

February 07, 2025

Forbes & Company Limited: Ratings withdrawn

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Cash credit	4.00	4.00	[ICRA]BB+(Stable); withdrawn
Short-term – Non-fund based – Bank guarantee & Letter of credit	2.50	2.50	[ICRA]A4+; withdrawn
Long-term/Short-term – Unallocated limits	50.00	50.00	[ICRA]BB+(Stable)/ [ICRA]A4+; withdrawn
Total	56.50	56.50	

[^]Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Forbes & Company Limited (FCL) at the company's request and based on the No Objection Certificate received from the bankers, and in accordance with ICRA's policy on withdrawal. ICRA does not have adequate information to suggest that the credit risk has changed since the time the rating was last reviewed.

The key rating drivers, liquidity position and rating sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#).

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of FCL. As on March 31, 2024, FCL had 11 subsidiaries and associates/joint ventures (JVs), which are all enlisted in Annexure II.

About the company

FCL's origins go back to 1767 when John Forbes of Scotland started his business in India. Over the years, the company's management transitioned from the Forbes family to the Campbells, then to the Tata Group and eventually to the Shapoorji Pallonji (SP) Group. Throughout this period, the company underwent mergers, demergers and disengagements from various businesses. Initially known as Forbes Gokak Limited, it was renamed Forbes & Company Limited on October 25, 2007. ICRA notes that the SP Group holds a 73.85% equity stake in the company as on December 31, 2023, of which 98.25% of the SP Group's stake was pledged¹.

FCL's standalone operations include the engineering business (comprising industrial automation and coding) and residential project development (Vicinia in Chandivali, Mumbai). In addition, FCL earns substantial income from its real estate holdings. It

¹ SP Group shares were pledged on March 31, 2020, and the pledged share amount has remained the same since then

also has many subsidiaries, JVs, and associate companies. However, the company has undertaken various divestments and business discontinuations over the years.

Key financial indicators (audited)

FCL Consolidated	FY2023	FY2024
Operating income (Rs. crore)	442.0	125.9
PAT (Rs. crore)	188.9	(2.3)
OPBDIT/OI (%)	-4.3%	3.6%
PAT/OI (%)	42.7%	-1.9%
Total outside liabilities/Tangible net worth (times)	3.2	1.9
Total debt/OPBDIT (times)	(7.0)	2.0
Interest coverage (times)	(1.1)	2.8

Source: Company, ICRA Research; NA: Not Available

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2025)					Chronology of rating history for the past 3 years					
						FY2024		FY2023		FY2022	
	Type	Amount Rated (Rs.)	February 07, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based cash credit	Long term	4.00	[ICRA]BB+(Stable); withdrawn	05-Apr-2024	[ICRA]BB + (Stable)	-	-	31-Jan-2023	[ICRA]BB + &	28-Sep-2021	[ICRA]BB+ (Negative)
						-	-			22-Oct-2021	[ICRA]BB+ &
Fund-based cash credit	Short term	0.00	-	05-Apr-2024	-	-	-	31-Jan-2023	[ICRA]A4 + &	28-Sep-2021	[ICRA]A4+
						-	-			22-Oct-2021	[ICRA]A4+ &
Non-fund based facilities	Short term	2.50	[ICRA]A4+; withdrawn	05-Apr-2024	[ICRA]A4 +	-	-	31-Jan-2023	[ICRA]A4 + &	28-Sep-2021	[ICRA]A4+
						-	-			22-Oct-2021	[ICRA]A4+ &
Unallocated limits	Long term/ Short term	50.00	[ICRA]BB+(Stable) / [ICRA]A4+; withdrawn	05-Apr-2024	[ICRA]BB + (Stable) / [ICRA]A4 +	-	-	31-Jan-2023	[ICRA]BB + &/ [ICRA]A4 + &	28-Sep-2021	[ICRA]BB+ (Negative)/ [ICRA]A4+

Instrument	Current (FY2025)					Chronology of rating history for the past 3 years					
						FY2024		FY2023		FY2022	
	Type	Amount Rated (Rs.)	February 07, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
						-	-			22-Oct-2021	[ICRA]BB+ &/ [ICRA]A4+ &

&: Rating Watch with Developing Implications

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term fund-based – Cash credit	Simple
Short-term non-fund based facilities	Very Simple
Long-term/Short-term unallocated limits	Not applicable

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
NA	Fund-based – Cash credit	Multiple	-	-	4.00	[ICRA]BB+ (Stable); Withdrawn
NA	Non-fund based facilities	Multiple	-	-	2.50	[ICRA]A4+; Withdrawn
NA	Unallocated limits	-	-	-	50.00	[ICRA]BB+ (Stable) / [ICRA]A4+; Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis as per last rating exercise

Company	Ownership	Consolidation Approach
EFL Mauritius Limited	100%	Full Consolidation
Forbes Campbell Finance Limited	100%	Full Consolidation
Forbes Technosys Limited	100%	Full Consolidation
Volkart Fleming Shipping and Services Limited	100%	Full Consolidation
Forbes Campbell services Limited*	98%	Full Consolidation
Campbell Properties & Hospitality Services Limited	100%	Full Consolidation
Forbes Concept Hospitality Services Private Limited [#]	50%	Limited Consolidation
Forbes Bumi Armada Limited	51%	Limited Consolidation
Nuevo Consultancy Services Private Limited	49%	Limited Consolidation
Dhan Gaming Solution (India) Private Limited	49%	Limited Consolidation
Forbes Macsa Private Limited	50%	Limited Consolidation

*amalgamated into Forbes Technosys Limited in FY2023 [#]FCL sold its stake in H1 FY2024

ANALYST CONTACTS

Ashish Modani

+91 22 6169 3300

ashish.modani@icraindia.com

Suprio Banerjee

+91 22 6114 3443

supriob@icraindia.com

Rohit Agarwal

+91 22 6169 3329

rohit.agarwal@icraindia.com

Ritik Sundarka

+91 80 4332 6414

ritik.sundarka@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

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ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



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