

April 06, 2026

Surin Automotive 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 – Working capital	79.00	21.00	[ICRA]A (Stable); reaffirmed
Long-term – Fund-based – Term loan	47.00	80.00	[ICRA]A (Stable); reaffirmed
Short-term – Non-fund based limits	40.00	65.00	[ICRA]A1; reaffirmed
Total	166.00	166.00	

*Instrument details are provided in Annexure-I

Rationale

The reaffirmation of the ratings on the bank lines of Surin Automotive Private Limited (SAPL) considers ICRA's expectation of a sustained financial performance over the medium term, supported by its healthy business profile and adequate liquidity. The company has an established presence in the body fabrication of products used in commercial vehicles (CVs, and primarily in medium and heavy commercial vehicles, or M&HCVs), construction equipment (CE, mainly in the excavator sub-segment) and tractors. In 9M FY2026, sales from the CV segment constituted 50% of the total sales, followed by 36% from CE and 14% from tractors. Its promoters have several decades of experience in the auto component industry, which also benefits the company. Further, it has a manufacturing footprint across seven locations (Bangalore, Alwar, Pune, Chennai, Sitarganj, Bhopal and Indore), in proximity to original equipment manufacturers' (OEM) plants, providing a competitive advantage. SAPL has an established customer profile comprising Ashok Leyland Limited (ALL), Tata Motors Limited (TML) and VE Commercial Vehicles Limited (VECV) in the CV segment; JCB India Limited, Hyundai Construction Equipment India Private Limited, Kobelco Construction Equipment India Private Limited and Volvo CE India Pvt. Ltd. in the CE segment and TAFE Motors and Tractors Limited in the tractor segment. The company's established relationships with its clients has supported repeat orders, and it has been able to add new customers and businesses periodically as well. The company is also focussing on improving export sales over the medium term, which is expected to aid both revenue growth and diversification, as well as margin expansion. During 9M FY2026, SAPL's operating income improved slightly by 2.5% on a year-over-year (YoY) basis to Rs. 681.0 crore in 9M FY2026, majorly driven by revenues from the tractor segment.

However, the ratings are constrained by the company's moderate profit margins and relatively high customer concentration. SAPL's operating margins have been moderate historically, in the range of 5-7% since FY2023, owing to limited value addition. ICRA expects some gradual improvement in margins over the medium term from the periodic cost-optimisation measures adopted and elevated operating leverage with improvement in scale, as well as increasing share of export orders and CE segment revenues, which have greater margins than the CV segment, although these are yet to reflect in a meaningful manner. The ratings also factor in the customer concentration, with 37% of SAPL's 9M FY2026 revenues derived from supplies to ALL, resulting in dependence on ALL and vulnerability to any loss of business to competition. However, ICRA does take note that the company has been gradually diversifying its sales to other customers and has reduced concentration on ALL from past levels. Nevertheless, the domestic CV segment drove 50% of SAPL's overall sales in 9M FY2026, and this exposes the company to the inherent cyclicity in the segment (linked to economic cycles).

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 healthy business profile, cash accruals and adequate liquidity position.

Key rating drivers and their description

Credit strengths

Established operational track record and extensive experience of promoters – Over the years, SAPL has established itself as a leading automotive component supplier for various segments – CV, CE and tractors – supported by its diverse product profile and manufacturing facilities across the country. The company was promoted by members of the Choudhari family, who have extensive experience in the auto components industry.

Established relationships with OEMs – SAPL caters to the requirements of ALL, TML and VECV in the CV segment. In the CE segment, it supplies counterweights, tanks and buckets to OEMs like JCB India Limited, Hyundai Construction Equipment India Private Limited, Kobelco Construction Equipment India Private Limited, Volvo CE India Pvt. Ltd. etc. In the tractor segment, SAPL supplies axles, bumpers, fenders, mudguards, wheel weights etc. to OEMs like TAFE Motors and Tractors Limited. The company's established relationships with its clients has supported repeat orders. Also, it has been able to add new customers/businesses periodically.

Presence across various industry sub-segments; presence of manufacturing locations closer to OEMs' plants provides competitive advantage – SAPL's business profile is supported by its established presence in the body fabrication of products used in segments like CVs (primarily M&HCVs), CE (mainly excavators) and tractors. In 9M FY2026, sales from the CV segment constituted 50% of the total sales, followed by 36% from CE and 14% from tractors. Further, it has a manufacturing footprint across seven locations (Bangalore, Alwar, Pune, Chennai, Sitarganj, Bhopal and Indore), in proximity to OEMs' plants, providing a competitive advantage.

Credit challenges

Moderate profit margins – SAPL's operating margins have been moderate historically owing to limited value addition. The company reported operating profit margin of 6.4% in 9M FY2026 (5.3% in 9M FY2025). ICRA expects its margins to remain range-bound over the medium term, although there could be some improvement from the periodic cost-optimisation measures adopted and higher operating leverage with improvement in scale, in addition to the anticipated increase in share of revenues from exports and CE segment, which have relatively greater margins.

High customer concentration risk – SAPL derived 37% of its 9M FY2026 revenues from supplies to ALL. Thus, its performance is dependent on ALL and loss of business to competition, if any. However, the company's established relationship with ALL for several decades and history of repeat business provide comfort. Moreover, it has been gradually diversifying its overall customer concentration risk by adding more customers in the domestic and export markets.

Exposed to cyclicity of the domestic CV industry – The domestic CV segment drove 50% of SAPL's overall sales in 9M FY2026. This exposes the company to the inherent cyclicity in the CV segment (linked to economic cycles). Nevertheless, its established presence, healthy share of business with customers and periodic addition of new customers largely mitigate the revenue risk and are likely to support robust medium-term revenue prospects.

Liquidity position: Adequate

SAPL's liquidity position is adequate, supported by healthy anticipated cash flows from operations of Rs. 40.0-45.0 crore per annum, and buffer of Rs. 69.9 crore in fund-based facilities as on December 31, 2025. As against these sources of cash, the company has debt repayment obligations of Rs. 23.7 crore and Rs. 20.1 crore in FY2027 and FY2028, respectively, on its existing loans. Further, it has capital expenditure (capex) plans of Rs. 20.0-30.0 crore in FY2027 and FY2028, respectively, primarily for maintenance, which is likely to be partially debt-funded.

Rating sensitivities

Positive factors – ICRA may upgrade the ratings if the company demonstrates a healthy growth in its revenues and profitability, strengthening its coverage indicators on a sustained basis. Specific credit metrics that could lead to ratings upgrade include Total Debt/OPBDITA of less than 2.0 times on a sustained basis.

Negative factors – Pressure on SAPL’s ratings could arise in case of a considerable decline in revenue and accrual generation and/or sizeable debt-funded capex, resulting in weakening of debt protection metrics on a sustained basis. Pressure on the ratings could also arise from the deterioration of the company's liquidity position owing to elongation in its working capital metrics. Specific credit metrics that could cause a ratings downgrade include Total Debt/OPBDITA of more than 2.5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Surin Automotive Private Limited is a mid-sized component supplier of body fabrication products used in CVs, tractors and CE, largely for the domestic market. The company has plants in seven locations, catering to the requirements of major OEMs. Its customers include ALL, TML and JCB India Limited, amongst others. SAPL’s promoter, Mr. Surinder Choudhari, has over four decades of experience in the automotive industry. Its operations are currently managed by Mr. Aman Choudhari.

Key financial indicators (audited)

SAPL (standalone)	FY2024	FY2025
Operating income (OI)	940.4	897.8
PAT	14.2	22.6
OPBDIT/OI	6.3%	6.7%
PAT/OI	1.5%	2.5%
Total outside liabilities/Tangible net worth (times)	1.6	1.4
Total debt/OPBDIT (times)	2.9	2.1
Interest coverage (times)	3.9	4.3

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

	Current rating (FY2027)			Chronology of rating history for the past 3 years			
	Type	Amount rated (Rs. crore)	Date & rating in FY2027	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	
			April 06, 2026	April 07, 2025	-	March 28, 2024	
1	Fund-based – Working capital	Long-term	21.00	[ICRA]A (Stable)	[ICRA]A (Stable)	-	[ICRA]A (Stable)
2	Fund-based – Term loans	Long-term	80.00	[ICRA]A (Stable)	[ICRA]A (Stable)	-	[ICRA]A (Stable)
3	Non-fund based limits	Short-term	65.00	[ICRA]A1	[ICRA]A1	-	[ICRA]A1

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Working capital	Simple
Long-term – Fund-based – Term loan	Simple
Short-term – Non-fund based limits	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 – Working capital	NA	NA	NA	21.00	[ICRA]A (Stable)
NA	Fund-based – Term loan	FY2022-FY2025	8-9%	FY2023-FY2031	80.00	[ICRA]A (Stable)
NA	Non-fund based limits	NA	NA	NA	65.00	[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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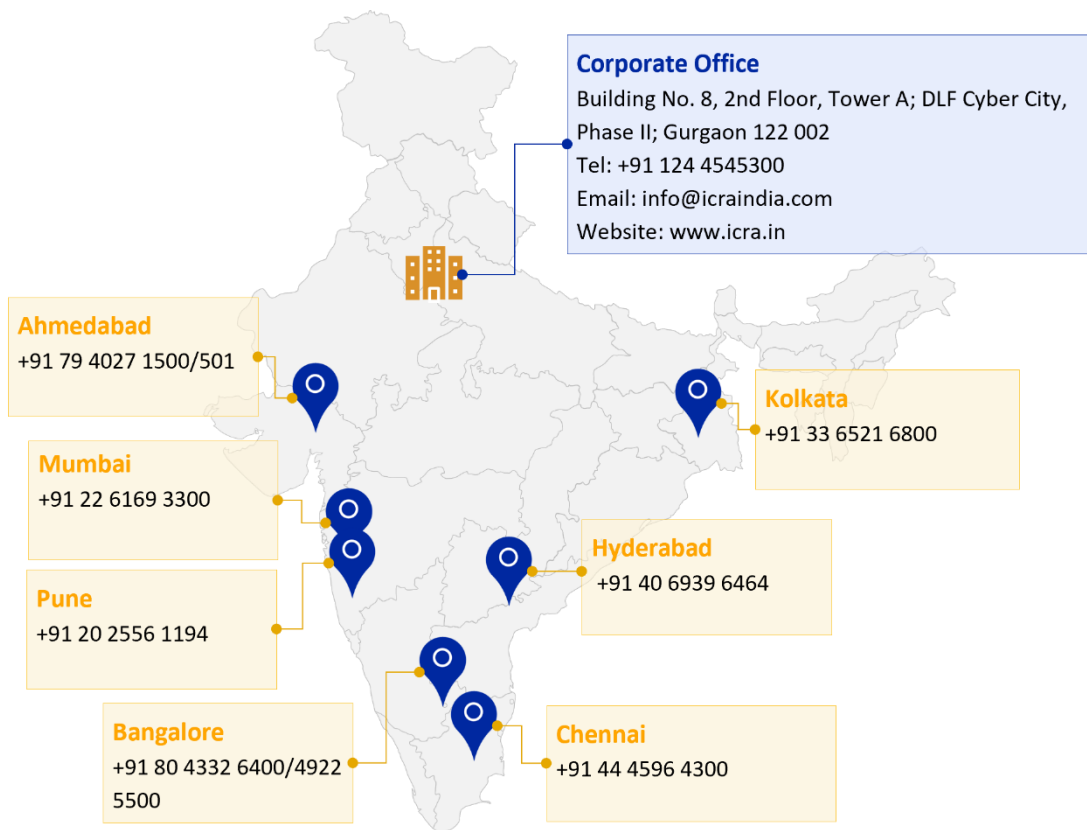
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