August 03, 2026

Rockman Industries Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long-term – Fund-based limits	145.00	145.00	[ICRA]AA (Positive); reaffirmed	RBI
Long-term – Fund-based / Term loans	186.40	114.15	[ICRA]AA (Positive); reaffirmed	RBI
Short-term – Fund-based limits	190.00	190.00	[ICRA]A1+; reaffirmed	RBI
Short-term – Fund-based/Non-fund based facilities	50.00	50.00	[ICRA]A1+; reaffirmed	RBI
Short-term – Non-fund based limits	90.00	90.00	[ICRA]A1+; reaffirmed	RBI
Unallocated limits	83.10	200.00	[ICRA]AA (Positive)/ [ICRA]A1+; reaffirmed and assigned for enhanced amount	RBI
Long-term/Short-term – Fund-based/Non-fund-based limit	-	370.00	[ICRA]AA (Positive)/ [ICRA]A1+; assigned	RBI
Total	**744.50**	**1,159.15**		
Commercial paper	75.00	75.00	[ICRA]A1+; reaffirmed	RBI

**Instrument details are provided in Annexure I*

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Rationale

The ratings reaffirmation and continuation of the Positive outlook for Rockman Industries Limited (RIL) reflect the expectation of a gradual strengthening in the company's credit profile over the medium term, supported by sustained scale-up in operations, rising customer diversification and maintenance of strong credit metrics despite an elevated investment cycle. RIL reported robust revenue growth in FY2026, with operating income increasing by 25% to Rs. 3,518 crore[1] (provisional financials), aided by broad-based growth across key customers and product segments. While Hero MotoCorp Limited's (HMCL) contribution remains significant, the company's dependence on its largest customer has reduced steadily, aided by growing business from Honda Motorcycle & Scooter India (HMSI), Royal Enfield, TVS Motor Company Limited and other original equipment manufacturers (OEMs). The Positive outlook also factors in RIL's strong order visibility and expectations of gradual improvement in profitability over the medium term, supported by operating leverage benefits, which is likely to help the generation of healthy cash accruals and a steady strengthening in credit metrics.

The ratings continue to reflect RIL's established position as one of India's leading manufacturers of aluminium die-cast components and alloy wheels, supported by long-standing relationships with major automotive OEMs and strong competitive positioning in the domestic two-wheeler (2W) alloy wheel segment. The company remains a key supplier to HMCL with a share of business of 50-55%; however, customer concentration has moderated meaningfully over the years, with HMCL contributing around 54% of revenues in FY2026 (adjusted basis) compared to over 70% historically until FY2022. RIL has strengthened its presence with other major OEMs, including HMSI, TVS and Royal Enfield over the years. It has also expanded its passenger vehicle (PV) customer base, adding and scaling business with customers such as Kia, Hyundai and Mahindra & Mahindra.

[1] Operating income unadjusted for change in revenue construct post FY2023, wherein only job work is booked for revenues emanating from supplies to HMCL(to aid compliance with related party transactions laws)

Further diversification is being driven through newer businesses such as industrial chains, automotive aftermarket, exports and advanced composites.

ICRA notes that demand conditions remained particularly favourable during FY2026 and Q1 FY2027, with management indicating that most manufacturing facilities are operating at full or near-full utilisation levels. The company's installed 2W alloy wheel capacity of approximately 17 million wheels is already largely committed, with customer demand exceeding existing capacities. This has necessitated a significant capacity expansion programme comprising new facilities in Chennai and Salarpur, alloy wheel capacity augmentation and expansion into adjacent manufacturing categories. ICRA notes that a substantial portion of the new capacities under development is already backed by customer commitments, supporting revenue visibility and reducing execution risk.

RIL has outlined a capital expenditure (capex) programme of around Rs. 700 crore over the next 18 months, representing one of the largest investment phases in its history. The expenditure will be directed towards alloy wheel expansions, the Salarpur facility, Chennai projects, industrial chains and other manufacturing initiatives. While the investment programme is sizeable, ICRA notes that it is largely demand-led and supported by healthy customer traction. Further, management expects approximately half of the funding requirement to be met through land monetisation, with the balance funded through internal accruals and moderate borrowings. The company also continues to support strategic investments in businesses such as Partnr, although improving operating metrics in these entities and limited expected funding requirements in Hero Electronix mitigate incremental pressures on the credit profile.

Despite the elevated investment cycle, RIL's financial profile continues to be comfortable. Total debt stood at Rs. 494 crore as on March 31, 2026, while Total Debt/OPBDITA remained robust at 1.0 times and interest coverage at 12.7 times. The company's healthy cash accrual generation, sizeable net worth and anticipated proceeds from land monetisation are likely to support funding requirements while maintaining prudent leverage levels. ICRA expects debt protection metrics to remain strong even as borrowings may rise temporarily to support ongoing capex. Continued growth in revenues, improving operating efficiencies from newly commissioned facilities and increasing diversification across customers, product segments and end markets are expected to support a sustained enhancement in RIL's business and financial risk profile over the medium term.

Key rating drivers and their description

Credit strengths

Strong and established relationship with HMCL – RIL supplies aluminium die-casting components such as alloy wheels, cylinder heads, crank cases and flange panels, among others, to HMCL, across its manufacturing facilities. The company had set up a facility in Gujarat to cater to HMCL's Gujarat plant, which helped strengthen its share of business with the OEM. Overall, the share of business with HMCL is estimated at 55-60%, which is likely to sustain at healthy levels going forward, benefitting from the industry-wide trend of alloy wheel localisation and strong relationship with HMCL.

Leading manufacturer of 2W alloy wheels and improving capacities for 4W in India – RIL is the largest domestic manufacturer of 2W alloy wheels in India, with an installed annual manufacturing capacity of around 17 million units per annum. At present, it enjoys the majority share of business with HMCL and is increasing its business with other 2W OEMs in India. Further, the company has an installed capacity of around 2 million units for four wheeler (4W) alloy wheels and caters to big OEMs like Hyundai Motors India Limited, Kia Motors India Pvt. Ltd., Mahindra & Mahindra Limited, etc. A ramp-up in supplies to these OEMs is further expected to diversify its business profile and reduce the concentration on HMCL.

Comfortable capital structure and healthy debt coverage metrics; financial flexibility supported by Group linkages – RIL maintained comfortable credit metrics in FY2026, with Total Debt/OPBDITA at 1.0 times and interest coverage at 12.7 times. Going forward, the company has outlined a capex programme of around Rs. 700 crore over the next 18 months, focussed on alloy wheel expansion, the Salarpur greenfield facility, Chennai projects, industrial chains and other manufacturing initiatives. While debt levels could increase during the execution phase, the investments are largely demand-driven and are expected to be funded through a combination of internal accruals, proceeds from the proposed land monetisation and moderate long-term borrowings. Consequently, leverage and coverage metrics are expected to remain comfortable over the medium term.

Further, as part of the Hero Group, RIL benefits from strong financial flexibility and established relationships with lenders, supporting access to funding when required.

Credit challenges

Customer and segment concentration risks; diversification initiatives to mitigate the same – HMCL remains RIL's largest customer, accounting for around 54% of revenues in FY2026, although customer concentration has reduced materially from historical levels of over 70% till FY2022 due to sustained diversification efforts. In FY2026, growth from customers such as HMSI, Royal Enfield and TVS largely offset the temporary moderation in volumes from HMCL, highlighting the increasing breadth of the customer portfolio. While customer concentration risk remains a key credit consideration, it is partially mitigated by HMCL's leadership position in the domestic 2W market, RIL's strategic importance as a key supplier of alloy wheels and aluminium die-cast components and the long-standing relationship between the two entities. Going forward, increasing business from existing OEMs, ramp-up of PV programmes, customer additions, expansion into exports and contributions from newer businesses are expected to further reduce customer and segment concentration risks over the medium term.

Ongoing expansion and investment plans to keep return indicators under check – RIL's consolidated debt increased from Rs. 481 crore as on March 31, 2025 to Rs. 494 crore as on March 31, 2026, due to continued investments in capacity expansion and strategic growth initiatives. The company incurred capex of around Rs. 223 crore in FY2026 and has outlined a larger investment programme of approximately Rs. 700 crore over the next 18 months towards alloy wheel expansion, the Salarpur greenfield facility, Chennai projects, industrial chains and other manufacturing initiatives. It also continued to support its strategic businesses, including Partnr, wherein investments of around Rs. 120 crore were made in FY2026. Despite the elevated investment cycle, RIL maintained comfortable credit metrics, with Total Debt/OPBDITA at 1.0 times and interest coverage at 12.7 times in FY2026. Going forward, the company expects a significant portion of its funding requirements to be met through internal accruals and proceeds from the proposed land monetisation, with only moderate reliance on incremental borrowings. Accordingly, leverage and coverage metrics are likely to remain comfortable over the medium term despite the ongoing capex programme.

Liquidity position: Adequate

RIL’s liquidity position is Adequate, supported by expectations of healthy cash flow from operations, cash and liquid investments of Rs. 40.7 crore as on March 31, 2026, and availability of unutilised working capital limits (buffer of around Rs. 243 crore as of May 2026). The company is anticipated to generate Rs. 240-280 crore of retained cash flows to help meet the debt repayment obligations of Rs. 41 crore in FY2027. Further, it has an estimated capex/investment requirement of Rs. 700 crore in the next 18 months (till FY2028 end), which is expected to be met from internal accruals, asset monetisation proceeds, available lines of credit and additional term loans. The company also continues to benefit from healthy financial flexibility as a part of the larger Hero Group.

Rating sensitivities

Positive factors – A material diversification in the segment mix with reduced dependence on the 2W segment along with material growth in scale of operations would augur well for a positive rating action. Total Debt/OPBDITA improving to below 1.0 times on a sustained basis will be considered favourably for a long-term rating upgrade.

Negative factors – ICRA could revise the outlook to Stable in case of a material deterioration in its share of business with HMCL or a dip in revenue growth, resulting in a decline in credit metrics. Sizeable incremental investments in the non-automotive business, resulting in a weakening in the credit metrics, could also exert pressure on the ratings. Specific credit metrics that could trigger a downward rating action include TD/OPBDITA remaining above 2.0 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies 9 Bold	Corporate Credit Rating Methodology Auto components
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of RIL, details of which are enlisted in Annexure-II.

About the company

Established in 1961, Rockman Industries Limited (RIL) is one of the leading auto component manufacturing entities of the Hero Group with presence in aluminium die-cast components. Rockman is the major supplier of key engine components and alloy wheels to Hero MotoCorp Limited (HMCL; rated [ICRA]AAA (Stable)/[ICRA]A1+), a key customer[2] of the company. RIL caters to 45-50% of HMCL's alloy wheel requirement and is also one of the leading suppliers of other aluminium die-cast components such as crank case, crank case covers and cylinder heads.

Over the past decade, the company has implemented a strategy to diversify its exposure and has made both organic and inorganic investments to secure businesses outside the 2W industry. Some of its key inorganic investments were Sargam Die Castings (in 2014) and Moldex Composites Private Limited (2018). Sargam Die Castings, involved in aluminium die-casting for customers such as Ford and Bosch, was renamed as Rockman Industries Chennai Private Limited after the acquisition. It was subsequently amalgamated with RIL with effect from April 1, 2018. The other acquired entity, Moldex, later rechristened as Rockman Advanced Composites Private Limited [rated [ICRA]BBB+ (Stable)/[ICRA]A2], manufactures carbon composites for super luxury and racing vehicles.

RIL has invested in non-automotive businesses with a focus on electronics and semiconductor testing facilities. These investments were held by its 45% stake in the co-group company, Hero Electronix Private Limited (HEPL). The company is not listed at present, and its promoters (Hero Group) own a 100% stake. It has also ventured in the e-commerce space for selling spare parts in FY2024 under Spares Superhero Private Limited, with RIL holding a 100% stake.

RIL's manufacturing facilities in Ludhiana (Punjab), Bawal (Haryana), Haridwar (Uttarakhand) and Chennai (Tamil Nadu) produce a range of aluminium die-cast components using high-pressure, low-pressure and gravity die-casting technologies. Additionally, it has a dedicated auto-chain manufacturing plant at Mangli (Punjab). The company has also set up greenfield facilities in Tirupati (Andhra Pradesh) and Gujarat for manufacturing alloy wheels for PV and 2W OEMs over the past few years.

Key financial indicators (audited)

RIL (consolidated)	FY2025	FY2026*
Operating income (OI)	2,804.5	3,517.7
PAT	195.5	154.6
OPBDIT/OI	16.2%	13.8%
PAT/OI	7.0%	4.4%
Total outside liabilities/Tangible net worth (times)	0.6	0.4
Total debt/OPBDIT (times)	1.1	1.0
Interest coverage (times)	14.4	12.7

[2] In FY2023, RIL changed its business contract with HMCL to a 'job-work' model, resulting in reduced contribution from the OEM on an absolute basis (down to ~31% of revenues in FY2025 from ~70% till FY2022). RIL continues to procure raw materials for the other OEMs, which gets included in the COGS and revenue numbers.

*Source: Company, ICRA Research; *Provisional numbers; 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

		Current (FY2027)			Chronology of rating history for the past 3 years					
Instrument	Type	Amount Rated (Rs. crore)	FY2027		FY2026		FY2025		FY2024	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Cash credit	Long-term	145.00	Aug 03, 2026	[ICRA]AA (Positive)	Aug 28, 2025	[ICRA]AA (Positive)	Aug 30, 2024	[ICRA]AA (Positive)	Aug 10, 2023	[ICRA]AA (Stable)
Term loans	Long-term	114.15	Aug 03, 2026	[ICRA]AA (Positive)	Aug 28, 2025	[ICRA]AA (Positive)	Aug 30, 2024	[ICRA]AA (Positive)	Aug 10, 2023	[ICRA]AA (Stable)
Fund-based/ Non-fund based limits	Short-term	50.00	Aug 03, 2026	[ICRA]A1+	Aug 28, 2025	[ICRA]A1+	Aug 30, 2024	[ICRA]A1+	Aug 10, 2023	[ICRA]A1+
Fund-based limits	Short-term	190.00	Aug 03, 2026	[ICRA]A1+	Aug 28, 2025	[ICRA]A1+	Aug 30, 2024	[ICRA]A1+	Aug 10, 2023	[ICRA]A1+
Non-fund based limits	Short-term	90.00	Aug 03, 2026	[ICRA]A1+	Aug 28, 2025	[ICRA]A1+	Aug 30, 2024	[ICRA]A1+	Aug 10, 2023	[ICRA]A1+
Unallocated	Long-term / Short-term	200.00	Aug 03, 2026	[ICRA]AA(Positive)/ [ICRA]A1+	Aug 28, 2025	[ICRA]AA(Positive)/ [ICRA]A1+	-	-	-	-
Fund-based / Non-fund-based limits	Long-term / Short-term	370.00	Aug 03, 2026	[ICRA]AA(Positive)/ [ICRA]A1+	-	-	-	-	-	-
Commercial paper	Short-term	75.00	Aug 03, 2026	[ICRA]A1+	Aug 28, 2025	[ICRA]A1+	Aug 30, 2024	[ICRA]A1+	Aug 10, 2023	[ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based limits	Simple
Long-term – Fund-based / Term loans	Simple
Short-term – Fund-based limits	Simple
Short-term – Fund-based /Non-fund based facilities	Simple
Short-term – Non-fund based limits	Simple
Long-term / Short-term - Fund-based limits	Simple
Unallocated limits	Not Applicable
Commercial paper programme	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	Financial sector regulator#
NA	Term loan-I	FY2020	NA	FY2027	4.00	[ICRA]AA (Positive)	RBI
NA	Term loan-II	FY2019	NA	FY2031	110.15	[ICRA]AA (Positive)	RBI
NA	Cash credit	NA	NA	NA	145.00	[ICRA]AA (Positive)	RBI
NA	Fund-based limits	NA	NA	NA	190.00	[ICRA]A1+	RBI
NA	Fund-based/ Non-fund based limits	NA	NA	NA	50.00	[ICRA]A1+	RBI
NA	Non-fund based limits	NA	NA	NA	90.00	[ICRA]A1+	RBI
NA	Unallocated limits	NA	NA	NA	200.00	[ICRA]AA (Positive)/ [ICRA]A1+	RBI
NA	Long-term/ Short-term – Fund-based/Non-fund based limit	NA	NA	NA	370.00	[ICRA]AA (Positive)/ [ICRA]A1+	RBI
NA	Commercial paper programme*	Yet to be placed			75.00	[ICRA]A1+	RBI

*Source: Company, *Not issued by company currently*

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

Annexure II: List of entities considered for consolidated analysis

Company name	RIL ownership	Consolidation approach
Rockman Industries Limited	(rated entity)	Full consolidation
Rockman Advanced Composites Private Limited	79.07%	Full consolidation
Rockman Advanced Composites (UK) Limited	100.00%	Full consolidation
Rockman Technologies Private Limited	100.00%	Full consolidation
Rockman Precision Private Limited	100.00%	Full consolidation
Spares Superhero Private Limited	100.00%	Full consolidation
Hero Electronix Private Limited	45.16%	Equity method
MCT Engineering Limited	27.00%	Equity method

Source: RIL Annual report

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