



Yazaki Wiring Technologies India Private Limited

Rating History

Instruments	Amounts (Rs. Crore [*])	Ratings Outstanding	Previous Rating
		December 2011	July 2010
Term Loans	5.7	[ICRA]BB(stable)	[ICRA]BB(stable)
Long Term Fund Based Facilities	10.0	[ICRA]BB(stable)	[ICRA]BB(stable)
Short Term Fund Based Facilities	7.5	[ICRA]A4	[ICRA]A4

ICRA has reaffirmed the long term rating of [ICRA]BB (pronounced ICRA double B) outstanding on Rs. 5.7 crore term loan facility and Rs. 10.0 crore fund based facility of Yazaki Wiring Technologies India Private Limited (“YWTI”, “the Company”)†. ICRA has also reaffirmed the short term rating of [ICRA]A4 (pronounced ICRA A four) outstanding on Rs. 7.5 crore fund based facilities of YWTI. The long term ratings carry stable outlook.

The rating re-affirmation takes into account YWTI's strong parentage and demonstrated operational and financial support from the parent company. ICRA also take note of Company's sole supplier status for passenger cars (B segment) of Ford India Private Limited (“FIPL”), which has witnessed strong growth in sales in recent years due to success of “Ford Figo” model. However, the Company's financial profile remains weak due to continued operating losses as it struggles with operational issues associated with scaling up its operations. The resultant net worth erosion has further constrained the already weak capital structure, although equity infusion of Rs. 32.5 crore by Yazaki Corporation, Japan in current fiscal has resulted in some improvement. The planned debt funded capital expenditure to be incurred by the Company may put additional strain on cash flows in the medium term. The early stabilization of operations will be critical for the Company to improve its credit profile.

ICRA also takes note of Company's high customer concentration with FIPL accounting for ~98% of sales and limited scope of customer diversification due to non compete agreement with Tata Yazaki Auto Comp Limited, although the Company has started supplying to Daimler India Commercial Vehicles in current fiscal.

Company Profile

The company was originally incorporated by Siemens in 1998 to supply wiring harness to Ford India Private Limited (FIPL). In 2002, the company was converted into a 50% JV between Siemens AG and the Yazaki Corporation, Japan and the company was re-named Siemens Yazaki Wiring Technologies. Subsequently in 2004, Yazaki Wiring Technologies, Germany a wholly owned subsidiary of Yazaki Corporation Japan acquired the complete ownership of the company and renamed it Yazaki Wiring Technologies India Private Limited (YWTI). YWTI is the sole supplier of wiring harness FIPL for passenger cars (B segment vehicles) with nearly 98% of its revenue derived from sales to FIPL. Apart from FIPL, the company also supplies harnesses for “Mitsubishi Lancer” to Hindustan Motors Limited. The Company has started supplying to Daimler India Commercial Vehicles Private Limited in the current fiscal.

Yazaki Corporation, headquartered in Minato-ku, Tokyo (Japan), is a 100% privately owned corporation with a diverse range of products in the global automotive and environmental systems sectors. Yazaki is one of the largest producers of automotive wiring harnesses in the world. Over the years, The Yazaki Group has achieved a significant global presence with 169 companies and 410 business sites in 39 countries. It has production facilities in the USA, Mexico, South America, Africa, Australia, Southeast Asia, India and China as well as throughout Europe.

* 100 lakhs = 1 crore = 10 millions

† For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.



Recent Results

As per provisional financials for first seven months of fiscal 2011-12, the Company has reported loss of Rs. 13.9 crore on an operating income of Rs. 87.9 crore compared to loss of Rs. 10.9 crore on an operating income of Rs. 130.1 crore in fiscal 2010-11.

December 2011

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