



# RAMKRISHNA FORGINGS LIMITED

Date: 11 July, 2025

To The Listing Department <b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 <b>BSE SCRIP CODE: 532527</b>	To The Listing Department <b>National Stock Exchange of India Limited</b> “Exchange Plaza” C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai- 400 051 <b>NSE SYMBOL: RKFORGE</b>
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Dear Sir/Madam,

**Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – ICRA Limited – Ratings withdrawn**

Please be informed that the bank facilities are rated by India Ratings and Research, CRISIL Ratings Limited and ICRA Limited.

The ratings made by India Ratings and Research and CRISIL Ratings Limited also covers the entire banking credit facilities limits of the Company. The Company has requested ICRA Limited to discontinue ratings assigned to the bank facilities of the Company as the same is already covered by India Ratings and Research and CRISIL Ratings Limited.

Accordingly, ICRA Limited at the request of the Company has withdrawn the ratings assigned to the bank facilities, summary of credit rating action are given below:

Instrument Type	Rated Amount (Rs. in Crores)	Rating Action
<b>Long term – Term loans</b>	490.05	[ICRA]AA-; rating watch with developing implications; withdrawn
<b>Long term – Fund-based working capital</b>	655.00	[ICRA]AA-; rating watch with developing implications; withdrawn
<b>Long term/ Short term – Fund-based working capital</b>	55.00	[ICRA]AA-; rating watch with developing implications / [ICRA]A1+; rating watch with developing implications; withdrawn
<b>Short term - Non-fund based limits</b>	330.00	[ICRA]A1+; rating watch with developing implications; withdrawn
<b>TOTAL</b>	<b>1,530.05</b>	

Detailed rationale of the withdrawal of credit ratings assigned by ICRA Limited is enclosed.

We request you to take the afore-mentioned information on record and oblige.

Thanking You

Yours faithfully,  
**For Ramkrishna Forgings Limited**

**Rajesh Mundhra**  
Company Secretary  
& Compliance Officer - ACS: 12999



Encl.: Stated as above



REGISTERED & CORPORATE OFFICE

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July 11, 2025

## Ramkrishna Forgings Limited: Ratings withdrawn

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Term loans	490.05	490.05	[ICRA]AA-; rating watch with developing implications; withdrawn
Long-term – Fund-based working capital	655.00	655.00	[ICRA]AA-; rating watch with developing implications; withdrawn
Long-term/short-term – Fund-based working capital	55.00	55.00	[ICRA]AA-; rating watch with developing implications / [ICRA]A1+; rating watch with developing implications; withdrawn
Short-term - Non-fund based limits	330.00	330.00	[ICRA]A1+; rating watch with developing implications; withdrawn
<b>Total</b>	<b>1,530.05</b>	<b>1,530.05</b>	

\*Instrument details are provided in Annexure-I

### Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Ramkrishna Forgings Limited (RKFL), at the request of the company and based on the No Objection Certificates received from the bankers, and in accordance with ICRA's policy on withdrawal of ratings.

ICRA had earlier placed the ratings on Watch with Developing Implications following the company's disclosure to the stock exchanges, on April 26, 2025, regarding discrepancies in its inventory. At the time of annual physical verification of inventory, it was observed that the actual value of inventory was lower than the book value. According to the report of a fact-finding study jointly conducted by two independent agencies, the inventory discrepancy was reported as Rs. 270.74 crore. Of this, Rs. 220.52 crore pertains to FY2025 and Rs. 50.22 crore to FY2024. The post-tax impact of the same on RKFL's net worth was Rs. 202.60 crore vis-a-vis Rs. 120-150 crore estimated initially. The one-time impact of inventory discrepancy recognised in the financials of FY2025 and FY2024 (restated) resulted in a decline in the company's operating margin. Besides, RKFL's capex and long-term debt in FY2025 were considerably higher than ICRA's previous estimates. As per the report, erroneous entries and non-recording of rejections at plants stemming from some gaps in internal controls relating to material management, scrap accounting, production reporting, documentation, etc., led to the inventory discrepancy. The company has announced measures to strengthen internal controls and processes, based on the fact-finding report. In addition, the promoters plan to infuse equity of around Rs. 205 crore to compensate for the discrepancy and protect other stakeholders' interest. RKFL's shareholders approved on June 28, 2025, for issuance of 9,75,000 warrants to the promoter Group at a price of Rs. 2,100 per warrant, convertible to equity shares of a face value of Rs. 2 per share. Initially, 25% of the proposed equity will be infused in the form of warrants and the balance amount will be infused through conversion of the warrants into equity shares, within 18 months of warrants issuance.

Given the continued uncertainties, the ratings remain on Watch with Developing Implications and stand withdrawn at the request of the company. ICRA does not have adequate information to suggest that the credit risk has changed since the time the ratings were last reviewed.

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