

February 19, 2025

LGB Forge Limited: Ratings Withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Short term-others-non fund based	13.00	13.00	[ICRA]A4+; Withdrawn
Long term-cash credit-fund based	22.00	22.00	[ICRA]BB+ (Stable); Withdrawn
Long term-term loan-fund based	13.00	13.00	[ICRA]BB+ (Stable); Withdrawn
Total	48.0	48.0	

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating assigned to the bank facilities of LGB Forge Limited (the company) at the request of the company and based on the no objection certificate received from the bankers, in accordance with ICRA's policy on withdrawal of credit ratings. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The key rating drivers, Liquidity position, rating sensitivities, key financial indicators have not been captured as the rated instruments are being withdrawn.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 Auto Components
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on LGBFL's standalone financial statements

About the company

LGB Forge Limited is involved in manufacturing forged (hot, warm and cold forgings) components. It is a tier-II auto ancillary player and caters to both domestic (~85% of revenues in FY2024) and export markets, including PV, LCV and tractor segments. The company has manufacturing facilities at Coimbatore and Mysore with a production capacity of 4.4 million hot forging components and 9.8 million number of cold forging components per annum in FY2024. Apart from this, the company also used to do job work for machining in its Puducherry plant. This has now been sold to L.G. Balakrishnan & Bros. Ltd. ([ICRA]AA(Stable)/[ICRA]A1+), on slump sale basis in April 2024, for a consideration of Rs. 15 crore. The company is a part of the larger Coimbatore-based LGB Group, which includes L.G. Balakrishnan & Bros Limited. The promoters owned 73.79% stake in the company as on March 31, 2024.