner without materially impacting return indicators and credit metrics would remain a key monitorable. ICRA also notes the moderation in ACPPL's profitability in H1 FY2026 (with the operating profit margin [OPM] moderating to 5.9% in H1 FY2026 from 7.0% in FY2025). This moderation was largely on account of the deferment of sales for one of the key customers, which led to a decline in profitability in H1 FY2026. The company's interest coverage also showed

similar moderation to 3.8 times in H1 FY2026 from 4.3 times in FY2025. However, the rollover of sales coupled with decent revenue expansion in H2 FY2026 is expected to aid in some margin expansion in H2 FY2026.

The rating strengths are partially offset by the exposure of ACPPL's revenue profile to the inherent cyclicity in the domestic automotive industry, from which it derives 80-85% of its revenues. Any sizeable and sustained downturn in the domestic automotive industry could, therefore, impact ACPPL's business operations. ACPPL is also exposed to moderate customer concentration risks, with its top three customers accounting for around 66% of its sales in FY2025. Further, intense competition in ACPPL's business segments (supply of sheet metal components) results in restricted pricing flexibility, resulting in modest operating profitability over the years. However, the company's focus on providing design solutions to OEMs and becoming a one-stop solution provider are expected to bode well for margin improvement, albeit over a longer term.

The Stable outlook on the rating reflects ICRA's expectation that ACPPL is likely to sustain its operating metrics (such as volume offtake), aided by capacity expansion undertaken in the recent past and backed by sufficient revenue visibility. Further, the outlook underlines ICRA's expectation that the entity's incremental capex, if any, 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

Long and established track record of promoters in the auto ancillary industry – Having established ACPPL in 1983, its promoters have a long and established track record in the auto ancillary industry. This has supported the company in forging healthy relationships with its clients and adding reputed names to its clientele in the recent past. Moreover, deep-rooted relations with key OEM customers have led to ACPPL setting up new plants in the vicinity in the manufacturing plants of its key OEM customers, with order-backed greenfield expansion supporting the overall revenue growth momentum of the company.

Healthy revenue growth momentum, supported by robust order book position – ACPPL has reported a healthy revenue growth momentum in the recent past, aided by steady operational performance of its key clients, reflecting in a robust order book position over the years, and further supported by new client addition and decent revenue share from exports. The revenues expanded at a CAGR of 33% between FY2021 and FY2025. While the revenue growth momentum has slowed down in H1 FY2026 (at 2% YoY revenue growth), GST rate cuts coupled with festive season-driven demand are expected to aid in a decent YoY revenue growth in H2 FY2026.

Established relationships with key OEMs; healthy share of business in most components supplied by the company – Given its long operational track record, ACPPL has developed strong relationships with key OEMs across sectors, with repeat orders from its clientele, supporting its business prospects. Further, the healthy share of business for the components and models that it supplies, offers comfort about its positioning with its client OEMs and revenue visibility. High tooling costs required for new product development act as an entry barrier for other players/entrants in this industry.

Diversified business profile with presence across multiple automotive segments – ACPPL demonstrates healthy segmental diversification with its presence in multiple automotive sectors—viz., PVs, LCVs, heavy trucks, 2Ws and tractors, among others. This mitigates ACPPL's business against any sector-specific risks, impacting any auto segment. The company is also focusing on augmenting its capabilities and customer portfolio further to improve its diversification. Revenues from non-automotive segment, though limited at present, provide incremental segmental diversification to the company's revenue base.

Credit challenges

Revenue profile exposed to cyclicity inherent in auto industry – Given the dependence of ACPPL on the auto sector, its business performance is closely linked with the performance of the sector in general. Many of the segments within the industry show an inherent cyclicity in demand, exposing ACPPL's revenues and earnings to volatility, in line with the industry trend. Further, any substantial slowdown in the auto industry could have a severe impact on the business operations of ACPPL. Nevertheless, the company's efforts to diversify across segments, and towards exports, help mitigate these risks to some

extent. Further, presence in non-automotive product offerings, although limited at present, provides ACPPL with some comfort against volatility associated with the automotive sector.

Intense competition results in restricted pricing flexibility – The sheet metal component business is characterised by intense competition, restricting ACPPL's pricing flexibility to an extent. However, ACPPL's profitability is expected to be supported by efforts to enhance its capabilities including complete engineering solutions, which are expected to pan out over the medium-to-long term. Higher revenue share from exports and tooling revenues (which carry higher margins) envisaged over the medium term is also expected to aid in a gradual margin expansion, going forward.

Business operations vulnerable to performance of principal OEMs with moderate customer concentration risk – With the company supplying various sheet metal components to its key customers, such as TML, Mahindra & Mahindra Limited (M&M), Jaguar Land Rover (JLR) and Bajaj Auto Limited (BAL), ACPPL's business performance is closely linked with the performance of these OEMs. Further, the company remains exposed to moderate customer concentration risk, with its top three customers driving around 66% of its revenues in FY2025. However, ACPPL's established relationships with its key customers provide some comfort against this risk.

Capital structure remains moderately leveraged – ACPPL incurred significant capex (around Rs. 155 crore) during FY2025-H1 FY2026 towards setting up new manufacturing facilities at Sanand (Gujarat) and Chakan (Maharashtra) along with adding new capacities across its existing plants. Capex outlay for FY2026 remains sizeable, at around Rs. 80 crore, out of which capex worth around Rs. 50 crore has already been incurred in H1 FY2026. As a major portion of the capex undertaken in recent past has been funded through bank borrowings, the same led to an increase in leverage and is thus expected to have a bearing on ACPPL's capital structure over the near-to-medium term. ICRA expects the total debt/OPBITDA to moderate to 3.0 - 3.2 times as on March 31, 2026. While the capacity addition would largely cater to the requirements of its existing clients, and there is sufficient revenue visibility for the same, the company's ability to ramp up these facilities in a timely manner without impacting return indicators and credit metrics materially would remain a key monitorable.

Liquidity position: Adequate

The company's liquidity position is Adequate, supported by cash and liquid investments of around Rs. 70 crore and sufficient buffer in the form of undrawn working capital limits, which stood at around Rs. 46 crore as of September 30, 2025 (with average fund-based and non-fund-based working capital utilisation for the 13-month period ended in August 2025 being 66% and 61%, respectively, indicating moderate working capital utilisation). The cash flow generation is also expected to remain comfortable at Rs. 40-50 crore per annum over the medium term. Against these, the annual debt repayment quantum remains moderate at Rs. 34-36 crore per annum during FY2026-FY2027. Capex outlay, while sizeable at around Rs. 80 crore for FY2026 (out of which capex worth around Rs. 50 crore has already been incurred in H1 FY2026), would be funded through a mix of internal accruals and bank borrowings.

Rating sensitivities

Positive factors – The ratings could be upgraded if the entity's margins improve, while expanding its operations and maintaining a comfortable balance sheet along with an adequate liquidity profile.

Negative factors – The ratings could be downgraded if sub-optimal revenue generation from the capacity addition undertaken across the plants impacts the profitability and/or return indicators, or if a deterioration in margins adversely impacts the key credit metrics (interest coverage falling below 4.0 times, on a sustained basis). Moreover, any large debt-funded capex or a stretch in the working capital cycle that weakens the liquidity profile may necessitate a negative rating action.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Auto Components
Parent/Group Support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials of Autocomp Corporation Panse Private Limited

About the company

ACPPL, established in 1983 and based out of Pune, Maharashtra, manufactures sheet metal components for OEMs such as TML, M&M, JLR and BAL, among others, for diversified automotive segments such as PVs, 2Ws, LCVs, heavy trucks and tractors. Chassis components, assembly parts, tubular structures, etc., are some of its key product offerings. It was established as a proprietorship company in 1983 and subsequently converted into a private limited company in 2006. The company has manufacturing units in Chakan (Maharashtra), Pantnagar (Uttarakhand) and Sanand (Gujarat).

Key financial indicators

ACPPL	FY2024	FY2025	H1 FY2026*
Operating Income (Rs. crore)	1,280.9	1,461.9	686.6
PAT (Rs. crore)	48.9	47.9	18.0
OPBDIT/OI (%)	6.5%	7.0%	5.9%
PAT/OI (%)	3.8%	3.3%	2.6%
Total Outside Liabilities/Tangible Net Worth (times)	2.6	1.9	1.7
Total Debt/OPBDIT (times)	3.4	2.9	3.3
Interest Coverage (times)	5.8	4.3	3.8

Source: ACPPL, ICRA Research; PAT: Profit after Tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; *Provisional

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current ratings (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	November 25, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Term Loan	Long- term	141.71	[ICRA]A- (Stable)	29-Aug-24	[ICRA]A- (Stable)	29-May-23	[ICRA]A- (Stable)	-	-
Working Capital Facilities	Long-term	225.00	[ICRA]A- (Stable)	29-Aug-24	[ICRA]A- (Stable)	29-May-23	[ICRA]A- (Stable)	-	-
Non Fund Based Facilities	Short-term	75.00	[ICRA]A2+	29-Aug-24	[ICRA]A2+	29-May-23	[ICRA]A2+	-	-
Unallocated Limits	Long-term	-	-	-	-	29-May-23	[ICRA]A- (Stable)	-	-

Source: Company

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based – Term Loans	Simple
Long-term – Fund-based – Cash Credit	Simple
Short-term – Non-fund-based Facilities	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, are available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Term Loans	Dec-2021	NA	Dec-2028	141.71	[ICRA]A-(Stable)
NA	Cash Credit	NA	NA	NA	225.00	[ICRA]A-(Stable)
NA	Short Term – Non Fund Based Facilities	NA	NA	NA	75.00	[ICRA]A2+

Source: Company

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

Annexure-2: List of entities considered for consolidated analysis: Not applicable

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