

July 30, 2024

Kadvani Forge Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	1.48	1.48	[ICRA]B(Stable); ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Long Term-Fund Based-Term Loan	26.30	26.30	[ICRA]B(Stable); ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Short Term-Fund Based-Cash Credit	5.00	5.00	[ICRA]A4; ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Short Term-Non-Fund Based	3.50	3.50	[ICRA]A4; ISSUER NOT COOPERATING*. Rating Continues to remain under the 'Issuer Not Cooperating' category.
Total	36.28	36.28	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has kept the long-term and short-term rating of Kadvani Forge Limited in the 'Issuer Not Cooperating' category. The ratings are denoted as [ICRA]B(Stable)/[ICRA]A4; ISSUER NOT COOPERATING"

As part of its process and in accordance with its rating agreement with Kadvani Forge Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Incorporated in 1995, Kadvani Forge Limited (KFL) is involved in manufacturing of closed die steel forged products in carbon, alloy and stainless steel, as per the customer specifications. KFL was initially promoted by Kadvani family and was taken over by Mr. Vitthal Dhaduk in February 2009. The company supplies its products in forged, heat treated, partially or fully machined condition as per the requirement of the customers. The company's manufacturing facility is located at GIDC Lodhika in Rajkot, Gujarat and has an installed capacity of 30,000 MTPA. The marketing and sales office of the company is located at Rajkot. The company also has its marketing teams operating from Bangalore and Chennai.

Key Financial Indicator

	FY2022 (in crore)	FY2023 (in crore)
Operating income	1.42	0.91
PAT	- 0.02	-0.02
OPBDIT/OI	0.49%	-4.51%
PAT/OI	-1.09%	-2.62%
RoCE (%)	-0.03%	-0.45%
Total outside liabilities/Tangible net worth (times)	2.21	1.21
Total debt/OPBDIT (times)	1,451.49	-1.42
Interest coverage (times)	1.84	-

Source: MCA

Status of non-cooperation with previous CRA:NA

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2025)			Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. Crore)	Date & Rating in	Date & Rating in FY2024	Date & Rating in FY2022	Date & Rating in FY2021
				July 30, 2024	May 16, 2023	Mar 23, 2022	Feb 17, 2021
1	Fund Based-Cash Credit	Long Term	1.48	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING
2	Fund Based-Term Loan	Long Term	26.30	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING	[ICRA]B(Stable); ISSUER NOT COOPERATING
3	Fund Based-Cash Credit	Short Term	5.00	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING
4	Non-Fund Based	Short Term	3.50	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term-Fund Based-Cash Credit	Simple
Long Term-Fund Based-Term Loan	Simple
Short Term-Fund Based-Cash Credit	Simple

Short Term-Non-Fund Based

Very 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, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Long Term-Fund Based-Cash Credit	-	-	-	1.48	[ICRA]B(Stable); ISSUER NOT COOPERATING
NA	Long Term-Fund Based-Term Loan	-	-	-	26.30	[ICRA]B(Stable); ISSUER NOT COOPERATING
NA	Short Term-Fund Based-Cash Credit	-	-	-	5.00	[ICRA]A4; ISSUER NOT COOPERATING
NA	Short Term-Non-Fund Based	-	-	-	3.50	[ICRA]A4; ISSUER NOT COOPERATING

Source: Kadvani Forge Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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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.

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