



SAMRAT FORGINGS LIMITED

CIN: L28910PB1981PLC056444

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Website: www.samratforgings.com



SFL/2025-26/2-17

Date: October 1, 2025

To,
BSE Limited,
Corporate Relationship Department,
P. J. Towers, Dalal Street,
Mumbai – 400 001.

Subject: Intimation regarding Migration and Withdrawal of Credit Ratings by CRISIL

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that CRISIL Ratings Limited has migrated the Long Term and Short Term Credit Ratings on the bank facilities of the Company from “Crisil BB/Stable/Crisil A4+ Issuer Not Cooperating” to “Crisil BB/Stable/Crisil A4+ (withdrawn).

This has been on the request of the Company and after receipt of No Objection Certificate (NOC) from the banker. Now Crisil has withdrawn its ratings assigned to the Company in line with their policy on withdrawal of bank loan ratings.

In this regard, we are enclosing herewith the Rating Rationale dated September 30, 2025 issued by CRISIL Ratings Limited regarding the aforesaid.

This is for your kind information and records.

Thanking you,

Yours faithfully,
For Samrat Forgings Limited

Rakesh M. Kumar
Managing Director
DIN: 00066497

Encl: As above

Rating Rationale

September 30, 2025 | Mumbai

Samrat Forgings Limited

Ratings migrated to 'Crisil BB/Stable/Crisil A4+'; Ratings Withdrawn

Rating Action

Total Bank Loan Facilities Rated	Rs.43.25 Crore
Long Term Rating	Crisil BB/Stable (Migrated from 'Crisil BB/Stable ISSUER NOT COOPERATING*'; Rating Withdrawn)
Short Term Rating	Crisil A4+ (Migrated from 'Crisil A4+ ISSUER NOT COOPERATING*'; Rating Withdrawn)

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

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

Detailed Rationale

Due to inadequate information and in line with the Securities and Exchange Board of India guidelines, Crisil Ratings had migrated its ratings on the bank facilities of Samrat Forgings Limited (SFL) to 'Crisil BB/Stable/Crisil A4+ Issuer Not Cooperating'. However, the company's management has subsequently started sharing the information necessary for a comprehensive review of the ratings. Consequently, Crisil Ratings is migrating the ratings to '**Crisil BB/Stable/Crisil A4+**'. Crisil Ratings has also **withdrawn** the ratings at the request of the company and on receipt of a 'no objection certificate' from the banker. This is in line with the Crisil Ratings policy on withdrawal of bank loan ratings.

The ratings continue to reflect the extensive experience of the promoter in the auto component industry. This strength is partially offset by the average financial risk profile and large working capital requirement.

Analytical Approach

Unsecured loan of Rs 5.40 crore, extended by the promoters as on March 31, 2025, has been treated as neither debt nor equity as the loan is subordinated to bank debt, and expected to remain in the business over the medium term.

Key Rating Drivers - Strengths

Extensive experience of the promoter: The three-decade-long experience of the promoter in the auto component industry and his healthy relationships with customers will continue to support the business. The diversified product offerings and strong procurement network shall further aid growth. Revenue has grown to Rs 191 crore in fiscal 2025, from Rs 162 crore in fiscal 2024, and is projected at Rs 205-215 crore in fiscal 2026. The company has booked a revenue of Rs 51.56 crore till June 2025 and is expected to achieve Rs 200 crore in fiscal 2026 on account of incremental demand from existing customers and addition of new customers in both domestic and export markets.

Key Rating Drivers - Weaknesses

Average financial risk profile: High reliance on external debt constrains the financial risk profile. Networth was around Rs 36.83 crore as on March 31, 2025 (as against Rs 31.57 crore a year earlier) while gearing was high at 2.21 times (2.29 times). Debt protection metrics were weak, as reflected in estimated interest coverage and net cash accrual to adjusted debt ratios of 2.50 times and 0.11 time, respectively, in fiscal 2025. (2.24 times and 0.09 time, respectively, in fiscal 2024), which are further expected to remain in line at 2.45-2.50 times and 0.13-0.15 time, respectively, in fiscal 2026.

Large working capital requirement: Gross current assets stood at 162 days as on March 31, 2025. driven by inventory of 124 days and receivables of 46 days. However, payables of around 100 days supported the working capital cycle. The working capital cycle is expected to remain in the same range in fiscal 2026 as well.

Liquidity: Stretched

Expected cash accrual of Rs 9-13 crore per annum will sufficiently cover yearly debt of Rs 6.0-6.5 crore over the medium term. However, the bank limits remain utilised around 95% leaving limited cushion in the working capital limits. Owing to the high working capital requirement of the company further increase in the repayment or increasing bank limit utilisation will remain monitorable

The current ratio stood at 0.99 time as on March 31, 2025.

Outlook: Stable

SFL will continue to benefit from its established position in the domestic auto components industry.

Rating sensitivity factors**Upward factors**

- Sustained growth in revenue and steady operating margin above 8.5%, leading to higher net cash accrual
- Bank limit utilisation averaging less than 90%, aiding liquidity

Downward factors

- Decline in revenue (by 20%) and operating margin (to less than 7.5%), leading to lower net cash accrual
- Further stretch in the working capital cycle, weakening the financial risk profile and liquidity

About the Company

Incorporated in 1981, SFL undertakes closed-die forging and machining for components such as spindles, crank shafts, connecting rods, bull gears and crown wheels. Mr Rakesh Mohan Kumar is the managing director.

Key Financial Indicators

As on/for the period ended March 31	Unit	2025	2024
Operating income	Rs.Crore	191.07	162.03
Reported profit after tax (PAT)	Rs.Crore	5.10	2.97
PAT margin	%	2.66	1.83
Adjusted debt/adjusted networth	Times	2.21	2.29
Interest coverage	Times	2.50	2.24

Any other information: Not Applicable

Note on complexity levels of the rated instrument:

Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Bank Guarantee	NA	NA	NA	2.00	NA	Crisil A4+ (Rating Migrated and Withdrawn)
NA	Bill Discounting	NA	NA	NA	1.00	NA	Crisil BB/Stable (Rating Migrated and Withdrawn)
NA	Cash Credit	NA	NA	NA	22.50	NA	Crisil BB/Stable (Rating Migrated and Withdrawn)
NA	Letter of Credit	NA	NA	NA	5.00	NA	Crisil A4+ (Rating Migrated and Withdrawn)
NA	Term Loan	NA	NA	31-Aug-27	12.75	NA	Crisil BB/Stable (Rating Migrated and Withdrawn)

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2025 (History)		2024		2023		2022		Start of 2022
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	36.25	Crisil BB/Stable (Rating Migrated and Withdrawn)	18-06-25	Crisil BB /Stable(Issuer Not Cooperating)*	30-03-24	Crisil BB+/Negative	02-01-23	Crisil BB+/Stable	07-12-22	Crisil BB+/Stable	Crisil BB/Stable
Non-Fund Based Facilities	ST	7.0	Crisil A4+ (Rating Migrated and Withdrawn)	18-06-25	Crisil A4+ (Issuer Not Cooperating)*	30-03-24	Crisil A4+	02-01-23	Crisil A4+	07-12-22	Crisil A4+	Crisil A4+

All amounts are in Rs.Cr.

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

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Bank Guarantee	2	The Jammu and Kashmir Bank Limited	Crisil A4+ (Rating Migrated and Withdrawn)
Bill Discounting	1	The Jammu and Kashmir Bank Limited	Crisil BB/Stable (Rating Migrated and Withdrawn)
Cash Credit	22	The Jammu and Kashmir Bank Limited	Crisil BB/Stable (Rating Migrated and Withdrawn)
Cash Credit	0.5	The Jammu and Kashmir Bank Limited	Crisil BB/Stable (Rating Migrated and Withdrawn)
Letter of Credit	5	The Jammu and Kashmir Bank Limited	Crisil A4+ (Rating Migrated and Withdrawn)
Term Loan	12.75	The Jammu and Kashmir Bank Limited	Crisil BB/Stable (Rating Migrated and Withdrawn)

Criteria Details**Links to related criteria**[Basics of Ratings \(including default recognition, assessing information adequacy\)](#)[Criteria for manufacturing, trading and corporate services sector \(including approach for financial ratios\)](#)

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