

October 12, 2026

ALP Overseas Private Limited: [ICRA]A+(Stable) /[ICRA]A1 assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator [#]
Long term/Short term- Fund based limits	75.00	[ICRA]A+(Stable) /[ICRA]A1; Assigned	RBI
Long term – Fund based – Term loan	29.00	[ICRA]A+(Stable); Assigned	RBI
Total	104.00		

*Instrument details are provided in Annexure I

[#]SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The assigned ratings consider ALP Overseas Private Limited's (ALPO) established position as an automotive component supplier of key products such as rubber sealing systems, polyvinyl chloride (PVC) weather seals, windshield mouldings, glass components and other polymer-based products, and healthy product portfolio in the insulation segment, which includes nitrile and rubber-based insulation sheets, tubes and accessories for heating, ventilation and air-conditioning (HVAC) systems for commercial and industrial applications. The Group also manufactures moulded rooftops for the Mahindra Thar platform. The Group derived around 80% of revenues from the replacement market in FY2026, which insulates it from the cyclicity in OEM demand. Moreover, it derived around 41% of its revenue from exports in FY2026, indicating a diversified geographic base.

The Group's revenues grew at a healthy compounded annual growth rate (CAGR) of around 18% over the five-year period ended FY2026, led by steady growth in the automotive and insulation segments (18-19% YoY growth in FY2026 across both segments). ICRA expects the company's revenue to grow at a healthy pace of 10-12% in FY2027, driven by continued demand from aftermarkets. Healthy demand for its products and the company's established market position resulted in healthy operating margins historically (around 15-16%). Operating margins are likely to remain at similar levels going forward. Robust earnings and limited reliance on debt led to a strong financial profile for the company, as reflected by TD/OPBITDA of 1.3 times and DSCR of 3.7 times in FY2026. Debt metrics are likely to improve, with expected TD/OPBITDA of 0.9-1.2x in FY2027, supported by improved earnings and the absence of any significant debt-funded capex plans.

The ratings are, however, constrained by the Group's working capital-intensive operations. These are driven by sizeable inventory requirements across a diversified product range, stocking requirements at overseas warehouses and a receivable cycle of around three months, owing to the credit period of around 90-100 days extended to customers. Further, the company's profitability remains susceptible to adverse movements in raw material prices, which are largely crude derivatives. Raw material prices have increased materially since March 2026 as the West Asia crisis led to higher crude oil prices. While the Group has pass-through arrangements with customers, the price revision happens with a lag of three to four months, exposing profitability to fluctuations in input costs.

The Stable outlook on the long-term rating reflects ICRA's opinion that the Group's revenue and earnings will continue to record healthy growth, benefiting from strong demand and ALPO's established presence in polymer-based products across the automotive aftermarket and insulation segments, while it maintains a sound financial profile.

Key rating drivers and their description

Credit strengths

Experienced promoters and established market position of company - ALP Group benefits from the extensive experience of its promoters, Mr. Iqbal Anand and his sons, who have more than four decades of experience in polymer products. The Group has developed strong technical capabilities in rubber and polymer-based products and enjoys established relationships with its customers across automotive and industrial applications. It has a diversified business profile, as the automotive segment contributed around 55-60% of revenues in FY2026 (including some share from industrial applications), insulation products contributed around 20-25%, and moulded rooftops supplied for the Mahindra Thar platform made up about 15% of revenues. The Group's established market position and diversified end-user applications are expected to support business growth and revenue visibility.

Significant presence across aftermarket and export segments along with diversified product profile - The Group benefits from its established presence in the automotive aftermarket segment, which accounted for around 80% of consolidated revenues in FY2026, reducing its dependence on cyclical OEM demand. The outside India sales (to the US, Europe, Australia and South Africa) accounted for around 41% of revenues. The Group caters to a diverse set of customers across multiple end-user segments, including passenger vehicles, commercial vehicles and industrial applications, supported by a wide product portfolio and an extensive distribution network. The Group's overseas entities largely function as distribution and warehousing platforms and support export sales and market reach. The Group reported significant revenue growth of 18% in FY2026, driven by a 24% increase in domestic sales and a 12% growth in exports. While export growth remained moderate due to tariff-related challenges in the US, the impact was partly offset by robust demand in the domestic market. Going forward, revenues are expected to grow steadily, supported by the Group's strong positioning in the automotive aftermarket and insulation segments in domestic and overseas markets.

Strong financial risk profile - The company recorded a healthy uptick in revenue, at a CAGR of 18% during the five-year period ended FY2026. ICRA expects the company's revenue to grow at a steady pace of 10-12% in FY2027, driven by continued demand from aftermarkets. The company reported operating margins of around 16% in FY2026; margins are likely to remain at similar levels going forward. Healthy earnings and limited reliance on debt led to a strong financial risk profile, as reflected by TD/OPBITDA of 1.3 times and DSCR of 3.7 times in FY2026. ICRA expects the company's debt metrics to improve further with TD/OPBITDA of 0.9-1.2x in FY2027, on the back of growth in earnings supporting scheduled debt repayments and the absence of any major debt-funded capex plans.

Credit challenges

Working capital intensive operations - The Group's operations are working capital intensive with NWC/OI of around 30% as on March 31, 2026. The company's inventory holding is high due to its diversified product portfolio along with stocking at overseas warehouses and distribution centres to support export customers. Its collection period is elongated with debtor days of around 90, owing to the long credit period extended to customers. Moreover, a part of these receivables has been outstanding for over six months. ICRA expects the company's working capital intensity to remain high in the near to medium term.

Margins susceptible to volatility in raw material prices - The Group's profitability remains exposed to fluctuations in key raw material prices. In the automotive components business, major raw materials include synthetic rubber, polymer compounds, carbon black, oil and other chemicals, while the insulation business primarily consumes foaming agents, synthetic rubber and specialty chemicals and additives. Some of the company's key raw materials are crude derivatives; hence, their prices are influenced by crude price movements. Raw material prices have increased materially since March 2026 owing to the West Asia conflict. However, the presence of a raw material pass-through clause with its customers mitigates the risk partially. Typically, the revision happens with a lag of three to four months. Consequently, any sharp increase in raw material prices, or delay in passing on higher input costs to customers, could exert pressure on operating margins.

Liquidity position: Adequate

The company's liquidity is expected to remain Adequate, supported by expected retained cash flows of around Rs. 100-120 crore in FY2027 and free cash and bank balances of around Rs. 38 crore as on March 31, 2026. The Group has capex plans of around Rs. 50-55 crore in FY2027, primarily towards maintenance activities. It also has term debt repayments of around Rs. 21-22 crore per annum during FY2027 and FY2028. These are expected to be funded through internal accruals.

Rating sensitivities

Positive factors – The ratings could be upgraded in case of a significant scale-up in revenues and earnings, supported by continued growth in volumes, while the company maintains healthy debt metrics and improves its liquidity.

Negative factors – The ratings could be revised downwards if lower revenue or profitability, owing to a decline in exports or aftermarket sales, impacts its debt metrics. A stretched working capital cycle, or large unanticipated debt-funded capex/acquisition exerting pressure on liquidity or debt metrics, may also affect the ratings. A specific metric that may result in a rating downgrade is TD/OPBITDA of more than 1.8 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	For arriving at the rating, ICRA has considered the consolidated financials of ALPO; the list of entities considered in consolidated financials are enlisted in Annexure-II.

About the company

ALP Overseas Pvt Ltd (ALPO), incorporated by the Anand family in 1996, manufactures a diversified portfolio of automotive polymer and rubber products. These include ethylene propylene diene monomer (EPDM)-based rubber sealing systems (door, window, trunk and hood seals), plastic mouldings, windshield mouldings, glass components, glass run channels, brackets, sensor mounting components and car mats, among others.

ALP Aeroflex India Pvt Ltd (AAIPL) is a 60:40 joint venture (JV) between ALPO and Eastern Polymer Industries of Thailand. Under the ALP Aeroflex brand, the company manufactures nitrile and EPDM rubber-based insulation products such as insulation sheets, tubes and accessories for HVAC systems for commercial buildings and industrial applications. The company also supplies rooftops for the Mahindra Thar model.

The Group's revenue profile remains well diversified. The aftermarket segment contributed around 80% of consolidated revenues in FY2026, while exports accounted for nearly 41% of revenues. In FY2026, the automotive segment contributed around 55-60% of revenues (including some share from industrial applications), insulation products accounted for around 20-25%, and moulded rooftops made up about 15% of revenues.

Key financial indicators (audited)

ALP Overseas Private Limited (consolidated)	FY2025	FY2026*
Operating income	937.0	1,108.8
PAT	74.3	90.2
OPBDITA/OI	15.2%	15.9%
PAT/OI	7.9%	8.1%
Total outside liabilities/tangible net worth (times)	0.7	0.7
Total debt/OPBDITA (times)	1.5	1.3
Interest coverage (times)	8.6	9.4

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: None

Rating history for past three years

Current rating (FY2027)				Chronology of rating history for the past 3 years					
FY2027				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	October 12, 2026	Date	Rating	Date	Rating	Date	Rating
Long term/Short term- Fund based limits	Long Term/Short Term	75.00	[ICRA]A+ (Stable)/[ICRA]A1	-	-	-	-	-	-
Long term – Fund based – Term loan	Long Term	29.00	[ICRA]A+ (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term/Short term- Fund based limits	Simple
Long term – Fund based – Term loan	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	Financial Sector Regulator [#]
NA	Fund based limits	NA	NA	NA	75.00	[ICRA]A+ (Stable)/[ICRA]A1	RBI
NA	Fund based – Term loan-I	FY2026*	NA	FY2029-FY2031	21.00	[ICRA]A+ (Stable)	RBI
NA	Fund based – Term loan-II	FY2026^	NA	FY2030	8.00	[ICRA]A+ (Stable)	RBI

Source: Company; *as per latest sanction letter; issued in multiple tranches; ^ as per latest sanction letter

[#]SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

ALPO	ALPO Ownership	Consolidation approach
ALP Overseas Private Limited	-	Full Consolidation
ALP Aeroflex India Private Limited	60%	Full Consolidation
ALP Corporate Services Pvt Ltd	100%	Full Consolidation
ALP Industries Pvt Ltd	80%	Full Consolidation
TPA International Pte Ltd (TPA- Singapore)	100%	Full Consolidation
ALP USA Inc. (Subsidiary of TPA - Singapore)	100%	Full Consolidation
ALP Gieg S.L. (Subsidiary of TPA - Singapore)	60%	Full Consolidation
ALP Africa Holding Proprietary Limited (Subsidiary of TPA - Singapore)	76%	Full Consolidation
ALP OZ Auto Moulds Pty Ltd (Subsidiary of TPA - Singapore)	100%	Full Consolidation
ALP NZ Limited (Subsidiary of ALP OZ)	100%	Full Consolidation
ALP Africa Pty Ltd (JV with ALP Africa Holding Pty Ltd)	50%	Full Consolidation
Gold Glass ALP LLC (JV with ALP USA Inc.)	50%	Full Consolidation

Source: audited financials; stake held by ALP Overseas Private Limited, directly or through its subsidiaries

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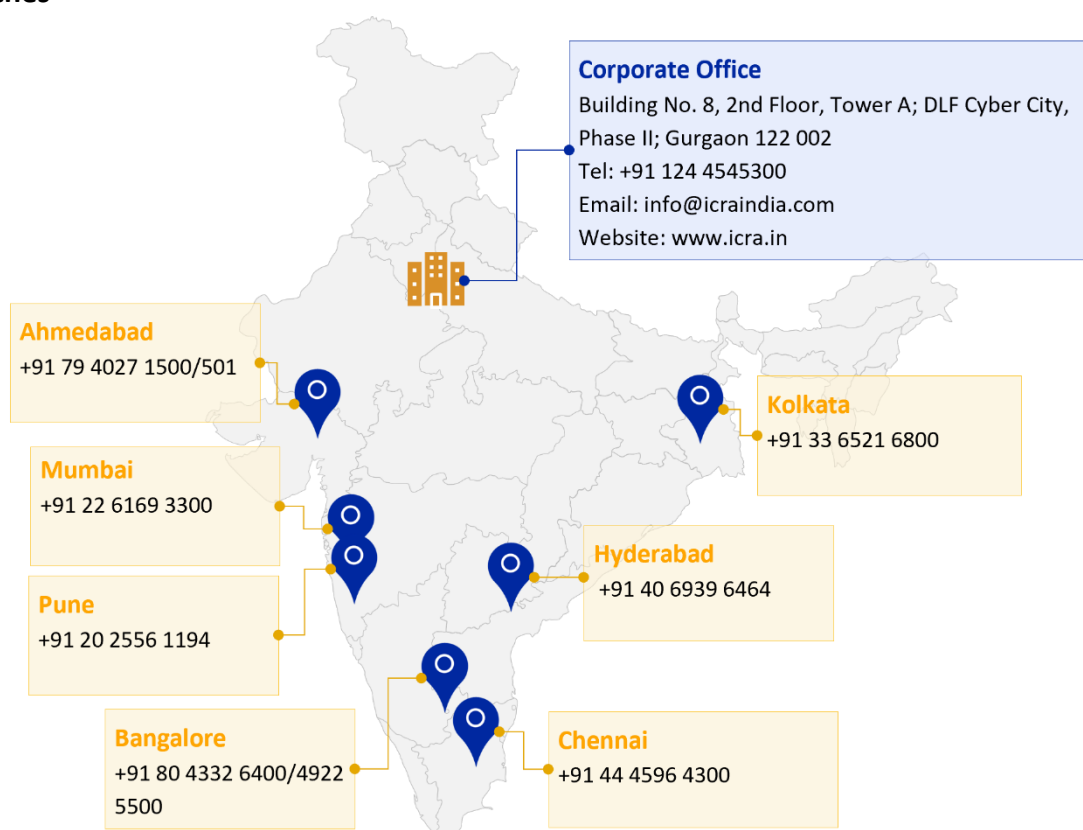
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