

May 25, 2022

Kyungshin Industrial Motherson Private Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based Limits	15.00	15.00	[ICRA]AA (Stable); Withdrawn
Non-fund Based Limits	5.00	5.00	[ICRA]A1+; Withdrawn
Unallocated	36.74	36.74	[ICRA]AA (Stable); Withdrawn
Total Bank Line Facilities	56.74	56.74	

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the ratings assigned to Kyungshin Industrial Motherson Private Limited (KIML) at the request of the company and in accordance with ICRA's policy on withdrawal of credit rating. ICRA does not have adequate 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Key rating drivers, Liquidity position, Rating sensitivities have not been captured as the related instrument is being withdrawn.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 Impact of Parent or Group Support on an Issuer's Credit Rating Rating Methodology for Auto Component Manufacturers Policy on Withdrawal of Credit Ratings
Parent/Group Support	Parent/Group Company: Motherson Sumi Systems Limited (rated [ICRA]AA+ (Stable)/A1+), Kyungshin Industrial Corporation, South Korea The ratings are based on the implicit support from its parent company
Consolidation/Standalone	The rating is based on the company's standalone financial profile.

About the company

Incorporated in October 1997, KIML is a 50:50 joint venture between Kyungshin Industrial Corporation Limited (KIC), South Korea, and Motherson Sumi Systems Limited, India. The company is a key supplier of wiring harness system assemblies in the domestic passenger vehicle market, with major customers being Hyundai Motors India Limited (HMIL) and Kia India Private Limited (Kia). Its manufacturing assets are located in Tamil Nadu and Andhra Pradesh, from where it supplies to HMIL and Kia respectively. By virtue of the established global relationship between KIC and Hyundai Group, the company has cemented its market position as the sole domestic supplier of wiring harness assemblies to Kia and major supplier to HMIL.

Key financial indicators (audited)

Consolidated	FY2020	FY2021
Operating Income (Rs. crore)	1,605.2	1,454.9
PAT (Rs. crore)	39.6	-4.6
OPBDIT/OI (%)	4.8%	0.7%
PAT/OI (%)	2.5%	-0.3%
Total Outside Liabilities/Tangible Net Worth (times)	1.1	1.3
Total Debt/OPBDIT (times)	0.6	4.0
Interest Coverage (times)	19.3	2.7

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

Instrument	Current Rating (FY2023)				Chronology of Rating History for the past 3 years			
	Type	Amount Rated (Rs. crore)	Amount Outstanding as of Mar 31, 2022 (Rs. crore)	Date & Rating in	Date & Rating in	Date & Rating in	Date & Rating in	
				May 25, 2022	Feb 25, 2022	Feb 12, 2021	Feb 20, 2020	
1 Fund Based Limits	Long-term	15.00	-	[ICRA]AA(Stable) Withdrawn	[ICRA]AA(Stable) outstanding	[ICRA]AA(Stable)	[ICRA]AA(Stable)	
2 Non-fund Based Limits	Short-term	5.00	-	[ICRA]A1+ Withdrawn	[ICRA]A1+ outstanding	[ICRA]A1+	[ICRA]A1+	
3 Unallocated Limits	Long-term	36.74	-	[ICRA]AA(Stable) Withdrawn	[ICRA]AA(Stable) outstanding	[ICRA]AA(Stable)	[ICRA]AA(Stable)	
4 Commercial Paper	Short-term	-	-	-	[ICRA]A1+; Withdrawn	[ICRA]A1+	[ICRA]A1+	

*An update on the details of lender facilities was published on October 18, 2021

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term Fund Based Limits	Simple
Short-term Non-fund Based Limits	Very Simple
Unallocated Limits	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 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, 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	Fund Based Limits	NA	NA	NA	15.00	[ICRA]AA(Stable); Withdrawn
NA	Non-fund Based Limits	NA	NA	NA	5.00	[ICRA]A1+; Withdrawn
NA	Unallocated Limits	NA	NA	NA	36.74	[ICRA]AA(Stable); Withdrawn

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-2: List of entities considered for consolidated analysis- Not Applicable

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About ICRA Limited:

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