

March 12, 2026

## Super Auto Forge Private Limited: Ratings reaffirmed

### Summary of rating action

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

\*Instrument details are provided in Annexure-I

### Rationale

The reaffirmation of the ratings on Super Auto Forge Private Limited's (SAFPL/the company) bank lines reflects the company's strong credit profile, backed by its diversified and robust product portfolio, established client relationships and strong financial metrics, and the expectation that these strengths will sustain over the medium term. The company reported a compounded annual revenue growth (CAGR) of 20.3% in revenues from FY2021 to FY2025, aided by healthy demand from existing platforms and supplies to new programmes because of vendor diversification initiatives by global original equipment manufacturers (OEMs). Also, while SAFPL's margins have historically remained strong over the years, supported by technological intensity, high precision and limited competition, they have strengthened further in recent years, supported by a favourable product mix, increasing value addition and favourable forex movement. Accordingly, the company reported operating margins of 32-34% over the last two years, which further improved to 34.5% in 9M FY2026. While ICRA expects SAFPL's margins and earnings to remain strong over the near to medium term, the impact, if any, of geopolitical developments, including tariffs and other escalations, remains a monitorable. Supported by steady earnings and limited debt-funded capital expenditure, SAFPL has remained net-debt negative over the last several years, with unencumbered cash and liquid investments of Rs. 1,238.2 crore as on December 31, 2025. In the absence of debt-funded capex plans going forward, ICRA expects SAFPL's debt metrics and liquidity to remain strong over the medium term.

The ratings also favourably factor in SAFPL's diverse product portfolio, which mitigates risks arising from product-specific technology changes to a large extent. Further, the company has an established customer profile comprising several reputed Indian and global tier-I players and has had a healthy share of business with its clients, apart from periodic new order wins. However, the company derived approximately 60% of its revenues from its top three customers in 9M FY2026, exposing it to customer concentration risk. Also, SAFPL's working capital intensity (NWC/OI) has been high at over 41% in FY2025, which is likely to continue over the medium term, considering a largely export-skewed revenue mix. Nevertheless, its borrowings remain low, owing to strong accruals, which provides comfort to a large extent.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company will be able to sustain its credit profile, supported by its strong business profile, cash accruals and liquidity position.

## Key rating drivers and their description

### Credit strengths

**Strong margins aided by presence in a niche product segment and technological capabilities** – SAFPL has enjoyed an established presence in the cold and warm forging segment for over four-and-a-half decades. There are only a few players in the cold forging space because it is technologically intensive and requires high precision, resulting in limited competition. This technological intensity and limited competition have resulted in strong margins for SAFPL over the last several years. The favourable product mix, high value addition and conducive forex movements have supported the sustenance of strong profit margins in the last few years, as reflected in the strong operating profit margin of 34.5% in 9M FY2026.

**Conservative debt metrics and strong liquidity** – SAFPL has remained net-debt negative for several years, aided by healthy accruals and limited debt-funded capex in the past. The company had zero debt as on December 31, 2025 against sizeable unencumbered cash and liquid investments of Rs. 1,238.2 crore. Its average working capital utilisation remained low at 21% of the drawing power for the period January 2025 - December 2025, with nil utilisation in the last couple of months. In the absence of any debt-funded capex plans going forward, ICRA expects SAFPL's debt metrics and liquidity to remain strong over the medium term.

**Established customer profile** – SAFPL continues to supply to several reputed Indian and global tier-I players and has maintained a healthy share of business with its customers. The company's established relationships and strong technological capabilities have resulted in sustained repeat orders, low customer churn rates and healthy new business secured over the years.

**Diverse product portfolio** – SAFPL has a diverse product portfolio comprising driveshaft components (55% of revenues in 9M FY2026), steering/suspension components (24%) and brake components (18%). A minimal portion of revenues comes from components for non-automotive applications such as electrical appliances and defence. The diversified revenue base mitigates risks arising from product-specific technology changes to a large extent. The company is also unlikely to be materially impacted by the transition to electric vehicles (EVs), as its products are largely powertrain-agnostic.

### Credit challenges

**Revenues and margins exposed to overseas demand dynamics; any material impact of import tariff in the US a monitorable** – The company derives over 80% of its revenues from export markets, with 65-70% coming from North America and 15-20% from Europe. Supplies are predominantly to the passenger vehicle (PV) segment. The relatively high export proportion has resulted in some pressure on revenues in FY2025 and 9M FY2026 due to demand slowdown in the target markets on account of various global factors, including import tariffs in the US, although healthy domestic demand helped offset the impact to some extent. However, the scale-up of volumes from programmes where supplies have commenced in the last few years, as well as rising deliveries to new platforms because of vendor diversification initiatives by global OEMs, are likely to support medium-term revenue prospects. Also, the company intends to diversify its revenue base with respect to geography and segments by focusing more on defence and electrical segments.

**High working capital intensity** – As the company derives over 80% of its revenues from export markets and consequently faces longer lead times, it maintains a high level of inventory. This has elevated the entity's working capital intensity (NWC/OI) to 35-40% over the last few years, which is expected to continue over the medium term as well. However, SAFPL's borrowings remain low owing to strong accruals, which provide comfort to an extent.

**High customer concentration** – The company is exposed to high client concentration risk with its top three customers generating approximately 60% of its revenues in 9M FY2026. However, SAFPL's strong technological capabilities, established relationships with customers over the past four-and-a-half decades, a low churn rate and new business additions mitigate the risk to an extent.

## Liquidity position: Strong

SAFPL's liquidity is strong, with sizeable cash and liquid investments of Rs. 1,238.2 crore as on December 31, 2025. Its average working capital utilisation remained low at 21% of the sanctioned limits of Rs. 175.0 crore for the period January 2025-December 2025. As of December 2025, the entire working capital limits remained unutilised. The business is expected to generate cash flow from operations of over Rs. 400.0 crore annually, which is likely to further strengthen its liquidity position. Against these sources of cash, the company has no repayment obligations owing to the absence of long-term loans on its books. SAFPL has annual capex plans of about Rs. 80.0-100.0 crore during FY2027 and FY2028, to be funded through internal accruals. The company has a history of buybacks (Rs. 60.0 crore in FY2025), and this may continue going forward as well. Nevertheless, ICRA expects SAFPL to be able to meet its medium-term commitments through internal sources of cash while maintaining a healthy surplus of cash and liquid investments.

## Rating sensitivities

**Positive factors** – ICRA could upgrade SAFPL's long-term rating upon a significant improvement in revenues, earnings and cash flows while maintaining comfortable debt protection metrics.

**Negative factors** – Pressure on SAFPL's ratings could arise from sustained weak performance leading to significant deterioration in earnings, or sizeable debt-funded capex, dividend payout or buyback resulting in a significant weakening of liquidity or coverage metrics. Specific metrics that could trigger a downgrade include total debt/OPBDITA exceeding 1 time(s) on a sustained basis. Any material impact on revenues or margins due to tariffs in the US would remain a key monitorable.

## 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 profile of Super Auto Forge Private Limited. Details are provided in Annexure-II.

## 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 FY2026) and the domestic market (16%). Driveshaft application components generated 55% of revenues, followed by steering and suspension components (24%) and brake parts (18%). 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

Super Auto Forge Private Limited (consolidated)	FY2025 (audited)	9M FY2026 (provisional)
Operating income (OI)	1,551.5	1,273.0
PAT	373.7	337.4
OPBDIT/OI	32.4%	34.5%
PAT/OI	24.1%	26.5%
Total outside liabilities/Tangible net worth (times)	0.1	0.1
Total debt/OPBDIT (times)	0.1	0.0
Interest coverage (times)	98.9	232.3

Amount 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	Amount rated (Rs. Crore)	Current rating (FY2026)			Chronology of rating history for the past 3 years			
			Date & Rating in FY2026			Date & Rating in FY2025	Date & rating in FY2024	Date & rating in FY2023	
			March 12, 2026	September 19, 2025	April 08, 2025	-	February 19, 2024	December 15, 2022	
1	Fund based – Cash Credit	Long term	60.00	[ICRA]AA (Stable)	[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+	[ICRA]A1+
3	Interchangeable (sublimit)	Short-term	(140.00)	[ICRA]A1+	[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 (Stable)/ [ICRA]A1+	[ICRA]AA- (Positive)/ [ICRA]A1+

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-Term - Fund Based/ Cash Credit	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	100.00% (rated entity)	Full consolidation
Super Auto Forge Inc, USA	100.00%	Full consolidation
Super Auto Forge BVBA, Belgium	100.00%	Full consolidation

Source: Company

## ANALYST CONTACTS

### Jitin Makkar

+91 124 4545 368

[jitinm@icraindia.com](mailto:jitinm@icraindia.com)

### Sruthi Thomas

+91 80 4332 6430

[sruthi.thomas2@icraindia.com](mailto:sruthi.thomas2@icraindia.com)

### K. Srikumar

+91 44 4596 4318

[ksrikumar@icraindia.com](mailto:ksrikumar@icraindia.com)

### Nilesh Kumar Jain

+91 44 4596 4312

[nilesh.jain2@icraindia.com](mailto:nilesh.jain2@icraindia.com)

## RELATIONSHIP CONTACT

### L. Shivakumar

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

### Ms. Naznin Prodhani

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

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

[info@icraindia.com](mailto: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](http://www.icra.in)

## ICRA Limited



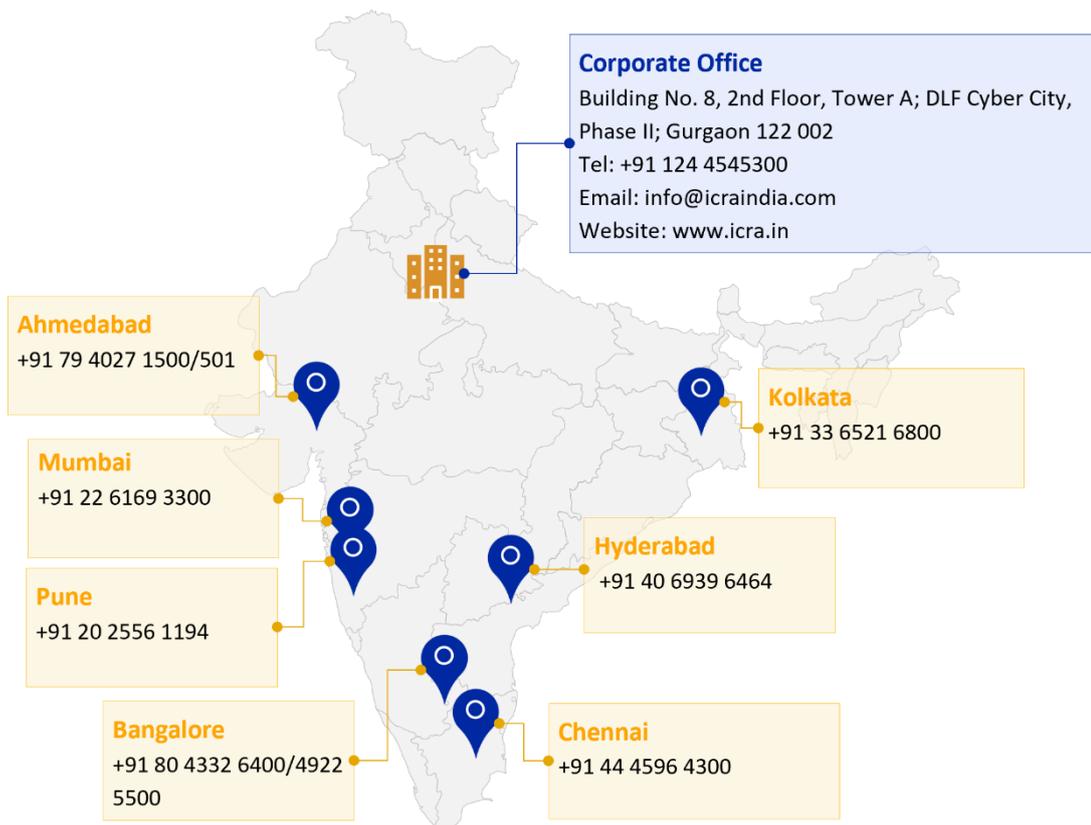
### Registered Office

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](http://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.