

DAEBU AUTOMOTIVE SEAT INDIA PRIVATE LIMITED

July 28, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	253.00	CARE A-; Stable	Assigned
Long-term / Short-term bank facilities	325.00	CARE A-; Stable / CARE A2+	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Daebu Automotive Seat India Private Limited (DASIPL) derives strength from established market position as a seating system manufacturer for major OEMs backed by strong relationship with Hyundai Motors and Kia Motors, long operational track record of parent company in the same line of business for over three decades, established market position, and comfortable financial risk profile. However, ratings are, constrained by concentrated customer profile and large debt-funded capex.

Ratings draw comfort from parent company, DAS Corporation's Memorandum of Understanding (MoU) with Hyundai group to be the sole seat mechanism supplier for all Hyundai and Kia cars manufactured across the world. Ratings take cognisance of debt-funded capex being done to support new plant of Hyundai in Talegaon, Pune. Timely project completion and ability to scale up will remain a key monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors:

- Improvement in scale of operations with total operating income (TOI) above ₹2000 crore with diversification in customer profile, while maintaining operating margins above 8%.
- Improvement in capital structure with overall gearing below 0.5x.

Negative factors:

- Deterioration in capital structure with overall gearing above 1.25x.
- Deterioration in working capital indicators.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes the company's operational performance will remain stable backed by orders from Hyundai and Kia.

Detailed description of key rating drivers

Key strengths

Long-standing experience of parent company in auto component industry

Originally founded in 1987 as Daebu Machinery, DAS Corporation began its journey in Gyeongju, South Korea, with a focus on manufacturing automotive seat components. DAS Corporation has established 14 production and sales sites across Asia, Europe, and the Americas, and operates three R&D centres.

Over the years, DAS Corporation has become an established Tier 1 supplier of automotive seating systems, including seat frames, adjustment systems, and safety components. Their clientele includes top automotive brands such as Hyundai, Kia, Mercedes-Benz, Volkswagen, and others. In FY23, DAS Corporation invested ~₹6 crore in DASIPL for constructing a new manufacturing facility in Pune, India. In FY25, the parent company has infused ~₹33 crore equity share capital for capex being undertaken.

DASIPL is strategically important to the group as it envisions positioning DASIPL as the central semi knocked down (SKD) unit supplier for all DAS Corporation group entities worldwide. DASIPL has established a R&D facility in Hyderabad, which is one of

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

three R&D facilities in the group, to support product development. The facility is strategically aligned with DAS Corporation's vision to make DASIPL a global hub for SKDs for its sister concerns world-wide.

State-of-the-art manufacturing facility

DASIPL operates as a Tier 2 manufacturer specialising in car seat mechanisms. The company manufactures parts including recliners, rails, height adjusters from steel coils and assembles it before selling to end stage manufacturers. The company currently has two manufacturing facilities in Chennai and Pune. The company is establishing new factories in Chennai and Pune in the next two financial years, which will increase its capacity from 1.5 million units per annum to ~3.5 million units per annum. The new manufacturing facility in Pune will manufacture Hyundai seats whereas that in Chennai factory will be for KIA. The capex is being undertaken basis order visibility from OEMs. The company is also in nascent stages of planning to establish new factory in Anathapur to support Kia.

Established market position backed by strong client relationship with Hyundai and Kia

DAS group has an established relationship with Hyundai and Kia. Hyundai and Kia hold 22-24% market share in the Indian passenger vehicle (PV) industry in the last five financial years. Apart from this, the company also supplies to Tata, Mahindra, Ashok Leyland, Stellantis among others with a focus on technologically advanced front seating system. The company currently caters to about one-fourth of the PV industry in India. The company's exports, which amounted to 24% of TOI in FY25 (PY: 27%) was to its sister concerns in Czech Republic, Turkey, Brazil, the USA, and Indonesia, with Hyundai as the end customer.

Improving scale of operations

DASIPL's scale of operations consistently improved, with the company reporting a turnover of ₹1,428 crore in FY25, reflecting a compound annual growth rate (CAGR) of 15% in the last five years. This growth has been driven by higher volumes and improved realisations. The revenue visibility is healthy with new plants under construction to cater to demand from Hyundai and Kia, which are expected to further support and sustain its expanding operational scale in the coming years.

Key Weaknesses

Concentrated customer profile

In FY25, Hyundai and Kia together contributed ~57% of DASIPL's total revenue, down from 63% in the previous year, indicating a slight reduction in customer concentration. Despite this improvement, the company remains significantly exposed to revenue risks tied to Hyundai's production volumes. However, this risk is partially offset by the company's efforts to diversify its customer base, with growing engagements from other OEMs such as Tata Motors, Mahindra & Mahindra, and others.

Large debt funded capital expenditure

DASIPL is undertaking a debt-funded capital expenditure plan in FY26 and FY27 to establish new manufacturing facilities in Pune and Chennai, aimed at expanding its production capacity. The project is expected to cost ₹200 crores, which will be incurred over FY26 and FY27. In FY26, the company is expected to incur ₹110 crore of capex, which will be funded from equity infusion of ~₹33 Crores and ₹77 crore of term loans. Though some weakening in credit metrics is expected in the near term, it is expected to improve in then medium with accruals coming from new plants. As on March 31, 2024, DASIPL reported a ₹172.75 crore contingent liability for customs tax demands, which the company has appealed. The company has deposited a total of ₹26 crore under protest as on March 31, 2025, and the final order is pending.

Industry prospects

The auto ancillary industry in India in the last few years is experiencing steady growth, driven by demand from automotive OEMs and the replacement market. Even though sales of PVs hit a record high of 4.3 million units in FY25, growth momentum has been slowing marked by growth of 2% in FY25. In the beginning of FY26, the industry is facing headwinds caused by China's export restrictions of Rare Earth Elements (REEs). China accounts to 70% of global production and 90% of processing of REEs. India imported ~90% of its permanent magnets containing REEs from China in FY24 and FY25. Shortage threatens the production of electric (EV), high-end internal combustion engine (ICE) and hybrid vehicles starting in July 2025.

Liquidity: Adequate

The company's liquidity is adequate marked by low cash credit (CC) utilisation with an average of 15.86% for 12 months ended April 2025. The company's operating cycle increased marginally from 45 days in FY24-end to 48 days as on FY25-end. The collection period increased to 94 days in FY25 (PY: 76 days), which was partially offset by increase in creditor days to 81 days in FY25 (PY: 72 days). Gross cash accruals (GCA) was comfortable at ~₹97 crore in FY25 against a debt repayment of ~₹30-35 crore.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks : Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Auto Components & Equipments](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Automobile and auto components	Auto components	Auto components & equipment

Established on October 10, 2006, DASIPL is a Tier 2 manufacturer of seating system for the automotive industry. The company serves a marquee clientele including Hyundai, Kia, Tata Motors, Mahindra & Mahindra, and Daimler, among others. DASIPL also exports semi-finished products to its sister companies in Brazil, Czech Republic, Turkey, and the USA. The company currently operates two manufacturing facilities in Chennai and Pune, with a combined installed capacity of 1.5 million units per year.

Particular	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	1,218.06	1,282.70	1,428.04
PBILDT	91.42	96.79	134.30
PAT	25.99	31.10	59.26
Overall gearing (times)	1.09	0.79	0.84
Interest coverage (times)	3.92	4.53	7.83

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	October - 2030	253.00	CARE A-; Stable
LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC		-	-	-	325.00	CARE A-; Stable / CARE A2+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	253.00	CARE A- ; Stable				
2	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	LT/ST	325.00	CARE A- ; Stable / CARE A2+				

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	Simple

Annexure-5: Lender detailsTo view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Sandeep P Director CARE Ratings Limited Phone: +91-44-2850 1002 E-mail: sandeep.prem@careedge.in
Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: +91-22-6754 3404 E-mail: saikat.roy@careedge.in	Ali Monish P E Assistant Director CARE Ratings Limited Phone: +91-44-2850 1021 E-mail: alimonish.p@careedge.in Aadarsh Gs Analyst CARE Ratings Limited E-mail: Aadarsh.Gs@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**