

02nd June, 2026

To
The General Manager
Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001

To
The General Manager
Department of Corporate Services,
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Scrip Code: 544253**Symbol: KROSS**

Dear Sir/ Madam,

Subject – Intimation of Credit Rating as per Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 and other applicable provisions of the SEBI (LODR) Regulations, 2015, we would like to inform you that, the rating agency India Ratings & Research Private Limited has “**Affirmed Kross's existing Bank Loan Facilities and Rated Additional Limits**” which are as follows;

Instrument Type	Size of Issue (million)	Rating Assigned along with Outlook/Watch	Rating Action
Bank loan facilities (existing limits)	INR1,115	IND A/Stable/IND A1	Affirmed
Bank loan facilities (additional limits)	INR179.5	IND A/Stable/IND A1	Assigned

The rating can be accessed through the company's website at <https://www.krosslimited.com/>

Kindly take the above information on records.

Thanking You,
For Kross Limited

Debolina Karmakar
Company Secretary and Compliance Officer
ACS 62738

Registered and Corporate Office

M-4, VI Phase, Gamharia, Adityapur Industrial Area, Jamshedpur - 832108 (India)
Phone - +91 7280026478 Website : www.krosslimited.com



India Ratings Affirms Kross's Bank Loan Facilities at 'IND A'/Stable; Rates Additional Limits

Jun 01, 2026 | Kross Limited | Auto Components & Equipments

India Ratings and Research (Ind-Ra) has taken the following rating actions on Kross Limited's (KL) bank loan facilities:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating Assigned along with Outlook/Watch	Rating Action
Bank loan facilities	-	-	-	INR1,115	IND A/Stable/IND A1	Affirmed
Bank loan facilities	-	-	-	INR179.5	IND A/Stable/IND A1	Assigned

Analytical Approach

Ind-Ra continues to take a standalone view of KL to arrive at the ratings.

Detailed Rationale of the Rating Action

The ratings reflect the agency's expectation of sustained revenue growth over FY27-FY28, with healthy profitability and credit metrics. The company reported steady revenues and resilient operating profitability with rangebound EBITDA margins over FY24-FY26. Additionally, the company's credit metrics remained healthy in FY25-FY26, following the receipt of the proceeds from an initial public offering (IPO). The proceeds were utilised to largely repay its debt, leading to a reduction in its interest burden and an improvement in the coverage indicators.

KL has been investing to increase its existing capacities and develop new products, which is expected to benefit its top line FY27 onwards, and remains a key monitorable. Furthermore, Ind-Ra believes KL's deleveraged balance sheet and healthy cash balance would support its credit profile in case of any downturn in the auto industry.

List of Key Rating Drivers

Strengths

- Improvement in scale of operations and operating margins; likely to sustain in medium term
- Product diversification and innovation
- Established market position
- Comfortable credit metrics

Weaknesses

- Cyclical nature of automobile industry

Detailed Description of Key Rating Drivers

Improvement in Scale of Operations and Operating Margins; likely to Sustain in Medium Term: KL is a mid-sized player in the auto ancillary market and caters to large original equipment manufacturers (OEMs). Its revenue grew 8.5% yoy to INR6,732 million in FY26 (FY25: INR6,204 million; FY24: INR6,203 million), supported by goods and services tax (GST) rationalisation benefits along with a strong revival in the medium and heavy commercial vehicle (MHCV) and trailer segments. Its absolute EBITDA grew 8.2% yoy to INR879 million in FY26 (FY25: INR813 million; FY24: INR808 million). The revenue remained flat in FY25 as increased volumes in the trailer axle business was offset by muted demand in certain component categories.

The agency expects the revenue to improve significantly FY27 onwards, backed by key initiatives undertaken by the company during FY26 such as launch of new product, tipping jack; commissioning of axle beam extrusion plant; and the expansion of forging capacity with multiple high-tonnage presses and the completion of a construction shed for seamless tube facility that is scheduled to be fully operational by FY28.

KL's EBITDA margins remained flat at around 13.1% in FY26 (FY25: 13.1%; FY24: 13.0%), led by a strong recovery in 2HFY26 across segments and improved operating efficiencies, partially offset by cost pressures and expansion-related drag. The company benefits from a pass-through mechanism with OEMs for raw material price volatility, which largely compensates for input cost increases, albeit with a time lag. Import dependency remains low, with only 12% of total purchases sourced primarily from China, limiting exposure to geopolitical disruptions such as the Middle East conflict.

Ind-Ra expects margins to remain healthy at 13%–13.5% in the near term, supported by the management's continued focus on expanding higher-value product lines in trailer axles and suspension systems, along with backward integration through extrusion and seamless tubes. Additionally, a gradual improvement in exports is expected to provide further support to its margins.

Product Diversification and Innovation: The company has introduced new product lines and increased its presence in the tractor, transmission and trailer components segments through innovative production process with lower production costs and a shorter production time. KL has a diversified product portfolio, catering to the commercial vehicle and tractor industries. KL's business is fully backward integrated with the presence of its foundry division; it is among the few players with a full product range of axles and suspension (both mechanical and air suspension). The key products manufactured by the company are companion flanges, axle shafts, rear end spindles, anti-roll bars, differential spiders, inter-axle kits, suspension linkages, universal joints and crosses, pole wheels, scam shafts and a variety of tractor parts for the hydraulic lift arrangement.

The company has further diversified its product portfolio with the launch of a key product in the trailer segment, the tipping jack, which is expected to strengthen the company's positioning within the trailer ecosystem and provide incremental revenue from FY27. Additionally, other key initiatives by the company include commissioning of axle beam extrusion plant in February 2026, the enhancement of forging capacity with multiple high tonnage presses and the completion of the construction shed for the seamless tube plant (key raw material for tipping jack), which is expected to be operational by FY28. This project will further strengthen its backward integration and reduce dependence on external suppliers with surplus capacity expected to cater to external demand in the oil and gas sector.

Established Market Position: KL is an established player in the auto ancillary industry, with a track record of over 25 years. It has a strong market position in its key products segments such as axel shaft, power take-off shaft, lift shaft and other related parts. The company has been associated with different OEMs for almost two decades, including Tata Motors Limited, Ashok Leyland Ltd., TAFE Limited, DANA India Pvt. Ltd., International Tractors Pvt. Ltd., and EATON Industrial Systems Pvt. Ltd. KL's established relationships with large OEMs and their tier one suppliers, domestic dealers and fabricators for trailer axle and suspension business, complemented by a diversified network of dealers for trailer axle and suspension assembly business, have helped the entity receive repeat orders. The company is also one of the top three trailer axle manufacturing players competing with bigger players such as Tata Motors and York Transport Equipment.

Comfortable Credit Metrics: While KL's credit metrics improved significantly as a large part of its external borrowings has been repaid through the IPO proceeds. The gross adjusted debt (including lease liabilities and sales bills discounting), increased to INR886 million at FYE26 (FY25: INR664 million), due to the additional debt raised primarily for adding capacities for seamless tubes. The company has incurred capex of INR1,002 million during FY26 (FY25: INR284 million; FY24: INR272 million) towards setting up capacities for tipping jack, commissioning of the axle beam extrusion plant, forging capacity expansion and the completion of the construction shed for seamless tube plant. The seamless tube plant

is currently under machine installation phase, and the company has tied up debt of INR1,100 million for the same. KL plans to incur further capex of INR1,000 million-1,200 million during FY27 which is likely to be funded through a mix of external debt and internal accruals.

The net adjusted leverage (adjusted debt/operating EBITDA) stood at 0.72x in FY26 (FY25: net cash position; FY24: 1.71x). KL's gross interest coverage (operating EBITDA/gross interest expense) improved to 10.9x in FY26 (FY25: 6.6x; FY24: 5.4x) owing to its healthy EBITDA. Ind-Ra expects the credit metrics to slightly elevate in FY27; however, will witness gradual reduction from FY28, owing to the absence of further debt-funded capex supported by healthy EBITDA levels.

Cyclical Nature of Automobile Industry: KL primarily caters to the cyclical commercial vehicle segment, the demand for which is largely linked to the growth prospect of the overall economy, macro-economic fundamentals, industrial production, fleet utilisation and freight rates. Led by GST rationalisation, there has been a strong revival in commercial vehicle segment with key OEMs reporting strong volumes specifically in Q4FY26. The GST led demand momentum is expected to continue further in the near term across segments as demand outlook across all OEMs remains promising. Ind-Ra believes KL's continued investment in technology upgradation and product innovation would result in cost savings in turn supporting its credit profile in case of a downturn in the auto industry.

Liquidity

Adequate: KL had cash and equivalents of around INR254 million at FYE26 (FYE25: INR854 million, FYE24: INR110 million). The IPO proceeds of INR2,500 million from its fresh issue of share in FY25 was completely deployed in FY26. Of the total cash balance of INR254 million, INR37 million has been earmarked as security for bank guarantee with banks and performance guarantee with vendors. KL's average utilisation of the fund-based limits was around 20.5% for 12 months ended March 2026 as large part of working capital loans were repaid from the IPO proceeds. As per the management, the working capital utilisation of the fund-based limits is expected to increase as the company's scale of operations increases. Nonetheless, the company has access to capital markets and multiple banks for fund raising.

The cash flow from operations improved to INR229 million in FY26 (FY25: INR6 million; FY24: negative INR57 million), due to favourable changes in the working capital and the improvement in the EBITDA. KL's working capital cycle elongated slightly to 175 days in FY26 (FY25: 163 days; FY24: 117 days), owing to increased receivables and inventory level, primarily due to a change in product and customer mix. However, the same is likely to improve gradually from FY27.

The free cash flows remained negative INR773 million in FY26 (FY25: negative INR277 million; FY24: negative INR329 million), on account of increased capex of INR1,002 million. The company has outlined additional capex of INR1,000 million-1,500 million for FY27, primarily towards expanding its seamless tube capacity. The company's annual capex is expected to normalise to INR500 million-600 million FY28 onwards. Ind-Ra anticipates the free cash flow will remain negative in FY27 due to the elevated capex but is likely to turn positive from FY28.

Rating Sensitivities

Positive: A significant improvement in the scale of operations while maintaining the credit profile and liquidity on a sustained basis will lead to a positive rating action.

Negative: Significant deterioration in the scale of operations or profitability or liquidity due to unexpected debt-funded capex or stretch in working capital cycle resulting in net adjusted leverage (inc. leases and sales bill discounting) increasing above 2.0x on a sustained basis will lead to a negative rating action.

Any Other Information

Not applicable

About the Company

Incorporated in May 1991, KL is promoted by Sudhir Rai and his wife, Anita Rai. The company got listed in September 2024 with public holding of around 31%. It is engaged in the manufacturing of automobile parts (such as axle shafts, coupling flanges, and tractor parts) for commercial vehicles and tractors. It has five integrated manufacturing plants, including a forging unit in Jamshedpur.

Key Financial Indicators

Particulars	FY26	FY25
Revenue (INR million)	6,732	6,204
EBITDAR (INR million)	879	813
EBITDAR margin (%)	13.1	13.1
Gross interest coverage (x)	10.90	6.61
*Net adjusted leverage (x)	0.72	net cash
Source: KL; Ind-Ra		
*Including lease liabilities and sales bills discounted		

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Current Ratings/Outlook			Historical Rating/Outlook				
	Rating Type	Rated Limits (million)	Current Ratings	3 March 2025	4 September 2024	18 September 2023	12 September 2023	24 July 2023
Issuer rating	Long-term	-	-	-	-	WD	IND BBB+/Positive	IND BB (ISSUERNOT COOPERATING)
Bank loan facilities	Long-term/Short Term	INR 1,294.5	IND A/Stable/IND A1	IND A/Stable /IND A1	IND A-/Rating Watch with Positive Implications /IND A2+/Rating Watch with Positive Implications	-	IND BBB+/Positive/IND A2	IND BB (ISSUERNOT COOPERATING)/IND A4+ (ISSUERNOT COOPERATING)

Bank wise Facilities Details

The details are as reported by the issuer as on (01 Jun 2026)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
---	-----------	------------------------	----------------------------	--------

1	DBS Bank India Limited	Fund Based Working Capital Limit	200	IND A/Stable / IND A1
2	HDFC Bank Limited	Fund-based/Non-fund-based limit	300	IND A/Stable / IND A1
3	Axis Bank Limited	Fund-based/Non-fund-based limit	385	IND A/Stable / IND A1
4	HDFC Bank Limited	Non-fund-based working capital limits	70	IND A1
5	Axis Bank Limited	Non-fund-based working capital limits	30	IND A1
6	HDFC Bank Limited	Term Loan	179.05	IND A/Stable
7	Axis Bank Limited	Term loan	130.45	IND A/Stable

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

Annexure

List of instruments and names of regulators of the instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A. Rating Activity

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)*	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI

Sr. No.	Instrument / activity Name	Regulator of the instrument
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), India Ratings shall separately capture the rated quantum details along with names of respective regulators.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

B. Other activities:

Sr. No.	Activity Name	Regulator of the activity
1	Monitoring Agency	SEBI
2	Research activities, incidental to rating, such as research for Economy, Industries and Companies @	NA

@ permitted by SEBI vide SEBI Master Circular for CRAs.

Note: For instruments or activities falling under the purview of regulators other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Contact

Primary Analyst

Divya Kamboj

Senior Analyst

India Ratings and Research Pvt Ltd

DLF Epitome, Level 16, Building No. 5, Tower B DLF Cyber City, Gurugram Haryana - 122002

+91 124 6687245

For queries, please contact: infogrp@indiaratings.co.in

Secondary Analyst

Shefali Joshi

Senior Analyst

+91 124 6687261

Media Relation

Ameya Bodkhe

Marketing Manager

+91 22 40356121

About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process

DISCLAIMER

India Ratings and Research Private Limited (India Ratings) is a private limited company registered under the provisions of the Companies Act, 1956, having CIN U67100MH199SFTC140049, and registered office at Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra, 400051, India. The contact details of India Ratings are Telephone No.: +91 22 4000 1700 and Fax. No.: +91 22 4000 1701. India Ratings is registered with the Securities and Exchange Board of India (SEBI) as a Credit Rating Agency under Section 12 of the SEBI Act, 1992, having SEBI Registration Number IN/CRA/002/1999.

India Ratings and Research Private Limited (India Ratings) is a Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI) under Section 12 of the SEBI Act, 1992. In this capacity, India Ratings undertakes ratings of listed and proposed to be listed instruments that fall under the regulatory oversight of SEBI. In addition, in line with Regulation 9(f) of the SEBI (Credit Rating Agencies) Regulation, 1999, India Ratings rates financial instruments falling under the purview of other financial sector regulators (FSR). Instruments which come under the purview of other FSRs do not come under the overall governance of SEBI. Issuers/Users/readers of this communication/report are, therefore, cautioned to know the risks involved in dealing in such instruments. Such instruments can carry Liquidity and Price Risk which pertains to how saleable a Security is in the market. If a particular Security does not have a market at the time of sale, then the Investor's investments may have to bear an impact depending on its exposure to that particular Security. It is not possible to predict if, and to what extent, a secondary market may develop in the debt securities or at what price the debt securities will trade in the secondary market or whether such market will be liquid or illiquid. The more limited the secondary market is, the more difficult it may be for holders of the debt securities to realise value for the debt securities prior to redemption of the debt securities. If the debt securities are unlisted, then the ability of the Investors to resell or trade them may be limited, leading to liquidity and price risk on the debt securities. The returns from a particular asset class may underperform returns from other asset classes. The changes in government policy in general and changes in taxation may impact the returns to investors. There can be external risks arising out of geopolitical situations which can lead to volatility in/impact the performance of the individual securities. Issuers/Users/readers are advised to note that SEBI's investor protection mechanisms and SEBI's grievance or dispute redressal mechanisms are not applicable to ratings assigned by India Ratings that fall under the purview of other FSRs. Should you have any grievance with instruments under the purview of other FSRs, please write to infogrp@indiaratings.co.in. For any grievance with instruments under the purview of SEBI, please write to investor.grievances@indiaratings.co.in.

All credit ratings assigned by India Ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.indiaratings.co.in/rating-definitions>. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website www.indiaratings.co.in. Published ratings, criteria, and methodologies are available from this site at all times. India Ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site.