

February 24, 2026

SJS Enterprises Limited: Rating reaffirmed; outlook revised to Positive

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based limits – Working capital	28.00	28.00	[ICRA]AA-(Positive); reaffirmed and outlook revised to Positive from Stable
Total	28.00	28.00	

*Instrument details are provided in Annexure-I

Rationale

The positive outlook on the long-term rating of SJS Enterprises Limited (SJS) reflects the expectation of further strengthening of the company's business profile with a sustained improvement in its scale of operations, as well as the diversification of its product portfolio and customer base largely driven by the ramp up in acquired business. The company's revenues have expanded at a compounded annual growth rate (CAGR) of 32% over the past five years ended on March 31, 2025 with total operating income of Rs.760.5 crore and grew further by 24% in 9M FY2026 to Rs.695 crore at consolidated level.

Going forward, the robust revenue growth momentum, for the company, along with healthy operating profit margins (OPM) is expected to continue, supported by the increasing share of business with addition of new customers, growth from new products and new geographies. Concurrently, SJS is expected to maintain its strong financial profile characterised by healthy profitability, comfortable capital structure and coverage indicators.

SJS has established supply chain supported with manufacturing capabilities along with continuous focus of premium products, which has led to healthy gross margin of over 50% during the last four years ended on March 31, 2025. Moreover, the OPM remained healthy and stood at 25.6% in FY2025 and further increased to 28.2% in 9MFY2026 against 25.8% in 9MFY2025.

The rating also considers SJS' extensive experience in the manufacturing of self-adhesive labels and the established relationships it enjoys with its reputed clientele [original equipment manufacturers (OEMs) and tier-1 suppliers]. The company has a diversified product profile with SJS supplying automotive dials, overlays, exterior decals, logos, and badges for several OEMs and tier-1 suppliers in the automotive and white goods sectors. Its in-house product development initiatives, as well as the addition of the chrome plating business and the manufacturing of high-value-added functional decorative parts from the acquisition of SJS Decoplast Private Limited (SDPL; formerly known as Exotech Plastics Private Limited) and Walter Pack India Private Limited (WPI) acquisitions respectively, have resulted in further diversification of products. The revenue is diversified across domestic auto OEMs, export market and consumer durables with growing customer expansion. Going forward, SJS' effort in expanding its chrome plating division capacity through planned capacity addition is expected to further support its revenue growth and diversification. However, with the capex lined up over FY2026-FY2027, timely commencement and ramp up of operations at the new plant without any material time and cost overruns would be a key credit monitorable.

The rating is, however, constrained by the company's moderate, albeit improving, scale of operations owing to its modest content per vehicle at present. Further, SJS has high dependence on the automotive segment accounting for 75% of consolidated revenues in FY2025, exposing it to inherent cyclicality in the automotive industry. In the medium term, the growth is expected to be driven by continued focus on premiumisation, adoption of futuristic technologies and launch of optical cover glass and automotive display solutions in India through its partnership with BOE Varitronix. This in turn will lead to increase in content per vehicle, which has remained modest in the past.

ICRA further notes that the raw material cost constitutes 44-46% of the company's operating costs, and consequently the margins are susceptible to volatilities in raw material prices. With imported raw materials constituting around 16-17% of total raw material purchases, the margins are also exposed to foreign exchange volatilities, though the same is mitigated to an extent by a natural hedge.

Key rating drivers and their description

Credit strengths

Extensive experience in manufacturing self-adhesive labels with established supply chain leading to global footprint- SJS was established in 1987 and has more than three decades of experience in the manufacturing of self-adhesive labels. The company has four manufacturing units – one in Bengaluru (Karnataka), two in Pune (Maharashtra) and one in Manesar (Haryana). SJS has long relationships with its suppliers and equipment vendors, resulting in a constant and uninterrupted supply of raw materials. With an established supply chain, manufacturing capabilities and delivery mechanism in place, the company supplied over 197 million parts across 22 countries in FY2025. This also enables SJS to meet just-in-time delivery schedules of its customers, particularly during the critical launch period of a model, and contributed to the overall growth of the business.

Established relationships with reputed clients - The company has forged strong relationships with its customers, supporting its growth over the years. The company benefits from its relationships with tier-1 automotive suppliers and automotive OEMs, especially in the 2W segment such as TVS Motor Company Limited (TVS), Bajaj Auto Limited (Bajaj), and Honda Motorcycle & Scooter India Private Limited (HMSI), among others. Further, it serves reputed brands such as Whirlpool, Samsung, and Electrolux, among others, in the white goods segments. It has been associated with its key customers for more than two decades and receives incremental orders from them for their new models and requirements. Moreover, with the acquisition of SDPL and WPI, SJS added four-wheeler (4W) brands such as Mahindra & Mahindra Limited, John Deere India Private Limited, Tata Motors Limited, Maruti Suzuki India Limited, Stellantis, Novateur Electrical & Digital Systems Private Limited and Toyota Tsusho India Private Limited to its customer base. ICRA notes that the recent acquisition of SDPL and WPI are synergistic to SJS' business and provides it with opportunities to cross sell its products across a diversified customer base and strengthen its order book.

Growing customer and segment diversification – The revenues are diversified across domestic auto OEMs, the export market and consumer durables. The company was able to diversify its presence in the PV segment at a consolidated level on the back of synergy from SDPL and WPI. At present, at a consolidated level, the revenue mix is largely equal between the PV and 2W segments, with 39% of revenues from the PV and around 40% of revenues from the 2W segment in 9M FY2026. At the consolidated level, customer concentration remains moderate with M&M, Tata Motors and TVS Motors each accounting for 12-15% of consolidated revenues in FY2025. ICRA derives comfort from SJS' established relationships and high share of business enjoyed with these customers, especially in the product segments catered to by WPI and SDPL. SJS' product offerings include decals and body graphics, 2D appliques and dials, 3D appliques and dials, 3D lux badges, domes, overlays, and aluminium badges. SJS has also been undertaking efforts to further expand its product portfolio through in-house product development, as well as inorganic investments. In this regard, its recent acquisitions of WPI and Exotech for its high-value decorative parts such as in-mold decoration (IMD), in-mold labelling (IML), in-mold electronics (IME) and in-mold forming (IMF) components. This has helped the company further strengthen its product and customer profile and diversify its offerings.

Comfortable financial profile with healthy profit margins – SJS' revenues have expanded at a healthy CAGR of 32% between FY2021 to FY2025 with total revenues of Rs. 761.0 crore in FY2025, aided by ramp up of acquired businesses specially with acquisition of WPI in FY2024. In 9M FY2026, it reported revenues of Rs. 695 crore, registering YoY growth of 24% on the back of the PV segment along with growth in exports. With growing demand for premium aesthetics in the automotive segment, SJS is expected to sustain the revenue momentum going forward, supported by the increasing share of business from existing as well as new customers, growth from new products launches and entry into new geographies. SJS' financial risk profile remains comfortable, characterised by healthy profitability and a strong capital structure. SJS has an established supply chain, supported by manufacturing capabilities along with continuous focus on premium products have led to a healthy gross margin of over 50% during the last four years ended on March 31, 2025. Moreover, the operating margins remained healthy, which stood at 25.6% in FY2025 and further increased to 28.2% in 9M FY2026 driven by healthy gross margin, operational efficiency and a favourable product mix.

The company continued its long-term debt-free status in FY2026, which resulted in a healthy capital structure with an overall

gearing of 0.01 times as on September 30, 2025. The debt coverage indicators also stood robust with total debt over the operating profit of 0.1 times and an interest cover of 65.9 times in H1 FY2026.

Credit challenges

Moderate scale of operations, albeit growing, supported by the acquired business and growing demand in the PV, consumer and export segments – Although SJS' revenues have grown at a healthy rate, it remains moderate relative to other entities in the rating category. With modest content per vehicle on its products, the company's revenue stood at Rs. 628.5 crore in FY2024 and Rs. 381.4 crore in H1 FY2025. Despite its moderate scale, ICRA notes that the company's operating margin and return indicators remained healthy, indicating its strong operational profile. In terms of segment diversification, it derives a large part of its revenues from the passenger vehicle segment, followed by two wheelers (2W) and the remaining from the white goods and farm equipment segments. Going forward, the introduction of new products and acquisition of new customers are expected to drive revenue growth organically, helping it expand its scale of operations and mitigate this risk.

Exposed to inherent cyclicality in automotive industry – As SJS derives a major portion of its revenues from the 2W and 4W segments, which together accounted for 79% of revenues in 9M FY2026, its operating income remains vulnerable to the cyclicality in these segments. The cyclicality is partly mitigated, to an extent, as the white goods and farm equipment segments accounted for around 21% of its revenues in 9M FY2026. The company consecutively outperformed the industry volumes for the 25th quarter in Q3 FY2026, led by the ramp-up in the acquired business as well as growth in the export markets.

Import dependence exposes the company to supply-chain and forex risks; mitigated to an extent by natural hedge – The raw material cost constitutes 44-46% of the company's operating costs, and consequently the margins are susceptible to volatilities in raw material prices. With imported raw materials constituting 16-17% of total raw material purchases, the margins are also exposed to foreign exchange volatilities. The transit time for raw material procurement is 45-60 days as the company depends on import through waterway for part of its raw material requirement. The company plans for raw material procurement to avoid any supply chain disruptions caused by external factors such as Covid and the Russia-Ukraine conflict. Additionally, there exist a board-approved hedging policy apart from natural hedge and currently SJS hedges 10% of its exposure and can increase hedging exposure depending on market conditions.

Environment and social risks

Environmental considerations: The company uses raw materials such as plastic, polyethene terephthalate, copper, nickel, aluminium, paints, metallised polyester, polyvinyl chloride (PVC), polycarbonate, inks, chemicals and adhesives which, if improperly stored or disposed of, may result in severe environmental damage. Thus, the handling of raw materials and waste management is a key factor. The company has a structured process to ensure the proper storage of raw materials and recycling of waste generated during the manufacturing process.

Social considerations: The company is exposed to social risks such as worker shortages and changing consumer preferences. The company has taken initiatives for employee empowerment, diversity in the workplace, and employee development and healthcare. Another social risk that component suppliers face pertains to product quality, wherein instances of low quality and standards and high warranty costs may not only lead to a financial implication but could also harm the reputation and create a more long-lasting adverse impact on demand.

Liquidity position: Strong

SJS' liquidity position is Strong, supported by healthy cash flow from operations and undrawn limits available of more than Rs. 100 crore as on October 30, 2025. At a consolidated level, it had cash and liquid balance of Rs. 192.0 crore as on December 31, 2025, which provides further liquidity buffer. ICRA expects the company's cash flow from operations to remain robust in the range of Rs. 150-200 crore (FY2026-FY2027) annually on a consolidated basis, driven by healthy profitability led by growing demand and increasing share of business with OEMs and stable working capital intensity. Moreover, the company fully repaid its term loan in H1 FY2025 and has no plans to avail debt in the near term. Thus, SJS is expected to continue its debt-free status in the near term. The company plans to incur capex of Rs. 250 crore in the next three years towards capacity expansion in SDPL & SJS (standalone) and manufacturing of display & cover glass (FY2026-FY2028), which will be funded through internal accruals.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if SJS is able to demonstrate a significant increase in its revenues while maintaining profitability and satisfactory debt coverage indicators and liquidity position on a sustained basis.

Negative factors – ICRA may revise the outlook to Stable in case the company reports any significant weakening in its operating performance, earnings, which adversely impacts its debt coverage indicators and/or liquidity position on a sustained basis. Specific credit metrics that could result in a downgrade would include total debt/OPBDITA greater than 1.5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Auto Components Corporate Credit Rating Methodology
Parent/group Support	Not Applicable
Consolidation/standalone	For arriving at the rating, ICRA has considered the consolidated financials of SJS. As on December 31, 2025, SJS has three subsidiaries that has been enlisted in Annexure-II

About the company

SJS was established in 1987 by Mr. V. Srinivasan, Mr. K.A. Joseph and Mr. Sivakumar as a partnership firm which was subsequently converted into a private limited company in June 2005. During September 2015, Evergraph Holdings Pte Ltd, a subsidiary of Singapore-based private equity firm Everstone Capital, acquired a majority stake in SJS through secondary purchase. Evergraph had acquired the 26% stake owned by Serigraph Inc, USA, an American specialty printing company and the remaining from the promoters of the company. In November 2021, the company was listed on the NSE and the BSE. From 2021 to 2024, post the company's IPO, Evergraph has diluted its stake in the entity as part of its exit strategy. At present, Mr. K.A. Joseph is the Managing Director of the company.

SJS manufactures self-adhesive labels like automotive dials (automotive dashboard interior), overlays, exterior decals (two and four wheelers), in-mould decorating and aluminium badges and logos for the automotive, electronics and appliance industries, with the auto industry contributing to a major portion of its revenues. Subsequently, in April 2021, SJS acquired Exotech Plastics Private Limited at a consideration of around Rs. 64 crore for expanding its presence in the chrome plating business. Further, in April 2023, it acquired 90.1% stake in Walter Pack Automotive Products India Private Limited (WPI) at a consideration of Rs. 238.6 crore for expanding its presence in in-mold decoration (IMD), in-mold labeling (IML), in-mold electronics (IME) and in-mold forming (IMF).

Key financial indicators (audited)

SJS Enterprises Limited (Consolidated)	FY2024	FY2025	9MFY2026*
Operating income	628.5	760.5	694.9
PAT	85.4	118.8	122.9
OPBDITA/OI	24.8%	25.6%	28.2%
PAT/OI	13.6%	15.6%	17.7%
Total outside liabilities/Tangible net worth (times)	0.4	0.3	-
Total debt/OPBDITA (times)	0.5	0.2	-
Interest coverage (times)	17.7	32.3	67.8

Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Feb 24, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund based -Working capital	Long- term	28.00	[ICRA]AA- (Positive)	21-Jan-2025	[ICRA]AA- (Stable)	27-Nov-2023	[ICRA]A+ (Positive)	25-Aug-2022	[ICRA]A+ (Stable)
				-	-	10-May-2023	[ICRA]A+ (Stable)	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term fund-based limits –Working Capital	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 I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund-based limits – Working Capital	NA	NA	NA	28.00	[ICRA]AA- (Positive)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company Name	SJS Ownership	Consolidation Approach
Exotech Plastics Private Limited	100.0%	Full Consolidation
Walter Pack Automotive India Private Limited	90.1%	Full Consolidation
Plastoranger Advanced Technologies Private Limited*	100.0%	Full Consolidation

Source: 9M FY2026 Results; *wholly owned subsidiary of WPI

ANALYST CONTACTS

Jitin Makkar

+91 124 4545 368

jitinm@icraindia.com

Kinjal Kirit Shah

+91 22 6114 3442

kinjal.shah@icraindia.com

Sakshi Suneja

+91 22 6169 3349

sakshi.suneja@icraindia.com

Taanisha Sharma

+91 22 6169 3344

taanisha.sharma@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

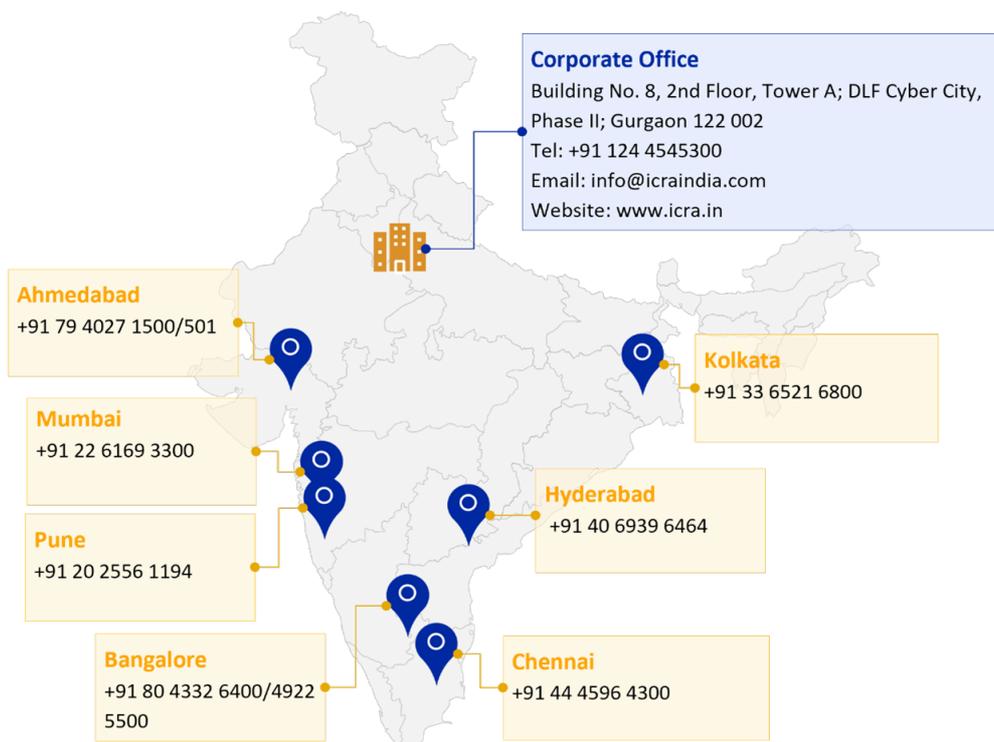


Registered Office

B-710, Statesman House 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.