

October 16, 2025

SKH M India Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. Crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund based – Term loans	325.00	285.36	[ICRA]BBB+ (Stable); reaffirmed
Long-term / Short-term – Fund based – Working capital term loans	175.00	175.00	[ICRA]BBB+ (Stable)/[ICRA]A2; reaffirmed
Long-term / Short-term – Non fund based limits	-	25.00	[ICRA]BBB+ (Stable)/[ICRA]A2; reaffirmed
Total	500.00	485.36	

*Instrument details are provided in Annexure-I

Rationale

The reaffirmation of the ratings of SKH M India Private Limited (SKH M) continues to factor in the expectation of steady operational performance, supported by its strong market position as a supplier of sheet metal components to leading passenger vehicle original equipment manufacturers (PV OEMs). SKH M acquired the chassis and body parts manufacturing segment (Cosma) of Magna Automotive India Private Limited (Magna), effective July 01, 2024. It is a subsidiary of SKH Sheet Metals Components Private Limited (SKH SMC), the holding company for multiple entities under the SKH Group—the metals arm of the Krishna Group, which is headed by Krishna Maruti Limited (rated [ICRA]AA(Stable)/[ICRA]A1+).

Although the SKH Group (through SKH SMC and SKH Management Strategy Services India LLP) acquired an 85% stake in the Cosma division, Magna retains a 15% stake. As a result, SKH M continues to benefit from technological support from Magna's engineering centre, enhancing its product development capabilities. The ratings also positively reflect the established presence of the SKH Group, backed by the extensive experience of its promoters and management in the auto components industry. As a part of the SKH Group, SKH M is expected to benefit from operational synergies, which should support its earnings over the medium term.

Following the acquisition of the business, SKH M recorded revenues of approximately Rs. 1,208 crore during the nine months of FY2025 (July 01, 2024 to March 31, 2025), supported by steady demand in the passenger vehicle industry. Prior to the acquisition, the Cosma division of Magna India experienced significant growth in FY2023 and FY2024, driven by substantial business additions from several major automobile manufacturers in the Indian market.

SKH M currently serves multiple leading original equipment manufacturers (OEMs), including Tata Motors Limited (TML), Mahindra & Mahindra Limited (M&M), Hyundai Motor India Limited (Hyundai), Kia Motors India (Kia), and Skoda Auto Volkswagen India Private Limited (S-VW). While the major portion of its revenues (75-80%) is derived from TML and M&M, the company maintains a healthy share of business in supplying various sheet metal components—such as chassis and body-in-white parts—which helps mitigate customer concentration risk to some extent.

ICRA notes that SKH SMC, holding a ~60% stake, along with its group company, SKH LLP (holding a ~25% stake), has collectively acquired an ~85% stake in SKH M. Magna continues to hold the remaining 15% stake in the form of optionally convertible redeemable debentures (OCRDs), with a minimum tenure of three years. The timing and structure of Magna's potential exit, including the funding mix for such a transaction, remain key monitorable. Notwithstanding the above, ICRA derives comfort from the strong credit profile of the Krishna Group, which is expected to provide healthy financial flexibility to SKH M. This is evident from the company's ability to raise external funding at highly competitive interest rates. Besides, SKH M is expected

to benefit from operational and strategic synergies as a part of a larger auto component manufacturing group, which supports its business profile and enhances its long-term growth prospects.

The ratings are constrained by SKH M's leveraged capital structure, comprising external debt of Rs. 375.8 crore as of March 31, 2025, Rs. 170 crore in OCRDs from SKH LLP (subordinated to bank debt), and Rs. 115.1 crore in OCRDs from Magna India. Term debt repayments began in FY2026, with partial prepayment reducing the balance to Rs. 285.4 crore as of September 30, 2025. While OCRDs from SKH LLP carry a 10% coupon, ICRA notes the management's guidance to accrue interest for the first three years, with flexibility in payment based on cash flows. SKH M is expected to maintain a modest operating margin of 9-10%, supporting moderate debt coverage metrics, with DSCR projected at 1.5-1.8 times over the medium term.

The Stable outlook on the long-term rating reflects ICRA's opinion that despite moderate capex plans to enhance capacity, SKH M will continue to generate healthy accruals, which will help it maintain credit metrics commensurate to the rating category.

Key rating drivers and their description

Credit strengths

Access to financial support from parent entity; synergies arising from being a part of the Krishna Group – SKH M benefits from financial support from its parent entity, SKH SMC, and also derives various synergistic benefits (technology and raw material procurement) as a part of the Krishna Group. The company would also have access to technological know-how from its Group entities, which have entered into technical collaboration agreements to further their businesses. The technological know-how from Group entities is likely to help SKH M adapt to the changing technological requirements of its OEM clients, thus helping it maintain a healthy SOB with them, going forward.

Strong position as a supplier of sheet metal components to leading PV OEMs – SKH M is a supplier of chassis parts and other body-in-white (BIW) parts to various major automobile OEMs like M&M, TML, HMIL, Kia, and others. Over the years, the Cosma division (now acquired by SKH M) has gained a healthy share of business (SOB) for the supply of sheet metal assemblies to these OEMs. The company is expected to continue to maintain a healthy SOB with these OEMs, going forward, which provides healthy revenue/earning visibility.

Technological support from Magna aids design and development capabilities – Magna International Inc. (parent of Magna India) is a leading BIW and chassis parts manufacturer globally. Magna India has retained a 15% stake in SKH M (through OCRDs with minimal coupon rate), which would continue to access the engineering design centre of Magna over the next 3-5 years. This would aid product development efforts and help in maintaining its SOB with existing customers.

Credit challenges

Exposed to high client concentration risk; healthy SOB and established market position of client OEMs partly mitigate the same – Despite the company's supplies to multiple OEMs, its revenues have been primarily driven by TML and M&M (75-80%) over the past three years. Although a heavy dependence on M&M and TML results in client concentration risk, this is mitigated to an extent by a strong business share of the company's supplies for various models for M&M and TML along with the improved market share of these OEMs in the PV industry.

High segment concentration on PVs – The company generates nearly all its revenues from PVs (dominated by utility vehicles, or UVs). This high dependence on the PV industry exposes the company to any demand downturn in the sector.

Modest financial risk profile characterised by leveraged capital structure – The financial risk profile of SKH M is expected to remain modest over the near term, characterised by a stretched capital structure and modest debt coverage indicators. The company had a total debt of Rs. 665.8 crore on its books (including OCRDs issued by SKH LLP with a coupon rate of ~10% and OCRDs held by Magna with a nominal interest rate) against the marginal net worth position. The debt coverage indicators are expected to remain at moderate levels, with the company expected to have interest cover of 3.0-4.0 times and total debt/OPBDITA of 3.5-4.0 times in the near term. ICRA, however, takes comfort that about Rs. 285 crore of the overall debt comes from the promoter entities, which are subordinated to the term debt. Additionally, interest on OCRDs issued by the

parent company will be accrued for the first three years of operations. With the company expected to generate healthy profitability, the coverage indicators are likely to improve gradually.

Liquidity position: Adequate

SKH M's liquidity is expected to remain **adequate**, characterised by expected cash flow from operations of Rs. 100-125 crore per annum. The company also has buffer in the working capital limits of about Rs. 80 crore as of June 30, 2025 against term debt repayment obligations of about Rs. 55 crore in the next 12 months. The company plans to incur capex of Rs. 100-150 crore per annum in FY2026 and FY2027, which is expected to be funded by internal accruals and proceeds from the sale of land in Sanand (Rs. 55 crore fund receipt expected).

Rating sensitivities

Positive factors – The ratings could be upgraded in case of a sustained expansion in the scale of operations with a material increase in profitability, leading to an improvement in the financial risk profile. An improvement in the credit profile of the parent entity, SKH SMC, may also lead to ratings upgrade.

Negative factors – The ratings could witness a downward revision in case of any adverse impact on the earnings of the company, resulting in a material deterioration in debt protection metrics. Further, higher working capital requirement, leading to an adverse impact on the liquidity position of the company, could also trigger a downward rating revision. Weakness in the credit profile of the parent entity, SKH SMC, or any material weakening of linkages with SKH SMC, could also trigger ratings downgrade.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components
Parent/Group support	The assigned ratings factor in the very high likelihood of its parent entity, SKH SMC (rated [ICRA]BBB+(Stable)/[ICRA]A2)), extending financial support to it because of the close business linkages between them. ICRA also expects SKH SMC to be willing to extend financial support to SKH M out of its need to protect its reputation from the consequences of a Group entity's distress.
Consolidation/Standalone	Standalone

About the company

SKH M was incorporated in FY2024 as a subsidiary of SKH SMC for housing the stamping business of Magna India. The stamping business of Magna was acquired (an 85% stake) by the SKH Group (the metals division of the Krishna Group, headed by Mr. Ashok Kapur and Mr. Sunandan Kapur) for a consideration of ~Rs. 648.0 crore. The transaction was concluded on July 01, 2024.

The company manufactures and supplies chassis parts and BIW parts for various automobile manufacturers in the domestic market. Its plants are in Pune, Chennai, and Sanand (currently held for sale) with an overall capacity of about 25 lakh strokes per annum. While the Krishna Group of Companies predominantly supplies to Maruti Suzuki India Limited, SKH M will be catering to other major OEMs like TML, M&M, HMIL, Kia, and other players, which will help diversify the presence of the Group on an overall basis.

Key financial indicators

SKH M, Standalone	FY2025* (Jul 01, 2024 to Mar 31, 2025)
Operating income	1,208.5
PAT	2.3
OPBDIT/OI	9.5%
PAT/OI	0.2%
Total outside liabilities/Tangible net worth (times)	20.7
Total debt/OPBDIT (times)	4.3
Interest coverage (times)	2.5

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Based on Provisional financial statements for FY2025*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current ratings (FY2026)			Chronology of rating history for the past 3 years					
		Amount Rated (Rs. Crore)	FY2026		FY2025		FY2024		FY2023	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loans	Long-term	285.36	Oct 16, 2025	[ICRA]BBB+ (Stable)	Jul 15, 2024	[ICRA]BBB+ (Stable)	-	-	-	-
Working capital term loan	Long-term / Short-term	175.00	Oct 16, 2025	[ICRA]BBB+ (Stable)/ [ICRA]A2	Jul 15, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2				
Non fund based limits	Long-term / Short-term	25.00	Oct 16, 2025	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund based – Term loans	Simple
Long-term / Short-term – Fund based – Working capital term loans	Simple
Long-term / Short-term – 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 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
NA	Term loans	FY2024	NA	FY2031	285.46	[ICRA]BBB+(Stable)
NA	Working capital term loans	NA	NA	NA	175.00	[ICRA]BBB+(Stable)/[ICRA]A2
NA	Bank guarantee	NA	NA	NA	20.00	[ICRA]BBB+(Stable)/[ICRA]A2
NA	Letter of credit	NA	NA	NA	5.00	[ICRA]BBB+(Stable)/[ICRA]A2

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

ANALYST CONTACTS

Jitin Makkar

+91 124 4545 368

jitinm@icraindia.com

Srikumar Krishnamurthy

+91 44 45964318

ksrikumar@icraindia.com

Rohan Kanwar Gupta

+91 124 4545 808

rohan.kanwar@icraindia.com

Akshay Dangi

+91 124 4545396

akshay.dangi@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

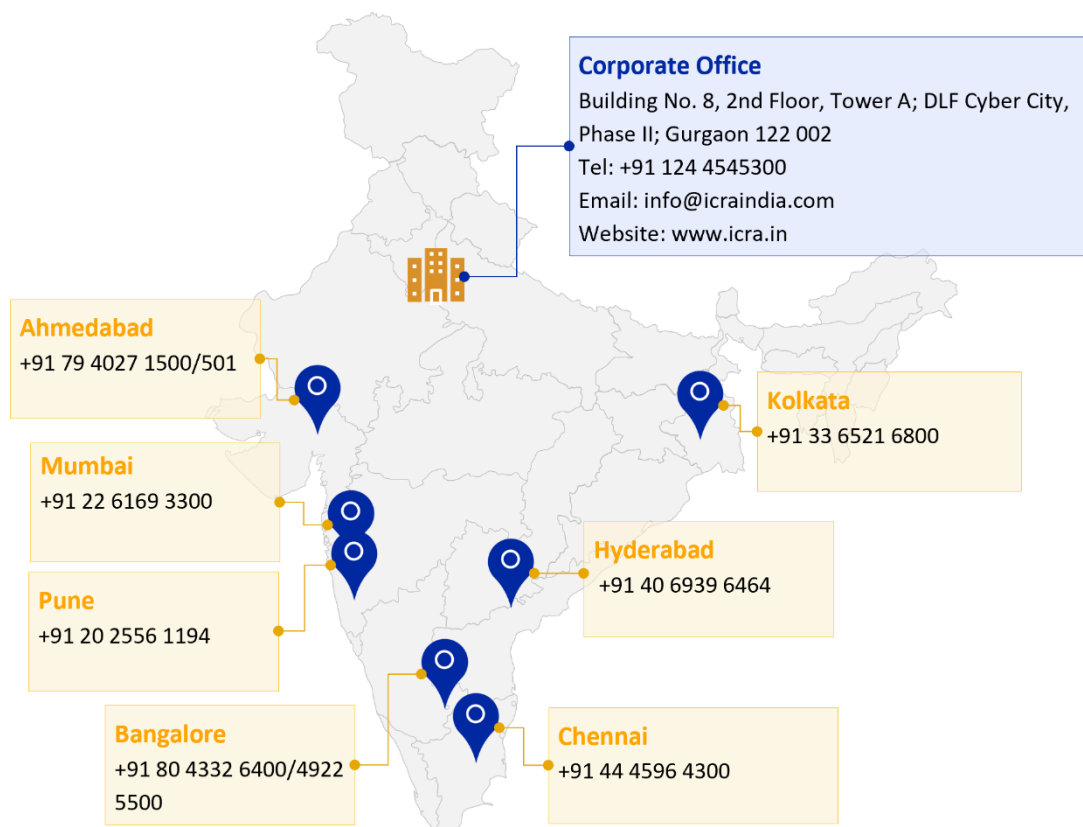


Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.