

September 19, 2025

Chromewell Engineering Private Limited: Update on entity

Summary of rating(s) outstanding

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding
Fund-based/ Non-fund based	49.00	49.00	[ICRA]BBB- (Negative)/ [ICRA]A3
Non-fund based	6.75	6.75	[ICRA]A3
Term loans	55.34	55.34	[ICRA]BBB- (Negative)
Unallocated	0.91	0.91	[ICRA]BBB- (Negative)/ [ICRA]A3
Total	112.00	112.00	

Rationale

Indian exporters have been navigating a turbulent trade environment, following the high level of tariffs imposed by the US. The latest round of US tariffs, effective August 27, 2025, has added a 25% duty on select Indian goods, significantly increasing the overall tariff burden and creating cost pressure. Although the latest round of tariffs exclude steel, iron, aluminum and their derivative products, the US had previously levied tariffs on these products under Section 232 of the Trade Expansion Act. Chromewell Engineering Private Limited (CEPL) generates 35-40% of its overall revenues from the US with most of its products falling under the Section 232 tariff categories, exposing it to the elevated tariffs.

Following an initial 25% tariff, subsequently increased to 50% from June, 2025, CEPL's effective tariff rate remains below 50%, as the tariffs are levied only to the steel components within the complete part. Regardless, CEPL maintained stable performance in 5M FY2026, indicating steady supply to its key customer, John Deere (JD) Group. Also, as indicated by the management, CEPL's exports are made on an ex-works basis, where the tariff costs are borne by the customer upon import into the US. These additional costs are expected to be passed on through price increases in the final sale, minimising any direct impact on CEPL. Moreover, CEPL's strong relationship and substantial business share with the JD Group are expected to support its operations and profitability over the near-to-medium term.

In 5M FY2026, CEPL reported improved financial performance compared to the same period last year, with revenue of Rs. 125 crore, up from Rs. 95 crore, and an operating margin of 7-8%. Additionally, its overall liquidity position is supported by improved earnings, equity infusion and disbursement of additional bank lines. All things considered, ICRA will continue to monitor the evolving trading landscape and its potential implications on CEPL's credit profile.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#)

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 CEPL.

About the company

Founded by Mr. I. R. Kapoor in 1958, CEPL started as an electroplating unit in Mumbai. In 1960, the company diversified into sheet metal components, specialising in sheet metal stampings, deep draw and fabrications, catering to the automobile and off-road vehicle sector, including safety-related parts, and is a supplier to leading MNCs and domestic manufacturers. With manufacturing plants in Pune and Dewas, the company primarily serves two product divisions, namely agricultural equipment (tractors) and construction and forestry equipment (excavators and others).

Key financial indicators (audited)

CEPL – Standalone	FY2024	FY2025*
Operating income (OI)	272.6	259.8
PAT	13.6	0.8
OPBDIT/OI	9.7%	4.7%
PAT/OI	5.0%	0.3%
Total outside liabilities/Tangible net worth (times)	0.9	1.7
Total debt/OPBDIT (times)	1.3	6.6
Interest coverage (times)	8.1	3.7

Source: Company, ICRA Research PAT: Profit after Tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore;

*Provisional

Note: All ratios are as per ICRA's calculations.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount rated (Rs. crore)	Current rating			Chronology of rating history for the past 3 years					
			FY2026			FY2025		FY2024		FY2023	
			Sept 19, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund based/Non fund based	Long term/Short term	49.00	[ICRA]BBB-(Negative)/[ICRA]A3	21-May-2025	[ICRA]BBB-(Negative)/[ICRA]A3	26-Sep-2024	[ICRA]BBB (Stable)/[ICRA]A3+	06-Jul-2023	[ICRA]BBB (Stable)/[ICRA]A3+	13-Jun-2022	[ICRA]BBB (Stable)/[ICRA]A3+
Non fund based	Short term	6.75	[ICRA]A3	21-May-2025	[ICRA]A3	26-Sep-2024	[ICRA]A3+	06-Jul-2023	[ICRA]A3+	13-Jun-2022	[ICRA]A3+
Term loan	Long term	55.34	[ICRA]BBB-(Negative)	21-May-2025	[ICRA]BBB-(Negative)	26-Sep-2024	[ICRA]BBB (Stable)	06-Jul-2023	[ICRA]BBB (Stable)	13-Jun-2022	[ICRA]BBB (Stable)
Unallocated	Long term/Short term	0.91	[ICRA]BBB-(Negative)/[ICRA]A3	21-May-2025	[ICRA]BBB-(Negative)/[ICRA]A3	26-Sep-2024	[ICRA]BBB (Stable)/[ICRA]A3+	06-Jul-2023	[ICRA]BBB (Stable)/[ICRA]A3+	13-Jun-2022	[ICRA]BBB (Stable)/[ICRA]A3+

Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund based/ Non-fund based limits	Simple
Non-fund based limits	Very simple
Term loans	Simple
Unallocated	NA

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/Non-fund based limits	-	-	-	49.00	[ICRA]BBB- (Negative)/ [ICRA]A3
NA	Non-fund based limits	-	-	-	6.75	[ICRA]A3
NA	Term loan	FY2022-24	9.0-10%	FY2028-30	55.34	[ICRA]BBB- (Negative)
NA	Unallocated	-	-	-	0.91	[ICRA]BBB- (Negative)/ [ICRA]A3

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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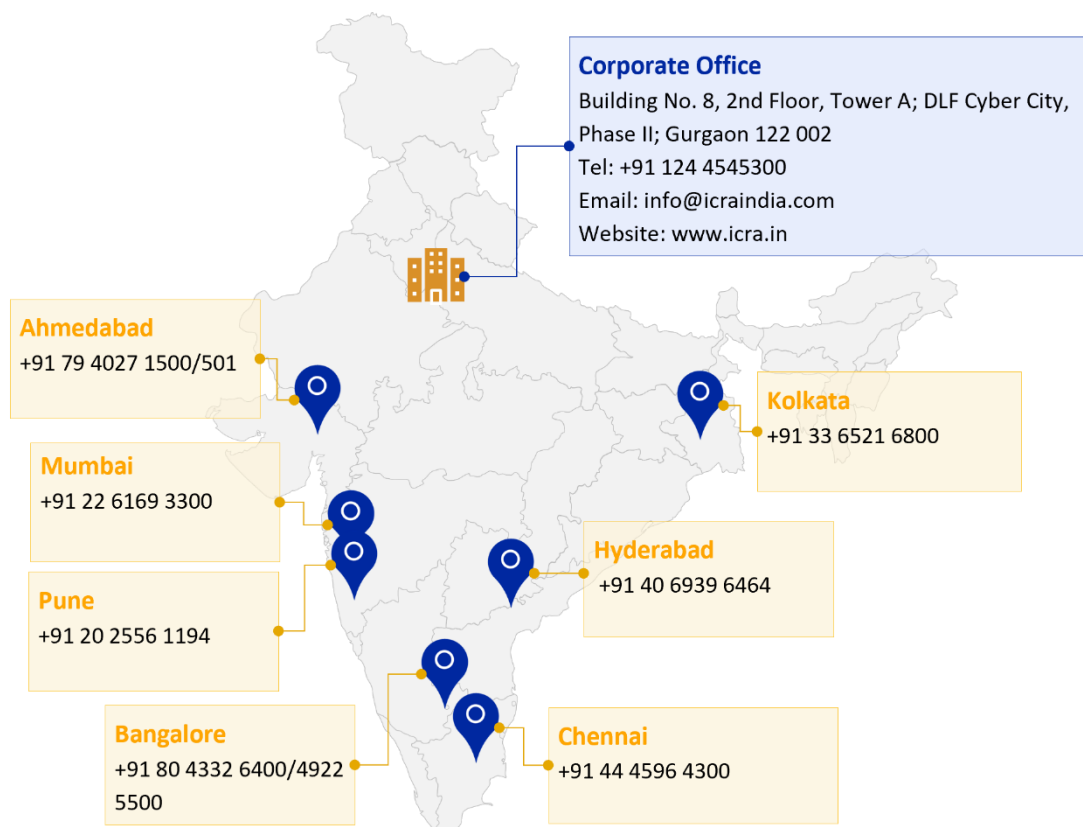
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