

December 18, 2023

Shakti Hormann Private Limited: Continues to remain under Issuer Non-Cooperating category; ratings downgraded based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Cash credit	3.00	3.00	[ICRA]BB+ ISSUER NOT COOPERATING*; Outlook revised to Stable from Positive; Rating downgraded from [ICRA]A- (Positive) ISSUER NOT COOPERATING and continues to remain under 'Issuer Not Cooperating' category
Short-term – Non-fund based	24.00	24.00	[ICRA]A4+ ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A2+ ISSUER NOT COOPERATING and continues to remain under 'Issuer Not Cooperating' category
Total	27.00	27.00	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-I

Rationale

The ratings for the bank facilities of Shakti Hormann Private Limited (SHPL) have been downgraded and remains under the 'Issuer Not Cooperating' category. The rating is denoted as [ICRA]BB+(Stable)/[ICRA]A4+ ISSUER NOT COOPERATING.

The rating downgrade is because of lack of adequate information regarding SHPL's performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating, as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade. ICRA is unable to provide the latest information because of non-cooperation by the entity.

As part of its process and in accordance with its rating agreement with Shakti Hormann Private Limited (SHPL), ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been moved to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, rating sensitivities : [Click here.](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy in respect of Non-cooperation by a rated entity
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

SHPL (formerly Shakti Met-Dor Limited) was incorporated as a private limited company in 1988 and was converted into a public limited company in 1992. The name was changed to Shakti Hörmann Limited in February 2014 after the Hörmann Group picked up a majority stake. It was again converted into a private limited entity named Shakti Hörmann Private Limited on August 12, 2014. SHPL manufactures steel doors, which include fire resistant doors, scientific doors, general purpose doors and special application doors. The company is involved in integrating hardware items for doors and providing installation and maintenance services for doors. SHPL's manufacturing unit is in Gagillapur, in Ranga Reddy district, in Telangana. It has a manufacturing capacity of 1,20,000 hollow metal doors, 480 industrial doors, 1,000 rolling shutters, 1,200 dock levellers, 600 sectional doors and 150 dock shelter (at one shift per day) annually. The company has pan-India presence with sales offices in more than 10 metro cities and a network of about 40 dealers across India.

Key financial indicators (audited)

Standalone	FY2022	FY2023
Operating income (Rs. crore)	214.3	245.7
PAT (Rs. crore)	8.4	15.6
OPBDIT/OI (%)	8.2%	11.0%
PAT/OI (%)	3.9%	6.4%
Total outside liabilities/Tangible net worth (times)	0.5	0.4
Total debt/OPBDIT (times)	0.6	0.5
Interest coverage (times)	19.0	49.9

Source: Company data; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Current Rating (FY2024)				Chronology of Rating History for the Past 3 Years						
	Type	Amount Rated (Rs. crore)	Amount Outstanding as on March 31, 2023 (Rs. crore)	Date & Rating in		Date & Rating in FY2023		Date & Rating in FY2022		Date & Rating in FY2021	
				Dec 18, 2023	Aug 16, 2023	Feb 20, 2023	Jan 27, 2023	Oct 29, 2021	Sep 14, 2020	Aug 20, 2020	
1 Fund-based – Cash credit	Long-term	3.00	-	[ICRA]BB+(Stable); ISSUER NOT COOPERATING	[ICRA]A-(Positive); ISSUER NOT COOPERATING	[ICRA]A-(Positive)	[ICRA]A-(Positive)	[ICRA]A-(Stable)	[ICRA]A-(Positive)	[ICRA]A-(Positive)	
2 Non-fund based limits	Short-term	24.00	-	[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A2+; ISSUER NOT COOPERATING	[ICRA]A2+	[ICRA]A2+	[ICRA]A2+	[ICRA]A2+	[ICRA]A2+	
3 Unallocated	Long-term/ Short-term	-	-	-	-	-	[ICRA]A-(Positive)/ [ICRA]A2+	-	[ICRA]A-(Positive)/ [ICRA]A2+	[ICRA]A-(Positive)/ [ICRA]A2+	

**Issuer did not cooperate; based on best available information.*

Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund-based – Cash credit	Simple
Non-fund based limits	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#).

Annexure-I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund-based Cash credit –	-	NA	-	3.00	[ICRA]BB+(Stable); ISSUER NOT COOPERATING
NA	Non-fund-based limits	-	NA	-	24.00	[ICRA]A4+; ISSUER NOT COOPERATING

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-II: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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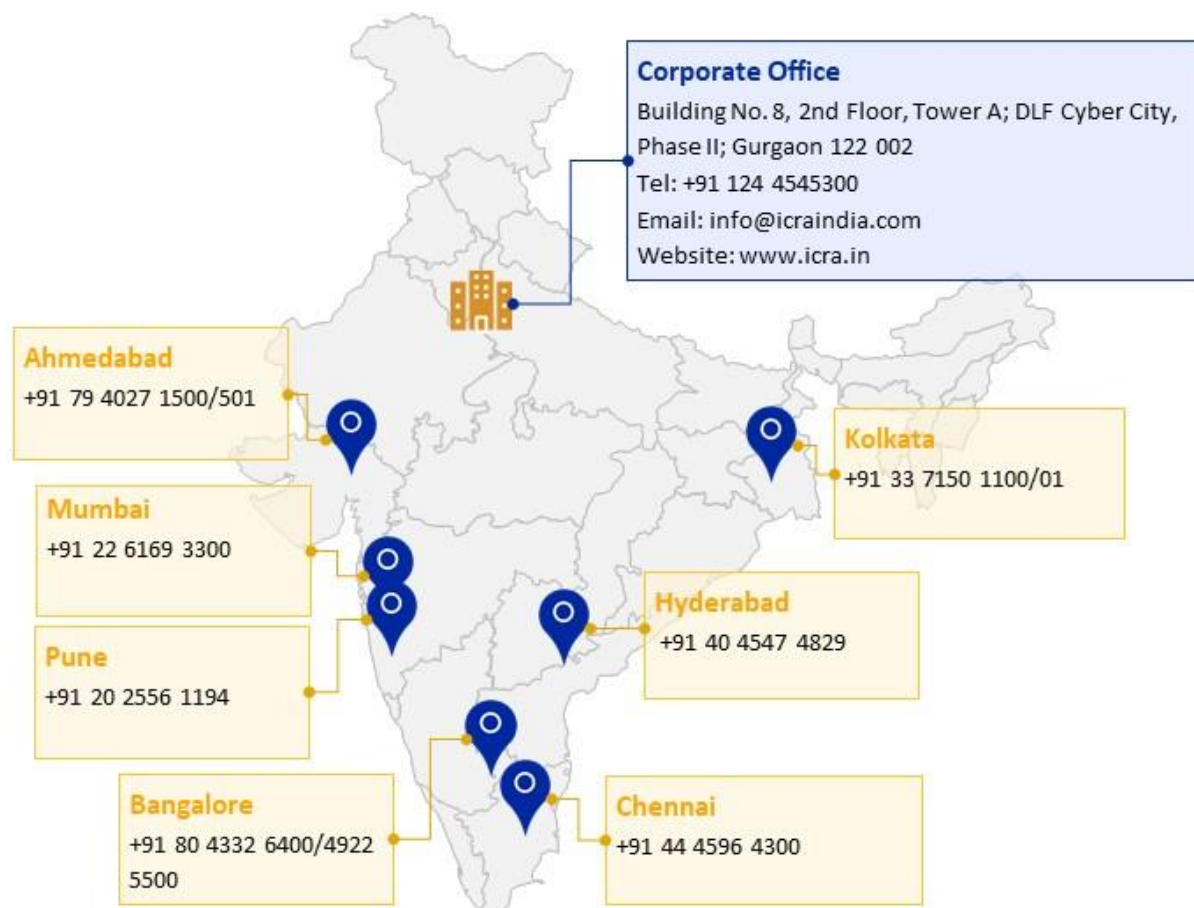


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