

March 15, 2023

## Tsubaki Conveyor Systems India Private Limited (erstwhile Mahindra Tsubaki Conveyor Systems Private Limited): Rating Withdrawn

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Based – Cash Credit	3.00	3.00	[ICRA]A(Stable); Withdrawn
Short Term – Non-fund Based	23.17	23.17	[ICRA]A1; Withdrawn
<b>Total</b>	<b>26.17</b>	<b>26.17</b>	

\*Instrument details are provided in Annexure-I

### Rationale

ICRA has withdrawn the rating assigned to the bank facilities of **Tsubaki Conveyor Systems India Private Limited (erstwhile Mahindra Tsubaki Conveyor Systems Private Limited)** at the request of the company, based on the No Objection Certificate received from its bankers, and in accordance with ICRA's policy on withdrawal of credit ratings. 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Position, Rating Sensitivities and Key Financial Indicator have not been captured as the rated instruments are being withdrawn.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	<a href="#">Policy on Withdrawal of Credit Ratings</a> <a href="#">Corporate Credit Rating Methodology</a> <a href="#">Construction Equipment</a> <a href="#">Rating Approach – Implicit parent or group support</a>
Parent/Group support	Parent/Group Company: Tsubakimoto Group ICRA expects the Tsubakimoto Group to be willing to extend financial support to MTCSP out of its need to protect its reputation from the consequences of a Group entity's distress
Consolidation/Standalone	The ratings are based on the standalone financial statements of the rated entity.

### About the company

Tsubaki Conveyor Systems India Private Limited (erstwhile Mahindra Conveyors Systems Private Limited, MCSPL) was incorporated in January 2010, following its demerger from Mahindra Engineering and Chemical Private Limited (MECPL). In July 2014, as the Tsubakimoto Group increased its stake to 51% from 8.5% and the company was renamed Mahindra Tsubaki Conveyor Systems Private Limited (MTCSP). In February 2022, the M&M Group sold its balance 49% stake to Tsubakimoto Group and thus, MTCSP ceased to be an associate of the M&M Group and was renamed Tsubaki Conveyor Systems India Private Limited (TCSIPL). With the M&M Group's exit, the company is now being held by Tsubakimoto Chain Co. (42.5%) and Tsubakimoto Bulk Systems Corp. (57.5%).

The Tsubakimoto Group is the largest chain manufacturing company in Japan with presence across more than 26 countries in chain manufacturing, automotive parts operations, material handling, power transmission units and components. The Group lends its technical expertise and supplies chains to TCSPL (which are the most essential parts of conveyor systems), providing a competitive edge. TCSPL primarily operates in the chain bucket elevator and chain conveyor (bulk handling systems) divisions

in the cement sector, in addition to conveyors for thermal power plants, chemicals, incinerators and the automotive industry (unit handling systems).

**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
				Mar 15, 2023	Apr 7, 2022	Jul 26, 2021	Jul 13, 2020	Apr 3, 2019
1 Cash Credit	Long Term	3.00	-	[ICRA]A(Stable); Withdrawn	[ICRA]A (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)
2 Non-fund based	Short Term	23.17	-	[ICRA]A1; Withdrawn	[ICRA]A1	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

### Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term Fund based Cash Credit	Simple
Short-Term - Non-fund based	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 are available on ICRA's website: [Click Here](#)

**Annexure I: Instrument details**

ISIN No	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	3.00	[ICRA]A(Stable); Withdrawn
NA	Non-fund based	NA	NA	NA	23.17	[ICRA]A1; Withdrawn

Source: Company

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

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