

Supertron Electronics Private Limited (Revised)

July 30, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term bank facilities	RBI	295.00 (Reduced from 420.00)	CARE A+; Stable	Upgraded from CARE A; Stable
Long-term bank facilities	RBI	-	-	Withdrawn
Short-term bank facilities	RBI	622.00 (Enhanced from 576.00)	CARE A1	Reaffirmed
Short-term bank facilities	RBI	279.00	CARE A1	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in ratings assigned to bank facilities of Supertron Electronics Private Limited (SEPL) factors in improved scale of operations in FY26, driven by a year-on-year increase in sales volume of ~17%, led by memory products/SD cards, desktop computers, notebook computers, and thin-film-transistor liquid-crystal display (TFT/LCD) monitors. Revenue growth was also supported by improved sales realisation across key product categories, including memory products/SD cards, hard disk drives, memory modules, desktop computers, notebook computers, TFT/LCD monitors, and digital signage/large format displays.

The rating revision also considers improved operating profitability, supported by higher gross margins on traded products, better absorption of fixed overheads, and an increase in other operating income comprising interest charged on delayed customer payments and early-payment incentives received from suppliers.

The rating action further factors in improved capital structure and debt coverage indicators due to accretion of profits to reserves and higher cash profits following improved operating margins.

Ratings continue to derive strength from the promoters' extensive industry experience, established relationships with leading principals, and a strong market position in the domestic information technology (IT) distribution industry, supported by exclusive distributorship arrangements with key principals.

Ratings also draw comfort from SEPL's widespread geographical distribution network, diversified product portfolio, and low inventory obsolescence risk.

Ratings are constrained by moderate dependence on a few large principals. However, this risk is partially mitigated by diversification of the supplier base over the years through the addition of new principals and the increasing contribution from recently onboarded brands.

Ratings are further constrained by the company's working capital intensive operations, modest operating profitability margins, exposure to foreign exchange fluctuations, and intense competition in the IT hardware distribution industry.

CARE Ratings Limited (CareEdge Ratings) has withdrawn the rating assigned to term loan facility of SEPL based on closure statement received from the client and confirmation from the lender (State Bank of India).

Rating sensitivities: Factors likely to lead to rating actions
Positive factors

- Sustained growth in scale of operations while maintaining current operating margins and improvement in interest cover above 4x on a sustained basis.
- Improvement in total outside liabilities to tangible net worth (TOL/TNW) below 2.5x.

¹SEBI: 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

²Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Negative factors

- Interest cover below 3.0x on a sustained basis.
- Deterioration in gross current assets days beyond current levels.
- Total debt to profit before interest, lease rentals, depreciation and taxation (TD/PBILDT) above 3.5x on a sustained basis.

Analytical approach: Consolidated

CareEdge Ratings takes consolidated approach while assessing SEPL as it has operational, financial and managerial linkages with its subsidiaries Supertron Singapore Pte Limited (SSPL), Prointek Global Innovation Private Limited (PGIPL), Supertron Infotech Trading LLC (SITL) and Leaf Studio Private Limited (LSPL). List of entities consolidated with SEPL are mentioned in **Annexure-5**

Outlook: Stable

Stable outlook reflects SEPL's ability to sustain its operational and financial performance considering long track record of operation in the distribution of IT hardware and peripherals and established relationship with its principals.

Detailed description of key rating drivers

Key strengths

Experienced promoter with an established track record of operations

SEPL was incorporated in 1993 and has a demonstrated track record of trading operations spanning over three decades. The company's operating history has enabled it to establish a strong distribution and marketing network across India, supporting the addition of new principals and diversification of its product portfolio. Currently, the company is managed by VK Bhandari, who has over three decades of operational experience and maintains long-standing relationships with its principals and customers.

CareEdge Ratings believes that the promoter's experience and established business relationships are likely to continue supporting the company's business operations in the near term.

Established relationships with leading principals and diversified product portfolio

SEPL's business risk profile is supported by its diversified product portfolio, extensive distribution network, and the promoters' long-standing industry experience. These factors have enabled the company to establish relationships with leading global original equipment manufacturers (OEMs) and distribute over 50 IT product categories across India.

The company maintains long-standing and largely exclusive relationships in key product categories with key principals such as Dell, Seagate, Acer, Lenovo, and Samsung.

SEPL is a pan-India distributor for Dell, with exclusive rights for desktops, AIOs, and TFT monitors, while contributing 20–22% of Dell's notebook sales in India.

SEPL is also a pan-India distributor for Samsung's digital signage, LED walls, flash memory/solid-state drives (SSDs), mobile, and consumer electronics products. The company commands market shares of 65% in Samsung LED displays, 70% in Samsung SSD/flash memory products, and 80% in Samsung display monitors in India.

SEPL is a pan-India distributor for Acer's laptops, desktops, projectors, TFT monitors, interactive flat panels, and tablets, with a 38% market share for Acer products in India and a leadership position in Acer display monitor distribution.

SEPL also serves as a pan-India distributor for Lenovo's commercial laptops and desktops, with a 25% market share.

SEPL is the exclusive pan-India distributor for Seagate's hard disk drives and accounts for 100% of Seagate's distribution in India. Given its strong market position and significant contribution to the sales of key principals, the relationship exhibits a degree of mutual dependence, supporting business stability and revenue visibility.

CareEdge Ratings believes that SEPL's established relationships with key principals, and its diversified product portfolio and strong market position, are expected to support business stability and revenue visibility in the near-to-medium term.

Improved scale and profitability in FY26

On a consolidated basis, total operating income (TOI) increased by ~25%, from ₹7,045 crore in FY25 to ₹8,773 crore in FY26 (Prov.), primarily driven by higher sales volumes, which grew by ~17% year-on-year. Volume growth was led by memory products/SD cards, desktop computers, notebook computers, and TFT/LCD monitors.

Revenue growth was also supported by improved sales realisations across key product categories, including memory products/SD cards, hard disk drives, memory modules, desktop computers, notebook computers, TFT/LCD monitors, and digital signage/large format displays. Substantial increase in volume and realisations of memory and storage products was driven by rising demand from the artificial intelligence (AI), data centre and cloud storage segments.

PBILDT margin improved significantly to 3.44% in FY26 from 2.39% in FY25. The improvement was primarily attributable to higher gross margins on traded products sourced from principals such as Seagate, Samsung, and Micron. In FY26, SEPL also entered tie-ups with new suppliers, including Lexar and Adata, whose products offer comparatively higher gross margins.

Increase in scale of operations enabled better absorption of fixed overheads, further supporting profitability. Margin expansion was also aided by an increase in other operating income, comprising interest charged on delayed customer payments and early-payment incentives received from suppliers.

At the standalone level, TOI grew by ~24%, increasing from ₹6,986 crore in FY25 to ₹8,632 crore in FY26. PBILDT margin similarly improved to 3.44% in FY26 from 2.33% in FY25, reflecting the benefits of higher scale, improved product mix, and enhanced gross margins.

In Q1FY27, SEPL reported standalone TOI of ~₹2,277 crore. Operating margin is expected to remain in the range of 3.0%-3.10% in the near term.

Improved capital structure and debt coverage indicators

Capital structure remained satisfactory, with overall gearing improving from 1.35x as of March 31, 2025, to 1.17x as of March 31, 2026, mainly due to accretion of profits to reserves, which strengthened the net worth base.

Debt protection metrics also improved significantly in FY26, with TD/PBILDT, total debt to gross cash accruals (TD/GCA), and TOL/TNW improving from 4.88x, 8.58x, and 3.74x, respectively, in FY25 to 3.00x, 5.41x, and 2.93x, respectively, in FY26. The improvement was primarily driven by higher cash profits generated in FY26.

Low inventory obsolescence and price fluctuation risk

The electronics industry in India faces high price volatility risk as products are exposed to factors such as changing market demand and currency fluctuations. However, SEPL mitigates this risk through price protection clauses included in its agreements with principals. Under these arrangements, principals may either reimburse SEPL in cash or compensate for adverse price movements through credit notes, which can be adjusted against future purchases.

Products that remain unsold due to defects or obsolescence are generally returned directly by resellers to respective principals, limiting SEPL's inventory obsolescence exposure and reducing its liability.

CareEdge Ratings believes that SEPL's established relationships with principals and presence of price protection and product return mechanisms are expected to continue mitigating inventory obsolescence and price fluctuation risks in the near-to-medium term.

Key weaknesses

Moderate dependence on a few large principals

SEPL's revenue profile remains moderately concentrated, with Dell, Lenovo, Acer, Samsung, and Seagate collectively contributing ~76% of total sales in FY26 (~74% in FY25). Accordingly, the company remains exposed to customer concentration risk arising from its dependence on a limited number of large principals.

However, dependence on single principal reduced over the years, with Dell's contribution declining significantly to ~19% in FY26 from ~39% in FY22, reflecting the company's efforts to diversify its principal base.

SEPL has expanded its relationships with other established OEMs such as Lenovo, Acer, Samsung, and Seagate, while also onboarding new principals. In FY26, SEPL tied up with new principals such as US-based Lexar and Taiwan-based Adata and Asrock.

The addition and growing contribution of these principals are expected to provide greater diversification to the supplier base.

Working capital intensive operations

SEPL's working capital requirements remain high due to inventory stocking requirements, which are inherent in the IT distribution business. Accordingly, the company relies on bank working capital facilities to finance inventory holdings, resulting in a working capital intensive operating profile.

Gross current asset days improved from 144 days in FY25 to 120 days in FY26, primarily due to a reduction in the average inventory holding period from 52 days in FY25 to 41 days in FY26.

However, the operating cycle remained stable at 42 days in FY26 (PY: 42 days), indicating the continued working capital intensive operations.

Low profitability margins and high level of competition in industry

Despite the improvement in profitability in FY26, SEPL's margins continued to remain modest due to the inherent nature of trading operations and intense competition in the IT hardware distribution industry, which is characterised by relatively low entry barriers. Profitability margins are expected to remain range-bound in the near-to-medium term, given the competitive industry environment, despite benefits from scale and product mix optimisation.

Presence of foreign exchange risk

Due to dependence on imports, which accounted for ~27% of total purchases of IT products in FY26, the company remains exposed to foreign currency fluctuation risk.

The company procures a part of its imports through letters of credit (LCs), which remain largely hedged, and also enters into forward contracts on a selective basis. These measures help mitigate foreign exchange risks to a certain extent.

The risk is further mitigated by price protection mechanisms offered by principals in the form of discounts and incentives.

CareEdge Ratings believes that foreign exchange risk is likely to remain manageable over the near term due to the company's hedging practices and support mechanisms available from principals, although volatility in currency markets may continue to expose earnings to limited risk.

Liquidity: Adequate

The company's liquidity position is adequate, supported by healthy GCA of ₹167.31 crore in FY26 (Prov.) against no scheduled long-term debt repayment obligations. SEPL's liquidity is further supported by moderate cash and bank balances of ~₹49 crore as on March 31, 2026.

Average utilisation of fund-based and non-fund-based working capital limits stood at ~75% and 86%, respectively, for 12 months ended June 2026, indicating availability of some headroom in sanctioned facilities.

CareEdge Ratings expects the company's liquidity position to remain adequate over the near term, supported by healthy cash accrual generation, absence of significant repayment obligations, and continued access to bank working capital facilities.

Environment, social, and governance (ESG)- Not applicable**Applicable criteria**[Consolidation](#)[Definition of Default](#)[Liquidity Analysis of Non-financial sector entities](#)[Rating Outlook and Rating Watch](#)[Financial Ratios – Non financial Sector](#)[Withdrawal Policy](#)[Short Term Instruments](#)[Wholesale Trading](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial services and supplies	Trading and distributors

Promoted by VK Bhandhari, a Kolkata-based entrepreneur, in 1993, SEPL is a national distributor of computer and associated peripherals of ~30 major global IT brands, including Acer, Dell, Lenovo, Seagate, Samsung, Xerox, and Wacom, among others.

SEPL's traded product portfolio is diversified across ~50 product categories, including desktops, notebooks, tablets, servers, projectors, TFT-LCD monitors, hard disk drives, mobile phones, memory modules, and printers.

The group operates through multiple entities with diversified business activities. SSPL is engaged in sourcing IT hardware and peripherals from overseas suppliers, including Samsung, Lenovo, and Pelco. PGIPL manufactures interactive flat panels (IFPs) for schools, colleges, and corporates under the 'Solitaire' brand. SITL provides cloud and software-as-a-service (SaaS) solutions. LSPL manufactures wearable devices such as earbuds, headphones, and smartwatches, which are marketed under the 'Leaf' brand.

Brief Financials (₹ crore)- Consolidated	March 31, 2025 (A)	March 31, 2026 (Prov.)
Total operating income	7044.61	8773.35
PBILDT*	168.57	301.99
Profit after tax (PAT)	87.17	164.28
Overall gearing (x)	1.35	1.17
Interest coverage (x)	3.26	3.32

A: Audited; Prov.: Provisional; Note: these are latest available financial results

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

Brief Financials (₹ crore)- Standalone	March 31, 2025 (A)	March 31, 2026 (Prov.)
Total operating income	6,986.01	8,632.05
PBILDT*	162.71	297.03
Profit after tax (PAT)	84.87	164.36
Overall gearing (x)	1.33	1.15
Interest coverage (x)	3.18	3.41

A: Audited; Prov.: Provisional; 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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:

A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

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

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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-Cash Credit	RBI	Simple	-	-	-	-	295.00	CARE A+; Stable
Fund-based - ST-Vendor financing	RBI	Simple	-	-	-	-	275.00	CARE A1
Non-fund-based - ST-BG/LC	RBI	Simple	-	-	-	-	622.00	CARE A1
Non-fund-based - ST-Forward Contract	RBI	Simple	-	-	-	-	4.00	CARE A1
Term Loan-Long Term	RBI	Simple	-	-	-	28-02-2026	0.00	Withdrawn

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-Cash Credit	LT	295.00	CARE A+; Stable	-	1)CARE A; Stable (24-Jun-25)	1)CARE A; Positive (04-Oct-24)	1)CARE A; Positive (04-Aug-23)
2	Non-fund-based - ST-BG/LC	ST	622.00	CARE A1	-	1)CARE A1 (24-Jun-25)	1)CARE A1 (04-Oct-24)	1)CARE A1 (04-Aug-23)
3	Term Loan-Long Term	LT	-	-	-	1)CARE A; Stable (24-Jun-25)	1)CARE A; Positive (04-Oct-24)	1)CARE A; Positive (04-Aug-23)
4	Fund-based - ST-Vendor financing	ST	275.00	CARE A1				
5	Non-fund-based - ST-Forward Contract	ST	4.00	CARE A1				

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities- Not applicable**Annexure-4: Lender details**To view lender-wise details of bank facilities please [click here](#)

Annexure-5: List of entities consolidated

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Supertron Singapore Pte Ltd	Full	Subsidiary
2	Prointek Global Innovation Private Limited	Full	Subsidiary
3	Supertron Infotech Trading LLC	Full	Wholly owned subsidiary
4	Leaf Studio Private Limited	Full	Subsidiary

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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