



Cooper Standard India Private Limited

Instrument	Amount	Rating
	In Rs. crore	November, 2015
<i>Rated on Long term scale</i>		
Cash Credit*	2.0	Rating revised from [ICRA]A- to [ICRA]BBB+; Outlook 'Stable'
<i>Rated on Short term scale</i>		
Fund based/Non-fund based	30.0	Rating revised from [ICRA]A1 to [ICRA]A2
Total Rated	30.0	-

*Cash Credit is sub-limit of Rs. 30.0 crore Fund based/Non-fund based limits

ICRA has revised the long term and short term ratings for Rs. 30.0 crore* (reduced from Rs. 53.0 crore) bank facilities of Cooper Standard India Private Limited (erstwhile Metzeler Automotive Profiles India Private Limited; 'CSI' or 'the company')[†] from [ICRA]A-/ [ICRA]A1 (pronounced ICRA A minus/ ICRA A one) to [ICRA]BBB+/A2 (pronounced ICRA triple B plus/ ICRA A two). The outlook on the long term rating is 'Stable'.

The rating action takes into consideration the weaker than expected operating performance of the company in 2014-15, reduced financial flexibility caused by major capital expenditure undertaken during 2013-14 and 2014-15 funded by debt from parent (CSAI), and high competitive intensity with the company losing market share over the past years. The operating performance of the company was impacted by decline in sales revenue over the last two years, one time VRS offered to employees from existing plants in order to cut the costs over the near term as the sales from these plants declined, and decline in asset sweating as the company undertook major capital expenditure over the last two years for certain customers.

The ratings factor in positively the strong track record of technical and financial support from parent company (CSAI), leadership position in the domestic passenger vehicle rubber profile/weather strip market, and healthy revenue visibility in the near to medium term supported by new business from customers such as Ford, Renault and Volkswagen. ICRA notes that the company's management under the new parentage has made efforts to improve liquidity by better management of working capital requirements; CSAI increased its stake in the company from 74% to 100% in January, 2015 by acquiring the stake of Toyoda Gosei Company Limited (TGCL). The ratings are also supported by the management's intent to convert a part of debt from the parent into equity by March, 2016 and going forward the ratings would remain sensitive to the implementation of the same.

Company Profile

Cooper Standard India Private Limited or CSI (formerly known as Metzeler Automotive Profiles India Private Limited), started operations in November 1993 and manufactures high performance Automotive Body Seals and Glass Runs. Over the last few years, the company has also diversified into manufacturing of TPE profiles and chrome strips. The company currently has four plants at Sahibabad, Manesar, Bawal, and Sanand. Till January, 2015 the company was operating as 74:26 joint venture between Cooper Standard Automotive Inc. USA (CSAI) and Toyoda Gosei Company Limited, Japan (TGCL). However, effective 30 January, 2015 CSAI acquired the TGCL's share to become the 100% owner. CSAI is a global player in the automotive fluid systems and sealing systems.

November 2015

* 100 lakh = 1 crore = 10 million

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



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