

March 26, 2024

## Stanadyne India Private Limited: Moved to Issuer Non-Cooperating category

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Term loan	15.00	15.00	[ICRA]A; Rating watch with developing implications; ISSUER NOT COOPERATING; moved to 'Issuer Not Cooperating' category
Long-term fund-based limits	65.00	65.00	
Short-term fund-based limits	15.00	15.00	[ICRA]A1; Rating watch with developing implications; ISSUER NOT COOPERATING; moved to 'Issuer Not Cooperating' category
Short-term fund-based – sublimit	(65.00)	(65.00)	
Short-term non-fund based – sublimit	(12.50)	(12.50)	
<b>Total</b>	<b>95.00</b>	<b>95.00</b>	

\*Based on best available information. ^Instrument details are provided in Annexure-1

### Rationale

ICRA has moved the ratings for the bank facilities of Stanadyne India Private Limited (SIPL) to the 'Issuer Not Cooperating' category. The ratings are denoted as [ICRA]A/[ICRA]A1; rating watch with developing implications; ISSUER NOT COOPERATING.

The rating action is because of unavailability of company's annual report for FY2023 and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at [www.icra.in](http://www.icra.in). The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with SIPL, ICRA has been trying to seek the annual report from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has not shared the same. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology for Auto Components</a> <a href="#">Policy in respect of non-cooperation by the rated entity</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of SIPL. Details are provided in Annexure-2.

## About the company

SIPL is engaged in manufacturing diesel engine fuel injection pumps and allied components, catering predominantly to overseas markets. In terms of segments, tractors and gensets constituted 40.6% and 41.9% of the operating income, respectively, while off-road /auto segment constituted the remaining in FY2022. The company derived 86.1% of its operating income from exports in FY2022 and currently its overseas markets include North America, Europe, South America and East Asia, among others. SIPL has two manufacturing facilities at Chennai (Tamil Nadu, India) and Sharjah (the UAE). The Sharjah unit belongs to its wholly owned subsidiary, Stanadyne Mideast FZE. SIPL is a key company of the US-based Stanadyne Group, which is an established auto ancillary player globally manufacturing diesel rotary pumps, common rail pumps and injection fuel pumps for gasoline engines. Stanadyne LLC, USA held 99% stake in SIPL and 1% was held by Stanadyne PPT Holdings Inc until July 31, 2023. SIPL is currently owned by Stanadyne Operating Co LLC, which in turn is ultimately held by an investor group led by affiliates of Cerberus Capital Management, LP.

## Key financial indicators

Consolidated	FY2022 (Audited)	FY2023 (Unaudited)
Operating income (Rs. crore)	335.7	383.5
PAT (Rs. crore)	58.8	43.9
OPBDIT/OI (%)	25.5%	18.0%
PAT/OI (%)	17.5%	11.4%
Total outside liabilities/Tangible net worth (times)	0.4	0.4
Total debt/OPBDIT (times)	0.1	0.3
Interest coverage (times)	24.1	23.2

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

Instrument	Type	Current Rating (FY2024)				Chronology of Rating History for the past 3 years		
		Amount Rated (Rs. crore)	Amount Outstanding as of Sep 30, 2023 (Rs. crore)	Date & Rating in FY2024		Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
				Mar 26, 2024	Nov 10, 2023			
1 Term loan	Long term	15.00	11.25	[ICRA]A & ISSUER NOT COOPERATING	[ICRA]A &	[ICRA]A (Positive)	-	-
2 Fund based limits	Long term	65.00	-	[ICRA]A & ISSUER NOT COOPERATING	[ICRA]A &	[ICRA]A (Positive)	-	-
3 Fund based limits	Short term	15.00	-	[ICRA]A1 & ISSUER NOT COOPERATING	[ICRA]A1 &	[ICRA]A1	-	-

4	Fund based – sublimit	Short term	(65.00)	-	[ICRA]A1 & ISSUER NOT COOPERATING	[ICRA]A1 &	[ICRA]A1	-	-
5	Non-fund based – sublimit	Short term	(12.50)	-	[ICRA]A1 & ISSUER NOT COOPERATING	[ICRA]A1 &	[ICRA]A1	-	-

& - Rating Watch with Developing Implications

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Long term – Term loan	Simple
Long term fund based limits	Simple
Short term fund based limits	Simple
Short term fund based – sublimit	Simple
Short term non-fund based – sublimit	Very 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, is available on ICRA's website: [Click Here](#)

#### Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Long term – Term loan	FY2023	10.00%	FY2026	15.00	[ICRA]A; Rating watch with developing implications; ISSUER NOT COOPERATING
NA	Long term fund based limits	NA	NA	NA	65.00	
NA	Short term fund based limits	NA	NA	NA	15.00	
NA	Short term fund based – sublimit	NA	NA	NA	(65.00)	[ICRA]A1; Rating watch with developing implications; ISSUER NOT COOPERATING
NA	Short term non-fund based – sublimit	NA	NA	NA	(12.50)	

Source: Company; & - Rating Watch with Developing Implications

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

#### Annexure-II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Stanadyne Mideast FZE (SME)	100.00%	Full consolidation

Source: Company

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