

Samvardhana Motherson International Limited

January 09, 2018

Summary of Rated Instrument:

Instrument*	Rated Amount (Rs. crore)	Rating Action
NCD Programme	400.0	[ICRA]AA- (positive) Outstanding
NCD Programme	120.0	[ICRA]AA- (positive) withdrawn

*Instrument details are provided in Annexure-1

Material Event

On January 4, 2018, Samvardhana Motherson International Limited (SMIL) announced that it had acquired 100% stake in MS Global India Pvt Ltd (MS Global India), from Korea based MS Group. MS Global India is a tier-I auto ancillary engaged in supplies of pressed sheet metal frames for the commercial vehicle segment, with a cold stamping manufacturing facility located in Chennai.

Impact of the Material Event

On December 21, 2017, SMIL had monetized a part of its investments in Motherson Sumi Systems Limited (1.37% of the erstwhile 34.81% stake), receiving a consideration of 1,087.2 crore in the market transaction. While the management of SMIL has not disclosed the finer details of the acquisition of MS Global India, the management has confirmed that the funding requirements of the acquisition have been met through the funds received from the stake sale; as such, there has been no incremental borrowing on SMIL's books on account of the acquisition.

ICRA believes that the acquisition of MS Global India will help further diversify the business profile and improve the content per vehicle of the Samvardhana Motherson group (SMG), India's leading full-system solution provider for the automotive industry. SMIL continues to have commitments towards supporting investment requirements of its various investee companies, going forward, and any significant inorganic growth plans of SMG, given the group's track record of acquisitions, could lead to increased indebtedness for SMIL. Nonetheless, the rating assigned continues to factor in the significant financial flexibility of SMIL in the form of its shareholding of MSSSL (market value of ~Rs. 26,800 crore as of January 7, 2018). ICRA also continues to draw comfort from the management's financial discipline and its stated intention to restrict the quantum of debt to be availed to fund the Group's investment plans.

The previous detailed rating rationale is available on the following link: [Click here](#)

Rating history for last three years:

Current Rating (FY2018)				Chronology of Rating History for the past 3 years							
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in FY2018		Date & Rating in FY2017		Date & Rating in FY2016			Date & Rating in FY2015
				January 2018	September 2017	September 2016	August 2016	February 2016	October 2015	September 2015	
1 NCD Programme	Long Term	200.0	200.0	[ICRA] AA- (positive)	[ICRA] AA- (positive)	[ICRA] AA- (stable)	[ICRA] AA- (stable)	[ICRA] AA- (stable)	[ICRA] AA- (stable)	[ICRA] AA- (stable)	-
2 NCD Programme	Long Term	200.0	200.0	[ICRA] AA- (positive)	[ICRA] AA- (positive)	[ICRA] AA- (stable)	[ICRA] AA- (stable)	[ICRA] AA- (stable)	[ICRA] AA- (stable)	-	-
3 NCD Programme	Long Term	120.0	0.0	Withdrawn	[ICRA] AA- (positive)	[ICRA] AA- (stable)	[ICRA] AA- (stable)	-	-	-	-

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE750H07071	NCD-4	19-Nov-15	0%	19-Dec-18	200.0	[ICRA]AA- (positive)
INE750H07089	NCD-5	2-Dec-15	0%	3-Jan-19	200.0	[ICRA]AA- (positive)
INE750H07105	NCD-7	1-Sep-16	0%	30-Nov-17	120.0	[ICRA]AA-(positive) Withdrawn

Source: Samvardhana Motherson International Limited

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