

March 31, 2021

Sandhar Technologies Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based – Working Capital Facilities	50.00	50.00	[ICRA]AA- (Negative); Rating withdrawn
Fund-based/Non-fund Based – Working Capital Facilities	25.00	25.00	[ICRA]AA- (Negative)/ [ICRA]A1+; Rating withdrawn
Unallocated Limits	5.00	5.00	[ICRA]AA- (Negative); Rating withdrawn
Total	80.00	80.00	

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the long-term rating of [ICRA]AA- (Negative) and short-term rating of [ICRA]A1+ assigned to the Bank Facilities of Sandhar Technologies Limited (STL) and it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The rating is withdrawn in accordance with ICRA's policy on withdrawal and suspension at the request of the company, based on the no objection certificate received from the issuing banks.

The Key rating drivers, Liquidity position, Rating sensitivities, Key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal of Credit Ratings
Parent/Group Support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of STL. As on March 31, 2020, the company had three subsidiaries and twelve JVs, which are enlisted in Annexure-2.

About the company

Incorporated in 1987, STL is a highly diversified auto-component manufacturer, present across product segments such as lock set assemblies, mirror assemblies, cabin fabrication, wheel assemblies, sheet metal components, handle bar assemblies, plastic parts, aluminium die casting etc. The company caters to multiple automotive segments, including 2Ws, PVs, CVs, off-highway vehicles and tractors. It has a wholly-owned subsidiary, Sandhar Technologies Barcelona (ST Barcelona), which supplies aluminium spools to seat-belt manufacturers across Europe and North America. STL has several manufacturing facilities in India, two in Spain and one each in Poland and Mexico.

STL came out with an IPO in March 2018, which helped it raise ~Rs. 300 crore of funds through issue of fresh shares; additionally, its PE investor – GTI Capital plans sold 64 lakh shares of the company through a secondary sale (OFS). Post the IPO, the promoter, Mr. Jayant Dawar and his family, holds a stake of 70.14% in the company.

Key financial indicators (audited) - Consolidated

LTHL Consolidated	FY2019	FY2020	9M FY2021
Operating Income (Rs. crore)	2,335.8	1,943.4	1,221.6
PAT (Rs. crore)	102.7	66.5	17.6
OPBDIT/OI (%)	10.8%	10.2%	9.1%
PAT/OI (%)	4.4%	3.4%	1.4%
Total Outside Liabilities/Tangible Net Worth (times)	1.0	0.8	
Total Debt/OPBDIT (times)	1.1	1.4	
Interest Coverage (times)	10.6	9.7	9.2

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2021)				Chronology of Rating History for the past 3 years				
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in		Date & Rating in FY2020	Date & Rating in FY2019		Date & Rating in FY2018
					Mar 31, 2021	Oct 30, 2020	Sep 16, 2019	Oct 8, 2018	May 17, 2018	Sep 22, 2017
1	Fund-based – Working Capital Facilities	Long Term	50.00	-	[ICRA]AA-(Negative); withdrawn	[ICRA]AA-(Negative)	[ICRA]AA-(Negative)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]A+(Stable)
2	Fund-based/Non-fund Based – Working Capital Facilities	Long Term/Short Term	25.00	-	[ICRA]AA-(Negative)/[ICRA]A1+; withdrawn	[ICRA]AA-(Negative)/[ICRA]A1+	[ICRA]AA-(Negative)/[ICRA]A1+	[ICRA]AA-(Stable)/[ICRA]A1+	[ICRA]AA-(Stable)/[ICRA]A1+	[ICRA]A+(Stable)/[ICRA]A1
3	Unallocated Limits	Long Term	5.00	-	[ICRA]AA-(Negative); withdrawn	[ICRA]AA-(Negative)	[ICRA]AA-(Negative)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]A+(Stable)

&= Under watch with developing implications

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fund-based – Working Capital Facilities	NA	NA	NA	50.00	[ICRA]AA- (Negative); withdrawn
NA	Fund-based/Non-fund Based – Working Capital Facilities	NA	NA	NA	25.00	[ICRA]AA- (Negative)/ [ICRA]A1+; withdrawn
NA	Unallocated Limits	NA	NA	NA	5.00	[ICRA]AA- (Negative); withdrawn

Source: Company

Annexure-2: List of entities considered for consolidated analysis

Company Name	STL Ownership	Consolidation Approach
Sandhar Tooling Pvt. Ltd.	79.92%	Full Consolidation
Sandhar Strategic Systems Pvt. Ltd.	99.99%	Full Consolidation
Sandhar Technologies Barcelona S.L.	100.00%	Full Consolidation
Sandhar Han sung Technologies Pvt. Ltd.	50.00%	Equity Method
Indo Toolings Pvt. Ltd.	50.00%	Equity Method
Sandhar ECCO Green Energy Pvt. Ltd.	50.00%	Equity Method
Sandhar Daewha Automotive Systems Private Limited	50.00%	Equity Method
Sandhar Amkin Industries Private Limited	50.00%	Equity Method
Jinyoung Sandhar Mechatronics Private Limited	50.00%	Equity Method
Sandhar Daeshin Auto Systems Private Limited	50.00%	Equity Method
Sandhar Whetron Electronics Private Limited	50.00%	Equity Method
Kwangsung Sandhar Technologies Pvt. Ltd.	50.00%	Equity Method
Winnercom Sandhar Technologies Pvt. Ltd.	50.00%	Equity Method
Sandhar Han Shin Automotive Pvt. Ltd.	50.00%	Equity Method
Sandhar Han Shin Auto Technologies Pvt. Ltd.	50.00%	Equity Method

Source: STL annual report FY2020

Note: ICRA has taken a consolidated view of the parent (ST:), its subsidiaries and JVs while assigning the ratings.

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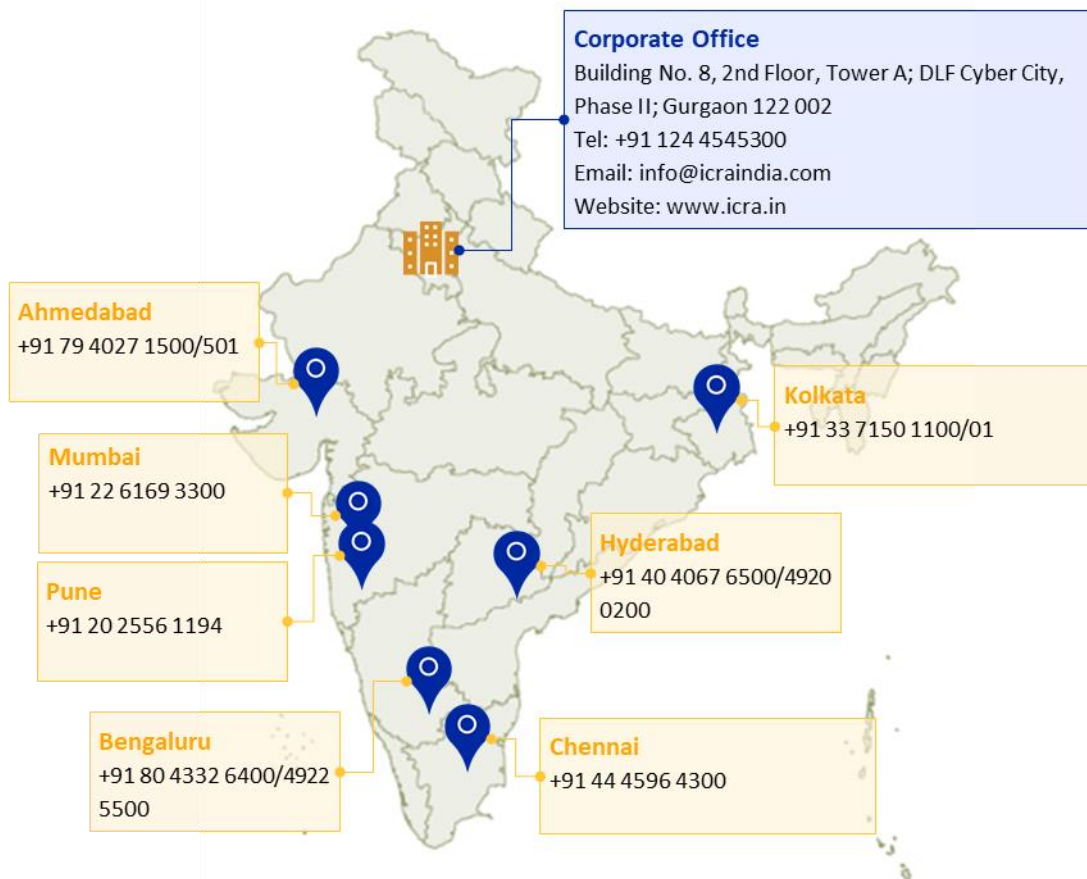


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