

September 01, 2022

Track Components Ltd: Rating Withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term / Short Term – Fund Based / Non-Fund Based	45.00	45.00	[ICRA]BB-(Positive)/[ICRA]A4; Withdrawn
Total	45.00	45.00	

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the rating assigned to the bank facilities of **Track Components Ltd** at the request of the company and based on the No Objection Certificate received from the banker, and in accordance with ICRA's policy on withdrawal and suspension. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The Key Rating Drivers, Liquidity Position, Rating Sensitivities and Key Financial Indicator have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Approach for Auto Component Suppliers Policy on Withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the standalone profile of the rated entity

About the company

Incorporated in 1999, TCL is an auto component manufacturer of smaller-sized sheet-metal based components and tubular pipes. The company started as a captive supplier of MESL and gradually diversified its customer base to include M&M. TCL's tubular pipe assemblies and sheet metal components find application in manufacturing two-wheelers and four-wheelers. The company is promoted by Mr. Rattan Kapur, who is also the chairman and managing director of MESL, as well as Mr. Sandeep Chandhok. Both promoters have extensive experience of more than three decades in the auto component industry. Mr. Rattan Kapur has also served as the president of the Automotive Components Manufacturers Association (ACMA). The company currently has three manufacturing facilities, with one each at Manesar (Haryana), Nashik and Pune (Maharashtra).

In FY2021, the company reported a turnover of Rs. 175.6 crore and nearly 42% of it was generated from its group company, MESL, to whom it supplies sheet metal components and tubular assemblies that are used in manufacturing exhaust systems. MESL is one of the leading suppliers of exhaust systems to MSIL in India. The remaining 58% of sales came from M&M.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2023)		Chronology of rating history for the past 3 years				
		Amount rated (Rs. crore)	Amount outstanding (Rs. crore)	Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021		Date & rating in FY2020
				Sep 01, 2022	Aug 30, 2021	Oct 05, 2020	May 18, 2020	Feb 24, 2020
1	Fund Based – Non-Fund Based Long Term / Short Term	45.00	-	[ICRA]BB-(Positive)/[ICRA]A4; Withdrawn	[ICRA]BB-(Positive)/[ICRA]A4	[ICRA]BB-(Stable)/[ICRA]A4	[ICRA]BB-(Stable)/ [ICRA]A4; ISSUER NOT COOPERATING	[ICRA]BB-(Stable)/ [ICRA]A4

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term / Short Term – Fund Based / 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: www.icra.in

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Fund Based / Non-Fund Based	NA	NA	NA	45.00	[ICRA]BB-(Positive)/[ICRA]A4; Withdrawn

Source: Company

*sub-limit of Term loan

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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