February 16, 2026

Rockman Advanced Composites Pvt. Ltd.: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term/ Short-term – Fund/ Non-fund based limits	21.00	21.00	[ICRA]BBB+ (Stable)/[ICRA]A2; reaffirmed
Total	**21.00**	**21.00**	

**Instrument details are provided in Annexure-I*

Rationale

The ratings reaffirmation for the bank facilities of Rockman Advanced Composites Pvt. Ltd. (RACPL) factors in the expectation of steady operational performance of the company, going forward, aided by its experienced promoters in the composites industry and healthy relationships with various customers. The company's performance in FY2025 moderated, with revenues impacted by weak demand from its UK automotive customers, amid unfavourable market conditions in the UK and US luxury car segments, as well as delays in the operationalisation of its expanded facility (COD shifted from March 2025 to September 2025). RACPL is expected to witness a similar subdued performance in FY2026, on the back of market pressures in western auto markets and the US tariff-related uncertainty. The company's OPM, which had improved to 33% in FY2024, weakened in FY2025 to 21% owing to demand pressures in the UK auto market and higher operational expenses related to the capacity expansion. The margins remained moderate at 21–22% in 9M FY2026 owing to continued weak demand in the UK and Europe and tariff-related uncertainty in the US. Nonetheless, RACPL's business prospects remain healthy over the medium term, supported by favourable demand prospects in composites, addition of new customers, the upcoming contribution from its aerospace and space-component programmes, and the expected scale benefits once the expanded capacity stabilises. Consequently, the company is expected to generate healthy earnings going forward, which would help it maintain healthy credit metrics.

The ratings factor in the extensive experience of the founders in the carbon composites industry and the financial and business support from its parent company, Rockman Industries Limited (Rockman; [ICRA]AA(Positive)/[ICRA]A1+). RIL further strengthened its presence in the entity by incrementally increasing its shareholding in the entity to 82% as of February 2026, from 79% in March 2025 and 51% in March 2024. The founders have significant experience in developing advanced composite parts for motorsport and high-performance automotive applications. Given the inherent seasonality in the motorsport segment, RACPL's revenues have historically exhibited some volatility. To address this, RACPL has continued to diversify its customer base, including high-end luxury vehicle manufacturers, aerospace clients, and now space-tech entities. The company's earlier investment in MCT Engineering Ltd. (MCT), a UK-based composite manufacturer, and the widening of its customer mix to include aerospace clients are expected to support the expansion of operations and reduce dependence on motorsport programmes.

ICRA notes that the company acquired a UK-based entity in FY2025 (Project 12 Limited), which is engaged in painting and lacquering of composite components, forming a natural extension to RACPL's product offering. While the company has onboarded around Rs. 31 crore of debt at its international subsidiary to fund this acquisition (GBP 2.2-million term loan with a top up of GBP 0.7 million in FY2026), the cash flows of the acquired entity are expected to remain adequate for meeting its debt servicing requirements over the medium term. Although Project 12 recorded weaker margins in FY2025 and is expected to operate near breakeven in FY2026, the acquisition enhances RACPL's ability to offer an integrated composite manufacturing and finishing solution, which is expected to support medium-term revenue growth.

Despite the company's capex towards capacity expansion, RACPL's credit metrics are expected to remain comfortable, supported by healthy profitability, accretion to reserves, and low dependence on working capital borrowings (with the Rs. 17-crore working capital limit remaining largely unutilised). While the company's scale of operations continues to remain modest and its order-mix-driven profitability remains susceptible to variability, the commissioning of the expanded capacity, improved capability to handle high-precision aerospace and space components, is expected to aid scale-up in revenues and strengthen margins from FY2027.

The Stable outlook on the long-term rating reflects ICRA's expectation that RACPL will continue to generate healthy cash flows, aiding in the maintenance of a comfortable financial risk profile. The company's strong parentage (it is a subsidiary of Rockman) would also aid in supporting its credit profile over the medium term.

Key rating drivers and their description

Credit strengths

Strong parentage with major stake held by Rockman, experienced promoters in composites industry. – The company receives financial and business support from its parent company, Rockman, as well as its other promoters. This has been demonstrated in the equity infusion by its promoters in FY2018 and FY2019 to support its capex plans. Further, Rockman infused funds into RACPL through debentures in FY2020 to support its liquidity position, and entrenched their position with the entity as RIL has increased its shareholding in the entity to 82% as of FY2026 from 79% in March 2025 and 51% in March 2024. The company's founders have significant experience in the carbon composite industry, which has helped it acquire business over the years.

Favourable growth prospects for carbon composite industry – The carbon composite industry is at a nascent stage and is expected to grow significantly over the medium term, aided by increased penetration of carbon fibre-based components in applications across several industries, including automobiles. Carbon composite parts are made from high-value carbon fibres and offer advantages of low weight, high tensile strength, high temperature tolerance and low thermal expansion over conventional alternatives, such as aluminium and high-tensile steel. As a result, these are extensively used in the aerospace industry to develop high strength and low weight components. Additionally, its penetration is gradually increasing in the automobile sector, especially in the motorsport and high-end luxury car segments, gaining prominence with the growing trend of light-weight vehicles.

Collaboration with MCT and addition of new customers augment business prospects over medium term – The acquisition of a minority stake in MCT has provided RACPL access to technical capabilities in developing auto components for luxury car original equipment manufacturers (OEMs), besides benefitting from the strong ties of MCT with several European OEMs. Moreover, some of the business procured by MCT is routed through RACPL. Besides the business from MCT, RACPL has added several new customers over the last few years. Its efforts to gain new businesses from old and new customers are expected to help improve its scale of operations over the medium term.

Credit challenges

Modest scale of operations and volatility in earnings – Even though the company's scale of operations has increased materially over the last four years (~Rs. 105.0 crore in FY2025 from ~Rs. 17.9 crore in FY2019), supported by new businesses from addition of several new as well as existing customers, it continues to remain modest. RACPL undertakes different businesses with varying levels of profit margins, due to which the profitability indicators are sensitive to the scale of operations. While the entity's OPM improved to 33.1% in FY2024, the same declined to 21% in FY2025 due to softness in demand from western auto markets. Going forward, the OPM is expected to remain subdued over the medium term and improve there on as share of revenue from higher value aerospace and other diverse sectors scale up.

Exposed to forex rate volatilities due to unhedged export sales – Most of the company's sales are made through exports and are unhedged, exposing it to foreign exchange (forex) fluctuation risk. However, the risk is mitigated to some extent as most of its raw materials and some of its employee costs are also denominated in foreign currency.

Low penetration of carbon composites, especially in mass market, due to high-cost differential with alternative materials – At present, carbon composites are limited to niche applications, as the same are more expensive than aluminium or high-tensile steel. As a result, the company's scale-up of business is likely to be sensitive to mass adoption of carbon composites, especially by the automobile industry.

Liquidity position: Adequate

RACPL's liquidity profile remains Adequate, supported by expectation of comfortable cash flows from operations, cash and liquid investments of ~Rs. 19.2 crore as of March 2025, and average buffer of Rs. 17 crore in working capital over the 12-month period ended in October 2025. The company also enjoys strong financial flexibility for being a part of the Rockman Group. In the past, both Rockman and RACPL's founding partners have provided financial support to the company in the form of equity infusion and ICRA expects the promoters to support the company in the future as well, if required. Against the available sources of cash, the company has long-term debt repayments of Rs. 2.6 crore and moderate capex requirements of ~Rs. 13.0 crore in FY2026, which are expected to be met by internal accruals.

Rating sensitivities

Positive factors – A sustained scale-up in operations backed by healthy order flows, along with diversification in customer base, while maintaining healthy profitability indicators will be considered favourably for an upgrade.

Negative factors – The ratings could face pressure in case of a material weakening in the credit profile of its parent company, Rockman, or weakening of financial linkages with the parent. The ratings could also be downgraded in case of a deterioration in the financial profile of the company due to any large debt-funded capex or loss of business. Specific credit metrics that could lead to ratings downgrade include TD/OBPITDA above 3.0 times, on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components
Parent/Group support	**Parent Company: Rockman Industries Limited (rated [ICRA]AA (Positive)/[ICRA]A1+)** The ratings assigned factor in the high likelihood of its parent, Rockman, extending financial support to RACPL out of the need to protect its reputation from the consequences of a group entity's distress. Rockman also has a track record of extending timely financial support to RACPL, as and when needed.
Consolidation/Standalone	The ratings are based on the consolidated financial statements of the issuer. The list of entities consolidated are mentioned in Annexure II.

About the company

Rockman Advanced Composites Pvt. Ltd. (erstwhile Moldex Composites Private Limited), a 51% subsidiary of Rockman Industries Limited (rated [ICRA]AA(Positive)/ [ICRA]A1+), manufactures niche carbon composite parts that especially find application in the automobile sector. The company was founded in 2007 by Mr. Parag Rajda, Mr. Ian Thomson and Mr. Robert Neumann for supplying cost-effective carbon composites manufactured in India. The company's promoters have extensive experience in the motorsport industry and have been actively involved in design and development of advanced composites for motorsport applications. Till FY2017, most of the company's revenues came from the motorsport sector, with General Motors being one of its key clients. After being acquired by Rockman in FY2018, RACPL started scaling up its business significantly and began developing components for the luxury passenger car segment, along with its ongoing motorsport business. This has helped the company reduce the seasonality in its business.

During FY2024, RACPL acquired a company in the United Kingdom named 'Project 12 Limited', which was engaged in painting and lacquering of carbon composites, for an overall consideration of ~3.7 Mn GBP (at an estimated EV/EBITDA of 4 times). Project 12 was held by a single promoter who is also helping RACPL in technical know-how. The acquisition of a painting lacquering entity was thought of as a natural extension for the firm as given that the products supplied by the entity are further processed by such players before assemblies at the OEM end. Thus, RACPL would be able to supply end-to-end solutions to its customers.

Key financial indicators (audited)

RACPL Standalone	FY2024	FY2025
Operating income	88.0	105.5
PAT	23.9	17.7
OPBDIT/OI	33.1%	21.3%
PAT/OI	27.2%	16.8%
Total outside liabilities/Tangible net worth (times)	0.2	0.6
Total debt/OPBDIT (times)	0.0	1.3
Interest coverage (times)	112.7	18.1

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: 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

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	Feb 16, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Term loans	Long-term	-	-	30-Dec-2024	-	10-Nov-2023	[ICRA]BBB+ (Stable)	28-Nov-2022	[ICRA]BBB (Stable)
Fund/ Non-fund based limits	Long-term and short-term	21.00	[ICRA]BBB+ (Stable)/ [ICRA]A2	30-Dec-2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	10-Nov-2023	[ICRA]BBB+ (Stable)/ [ICRA]A2	28-Nov-2022	[ICRA]BBB (Stable)/ [ICRA]A3+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term/ Short -term – Fund/Non-Fund-based limits	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
NA	Fund/Non-Fund-based limits	NA	NA	NA	21.00	[ICRA]BBB+ (Stable)/[ICRA]A2

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company Name	RACPL Ownership	Consolidation Approach
Rockman Advanced Composites Pvt. Ltd.	100% (Rated entity)	Full Consolidation
Rockman Advanced Composites UK Limited	100%	Full Consolidation
Project 12 Limited	100%	Full Consolidation

ANALYST CONTACTS

Jitin Makkar
+91 124 4545328
jitinm@icraindia.com

Srikumar Krishnamurthy
+91 44 4596 4318
srikumar.k@icraindia.com

Rohan Kanwar Gupta
+91 124 4545 808
rohan.kanwar@icraindia.com

Akshit Goel
+91 124 4545 869
akshit.goel@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches