

## Oswal Castings Private Limited

Instrument	Amount In Rs. Crore	Rating Action As on April 2016
<b>Fund Based Limits</b>	28.00	[ICRA]BBB- (Stable); Assigned
<b>Non Fund Based Limits</b>	10.00	[ICRA]A3; Assigned
<b>Long Term/Short Term Unallocated</b>	7.50	[ICRA]BBB- (Stable)/ [ICRA]A3; Assigned

ICRA has assigned its long term rating of [ICRA]BBB- (pronounced ICRA triple B minus) to the Rs. 28.00 crore fund based facilities of Oswal Castings Private Limited<sup>1</sup> (OCPL). ICRA has assigned its short term rating of [ICRA]A3 (pronounced ICRA A three) to the Rs. 10.00 crore non-fund based facility of the company. ICRA has also assigned its [ICRA]BBB-/A3 ratings to Rs 7.50 crore unallocated limits of OCPL. The outlook on the long term rating is 'Stable'.

ICRA's ratings take into account the extensive experience of OCPL's promoters in the aluminium castings business. The ratings also factor in the company's reputed client base and its efficient management of the working capital cycle. The ratings also take cognizance of OCPL's strong financial risk profile as reflected in its lightly leveraged capital structure and healthy coverage indicators. However, the ratings are constrained by the company's transition towards a more diversified client mix which has had some scale impact; however addition of new customers is likely to mitigate this to some extent. ICRA also takes note of the company's moderate profit margins due to strong competition and limited bargaining power with its reputed customers.

Going forward, the ability of the company to increase its scale of operations by diversifying its customer base and sustain its profitability, while continuing to maintain a prudent capital structure and optimal working capital intensity will be the key rating sensitivities.

### Company Profile

Oswal Castings Private Limited (OCPL) is a closely held private limited company, operated and managed by the Jain family. The company is engaged in manufacturing High Pressure Aluminium Die Cast Components. The Company has two manufacturing units located at Faridabad, Haryana, having a total production capacity of 16,300 Tonnes Per Annum (TPA).

**April 2016**

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<sup>1</sup> For complete rating scale and definitions, please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications.



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