

Press Release

SKH SHEET METALS COMPONENTS PRIVATE LIMITED

March 07, 2024



Rating Downgraded & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Ratings Loan	146.91	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*	-
Bank Ratings Loan	0.26	Not Applicable Withdrawn	-
Bank Ratings Loan	146.00	-	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	293.17	-	-

Rating Rationale

Acuite has downgraded and withdrawn the long-term rating to 'ACUITE BB+' (read as ACUITE double B plus) from 'ACUITE BBB-' (read as ACUITE triple B minus) on the Rs.146.91 crore bank facilities and also downgraded and withdrawn the short-term rating to 'ACUITE A4+' (read as ACUITE A four Plus) from 'ACUITE A3+' (read as ACUITE A three plus) on the Rs.146.00 Cr. bank facilities of SKH Sheet Metals component private Limited (SSMC).

Further, Acuite has withdrawn the long-term rating on the Rs.0.26 crore bank facilities of SKH Sheet Metals component private Limited (SSMC). without assigning any rating as it is a proposed facility.

The rating has been withdrawn on Acuite's policy of withdrawal of ratings. The rating has been withdrawn on account of the request received from the company, and the NOC (No objection certificate) received from the banker.

The rating has now been flagged as "Issuer Not-Cooperating" and is based on the best available information. The rating has been downgraded on account of information risk.

About the Company

SSMC was established in 2005, based in Gurgaon It is also engaged in manufacturing sheet metal components. It has manufacturing facilities located in Gurgaon for Maruti Suzuki India Limited (MSIL) and MSIL tier 1 ancillary supplier and in Pune and Chennai for other OEMs such as Volkswagen, Nissan and Renault amongst others. Its products include a body in white (BIW), seat structures, fuel tanks mufflers and other components. Its board of members include Mr. Sunandan Kapur Mr. Parvesh Soni and Mr. Sanjay Kumar Kaul.

About the Group

SKH Management Services Limited (SMSL) an unlisted public limited company is located in New Delhi, was incorporated on November 24, 2008. It is mainly engaged in providing Business and consultancy services from more than a decade to its group companies namely

for 'SKH group'. The company is promoted by directors Mr. Sunandan Kapur, Mrs. Shruti Kapur Malhotra and Mrs. Supriya Kapur.

SKH Management Strategy Services India LLP (SMLP), a limited liability partnership firm, headquartered in Delhi was incorporated in 2014 is mainly in providing business and consultancy services to its group companies namely for 'SKH group'. The partnership firm is promoted by directors Mr. Sunandan Kapur, and Mrs. Supriya Kapur.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit ratings is based.

Rating Sensitivities

"No information provided by the issuer / available for Acuite to comment upon."

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	3300.62	2378.62
PAT	Rs. Cr.	63.61	36.10
PAT Margin	(%)	1.93	1.52
Total Debt/Tangible Net Worth	Times	2.00	2.25
PBDIT/Interest	Times	4.46	3.27

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
30 Mar 2023	PC/PCFC	Short Term	45.00	ACUITE A3+ (Reaffirmed)
	PC/PCFC	Short Term	40.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	2.00	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	14.00	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	10.00	ACUITE A3+ (Reaffirmed)
	PC/PCFC	Short Term	25.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	60.00	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	27.06	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	13.20	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	3.60	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	15.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	3.05	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	0.26	ACUITE BBB- Stable (Reaffirmed)
31 Dec 2021	Letter of Credit	Short Term	20.00	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	16.00	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	14.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	21.00	ACUITE A3+ (Reaffirmed)
	PC/PCFC	Short Term	40.00	ACUITE A3+ (Reaffirmed)
	Term Loan	Long Term	12.87	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	15.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	3.60	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	13.20	ACUITE BBB- Stable (Reaffirmed)
		Long		ACUITE BBB- Stable

	Working Capital Term Loan	Term	27.50	(Reaffirmed)
	Cash Credit	Long Term	25.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	60.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB- Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Kotak Mahindra Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.00	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE A3+)
SBM Bank (India) Ltd.	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE A3+)
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BBB-)
RBL Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	15.00	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BBB-)
Kotak Mahindra Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	14.00	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE A3+)
SBM Bank (India) Ltd.	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE A3+)
HDFC Bank Ltd	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	25.00	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE A3+)
Kotak Mahindra Bank	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	45.00	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE A3+)
Yes Bank Ltd	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	40.00	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE A3+)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.26	Not Applicable Withdrawn
HDFC	Not avl. / Not	Term Loan	Not avl. /	Not avl. / Not	30 Aug	Simple	60.00	ACUITE BB+ Downgraded & Withdrawn Issuer not

Bank Ltd	appl.		Not appl.	appl.	2025			co-operating* (from ACUITE BBB-)
Bajaj Finance Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	09 Apr 2025	Simple	3.05	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BBB-)
Yes Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2026	Simple	13.20	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BBB-)
RBL Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	19 Oct 2027	Simple	3.60	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BBB-)
Bajaj Finance Ltd.	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	15.00	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BBB-)
Kotak Mahindra Bank	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	19 Aug 2026	Simple	27.06	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BBB-)

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 mohit.jain@acuite.in Abhishek Singh Analyst-Rating Operations Tel: 022-49294065 abhishek.s@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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