

Rockman Industries Chennai Private Limited

March 31, 2019

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Cash Credit Facilities	15.00	15.00	[ICRA]BBB (Stable); withdrawn
Term Loan	25.70	25.70	[ICRA]BBB (Stable); withdrawn
Short-term non-fund based	0.50	0.50	[ICRA]A2; withdrawn
Long-term/short-term fund based	3.00	3.00	[ICRA]BBB (Stable)/A2; withdrawn
Unallocated	1.79	1.79	[ICRA]BBB (Stable)/A2; withdrawn
Total	45.99	45.99	

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the ratings outstanding of [ICRA]BBB(Stable)/[ICRA]A2 on the bank facilities of the company because it has amalgamated with its parent company Rockman Industries Limited ([ICRA]AA(Positive)/[ICRA]A1+). 'No objection certificate' was received from its bankers to withdraw the ratings.

Outlook: Not Applicable

Key rating drivers

Key rating drivers have not been captured since the ratings have been withdrawn.

Liquidity Position:

Liquidity position have not been captured since the ratings have been withdrawn.

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Construction Equipment Manufacturers
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

About the company:

Rockman Industries Chennai Private Limited (RICPL) is a wholly owned subsidiary of Rockman Industries Limited. It is a Tier I and II supplier of aluminium die cast-based components such as cylinder heads, heat sinks, flanges, and valve body, among others, for the PV OEMs and Tier I auto-component suppliers including Ford and Bosch. It has a manufacturing

facility at Cheyyar, near Chennai, in the State Industries Promotion Corporation of Tamil Nadu (SIPCOT) industrial area. The company is also engaged in machining work for some Tier I auto-component manufacturers.

RICPL originally started off as M/s Srivatsa Die Casting, an ancillary unit of Royal Enfield, promoted by Mr. Srivatsan for more than three decades. The company was predominantly a jobbing foundry. In 2003, Srivatsa Die Casting merged with Sargam Metals Private Limited (rated [ICRA]B-/ [ICRA]A4), an aluminium alloy manufacturer. In 2008, the die casting division was hived off and Sargam Die Castings Private Limited (SDPL) was formed. SDPL acquired a CNC machining company, M/s Marvel Mactech, in 2010 to augment machining capabilities. Later in January 2014, Rockman Industries Limited (Rockman) (rated [ICRA]AA(Positive)/[ICRA]A1+) acquired 81% stake in SDPL and was renamed as Rockman Industries Chennai Private Limited. However, with further equity infusion, RIL wholly acquired RICPL in June 2016 (84.7% as on March 31, 2016). Subsequently, RICPL was amalgamated with its parent company in December 2018.

Key financial indicators (audited): Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Current Rating (FY2019)						Chronology of Rating History for the Past 3 Years			
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating		Date & Rating in FY2018	Date & Rating in FY2017	Date & Rating in FY2016	
1 Cash Facilities	Credit Long Term	15.00	NA	Mar 2019 [ICRA]BBB (Stable); withdrawn		Dec 2017 [ICRA]BBB (Stable)	Jan 2017 [ICRA]BBB (Stable)	Jan 2016 [ICRA]BBB (Stable)	
2 Term Loans	Long Term	25.70	NA	[ICRA]BBB (Stable); withdrawn		[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	
3 Short Term Non-Fund Based	Short Term	0.50	NA	[ICRA]A2; withdrawn		[ICRA]A2	[ICRA]A2	[ICRA]A2	
4 Lon-term/Short-term fund based	Long Term/ Short Term	3.00	NA	[ICRA]BBB (Stable)/A2; withdrawn		[ICRA]BBB (Stable)/A2	[ICRA]BBB (Stable)/A2	[ICRA]BBB (Stable)/A2	
5 Unallocated	Long Term/ Short Term	1.79	NA	[ICRA]BBB (Stable)/A2; withdrawn		[ICRA]BBB (Stable)/A2	[ICRA]BBB (Stable)/A2	[ICRA]BBB (Stable)/A2	

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit Facilities	NA	NA	NA	15.00	[ICRA]BBB (Stable); withdrawn
NA	Term Loans	NA	NA	NA	25.70	[ICRA]BBB (Stable); withdrawn
NA	Short Term Non-Fund Based	NA	NA	NA	0.50	[ICRA]A2; withdrawn
NA	Lon-term/Short-term fund based	NA	NA	NA	3.00	[ICRA]BBB (Stable)/A2; withdrawn
NA	Unallocated	NA	NA	NA	1.79	[ICRA]BBB (Stable)/A2; withdrawn

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