

February 27, 2026

## Krishna Maruti Limited: Ratings reaffirmed; assigned for enhanced amount

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term/Short-term – Fund-based/Non-fund based	150.00	180.00	[ICRA]AA (Stable)/ [ICRA]A1+; Reaffirmed/ Assigned for enhanced amount
<b>Total</b>	<b>150.00</b>	<b>180.00</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The reaffirmation of ratings for Krishna Maruti Limited (KML) factors in the expectation of sustained healthy operational performance, aided by its strong share of business in both seat sets and plastics divisions, with Maruti Suzuki India Limited (MSIL), the leading passenger vehicle (PV) original equipment manufacturer (OEM) in the domestic market.

KML recorded revenues of Rs. 4,255.7 crore with strong YoY growth of 12% in FY2025, aided by healthy demand in the PV industry. However, the operating profit margin (OPM) moderated to 9.8% in FY2025 from 10.6% in FY2024 due to higher bought out parts (BOP) in the premium variants and increased manpower costs. The company mainly procures leather, seatbelt reminder systems, airbags, recliner adjusters, seatbelts, and ventilation systems from external vendors. In 9M FY2026, the revenues remained at Rs 3,600-3,650 crore with an OPM of around 8.5%. With steady demand in the PV segment, KML is expected to continue generating healthy earnings, helping maintain a strong credit profile.

Over the years, KML has continued to gain business for MSIL's new model launches in its seat set division, helping it maintain a strong 60–70% share of business (SOB) in seat sets and a higher 80–85% in door trims under the OEM's plastics division. New business wins and better performance of served models have aided KML in maintaining a strong credit profile, characterised by strong return indicators, negligible debt (apart from lease liabilities) and unencumbered liquidity of around Rs. 800 crore as on December 31, 2025. Its Kharkhoda (Haryana)ss plant, set up at an outlay of approximately Rs. 250 crore, became operational in Q1 FY2026, and has been supplying for two models of MSIL. Even as the company has capex plans of Rs. 150-200 crore in FY2026 towards expansion at its Gujarat plants, routine maintenance, investments in the plastics division of plants acquired earlier from Trim India, along with solar installation capex, its reliance on debt is expected to remain negligible, supporting its robust financial risk profile.

The ratings continue to consider the favourable ownership of KML with nearly 45% of its stakes held by MSIL and Suzuki Motor Corporation (SMC), Japan, along with board representation. The availability of technical assistance from SNIC Corporation, Japan, has aided the company's product development and ensured revenue visibility for KML over the medium term.

However, KML remains exposed to significant segment and client concentration risks as most of the revenues emanate from MSIL. The risk, however, is mitigated to an extent by the strong SOB enjoyed by KML in MSIL, and the market leadership position of the latter in the Indian PV industry. The company also faces significant product concentration risk as around 75% of its revenues in FY2025 were driven by seat sets.

ICRA further notes that the company's board had approved the extension of a corporate guarantee (CG) of up to Rs. 500 crore for bank facilities availed by Group entities, SKH Metals Limited and SKH Sheet Metal Components Private Limited (board approval in FY2021), along with extension of loan of up to Rs. 150 crore to Krisumi Corporation (non-automotive entity, board approval in FY2022). As of January 2026, the loan to Krisumi stood at nil, while the CG exposure had reduced YoY to around, Rs. 110 crore, which provides comfort. The extended CGs cover a portion of SKH Metals Limited's debt and, accordingly, ICRA has consolidated SKH Metals Limited's financials with that of KML, while arriving at its ratings. Although the support extended to weaker Group entities has not materially impacted KML's credit metrics due to availability of surplus cash and liquid investments, extension of further support to Group entities would remain a key monitorable, going forward.

The Stable outlook on the long-term rating reflects ICRA's opinion that KML will continue to benefit from its established relationship with MSIL and technical collaboration with SNIC Corporation, helping it generate healthy cash accruals and maintain a robust credit profile over the medium term.

## Key rating drivers and their description

### Credit strengths

**Established relationship with MSIL and healthy SOB in seat sets and door trims; favourable ownership pattern strengthens revenue visibility** – KML is a leading auto component manufacturer, servicing MSIL with seat sets and door trims. Benefitting from its technical capabilities and its established relationships, the company has been able to maintain healthy business with MSIL over the years. The ownership pattern of KML consists of SMC and MSIL, who have a combined stake of around 45%. The continuation of ongoing business, coupled with business gained for upcoming product launches, provides healthy revenue visibility over the near-to-medium term.

**Technical collaboration with SNIC Corporation aids in product development capabilities** – KML has a technical collaboration agreement with SNIC Corporation (Japan), a supplier of seat sets to SMC internationally. The agreement helps the company obtain the required knowhow and mitigate the risk of technical obsolescence. Additionally, the technological support aids KML in new product development, which is likely to help in maintaining its strong share of business with MSIL.

**Healthy financial risk profile and strong liquidity profile** – The company's consolidated financial risk profile is characterised by conservative capital structure (negligible reliance on external debt) and strong debt coverage indicators (Total Debt/OPBDITDA of 0.5 times and an interest coverage of 27.2 times in FY2025). Additionally, it has a strong liquidity profile with available free liquid investments and cash balances of around Rs. 800 crore as on December 31, 2025. The liquidity profile is also supported by unutilised working capital limits from banks. Even upon consolidation of SKH Metals Limited's financials with KML, the consolidated entity continues to have healthy returns and debt coverage metrics (Total Debt/OPBDITA of 1.6 times in FY2025).

### Credit challenges

**High client and segment concentration risks with revenues primarily driven by MSIL** – Over the years, most of KML's revenues have been generated from MSIL, leading to client as well as segment concentration risks. ICRA notes that revenue from MSIL is likely to dominate in the near-to-medium term. Nevertheless, the company's favourable ownership pattern, the leadership position of MSIL in the domestic PV industry, coupled with its strong relationship with the OEM, mitigate the risks to an extent. KML's ability to diversify into other customers and/or segments and reduce its segment concentration risk would remain a key rating sensitivity.

**Exposed to high product concentration risk** – The company's product portfolio primarily consists of automotive seat sets and door trims (part of the plastics division) for PVs. While KML generates revenues from both segments, seat sets accounted for the bulk of its revenues (70%) in FY2025, resulting in product concentration risk. While revenues from the plastics division are expected to provide diversification benefits, revenues from the sale of seat sets are likely to dominate over the medium term.

**Extension of support to weaker Group entities** – KML has given a corporate guarantee for a part of the bank facilities availed by SKH Metals Limited and SKH Sheet Metal Components Private Limited. The total amount of the CGs extended as of January 31, 2026 stood at Rs. 109.8 crore (Rs. 99.8 crore to SKH Metals and Rs. 10 crore to Krishna Hanguk Technologies Pvt. Ltd.) for all the entities combined (board resolution has approved extension of CGs up to Rs. 500 crore to these entities). Following the extension of CGs, the company has been closely tracking the cash flows of the entities (monthly reviews) and intends to support them, as and when required. The company's board has also passed a resolution to extend up to Rs. 150-crore loans to Krisumi Corporation; the loan extended to the same were repaid in full in FY2025. Any material extension of support to Group entities, which has a bearing on the company's credit metrics, remains a rating sensitivity.

## Liquidity position: Strong

KML has a **strong** liquidity profile, characterised by free cash and liquid investments of around Rs. 800 crore (parked in debt mutual funds and fixed deposits) as on December 31, 2025, minimal debt repayment obligations (Rs. 1.7 crore in FY2027) and undrawn fund-based working capital limit (average buffer of Rs. 100 crore). Additionally, the company is expected to generate healthy fund flow from operations of Rs. 300-350 crore in FY2027, which is to further increase, going forward. The company plans to incur a capex of Rs. 150-200 crore each in FY2026 and FY2027, to be funded by internal accruals.

Factoring in consolidation of SKH Metals as well, the company continues to have a **strong** liquidity profile, characterised by free cash and liquid investments of around Rs. 800 crore (parked in debt mutual funds and fixed deposits) as on March 31, 2025 and undrawn fund-based working capital limit (buffer of around Rs. 120 crore as of March 31, 2025). Additionally, the entities together are estimated to generate healthy fund flow from operations of Rs. 300-350 crore in FY2026. The entities combined have a repayment obligation of Rs. 65-70 crore in FY2027 and capex plans of Rs. 300-350 crore in FY2027, which are likely to be funded by a mix of debt and internal accruals.

## Rating sensitivities

**Positive factors** – A positive rating action could be triggered by a sustainable scale-up in the company’s scale of operations through material customer and product diversification, while maintaining healthy credit metrics and liquidity profile.

**Negative factors** – The ratings could be negatively impacted by a significant decline in earnings in the near-to-medium term, leading to a deterioration in the company’s credit metrics. Further, extension of support in terms of corporate guarantee/loans and advances to help fund any acquisitions of the Group, materially impacting KML’s credit profile, could result in a negative rating action. Specific credit metric that could lead to a rating downgrade would be Total Debt/OPBITDA (at a consolidated level) of more than 1.0 times on a sustained basis alongside a material depletion of cash and cash equivalents.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Auto Components</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/group Support	Not Applicable
Consolidation/standalone	For arriving at the ratings, ICRA has considered the consolidated financials of KML. ICRA has also consolidated SKH Metals Limited’s financials with that of KML, while arriving at its ratings, given the extension of corporate guarantees for a portion of the former’s debt. As of March 31, 2025, KML had one subsidiary and one joint venture, which are enlisted in Annexure-II.

## About the company

KML, incorporated in June 1991 as Sona Car Seat Ltd., is one of the largest suppliers of seat sets and door trims to MSIL. In 1994, following the acquisition of 24.3% shareholding by SMC and 13.1% by MSIL, the company was renamed as KML. The present shareholding of SMC stands at 29.2% and that of MSIL at 15.8%. The company is involved in manufacturing seat sets and door trims for PVs, plastic injection moulded components for two-wheelers and PVs, as well as tools, dies and moulds for manufacturing sheet metal components and plastic parts.

### Key financial indicators (audited)

KML Consolidated (Reported)	FY2024	FY2025
<b>Operating income</b>	3,799.5	4,255.7
<b>PAT</b>	266.4	287.5
<b>OPBDIT/OI</b>	10.6%	9.8%
<b>PAT/OI</b>	7.0%	6.8%
<b>Total outside liabilities/Tangible net worth (times)</b>	0.5	0.6
<b>Total debt/OPBDIT (times)</b>	0.5	0.5
<b>Interest coverage (times)</b>	28.6	27.2

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. Crore.

PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: Not applicable**

**Rating history for past three years**

	Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
		FY 2026			FY2025		FY2024		FY2023	
		Type	Amount rated (Rs. crore)	Feb 27, 2026	Date	Rating	Date	Rating	Date	Rating
<b>1</b>	<b>Fund based/Non-fund based</b>	Long term and short term	180.00	[ICRA]AA(Stable)/ [ICRA]A1+	Dec 31, 2024	[ICRA]AA(Stable) / [ICRA]A1+	Sep 27, 2023	[ICRA]AA(Stable) / [ICRA]A1+	June 15, 2022	[ICRA]AA(Stable) / [ICRA]A1+

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/ Short -term – Fund based/ Non fund based	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	Long-term/ Short -term – Fund based/ Non fund based	NA	NA	NA	180.00	[ICRA]AA (Stable)/ [ICRA]A1+

Source: Company

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### Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
SKH Metals Limited	0.00%*	Full Consolidation
Krishna Hanguk Technologies Private Limited	55.00%	Full Consolidation
Krishna Group Antolin Private Limited	50.00%	Equity Method

Source: Annual Report; \*KML has extended a corporate guarantee for a portion of SKH Metal Limited' bank facilities

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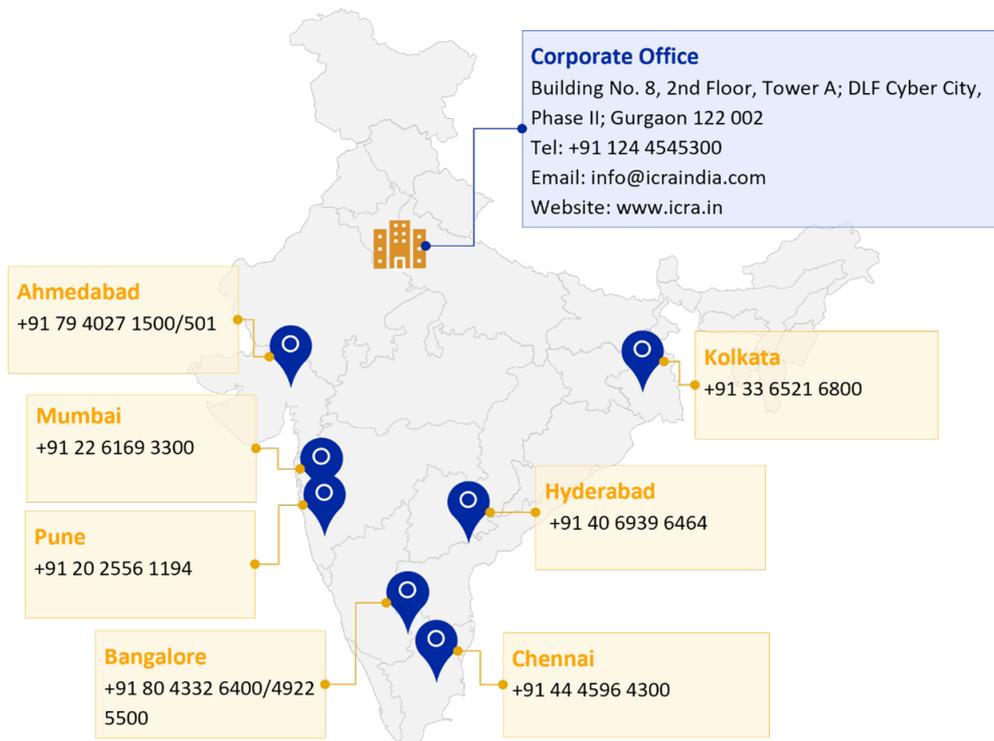


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