

November 13, 2025

Kems Forgings Limited: Ratings removed from 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); rating removed from ‘Issuer Not Cooperating’ category |
| Short term –Non fund based limits | 1.00 | 1.00 | [ICRA]A3+; rating removed from ‘Issuer Not Cooperating’ category |
| Total | 28.65 | 28.65 | |

[^]Instrument details are provided in Annexure-I

Rationale

ICRA has removed its earlier rating of [ICRA]BBB (Stable) ISSUER NOT COOPERATING / [ICRA]A3+ ISSUER NOT COOPERATING” for the bank facilities of Kems Forgings Limited from the ‘ISSUER NOT COOPERATING’ category, as the company has now started cooperating based on fee. The company’s rating was moved to the ‘ISSUER NOT COOPERATING’ category in April 2025. The rating is now denoted as [ICRA]BBB (Stable)/ [ICRA]A3+.

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](#).

Analytical approach

| Analytical Approach | Comments |
|--|--|
| Applicable rating methodologies | Corporate Credit Rating Methodology Auto Components |
| 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)

| | FY2024 | FY2025* |
|--|--------|---------|
| Operating income | 395.4 | 387.7 |
| PAT | 11.1 | 13.3 |
| OPBDIT/OI | 7.5% | 8.5% |
| PAT/OI | 2.8% | 3.4% |
| Total outside liabilities/Tangible net worth (times) | 1.7 | 1.6 |
| Total debt/OPBDIT (times) | 3.2 | 3.3 |
| Interest coverage (times) | 3.8 | 3.9 |

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 *provisional financials

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

| Instrument | Current ratings (FY2026) | | | | | Chronology of rating history for the past 3 years | | | | | |
|----------------------------------|--------------------------|-------------------------|--------------------|-------------|---|---|--------------------|-------------|---|-------------|--------------------|
| | Type | Amount Rated (Rs Crore) | Nov 13, 2025 | Date | Rating | FY2025 | | FY2024 | | FY2023 | |
| | | | | | | Date | Rating | Date | Rating | Date | Rating |
| Short term-others-non fund based | Short Term | 1.00 | [ICRA]A3+ | 25-Apr-2025 | [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) | 25-Apr-2025 | [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 limits | 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) |
| NA | Non fund Based | NA | NA | NA | 1.00 | [ICRA]A3+ |

Source: Company

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

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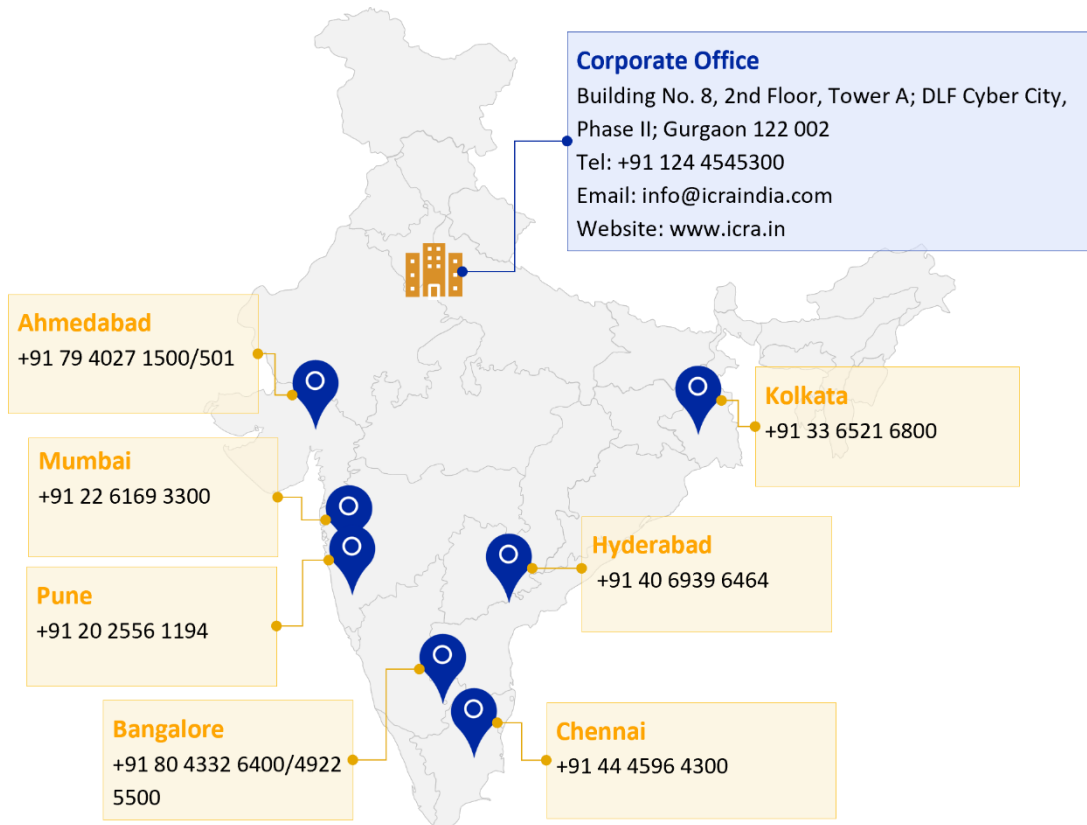
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Branches



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