



**Press Release**  
**KSH AUTOMOTIVE PRIVATE LIMITED**  
**September 05, 2025**  
**Rating Assigned and Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	60.00	ACUITE BBB-   Stable   Assigned	-
Bank Loan Ratings	70.00	ACUITE BBB-   Stable   Reaffirmed	-
<b>Total Outstanding Quantum (Rs. Cr)</b>	130.00	-	-
<b>Total Withdrawn Quantum (Rs. Cr)</b>	0.00	-	-

**Rating Rationale**

Acuite has reaffirmed its long term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minuso**)n the Rs. 70.00 Cr. bank facilities of KSH Automotive Private Limited (KSHAPL). The outlook is '**Stable**'.

Acuite has assigned its long term rating to '**ACUITE BBB-**' (read as **ACUITE triple B minuso**)n the Rs. 60.00 Cr. bank facilities of KSH Automotive Private Limited (KSHAPL). The outlook is '**Stable**'.

**Rationale for rating**

The rating reflects the steady improvement in topline and profitability of the company's operation considering the healthy order book, moderate financial risk profile, efficient working capital operations and technical support from parent company. The EBITDA Margins of the company stood at 10.06% in FY25 (prov.) against 9.75% in FY24. The rating further takes support from strong parentage of the company to support operations of KSHAPL. Also, the capital structure of the Company is comfortable, however, the debt protection metrics have been subdued. Furthermore, the working capital cycle of the company is efficient as reflected from GCA of 67 days as on March 31, 2025 (prov.). The rating is constrained by exposure of the Company to forex fluctuation risk and customer concentration risk.

**About the Company**

KSH Automotive Private Limited (KSHAPL), incorporated in 2017, is a wholly owned subsidiary of South Korea based Saehan Ind. Co., Ltd. The company is engaged in the manufacturing, designing, engineering, developing, fabricating, assembling and sale of car automotive sheet metal body components, mainly for KIA Motors in India. The Company commenced its commercial production in July 2019. The manufacturing plant is located at Penukonda in Andhra Pradesh. The present directors of the company are Mr. Yeonsoo Kim and Mr. Yongsung Kim.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone business and financial risk profile of KSHAPL to arrive at the rating.

**Key Rating Drivers**

**Strengths**

**Strong parentage; experienced management team**

KSHAPL is a 100 per cent subsidiary of South Korea-based, Saehan Industrial Co. Ltd. SICL has a track record of over five decades in the Korean market. Acuite derives comfort from the long experience of the directors, as KSHAPL's operations are guided by a strong management team of Mr. Yeonsoo Kim, Mr and Mr. Yongsung Kim with extensive experience in the OEM industry, which has facilitated relationships with KIA India in the domestic

market and ensure repeat orders. The company benefits from the technological support and the management's experience from its parent company. Further, its cash conversion cycle is supported by the extended credit period

by the parent company. Acuité expects that KSHAPL would continue to remain a key delivery centre for KIA motors and benefit from access to Saehan Industrial Co. Ltd's technical expertise and capabilities.

### **Steady scale of operations**

The company has reported revenue of Rs. 852.16 Crores in FY25 (prov.) against Rs. 851.46 Crores in FY24. This stability in top line of the company is because the sales of the company is totally depend upon the sales of KIA India and there is a stable growth in sales of KIA India which stood at 2,55,207 units in FY25 against 2,45,634 units in FY24, as per public domain. However, the EBITDA Margins of the company stood at 10.06% in FY25 (prov.) against 9.75% in FY24 and the PAT Margins of the company stood at 2.25% in FY25 (prov.) against 2.35% in FY24. The improvement has been due to better pricing that the Company could command and lesser competition in a few products dealt-in by the company and reduction in the raw material cost. The company does not undertake the hedging activities against their foreign exposure. The company has the order book of Rs. 994.00 Cr. as on March 2025 which is expected to be execute by 12 months. The company has achieved revenue of ~Rs. 283.41 Crores from April 2025 to July 2025. Acuite believes that a healthy order book along with execution capabilities of the same would be contributing to the revenues of the company over the medium term.

### **Moderate Financial Risk Profile**

The financial risk profile of the company is moderate marked by net-worth of Rs. 305.15 Crore as on 31st March 2025 (Prov.) against Rs. 278.16 Crore as on 31st March 2024 due to steady accretion to reserves and infusion of equity by the parent company. Further, the total debt of the company stood at Rs. 444.03 Crore as on 31st March 2025 (prov.). The increase in debt in FY25 is due to the company's capital expenditure of Rs. 289.93 Cr. This expenditure led to a significant increase in the unsecured loan from its parent company, which rose to Rs. 232.01 Cr. (prov.) in FY25 from Rs. 41.69 Cr. in FY24. The capital structure of the company marked by gearing ratio of the company which stood at 1.46 times as on 31st March 2025 (Prov.) against 1.05 times as on 31st March 2024. Further, the coverage indicators of the company reflected by interest coverage ratio and debt service coverage ratio of the company which stood at 3.51 times and 0.97 times respectively as on 31st March 2025 (Prov.) against 4.65 times and 1.12 times respectively as on 31st March 2024. The TOL/TNW ratio of the company stood at 2.36 times as on 31st March 2025 (Prov.) against 1.77 times as on 31st March 2024 and DEBT-EBITDA of the company stood at 5.07 times as on 31st March 2025 (Prov.) against 3.43 times as on 31st March 2024. Acuité believes that going forward the financial risk profile of the company will remain moderate.

### **Efficient Working capital operations**

The working capital operations of the company is marked efficient by Gross Current Asset (GCA) days of 67 days in FY25 (prov.) against 66 days in FY24. There is an increase in the GCA days due to the inventory days of the company which stood at 19 days in FY25 (prov.) against 14 days in FY24, debtors days of the company stood at 49 days in FY25 (prov.) against 39 days in FY24 and the creditors days stood at 141 days in FY25 (prov.) against 101 days in FY24. Acuité believes that the working capital cycle of the Company would remain at similar lean levels over the medium term due to efficient collection mechanism and low inventory holdings.

### **Weaknesses**

#### **Foreign currency denominated loans inadequately hedged rendering profitability vulnerable to adverse forex movements**

The company is exposed to currency risk, as a major part of the term debt is denominated in foreign currency. Also, KSHAPL imports about ~10 per cent of its raw materials from South Korea, without hedging its foreign currency and hence, the profitability remains vulnerable to any adverse movements in foreign currency rates.

#### **Customer Concentration Risk**

The company derives almost ~70.68% of revenues in FY25 (prov.) from KIA India. Any change in buying pattern of KIA Motors might directly impact the revenue and profitability profile of the Company. However, the Company is trying to diversify its customer profile slightly but KIA continues to remain a bigger client for the Company. Acuite believes that the customer concentration risk will continue to loom over the business risk profile of the Company over the medium term.

### **Rating Sensitivities**

- Movement in scale of operations and profitability margins
- Movement in working capital operations
- Timely infusion of financial support from parent company

### **Liquidity Position Stretched**

The liquidity profile of the company is stretched. The net cash accruals of company stood at Rs. 58.24 Crs. in FY 25 (prov.) against the debt repayment of Rs. 61.03 Cr. for the same period. Although the liquidity of the company is stretched but it was supported by the infusion of fund by parent company in form of equity and unsecured loan and the debt payments were made out of the same. The company has cash & bank position of Rs. 0.07 Cr in FY 25

(prov.). Current ratio of the company stood at 0.39 times in FY25 (prov.). The average fund based bank limit utilization is at 72.07% for the 8 months' period ending July 2025. Acuite believes that the liquidity of the Company is expected to improve due to healthy accruals, financial support from parent company from time-to-time, efficient working capital management albeit weak current ratio and debt funded capex plans over the medium term.

**Outlook: Stable**

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	852.16	851.46
PAT	Rs. Cr.	19.22	20.04
PAT Margin	(%)	2.25	2.35
Total Debt/Tangible Net Worth	Times	1.46	1.05
PBDIT/Interest	Times	3.51	4.65

### Status of non-cooperation with previous CRA (if applicable)

Not Applicable

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
20 Sep 2024	Cash Credit	Long Term	50.00	ACUITE BBB-   Stable (Reaffirmed)
	Secured Overdraft	Long Term	20.00	ACUITE BBB-   Stable (Assigned)
10 Sep 2024	Cash Credit	Long Term	50.00	ACUITE BBB-   Stable (Upgraded from ACUITE BB+   Stable)
13 Jun 2023	Secured Overdraft	Long Term	50.00	ACUITE BB+   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE BBB-   Stable   Reaffirmed
Industrial Bank of Korea	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE BBB-   Stable   Reaffirmed
Industrial Bank of Korea	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	60.00	Simple	ACUITE BBB-   Stable   Assigned

## Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	<b>Contact details exclusively for investors and lenders</b>
Siddharth Garg Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: <a href="mailto:analyticalsupport@acuite.in">analyticalsupport@acuite.in</a>

### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

**Note:** None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.