

Sanden Vikas India Private Limited

May 19, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	120.00	CARE BBB+; Stable	Assigned
Long-term / Short-term bank facilities	80.00	CARE BBB+; Stable / CARE A2	Assigned

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

Ratings assigned to bank facilities of Sanden Vikas India Private Limited (SVIPL) derive strength from promoters' experience and technical and operational support from its joint venture (JV) partner Sanden Corporation, Japan. Ratings also take comfort from its long-standing relationship with original equipment manufacturers (OEMs) with a high share of business (SOB) and a growing scale of operations, despite moderate profitability. However, these strengths are partially offset by the company's leveraged capital structure with a low net worth base, and moderate debt coverage indicators with expected moderation due to proposed debt-funded capital expenditure plans. The ratings are also constrained by profitability margins susceptible to raw material price volatility, and exposure to the cyclical automobile industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in scale of operations by over 20% with profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin of over 7.50% on a sustained basis.
- Improvement in capital structure with total debt to PBILDT below 2x on a sustained basis.

Negative factors

- Significant debt-funded capex resulting in the overall gearing (excluding ECBs) above 2.25x.
- Decline in scale of operations with PBILDT margin below 5.50% on a sustained basis.

Analytical approach: Standalone, factoring linkages with both its JV partners that continue to provide financial, operational, and managerial support to the entity.

Outlook: Stable

The Stable outlook indicates CARE Ratings Limited's (CareEdge Ratings) expectation of sustenance in the company's scale of operations with improvement in its operating margin driven by repeat orders from its reputed customer base and contribution from the truck segment.

Detailed description of key rating drivers:

Key strengths

Strong parentage and experienced management team

The company is a 50:50 JV between Vikas Group of India and Sanden Corporation, Japan. Vikas Group, with over four decades of experience, is a well-established Tier-1 supplier catering to the air-conditioning requirements of automotive OEMs in India and has multiple collaborations with global auto ancillary players. The company also benefits from an experienced management team led by Praveen Agarwal, Managing Director, with over five decades of industry experience. He is supported by Abhimanyu Sharaf, having two decades of experience, overseeing key functions such as customer relations and R&D. Ryuhei Ushikubo, Joint Managing Director representing Sanden Corporation, brings over three decades of global industry experience, providing strategic and technical oversight.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Technical and financial support from Sanden Corporation, Japan

The company benefits from support from its joint venture partner, Sanden Corporation, which provides technical, financial, and managerial assistance. As an established global player in automotive HVAC systems, Sanden Corporation extends technology support to the company, enabling it to manufacture a diversified range of products. It also provided need-based ECBs to support the company's working capital requirements, which stood at ₹94.47 crore as on March 31, 2025. Sanden Corporation acts as a key supplier, with procurement of ₹103.86 crore in FY25 (FY refers to April 01 to March 31) (PY: ₹80.08 crore), indicating operational linkages. The company also pays royalty to Sanden Corporation for technical support provided by them.

Growing scale of operation despite moderate profitability

Total operating income (TOI) registered a healthy compounded annual growth rate (CAGR) of ~20% in the last five fiscals, standing at ₹1,264.49 crore in FY25, driven by repeat orders from its diversified OEM base. In 9MFY26 (refers to April 01 to December 31), TOI stood at ₹1,159.20 crore, supported by healthy growth in truck air-conditioning volumes, following the regulatory mandate for factory-fitted air-conditioning systems in truck cabins effective from June 2025. The company is well-positioned to benefit from this, considering its established presence and strong share of business with major truck manufacturers in the country. However, profitability remains moderate, as reflected in PBILDT margin of 6.65% and profit after tax (PAT) margin of 2.10% in FY25 (PY: 5.94% and 1.40%, respectively) owing to steep increase in commodity prices and forex fluctuations. Marginal improvement in margins is attributable to the company's increased focus on localisation, resulting in reduced dependence on imports.

Reputed and diversified customer base

The company has diversified its customer base in the last five years, onboarding multiple automotive OEMs supported by its technology, quality, and competitive pricing. Top 10 customers contributed ~93% of TOI in FY25 and include established players such as Mahindra & Mahindra, Tata Motors, Fiat India Automobiles, Renault Nissan Automotive India, Maruti Suzuki India Limited, and Ashok Leyland, spanning segments including passenger vehicles, commercial vehicles, and trucks.

Key weaknesses**Leveraged capital structure and modest debt coverage indicators**

Capital structure remains leveraged, with the company having availed ECBs from Sanden Corporation to meet its working capital requirements. Overall gearing, though improved, remained elevated at 2.17x as on March 31, 2025 (PY: 2.44x). Net worth base continues to be low, primarily considering losses incurred in the past. Debt coverage indicators also remain moderate, as marked by interest coverage of 4.59x and total debt to gross cash accruals (TD/GCA) of 4.81x as on March 31, 2025. The company also has high repayment obligations due in the next one year for ECBs availed, which puts pressure on its coverage indicators.

Margins susceptibility to raw material and forex volatility

The company's profitability remains exposed to fluctuations in raw material prices, with raw material costs constituting ~80% of total operating income in FY25. Key inputs such as aluminium and copper are subject to price volatility, while margins also remain susceptible to foreign exchange fluctuations due to dependence on imports. However, both these risks are partially mitigated through pass-through mechanisms with customers, albeit with a lag of around one quarter. Further, the company is increasingly focusing on import substitution and localisation initiatives to reduce such exposure over the medium term.

Presence in a cyclical and highly competitive industry

The company operates in the automotive components industry, which is inherently cyclical and closely linked to performance of the end-user automotive sector. Demand remains sensitive to economic cycles, regulatory changes, and industry dynamics. The industry is characterised by intense competition from organised and unorganised players, which exerts pressure on pricing and margins.

Liquidity: Adequate

The company's liquidity profile is adequate, supported by moderate utilisation of working capital limits, which stood at 57% for 12 months ended March 2026, and a current ratio of 1.20x as on March 31, 2025. The operating cycle remains slightly elongated at 64 days; however, it is supported by extended credit periods from group companies. The company also availed ECBs from its JV partner, Sanden Corporation, to support its operations. High repayment of these ECBs in FY27 exerts some pressure on liquidity. The company is planning a debt-funded capex in the medium term for setting up a new hoses and pipes plant to cater to increasing demand from the truck segment.

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)
[Factoring Linkages Parent Sub JV Group](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Manufacturing Companies](#)
[Financial Ratios – Non financial Sector](#)
[Auto Components & Equipments](#)
[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Automobile and auto components	Auto components	Auto components and equipment

Incorporated in September 1982, SVIPL is a 50:50 JV between Vikas Group (India) and Sanden Corporation (Japan). It is engaged in manufacturing automotive air-conditioning systems including compressors, hoses and pipes and HVAC units. The company has seven manufacturing facilities across India in Uttar Pradesh, Maharashtra, Haryana, and Gujarat, among others.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	1,084.14	1,264.49	1159.20
PBILDT*	64.35	84.03	76.30
Profit after tax (PAT)	15.15	26.52	20.64
Overall gearing (x)	2.44	2.17	NA
Interest coverage (x)	3.81	4.59	3.77

A: Audited UA: Unaudited; 9MFY26: refers to April 01 to December 31; Not available; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST- Working Capital Limits		-	-	-	80.00	CARE BBB+; Stable / CARE A2
Term Loan- Long Term		-	-	December 2029	120.00	CARE BBB+; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based - LT/ST-Working Capital Limits	LT/ST	80.00	CARE BBB+; Stable / CARE A2				
2	Term Loan-Long Term	LT	120.00	CARE BBB+; Stable				

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-Working Capital Limits	Simple
2	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated: Not applicable**Annexure-7: List of Facilities/Instruments and FSRs**

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments ²
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA

²SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments ²
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutual Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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