

July 24, 2026

SKH Management Services Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long term – Fund based – Term loan	-	20.00	[ICRA]BBB(Stable); reaffirmed	RBI
Long term – Unallocated limits	30.00	-	-	RBI
Total	30.00	20.00		

*Instrument details are provided in Annexure I

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

ICRA has changed its analytical approach, wherein it now takes a consolidated view of SKH Management Services Private Limited (SKH Management) and SKH Management Strategy Services India LLP (SKH LLP), given the demonstrated fungibility of cash flows through the receipt of management fees from various SKH Group entities and the common business purpose served by both entities.

The rating reaffirmation reflects ICRA's expectation of a steady growth in management fee income for the entities, supported by the healthy operating performance and expanding scale of the underlying SKH Group entities. As the principal management and advisory arms of the Group, SKH LLP and SKH Management provide operational, managerial and financial consultancy services to majority of the SKH Group companies. Consequently, their cash flow profile remains closely linked to the operating performance of the Group entities. The rating continues to derive strength from the strong business position of the Krishna Group, a leading automotive component manufacturer with long-standing relationships with marquee OEMs, which provides healthy revenue visibility for the operating companies and, thereby, stable management fee inflows for SKH LLP and SKH Management. ICRA also favourably factors in the financial flexibility available to both entities by virtue of their affiliation with the Krishna Group.

The consolidated revenues of SKH LLP and SKH Management have witnessed a healthy growth trajectory over the last five years, driven by the sustained expansion in the scale of operations of the Group entities. The consolidated financial profile remains adequate, characterised by a strong capital structure and moderate debt protection metrics. Until FY2024, the company maintained modest debt levels which, coupled with healthy cash accrual generation, supported robust coverage indicators and a comfortable net worth position.

The entities' leverage increased in FY2025 following debt-funded support extended towards the Group's strategic acquisition initiatives. SKH LLP availed debt of Rs. 150 crore to aid the acquisition of the chassis and body parts manufacturing business of Magna Automotive India Private Limited by the Group and subsequently advanced Rs. 170 crore to SKH M through 10% optionally convertible redeemable debentures towards funding the acquisition consideration. In FY2026, SKH Management contracted Rs. 20 crore of term debt for the acquisition of land and building for the proposed corporate office in Goa, which is expected to back the Group's future expansion plans in western and southern India. Notwithstanding the increase in debt, ICRA notes that both entities have broadened their revenue base through the onboarding of additional Group entities since FY2024, leading to higher management fee income and supporting adequate debt-servicing capability. Going forward, the anticipated increase in cash flows from Group entities, along with scheduled debt repayments, is likely to aid in the gradual

improvement in debt coverage metrics, with the consolidated debt service coverage ratio (DSCR) expected to remain in the range of 1.5-2.0 times over the medium term.

The rating remains constrained by the modest scale of operations and complete dependence on Group entities for revenue generation, resulting in concentration risks. However, this is partly mitigated by the strong business profile of the underlying Group entities, which derive a significant share of their revenues from Maruti Suzuki India Limited (MSIL), the market leader in the domestic passenger vehicle (PV) segment. The long-standing relationship between the Group and MSIL supports revenue visibility and lends stability to the management fee income stream.

The Stable outlook reflects ICRA's expectation that the healthy operating performance of the SKH Group entities will continue to support steady growth in management fee income and cash accruals, enabling SKH LLP and SKH Management to maintain adequate debt coverage metrics and a stable credit profile over the medium term.

Key rating drivers and their description

Credit strengths

Steady flow of management fee from Group companies provides revenue visibility – SKH LLP and SKH Management derives their management fee from Group companies under the leadership of Mr. Sunandan Kapur (SKH Group). On a consolidated basis, the entities have recorded a consistent increase in the management fee over the past 3-4 years. Their business performance is directly linked to the overall growth of the Group. The SKH Group has demonstrated consistent revenue growth in recent years, supported by strong business linkages with Maruti Suzuki India Limited (MSIL) and newly acquired business from Mahindra & Mahindra Limited (M&M) and Tata Motors Passenger Vehicles Limited (TMPV), the leading domestic PV manufacturers in India. M&M and TMPV's market shares have grown substantially over the past 2-3 years, enabling their ancillary companies to generate stable returns over time. Both the entities are expected to continue to benefit from a steady revenue stream in the form of management fees amid a stable growth outlook for the SKH Group.

Financial flexibility for being a part of the Krishna Group – SKH LLP and SKH Management are a part of the larger Krishna Group, promoted by Mr. Ashok Kapur, a leading automotive component supplier in the Indian market. The Group's automotive business is divided into two verticals: the metal division (SKH Group) and the interior division. SKH LLP and SKH Management benefit from the Group's established relationships with various automotive original equipment manufacturers (OEMs). Additionally, SKH Sheet Metals Components Private Limited (SKH SMC) has provided an irrevocable and unconditional guarantee for the entire debt of SKH LLP. This support has enabled the firm to secure debt at relatively lower interest rates and offers comfort regarding SKH LLP's ability to meet its debt-servicing obligations in a timely manner.

Credit challenges

Modest scale of operations; high dependence on Group entities for revenues – As these entities' revenues are entirely dependent on the Group's business, the scale is expected to remain constrained and closely tied to the growth of fellow Group entities. Consolidated operating income stood at Rs. 116.6 crore in FY2026 (provisional financials), which grew from Rs. 83.3 crore in FY2025 and rose materially from Rs. 48.3 crore in FY2022. This high dependence on Group entities also results in client concentration risk, and any material impact on their business profile would directly affect the credit profile of these entities.

Moderate financial risk profile – The consolidated financial risk profile remained healthy until FY2024, as they maintained minimal external debt. However, this profile moderated to an extent in FY2025 after SKH LLP availed of a Rs. 150-crore term loan to partially fund the acquisition of Group entities. Despite incremental debt, the overall gearing stayed healthy at 0.4 times as of March 31, 2026 owing to the strong net worth position. The coverage indicators also remain robust with an interest cover of 7.2 times in FY2026. The healthy credit metrics are expected to sustain going forward as well; however, any material debt-funded acquisition in the group has the potential to moderate the coverage indicators and thus continues to be a monitorable.

Inherent risks in partnership nature of business in SKH LLP – SKH LLP remains exposed to challenges inherent in partnership businesses, including the risk of capital withdrawals by partners and the potential dissolution of the firm due to death, retirement or insolvency of any partner.

Liquidity position: Adequate

The liquidity position of both the entities is expected to remain Adequate, aided by the anticipated cash flow from operations of Rs. 35-40 crore in FY2027 against the annual repayment obligation of Rs. 32 crore. The firm has free cash and liquid investments of Rs. 20-25 crore as on March 31, 2026. The liquidity is also likely to remain supported by the healthy intra-Group relations, which enable the entities to receive the management fee in a timely manner.

Rating sensitivities

Positive factors – An improvement in the credit profile of the SKH Group, leading to an increase in revenues for SKH Management and SKH LLP in the form of higher management fees and an enhanced financial risk profile will be favourably considered for an upgrade.

Negative factors – Any weakness in the credit profile of Group companies, resulting in delay of receipt or reduction in management fee, could exert downward rating pressure. Any further sizeable debt without proportionate increase in the management fee income causing a deterioration of coverage indicators could also exert pressure on the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit rating methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of SKH Strategic Management Services LLP and SKH Management Services Private Limited.

About the company

SKH Management Strategy Services India LLP (SKH LLP) and SKH Management Services Private Limited (SKH Management) are equally held and promoted by Mr. Sunandan Kapur and Mrs. Supriya Kapur. Headquartered in Delhi, the entities provides business, operational, financial and management consultancy services to fellow SKH Group companies under the leadership of Mr. Sunandan Kapur. SKH Group of Companies includes SKH Sheet Metals Components Private Limited, SKH Metals Limited, SKH M India Private Limited, SKH Y-Tec India Private Limited, SIAC SKH India Cabs Manufacturing Private Limited, SKH Marelli Exhaust Systems Private Limited, Marelli SKH Exhaust Systems Private Limited and Krishna Grupo Antolin Private Limited.

Key financial indicators

Consolidated (SKH LLP + SKH Management)	FY2025	FY2026*
Operating income (OI)	83.3	116.6
PAT	45.8	64.7
OPBDIT/OI	68.9%	75.8%
PAT/OI	54.9%	55.5%
Total outside liabilities/Tangible net worth (times)	0.6	0.5
Total debt/OPBDIT (times)	2.2	1.3
Interest coverage (times)	5.0	7.2

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; Provisional for FY2026*
PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA:

CRA	Rating outstanding	Rationale date
Acuite Ratings	Acuite BB Issuer not cooperating	Nov 07, 2025

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2027)			Chronology of rating history for the past 3 years					
		Amount Rated (Rs. Crore)	FY2027		FY2026		FY2025		FY2024	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loan	Long-term	20.00	Jul 24, 2026	[ICRA]BBB (Stable)	Dec 03, 2025	[ICRA]BBB (Stable)	-	-	-	-
Unallocated	Long-term	-	-	-	Dec 03, 2025	[ICRA]BBB (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term – Fund Based – Term loan	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 are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial sector regulator#
NA	Term Loan	FY2026	NA	FY2036	20.00	[ICRA]BBB(Stable)	RBI

Source: Company

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

Annexure II: List of entities considered for consolidated analysis:

Company Name	Ownership	Consolidation Approach
SKH Management Strategy Services India LLP	0.00%	Full Consolidation

Source: Company data

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