

December 10, 2025

Purflux Engine Systems India Private Limited (Erstwhile SOGEFI Engine Systems India Private Limited): Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long Term/Short term – Unallocated	30.00	30.00	[ICRA]A+ (Stable)/[ICRA]A1+; reaffirmed
Total	30.00	30.00	

*Instrument details are provided in Annexure I

Rationale

The reaffirmation of ratings on the bank lines of Purflux Engine Systems India Private Limited (PESIPL/the company/erstwhile SOGEFI Engine Systems India Private Limited) factors in its established market position as a Tier-I auto component supplier and ICRA's expectation of sustained financial performance over the medium term. The company manufactures filtration and air & cooling products, including automotive filters, tools and prototypes, manifolds, water pumps, and thermostats. PESIPL enjoys established relationships, spanning over two decades, with leading original equipment manufacturers (OEMs) such as Mahindra & Mahindra Limited, Maruti Suzuki India Limited, Tata Motors Limited, Hero MotoCorp Limited and Bajaj Auto Limited, and continues to receive incremental orders from these customers.

The company reported healthy revenue growth of 11.4% YoY in FY2025, supported primarily by higher order inflows from existing customers. However, operating margins moderated to 13.7% in FY2025 from 16.5% in FY2024, largely due to an increase in raw material costs, which are typically passed on to customers with a lag. PESIPL has remained debt-free for several years, aided by healthy internal accruals, modest capital expenditure, and low working capital intensity, resulting in a strong capital structure and robust coverage metrics. The debt metrics are expected to remain comfortable going forward, supported by anticipated healthy operating cash flows and the absence of debt-funded capex plans. Liquidity remains strong, backed by steady business cash flows and cash balances of over Rs. 35.5 crore as on March 31, 2025, and is expected to remain adequate in the near term.

The ratings remain constrained by the medium- to long-term vulnerability of the company's earnings to risks associated with the electrification of automobiles. Nevertheless, the risk is partly mitigated by PESIPL's significant presence in the passenger vehicle (PV) segment, where electric vehicle (EV) penetration is expected to remain relatively low over the medium term. Further, multiple powertrain technologies are likely to co-exist across vehicle categories, and the company is actively engaged in new product development initiatives to address evolving market requirements. The company's presence in the aftermarket segment, with around 25% of sales derived from the same, also helps mitigate risks related to electrification to an extent.

About 60-70% of PESIPL's revenues are derived from the domestic PV segment, exposing it to any demand slowdown in this category. The company also faces competition from other established players in the filtration and air & cooling segment, which could exert pressure on margins. Additionally, PESIPL has had sizeable dividend payouts historically—Rs. 102.9 crore in FY2024 and Rs. 64.5 crore in FY2025. While the company's strong liquidity position and debt-free capital structure mitigate the associated risk to a large extent, ICRA will continue to monitor any significant dividend distributions that could materially impact cash flows and liquidity going forward.

The Stable outlook on the long-term rating reflects ICRA's expectations that the company will continue to benefit from the extensive experience of the Purflux Group, its long track record of operations, and established relationships with its customer base.

Key rating drivers and their description

Credit strengths

Strong capital structure and coverage metrics, strong liquidity – The company has maintained a net debt-negative position over the past several years, supported by healthy internal accruals, modest capital expenditure, and low working capital intensity. This has translated into a strong capital structure and robust coverage indicators. The debt metrics are expected to remain comfortable going forward, aided by anticipated healthy operating cash flows and the absence of any debt-funded capex plans. Liquidity remains strong, underpinned by steady business cash flows and sizeable cash balances of over Rs. 35.5 crore, a trend likely to continue in the near term.

Healthy revenue growth and profit margins – The company registered a healthy revenue growth of 11.4% YoY in FY2025, primarily driven by higher order inflows from existing customers. Operating profitability remained strong, with PESIPL reporting an operating margin of 13.7% in FY2025, despite moderation from FY2024 levels of 16.5%. The company's margins and accruals are expected to remain healthy going forward, supported by its established customer relationships and stable cost structure.

Established relationships with reputed clientele – PESIPL is an established Tier-I auto component supplier, engaged in the manufacture of filtration and air & cooling products, including automotive filters, tools and prototypes, manifolds, water pumps, and thermostats, among others. Its customer base comprises leading automotive OEMs such as Mahindra & Mahindra Limited, Maruti Suzuki India Limited, Tata Motors Limited, Hero MotoCorp Limited and Bajaj Auto Limited. The company has maintained long-standing relationships with most of these customers for over two decades and continues to receive incremental orders periodically, a trend expected to sustain going forward.

Credit challenges

Exposure to threat from alternative automobile architecture, namely EVs– The increasing shift towards the electrification of automobiles could exert pressure on the company's revenues over the medium to long term, given the non-usage of its current product portfolio in electric vehicles. However, the risk is mitigated to a large extent by the company's significant presence in the passenger vehicle segment, where EV penetration is expected to remain relatively low in the medium term. Moreover, multiple powertrain technologies are likely to co-exist across vehicle categories, and the company is actively engaged in new product development initiatives to adapt to evolving industry trends.

History of large cash outflows towards dividend payouts– The company has historically maintained sizeable dividend payouts, amounting to Rs. 64.5 crore in FY2025 and Rs. 102.9 crore in FY2024. These payouts have been relatively high as a proportion of profits after tax. Nevertheless, the company's strong liquidity position and debt-free capital structure mitigate the associated risks to a large extent. ICRA will continue to monitor any significant dividend distributions that could materially impact the company's cash flows and liquidity profile going forward.

Segment concentration with PVs; moderate level of competition from other filter and manifold manufacturers – About 60-70% of the company's revenues are derived from the domestic passenger vehicle segment, thereby exposing its revenues to any demand slowdown in the segment. Also, the company encounters competition from other players in the filtration and air & cooling segment. However, its established position, periodic introduction of new products, value addition, and the safety criticality of its products, with consequently longer development cycles, mitigate competitive risks to an extent.

Liquidity position: Strong

PESIPL's liquidity position is strong, supported by healthy cash flows from operations of Rs. 90-100 crore annually and free cash and bank balances of over Rs. 35.5 crore as of March 31, 2025. Against these sources of cash, the company has modest capex plans of Rs. 9.0-10.0 crore per annum for FY2026-FY2028, to be funded through internal accruals. The company does not have repayment obligations, as it is currently debt-free, and does not envisage incremental borrowings going forward. ICRA expects PESIPL's liquidity profile to remain strong over the medium term. ICRA would continue to monitor any significant dividend payouts that may have a material impact on the company's liquidity position.

Rating sensitivities

Positive factors – ICRA may upgrade the company's long-term rating if its business profile strengthens through a significant increase in scale of operations and diversification of products, while maintaining healthy profitability, cash flows, and liquidity.

Negative factors – Pressure on the ratings may arise if there is a sustained decline in sales volumes and/or realisations that adversely impacts profitability and return indicators. A specific credit metric for a downgrade is the weakening of Total Debt/OPBDITA to greater than 1.5 times on a sustained basis. The ratings may also be downgraded if the company's liquidity profile weakens because of sizeable dividend outflows or any large debt-funded capex.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials of PESIPL

About the company

Purflux Engine Systems India Private Limited (PESIPL/the company) is a tier-I auto component supplier engaged in the manufacture of automotive filtration and air & cooling products, including automotive filters, tools and prototypes, manifolds, water pumps, and thermostats, to name a few. The company derives its sales largely from the domestic segment. About 70% of its sales in FY2025 were from the domestic PV segment, while the remainder came from the 2W segment. About 25% of sales came from OE spares. The company has three manufacturing units, two in Bangalore and one in Pune. At present, the company is owned by the Purflux Group, which, in turn, is held by Pacific Avenue Capital Partners.

Key financial indicators (Provisional)

	FY2024	FY2025
Operating income	883.7	983.7
PAT	88.3	78.3
OPBDITA/OI	16.5%	13.7%
PAT/OI	10.0%	8.0%
Total outside liabilities/Tangible net worth (times)	0.7	0.7
Total debt/OPBDITA (times)	0.0	0.0
Interest coverage (times)	NA	NA

Source: Company, ICRA Research; PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore
Note: Financial ratios in the report are ICRA adjusted figures and may not be directly comparable with results reported by the company in some instances.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current (FY2026)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Dec 10, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Unallocated	Long term/Short term	30.00	[ICRA]A+ (Stable)/[ICRA]A1+	Jan 31, 2025	[ICRA]A+ (Stable)/[ICRA]A1+	Oct 04, 2023	-	Jul 29, 2022	-
Interchangeable (CC)	Long-term	-	-	Jan 31, 2025	-	Oct 04, 2023	[ICRA]A+ (Stable)	Jul 29, 2022	[ICRA]A+ (Stable)
Fund based	Short-term	-	-	Jan 31, 2025	-	Oct 04, 2023	[ICRA]A1+	Jul 29, 2022	[ICRA]A1+
Interchangeable (LC- Sub Limit of WC DL)	Short-term	-	-	Jan 31, 2025	-	Oct 04, 2023	[ICRA]A1+	Jul 29, 2022	[ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity indicator
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	Long term/ Short term – Unallocated	NA	NA	NA	30.00	[ICRA]A+ (Stable)/[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 – Not applicable

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