

April 25, 2025

Kems Forgings Limited: Ratings moved to 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	27.65	27.65	[ICRA]BBB (Stable); ISSUER NOT COOPERATING*; rating moved to 'ISSUER NOT COOPERATING' category
Short term –Non fund based	1.00	1.00	[ICRA]A3+; ISSUER NOT COOPERATING*; rating moved to 'ISSUER NOT COOPERATING' category
Total	28.65	28.65	

[^]Instrument details are provided in Annexure-I

*Issuer did not cooperate; based on best available information

Rationale

ICRA has moved the ratings for the bank facilities of Kems Forgings Limited to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]BBB(Stable)/[ICRA]A3+; ISSUER NOT COOPERATING".

The rating is based on limited cooperation from the entity since the time it was last rated in Oct 2024. As a part of its process and in accordance with its rating agreement with Kems Forgings Limited, 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 cooperation and in line with the aforesaid policy of ICRA, the rating has been moved to the "Issuer Not Cooperating" category.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position and 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	Corporate Credit Rating Methodology Auto Components Policy In Respect of Non-Cooperation by a Rated Entity
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Incorporated in 1970 as Sree Lakshmi Industrial Forge and Engineers Limited, KEMS Forgings Limited (KFL) was acquired from the erstwhile promoters in 1990. KFL is a closely held company, engaged in manufacturing steel forgings primarily catering to the automotive and construction equipment industries. It is a TUV and ISO 9001:2015 certified company, with manufacturing facilities at Attibele and Hoskote in Karnataka and at Sriperumbudur in Tamil Nadu, having a combined installed capacity of

51,000 MT (metric tonnes) per annum as on date. KFL is part of the Gandhi Group, established in the year 1964 as a steel marketing company in Calcutta. Mr. S K Gandhi, the managing director and his family and group companies hold a 100.0% stake in the company.

Key financial indicators (audited)

	FY2023	FY2024
Operating income	380.8	395.4
PAT	15.3	11.1
OPBDIT/OI	8.1%	7.5%
PAT/OI	4.0%	2.8%
Total outside liabilities/Tangible net worth (times)	1.6	1.7
Total debt/OPBDIT (times)	2.9	3.2
Interest coverage (times)	4.7	3.8

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Current (FY2026)				Chronology of rating history for the past 3 years					
FY2026				FY2025		FY2024		FY2023	
Instrument	Type	Amount Rated (Rs Crore)	Apr 25, 2025	Date	Rating	Date	Rating	Date	Rating
Short term-others-non fund based	Short Term	1.00	[ICRA]A3+ ISSUER NOT COOPERATING	01-OCT-2024	[ICRA]A3+	28-APR-2023	[ICRA]A3+	07-APR-2022	[ICRA]A3+
				-	-	07-MAR-2024	[ICRA]A3+ ISSUER NOT COOPERATING	-	-
Long term- cash credit- fund based	Long Term	27.65	[ICRA]BBB (Stable) ISSUER NOT COOPERATING	01-OCT-2024	[ICRA]BBB (Stable)	28-APR-2023	[ICRA]BBB (Stable)	07-APR-2022	[ICRA]BBB (Stable)
				-	-	07-MAR-2024	[ICRA]BBB (Stable) ISSUER NOT COOPERATING	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long 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, 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	Cash Credit	NA	NA	NA	27.65	[ICRA]BBB (Stable) ISSUER NOT COOPERATING
NA	Non-fund Based	NA	NA	NA	1.00	[ICRA]A3+; ISSUER NOT COOPERATING

Source: Company

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

ANALYST CONTACTS

Jitin Makkar

+91 124 4545368

jitinm@icraindia.com

Kinjal Shah

+91 22 6114 3442

kinjal.shah@icraindia.com

Mythri Macherla

+91 22 6114 3435

mythri.macherla@icraindia.com

Yashowardhan Swami

+91 20 6606 9923

yashowardhan.swami@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

About ICRA Limited:

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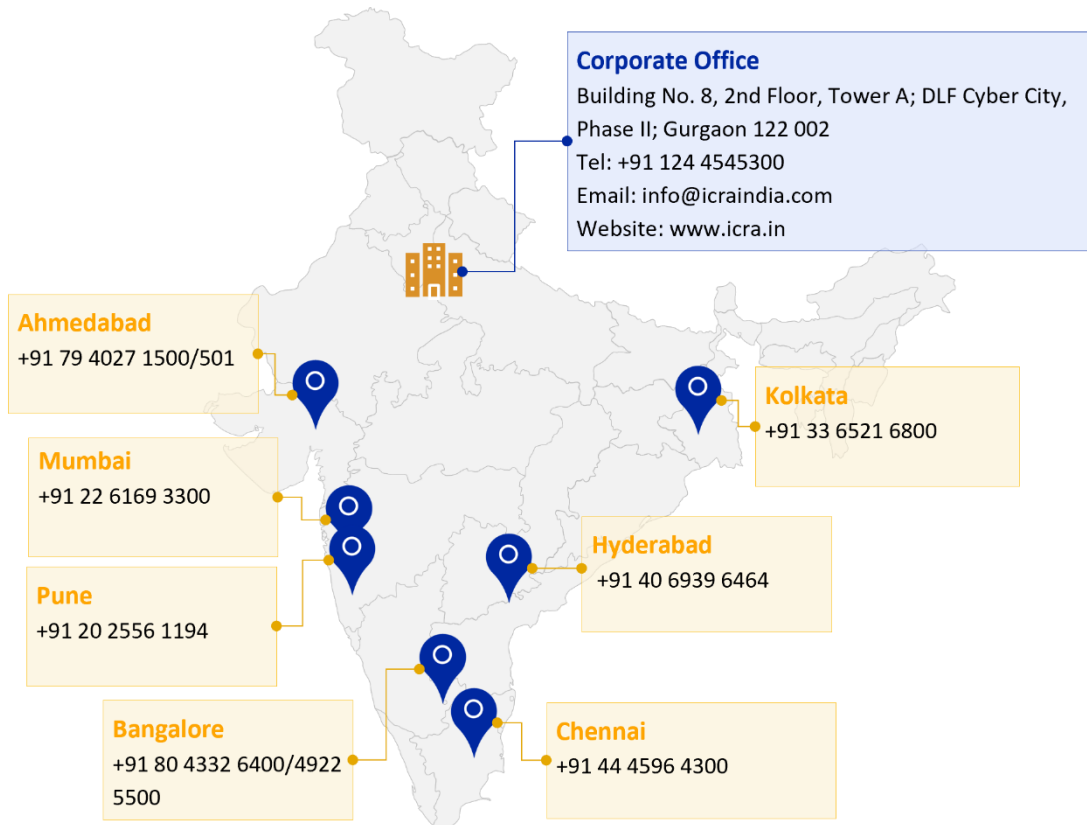
Registered Office

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

Tel: +91 11 23357940-45



Branches



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