July 24, 2026

SKH Sheet Metals Components Private Limited: Ratings upgraded to [ICRA]A-(Stable)/[ICRA]A2+

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long term – Fund-based - Working capital facilities	220.00	210.00	[ICRA]A- (Stable); upgraded from [ICRA]BBB+ (Stable)	RBI
Long term – Fund-based – Term loans	60.72	25.84	[ICRA]A- (Stable); upgraded from [ICRA]BBB+ (Stable)	RBI
Short term – Non-fund based – BG/LC	16.00	35.00	[ICRA]A2+; upgraded from [ICRA]A2	RBI
Long term / Short term – Interchangeable	(60.00)	(45.00)	[ICRA]A- (Stable)/[ICRA]A2+; upgraded from [ICRA]BBB+(Stable)/[ICRA]A2	RBI
Long term / Short term – Unallocated limits	25.00	0.00	-	RBI
Total	**321.72**	**270.84**		

**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

For arriving at the ratings, ICRA has consolidated the financials of SKH Sheet Metals Components Private Limited (SKH SMC), SKH Management Services Private Limited (SKH Management) and SKH Management Strategy Services India LLP (SKH LLP), with SKH SMC being the corporate guarantor for the entire debt raised by SKH LLP and the corporate management fee received by SKH LLP and SKH Management from SKH group entities being largely fungible.

The upgrade in the ratings of SKH SMC reflects the expectation of a continued improvement in its business and financial profile, driven by healthy growth in earnings, diversification in customer mix and strengthening market position within the domestic automotive component industry. It has benefited from robust demand in the passenger vehicle segment, supported by its established relationships with leading original equipment manufacturers (OEMs), including Maruti Suzuki India Limited (MSIL), Tata Motors Passenger Vehicles Limited (TMPV) and Mahindra & Mahindra Limited (M&M). The addition of business from TMPV and M&M, coupled with the sustained scale-up of operations across the investee entities, has strengthened cash flow generation and aided a gradual improvement in leverage and debt coverage indicators; an expected healthy cash flow generation going forward is likely to support a further enhancement in the entity's financial profile.

SKH SMC's consolidated business profile has witnessed a significant scale-up over the last two years, with operating income increasing to over Rs. 5,400 crore in FY2026 (provisional financials) from around Rs. 2,490 crore in FY2024, driven by healthy industry demand, addition of new programmes across key customers, ramp-up of operations at SKH M and commencement of production at the Kharkhoda plant under SKH Metals. The robust growth in scale has translated into stronger operating profits and cash flow generation, supporting the company's ability to absorb the higher debt burden arising from recent acquisitions and capacity expansion initiatives.

The ratings continue to derive strength from the Group's long-standing relationships with multiple OEMs, its established position in the sheet metal forming and welded assemblies segment and the strong business linkages available through the

Krishna Group, a leading automotive component supplier in India. At the standalone level, SKH SMC has maintained a stable share of business with the Volkswagen Group across domestic and export programmes, which partially mitigates customer concentration risks. The credit profile is further supported by the established operating profile of its key investee entities, which have demonstrated self-sufficiency in meeting their funding requirements. With no significant equity commitments envisaged towards these entities and healthy demand prospects from key customers, consolidated cash accruals are expected to remain robust, aiding a gradual improvement in leverage and debt protection metrics, with Total Debt/OPBITDA likely to range at 2.6-2.8 times in FY2027.

The ratings, however, remain constrained by the moderate financial risk profile, characterised by still-elevated debt levels following the acquisition of the stamping business from Magna Automotive India Private Limited in FY2025 and the continued capital expenditure (capex) intensity of the business. Consolidated debt (including lease liabilities) stayed elevated at around Rs. 1,813 crore as on March 31, 2026, compared with Rs. 1,750 crore a year earlier. Nevertheless, a substantial increase in operating profits in FY2026, aided by business growth and receipt of government grants (in its subsidiary SKH Y-Tec India Private Limited), has supported an improvement in credit metrics. Going forward, healthy demand conditions, strong market positioning of key customers and a diversified order book are expected to drive growth in revenues and profitability, resulting in a gradual strengthening of the capital structure.

SKH SMC plans to incur capex of Rs. 200-250 crore in FY2027 towards capacity expansion and additional welding and production lines which will be funded through a mix of debt, internal accruals and potential receipt of pending government grants. While the proposed investments are expected to support future growth, the associated borrowings could moderate the pace of deleveraging going forward. Furthermore, the Group remains open to strategic acquisitions and joint ventures to strengthen its market position; the scale, funding mix and impact of any such inorganic initiatives on the consolidated credit profile will continue to be key rating monitorables.

ICRA also notes that the SKH SMC remains exposed to the cyclicality inherent in the automotive industry and its dependence on the performance of key OEM customers. Nevertheless, the strong market position of major customers, including MSIL, TMPV and M&M, coupled with continued platform additions and customer diversification initiatives, is expected to support healthy revenue growth and earnings generation over the medium term. Sustained growth in operating profits and cash accruals will remain critical for persistent improvement in the Group's capital structure and debt protection metrics.

The Stable outlook on SKH SMC's long-term rating reflects ICRA's opinion that the company will continue to benefit from its established relationships with its customers and record moderate earnings growth over the medium term, helping it maintain its credit profile.

Key rating drivers and their description

Credit strengths

Strong business position for supplying sheet metal components – SKH SMC is a supplier of fuel tanks, axle housings, seat frame components and other body-in-white (BIW) parts to various OEMs. Over the years, it has maintained a steady share of business for these parts. At a consolidated level, its key customer is MSIL (through supplies from subsidiaries). Apart from MSIL, the company derives its revenues from the TMPV, M&M and Volkswagen Group (both domestic and export supplies). It is a supplier of various BIW parts and has maintained a steady share of business over the years. With the addition of SKH M, SKH SMC acquired the stamping business for some models of TML and M&M from July 2024, thereby diversifying its customer profile and reducing the concentration risk.

Holding company for various Krishna Group entities in the sheet metal segment, with strong share of business in supplies to OEMs – Apart from its standalone operations, SKH SMC acts as a holding entity for the metal business of the Krishna Group. There are no significant incremental investments planned for the Group companies, going forward, with most investee companies remaining self-sufficient to meet their debt-servicing obligations. Even as the dividend receipts from the investee companies have been minimal so far, their established presence as tier-I suppliers to leading automotive OEMs in the domestic market could provide healthy cash flows in the form of dividend income for SKH SMC, going forward.

Synergistic benefits as a part of the Krishna Group – SKH SMC derives various synergistic benefits (technology and raw material procurement, for example) as a part of the Krishna Group. Even as the company does not have technical collaboration agreements at a standalone level, it continues to have access to technological know-how from its Group entities, which have entered into technical collaboration agreements to expand their businesses. The technical expertise from Group entities is likely to help SKH SMC adapt to changing technological requirements of OEMs, thus helping it maintain a healthy share of business.

Credit challenges

Financial risk profile, characterised by modest leverage and debt coverage indicators – At a consolidated level, SKH SMC's financial risk profile is characterised by modest capital structure and debt coverage indicators. As of March 31, 2026, the company had a total debt of Rs. 1,813 crore on its books (at a consolidated level including lease liabilities), resulting in a gearing of around 1.3 times. The debt coverage indicators remained modest, with a Total debt/OPBDITA of around 2.8 times and Total outside liabilities/Tangible net worth of 2.1 times for FY2026. Despite a rise in total debt in FY2026, the capital structure improved owing to healthy cash accruals arising from the increased scale of operations and stable profit margins. The overall debt rose in FY2026 as the group availed additional debt to fund the ongoing capex for the growing capacities under its subsidiaries. Going forward, steady year-on-year incremental accruals (aided by organic growth and planned acquisition) are expected to support the credit metrics and debt coverage metrics of the company.

Moderate client concentration risk at a consolidated level – Barring supplies to Group entities, the company's business at a standalone level is predominantly derived from the VW Group. While business growth for Group entities remains largely linked to the growth prospects of MSIL, the market leader in the domestic passenger vehicle industry, SKH SMC's performance and prospects at a standalone level are still closely linked to its ability to gain incremental business from the VW Group in domestic and overseas markets. On a consolidated basis, the majority of the revenues continues to be derived from MSIL, followed by the newly acquired business of TMPV and M&M under SKH M India Private Limited (subsidiary of SKH SMC). This led to a substantial increase in the consolidated scale of operations and has reduced the revenue concentration risk to an extent.

Modest capex plans over next two years at a Group level – On a consolidated basis, the major portion of the capex was incurred in FY2025 and FY2026 towards acquisition of SKH M and setting up new plants at its subsidiaries. Going forward, the Group will incur capex of Rs. 200-250 crore in FY2027 towards setting up of new capacities and welding lines under its subsidiaries. The capex is expected to be funded through a mix of term loans, internal accruals and potential receipt of incentives from the state government in one of the subsidiaries.

Liquidity position: Adequate

The company's liquidity position is anticipated to remain **adequate**, aided by expectation of healthy retained cash flows (Rs. 350-400 crore in FY2027), available cash and liquid investments of Rs. 90-100 crore and buffer of Rs. 150-200 crore against the drawing power in working capital facilities on a consolidated level. It has repayment obligations of about Rs. 185 crore over the next twelve months and moderate capex requirements (Rs. 200-250 crore over FY2027).

Rating sensitivities

Positive factors – The ratings could be upgraded in case of sustained improvement in scale of operations and profitability of the company, along with diversification in its geographical and customer profile on a sustained basis. Specific credit metrics that could lead to a ratings upgrade include debt service coverage ratio (DSCR) above 2.0 times on a sustained basis.

Negative factors – The ratings could witness a downward revision in case of any adverse impact on the earnings of the company, resulting in a deterioration in debt protection metrics. The impact of any inorganic growth plans on its credit profile would remain a monitorable. Specific credit metrics that could cause a downgrade include DSCR below 1.6 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	[Corporate Credit rating methodology](#) [Auto Components](#)
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of SKH Sheet Metals Components Private Limited, SKH Strategic Management Services LLP and SKH Management Services Private Limited. As on March 31, 2026, the company had five subsidiaries, three associates and two joint ventures, which are all enlisted in Annexure-II.

About the company

SKH SMC is the holding entity for most of the SKH Group (metal business of the Krishna Group) entities. It also has three manufacturing facilities at Binola (Delhi NCR), Ranjangaon (near Pune) and Chennai. The company has been the growth centre for the SKH Group's exports to global OEMs as well as its vehicle for expanding across all major automotive hubs of India. Its key products include seat structures, metal fuel tanks (passenger vehicles and two-wheelers), bumper brackets, ISOFIX assemblies and various sheet metal components and assemblies (low and high tensile) for several Indian and global OEMs.

SKH SMC is held by Mr. Sunandan Kapur, who has a 66.6% stake. The company also holds stakes in sister concerns like SKH Metals Limited, SKH Y TEC Pvt. Ltd., SKH M India Private Limited and other holding entities.

Key financial indicators

Consolidated (SKH SMC + SKH LLP + SKH Management) (ICRA Estimated)	FY2025	FY2026*
Operating income (OI)	3,977.7	5,429.1
PAT	150.1	270.7
OPBDIT/OI	11.2%	12.0%
PAT/OI	3.8%	5.0%
Total outside liabilities/Tangible net worth (times)	2.6	2.1
Total debt/OPBDIT (times)	3.9	2.8
Interest coverage (times)	4.5	4.6

*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

Key financial indicators

Consolidated (SKH SMC reported)	FY2025	FY2026*
Operating income (OI)	3,926.9	5,363.3
PAT	100.7	205.9
OPBDIT/OI	9.8%	10.5%
PAT/OI	2.6%	3.8%
Total outside liabilities/Tangible net worth (times)	3.1	2.7
Total debt/OPBDIT (times)	4.6	3.3
Interest coverage (times)	3.9	3.9

*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: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	July 24, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Unallocated limits	Long-term/ Short-term	0.00	-	Apr 25, 2025	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-	Jan 19, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2
Fund-based – Cash credit	Long-term	210.00	**[ICRA]A- (Stable)**	Apr 25, 2025	[ICRA]BBB+ (Stable)	-	-	Jan 19, 2024	[ICRA]BBB+ (Stable)
Interchangeable limits	Long-term/ Short-term	(45.00)	**[ICRA]A- (Stable)/[ICRA]A2+**	Apr 25, 2025	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-	Jan 19, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2
Fund-based – Term loans	Long-term	25.84	**[ICRA]A- (Stable)**	Apr 25, 2025	[ICRA]BBB+ (Stable)	-	-	Jan 19, 2024	[ICRA]BBB+ (Stable)
Non-fund based – Bank guarantee	Short-term	35.00	**[ICRA]A2+**	Apr 25, 2025	[ICRA]A2	-	-	Jan 19, 2024	[ICRA]A2
Unallocated limits	Long-term	-	-	-	-	-	-	Aug 29, 2023	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; withdrawn
Fund-based – Cash credit	Long-term/ Short-term	-	-	-	-	-	-	Aug 29, 2023	[ICRA]B+ (Stable)/ [ICRA]A4 ISSUER NOT COOPERATING*; withdrawn
Non-fund based – Others	Long-term/ Short-term	-	-	-	-	-	-	Aug 29, 2023	[ICRA]B+ (Stable)/ [ICRA]A4 ISSUER NOT COOPERATING*; withdrawn

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund-based facilities	Simple
Long term – Fund-based – Term loans	Simple
Short Term – Non-fund based facilities	Simple
Long term / Short term – Interchangeable	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 loans**	-	NA	FY2030	25.84	[ICRA]A- (Stable)	RBI
NA	**Cash credit**	NA	NA	NA	210.00	[ICRA]A- (Stable)	RBI
NA	**Bank guarantee/ Letter of credit**	NA	NA	NA	35.00	[ICRA]A2+	RBI
NA	**Interchangeable Limits**	NA	NA	NA	(45.00)	[ICRA]A-(Stable)/[ICRA]A2+	RBI

Source: Company

#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.

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 Sheet Metals Components Private Limited	100.00% (rated entity)	Full consolidation
SKH SMC Gmbh	100.00%	Full consolidation
SKH Y-Tec India Private Limited	51.00%	Full consolidation
SKH Jai Hanuman Components Private Limited	99.99%	Full consolidation
SKH Metals Limited	60.86%	Full consolidation
SKH M India Private Limited	60.00%	Full consolidation
Comfort Bus Seats Pvt. Ltd.	49.00%	Equity method
Uranus Auto Seat Trims Pvt. Ltd.	26.00%	Equity method
SKH Sila India Pvt. Ltd.	26.15%	Equity method
Marelli SKH Exhaust Systems Pvt. Ltd.	50.00%	Equity method
SIAC SKH India Cabs Manufacturing Pvt. Ltd.	50.00%	Equity method
SKH Strategy Management Services India LLP	0.00%	Full consolidation
SKH Management Services Private Limited	0.00%	Full consolidation

Source: Company data

ANALYST CONTACTS

Jitin Makkar
+91 124 4545 368
jitinm@icraindia.com

K. Srikumar
+91 44-4596 4318
ksrikumar@icraindia.com

Rohan Gupta
+91 124 4545 808
rohan.kanwar@icraindia.com

Akshay Dangi
+91 124 4545 396
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.

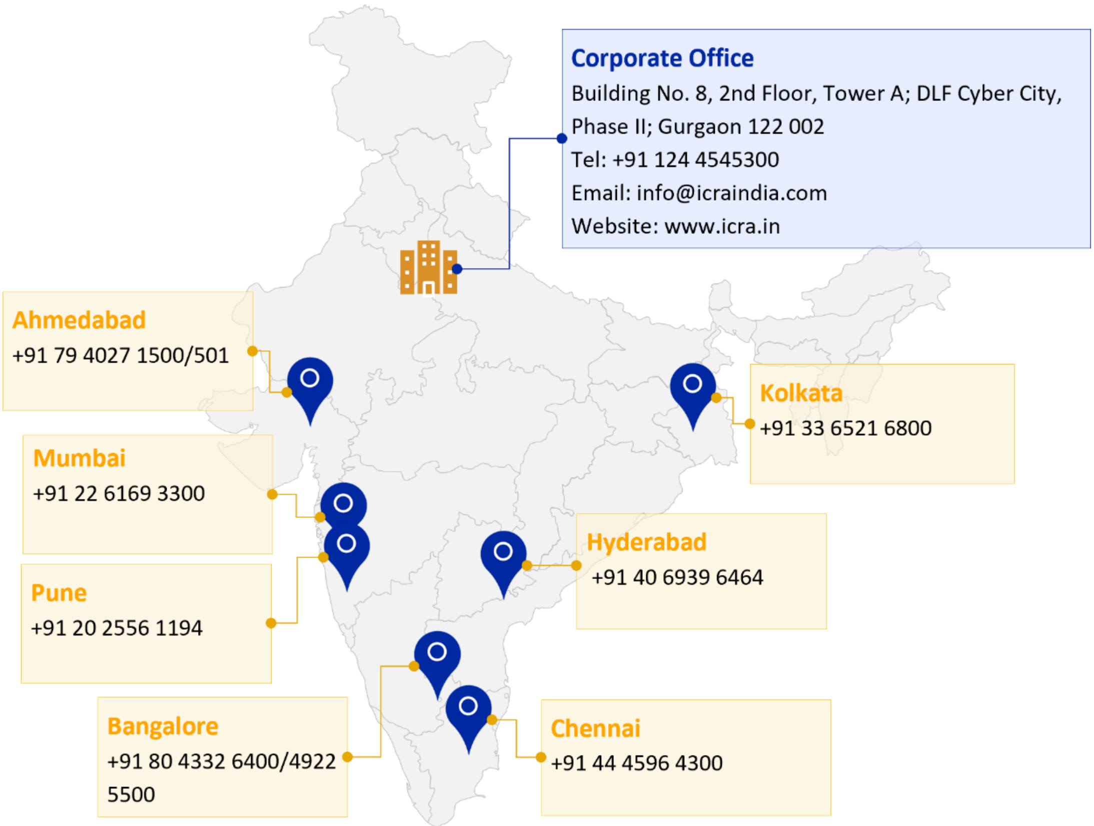
For more information, visit www.icra.in

ICRA Limited

Registered Office

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

Branches



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.