

October 13, 2026

The Manager
The Department of Corporate Services
BSE Limited
P. J. Towers,
Dalal Street, Mumbai - 400 001
Scrip Code - 544615

The Manager
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Symbol - KSR

Dear Sir / Madam,

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Sub: Credit Rating from India Ratings & Research on Bank Loan Facilities

Pursuant to the provisions of Regulation 30 of the Listing Regulations, we would like to inform you that India Ratings & Research, vide its letter dated October 12, 2026, has communicated its ratings with respect to Bank Loan Facilities of the Company for an aggregate amount of INR 360 Million as under:

Particulars	Amount	Rating	Rating Action
Bank Loan Facilities	INR 320 Million	IND BB+/Stable/IND A4+	Long Term Rating upgraded; Short-term rating affirmed
Bank Loan Facilities	INR 40 Million	IND BB+/Stable	Assigned

A copy of the said Letter, as received from India Ratings & Research in this regard, is enclosed herewith.

Please take note of the same.

Thanking you,

Yours truly,

For **KSR Footwear Limited**

SHIKHA
JINDAL

Digitally signed by SHIKHA
JINDAL
Date: 2026.10.13 11:00:11
+05'30'

Company Secretary
Membership No.: A58192

Encl: As above

India Ratings Upgrades KSR Footwear’s Bank Loans to ‘IND BB+’; Affirms Short-Term Rating at ‘IND A4+’; Rates Additional Limits

Oct 12, 2026 | KSR FOOTWEAR LIMITED | Footwear

India Ratings and Research (Ind-Ra) has upgraded KSR Footwear Limited’s (KFL) bank loan facilities’ long-term rating to ‘IND BB+’, from ‘IND BB-’, with a Stable Outlook, while affirming the short-term rating at ‘IND A4+’. The detailed rating actions are as follows:

Details of Instruments

Instrument Type	Regulator of Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (INR million)	Rating Assigned with Outlook/Watch	Rating Action
Bank loan facilities	RBI	-	-	-	320	IND BB+/Stable/IND A4+	Long-term rating upgraded; Short-term rating affirmed
Bank loan facilities	RBI	-	-	-	40	IND BB+/Stable	Assigned

Analytical Approach

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

Detailed Rationale of the Rating Action

The upgrade reflects an improvement in KFL’s EBITDAR margins and credit metrics between 2HFY26 and 1QFY27, following the successful liquidation of obsolete inventory in 1HFY26 and the improved performance of newly introduced stock keeping units, which is broadly in line with Ind-Ra’s expectations. However, the ratings, remain constrained by the company’s modest revenue and stretched liquidity in FY26. In the medium term, Ind-Ra expects the revenue to grow based on increased traction in the revised product portfolio. EBITDA margins are likely to improve with increased operating leverage, resulting in improved credit metrics, while the liquidity is likely to remain stretched.

The ratings are, nevertheless, supported by the promoter’s extensive experience in the footwear industry.

List of Key Rating Drivers

Weaknesses

- Modest revenue; likely to improve in medium term
- Stretched liquidity

Strengths

- Improved EBITDAR margins in 2HFY26
- Improved credit metrics in 2HFY26
- Extensive promoter experience in footwear industry

Detailed Description of Key Rating Drivers

Modest Revenue; Likely to Improve in Medium Term: KFL's revenue was almost stable at INR1,999.46 million in FY26 (FY25: INR2,057 million) due to muted demand. In 1QFY27, the company generated revenue of INR522.5 million, with EBITDAR of INR32.64 million. Based on 1QFY27 performance and the absence of seasonality, revenue is likely to remain at FY26 levels in FY27. However, in the medium term, revenue is likely to grow due to increased traction in the new product portfolio.

Stretched Liquidity: Refer to the liquidity section below.

Improved EBITDAR Margins in 2HFY26: KFL is engaged in the wholesale sales of footwear, with EBITDAR margins primarily dependent on the discounts offered for push sales. In 1HFY26, the company reported EBITDAR losses as it offered significant discounts to liquidate obsolete inventory. In 2HFY26, the company introduced new SKUs based on the evolving market demand, which led to a decrease in discounts offered and an improvement in EBITDAR margins to 3.08% and further to 6.25% in 1QFY27. Based on the improvement in the last three financial quarters, the likely increase in traction of the updated product portfolio, further absorption of fixed costs as scale improves, EBITDAR margins are likely to enhance in the medium term.

Improved Credit Metrics in 2HFY26: KFL's interest coverage (operating EBITDAR/gross interest expense +rents) improved to 1.39x in 2HFY26 (1HFY26: EBITDAR losses), and further increased to 3.22x in 1QFY27 primarily attributable to the improvement in EBITDAR. In the medium term, Ind-Ra expects the credit metrics to improve due to the likely increase in EBITDAR. In FY26, credit metrics remained weak as the company reported EBITDAR losses.

Extensive Promoter Experience in Footwear Industry: The Burman Family has been engaged in the footwear business since 1981 and has expanded their presence across India in the last four decades, building brands such as Khadim, British Walkers, and Lazard, among others. This has facilitated the company to establish strong brand perception among customers and build strong relationship with suppliers.

Liquidity

Stretched: KFL's average maximum utilisation of the fund-based limits was 96.38%, and non-fund-based limits was 52.68% during the 11 months ended June 2026, since the limits were availed in August 2025. Also, utilisation is likely to have remained around similar levels during July-September 2026. Furthermore, KFL does not have any capital market exposure and therefore, relies on banks and financial institutions to meet its funding requirements. The company's elongated net working capital cycle improved to 119 days in FY26 (FY25: 188 days), supported by a decrease in the inventory holding period to 149 days (207 days). The company provides a credit period of 90 days to its customers, while it receives a 100-day credit period from its suppliers. The inventory holding period is around 150 days. The cash and cash equivalents stood at INR19.62 million at FYE26 (FYE25: INR10.71 million). KFL has a repayment obligation of INR6.4 million in FY28, while no repayment in FY27.

Rating Sensitivities

Negative: A decline in the scale of operations, resulting in a deterioration in credit metrics, with EBITDAR interest coverage falling below 2.5x, or a constraint on liquidity, all on a sustained basis, would lead to a negative rating action.

Positive: A substantial improvement in the scale of operations, leading to an improvement in credit metrics and the liquidity, with EBITDAR interest coverage exceeding 3.5x, all on sustained basis, would lead to a positive rating action.

Any Other Information

Not applicable

About the Company

Incorporated in 2023, KFL is engaged in the wholesale and distribution of footwears. The company's registered office is in Parganas, West Bengal. It was formed through the demerger of Khadim India Limited's footwear distribution business in May 2025.

Key Financial Indicators

Particulars (INR million)	FY26	FY25
Revenue	1,999.46	2,057.10
EBITDAR	(76.27)	15.44
EBITDAR margins (%)	(3.81)	0.75
Gross interest coverage (x)	NM	0.29
Net leverage (x)	NM	35.85
Source: KFL; Ind-Ra NM – not meaningful		

Status of Non-Cooperation with Previous Rating Agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook
	Rating Type	Rated Limits (INR million)	Current Rating	15 December 2025
Bank loan facilities	Long-term/short-term	360	IND BB+/Stable/IND A4+	IND BB-/Stable/IND A4+

Disclosure on instruments / activities and names of regulators:

A list of products/activities or ratings of instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by Ind-Ra on its website. A link to the same has been provided below for ready reference:

Rating Activities

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

Bank wise Facilities Details

The details are as reported by the issuer as on (12 Oct 2026)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	Union Bank of India	Fund-based working capital limits	200	IND BB+/Stable / IND A4+
2	Union Bank of India	Non-fund-based working capital limits	120	IND A4+
3	Union Bank of India	Term loan	40	IND BB+/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>.

Contact

Primary Analyst

Shuvangi Nirmal

Senior Research Associate

India Ratings and Research Pvt Ltd

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

+91 124 6687297

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

Secondary Analyst

Shailja Sinha

Analyst

1246687287

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.

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APPLICABLE CRITERIA AND POLICIES

Corporate Rating Methodology

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process

Evaluating Corporate Governance

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