



## TRW Sun Steering Wheels Private Limited

Facility	Amount (Rs. Crore)	Rating Action
		<b>September, 2015</b>
Fund based Limit	2.90	[ICRA]BBB+ (Stable); reaffirmed
Non Fund Based Limit	1.00	[ICRA]A2+; reaffirmed
Unallocated limits (LT/ST)	4.01	[ICRA]BBB+ (Stable)/ [ICRA]A2+; assigned

ICRA has reaffirmed the long term and short term ratings for the Rs. 7.91 crore bank facilities of TRW Sun Steering Wheels Pvt. Ltd. (TSSW) at [ICRA]BBB+/[ICRA]A2+ (pronounced ICRA triple B plus/ICRA A two plus). The outlook on the long term rating is “Stable”<sup>†</sup>.

The rating reaffirmation continues to take into account the TSSW’s established relationship with its key customers; technical and marketing assistance from its collaborator TRW; and continued strong financial profile characterized by conservative capital structure with low gearing and robust coverage indicators. The ratings also take into consideration the increase in business volumes with existing customers and award of business from new customers, which provide revenue visibility over the medium term. The ratings also factor in positively the steady improvement in the profit margins backed by favourable product-mix which coupled with increased capacity utilisation translated into robust return indicators.

The ratings, however, are constrained by high customer concentration risk faced by the company with MSIL, M&M and Ford contributing to around 75% of company’s total sales in 2014-15; though the strong product line up and consistent business awards by these OEMs to TSSW mitigates the risk to a certain extent. Further ICRA considers the company’s single product concentration as well as growing dependence on technological collaborator remains a constraining factor; higher dependence on TRW has been on account of shift in preference of OEMs towards complete safety system (seat belts, air bags and steering wheels) sourcing. Going forward, the ratings will remain sensitive to the company’s ability to sustain the credit profile as well as scale-up supplies.

### Company Profile

TSSW was incorporated during 1994 and was promoted by Mr. Subhash Sathe and Mrs. Indrani Sathe. The company is primarily involved in the business of manufacturing steering wheels for various OEMs including MSIL, TML and GM. The company operates manufacturing plants in Gurgaon and Pune. TRW Aftermarket Asia Pacific Pte Ltd. holds a 49% stake in the company with the rest (51% stake) held by M/s Sun Vacuum Formers Pvt. Ltd. TRW has three seats in the Board of Directors while Sun Vacuum Formers have four seats.

The Sun group operates two more companies in addition to TSSW viz. Sun Vacuum Formers (parent of TSSW) and TS-Sun Tech India Private Limited. Sun Vacuum Formers manufactures injection molded plastic parts such as floor consoles and dash board components mainly for MSIL. The other company TS-Sun Tech India Pvt. Ltd. is a JV between Sun Vacuum Formers (26%) and TS-Tech (74%) which manufactures seats for Honda (holds 26% in TS-Tech).

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<sup>†</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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