May 27, 2021

Seoyon E-Hwa Summit Automotive Anantapur Private Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based TL	415.33	415.33	[ICRA]BB+ (Stable); withdrawn
Long Term / Short Term - Unallocated	34.67	34.67	[ICRA]BB+ (Stable)/[ICRA]A4+; withdrawn
Total	**450.00**	**450.00**	

**Instrument details are provided in Annexure-1*

Rationale

The ratings assigned to Seoyon E-Hwa Summit Automotive Anantapur Private Limited have been withdrawn at the request of the company, upon receipt of no objection certificate (NOC) from the bankers, in accordance with ICRA's policy on withdrawal and suspension of credit rating

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position, Rating sensitivities, Key financial indicators have not been captured as the rated instruments are being withdrawn.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 ICRA Policy on Withdrawal and Suspension of Credit Rating Rating Methodology for Auto Component Manufacturers
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Seoyon Group was established in 1972 as a manufacturer car interiors and bus seats. Over the decades, the Group diversified into producing various products in the auto component space such as moulded plastic components, sheet metal components, electronic components, tools and dies, etc. Seoyon Anantapur's parent, Seoyon E-Hwa Korea is a global supplier of injection moulded plastic components such as bumpers, door trims, etc., to automotive OEMs such as HMC, KMC, etc. Over the years, Seoyon E-Hwa Korea has established strong relationships with HMC and KMC, resulting in healthy business share for the components it supplies. In India, the Seoyon Group has several subsidiaries that cater to auto component segments such as moulded plastic and electronic components. The subsidiaries are held by Seoyon E-Hwa Korea, while the ultimate parent is Seoyon Company Limited, Korea.

Seoyon Anantapur was established in September 2017, to manufacture and supply injection moulded plastic components (bumpers, door trims, etc.) for Kia Motors. The company was created as a JV between the Seoyon Group (60% shareholding) and the Summit Group (40% shareholding). The project was developed at an estimated cost of over Rs. 500 crore and with a capacity to generate monthly revenues of ~Rs. 125 crore. The project was funded through ~Rs. 415 crore of foreign

denominated debt and Rs. 201.1 crore of equity. Construction of the plant began in June 2018 and it became fully operational in July 2019. With the launch of "Kia Motors" brand of cars in India in FY2020, the company recorded revenues of Rs. 373.8 crore in FY2020.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in	Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019
					May 27, 2021	Nov 13, 2020	-	-
1	Long Term - Fund Based TL	Long-term	415.33	NA	[ICRA]BB+ (Stable); withdrawn	[ICRA]BB+ (Stable)	-	-
2	Long Term / Short Term - Unallocated	Long-term and short term	34.67	--	[ICRA]BB+ (Stable)/[ICRA]A4+; withdrawn	[ICRA]BB+ (Stable)/[ICRA]A4+	-	-

&= Under watch with developing implications

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term - Fund Based TL	Simple
Long Term / Short Term - Unallocated	Not Applicable

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 analyzing 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, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	BC/FCTL/ECB	FY2019	4.14%	FY2027	415.33	[ICRA]BB+ (Stable); withdrawn
NA	Long Term / Short Term - Unallocated	NA	NA	NA	34.67	[ICRA]BB+ (Stable)/[ICRA]A4+; withdrawn

Source: *Company*

Annexure-2: List of entities considered for consolidated analysis- NA

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