LG Electronics India Limited
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Noida - 201301 Dist. Gautam Buddha Nagar, UP (India)
T: 91-120-651-6700 Website: www.lg.com/in
Email id: cgc.india@lge.com

LGEIL/CGC/2025/22

Date: December 27, 2025

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

NSE Symbol: LGEINDIA

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400 001

Scrip Code: 544576

Subject: Credit Rating

Dear Madam/Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that Crisil Ratings Limited ("CRISIL"), vide its letter to the Company dated December 26, 2025, re-affirmed its ratings on the bank facilities of the Company at 'Crisil AAA/Stable/Crisil A1+'. Rating rationale published by CRISIL, is enclosed herewith for kind reference.

The same is for your information and record.

Thanking You,
Yours truly,

For **LG Electronics India Limited**

Anuj Goyal

Digitally signed by Anuj Goyal
DN: c=IN, st=Delhi,
2.5.4.20=cd884a46ddb4083faaa8aa529316f5b5fa750
43782a7029c66b232e76d747c0c,
postalCode=110092, street=J EXT 110 LAXMI NAGAR
GALI NO2 NEAR JAGAT RAM PARK Laxmi Nagar east
Delhi, pseudonym=20250625144403137, title=5591,
serialNumber=523087c1d87cd3a4becfec89071a3990
96cf9d22867419e0779cce796472add4, o=Personal,
cn=Anuj Goyal
Date: 2025.12.27 09:34:38 +05'30'

Anuj Goyal
Company Secretary and Compliance Officer
Membership No. A23761

Encl. As above

Crisil Ratings

Rating Rationale

December 26, 2025 | Mumbai

L G Electronics India Limited

Ratings reaffirmed at 'Crisil AAA / Stable / Crisil A1+ '

Rating Action

Total Bank Loan Facilities Rated	**Rs.618.27 Crore**
Long Term Rating	**Crisil AAA/Stable (Reaffirmed)**
Short Term Rating	**Crisil A1+ (Reaffirmed)**

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

Detailed Rationale

Crisil Ratings has reaffirmed its 'Crisil AAA/Stable/Crisil A1+' ratings on the bank facilities of LG Electronics India Ltd (LG India; Formerly known as L G Electronics India Private Limited).

Revenue grew ~14% (on year) in fiscal 2025, driven by strong growth of over 15% in air conditioners (ACs) and refrigerators, along with healthy growth in washing machines and television (TV) segment. Revenue remained flattish in the first half of fiscal 2026 due to moderation in sales of cooling appliances (ACs and refrigerators) in the first quarter led by early onset of monsoon and goods and services tax (GST)-related sale deferrals in the second quarter of fiscal 2026. Revenue is expected to start picking momentum in the second half of fiscal 2026, driven by GST rate cuts, wedding & festive season and upcoming summer seasons.

The operating margin improved by ~2% to 12.8% in fiscal 2025 due to softening of raw material prices and economies of scale. However, the margin moderated to 10.2% in the first half of fiscal 2026 due to elevated commodity prices and strong festive promotions amid weak demand, which led to increase in discounts amidst intense competition. The company has taken price hikes of ~2% post festive period in some of the product category, which along with expected stable demand in the second half of this fiscal is expected to improve profitability.

The financial risk profile remains robust, backed by strong networth and nil debt. Networth improved to Rs 5,961 crore as of March 31, 2025, as compared to Rs 3,764 crore a year ago. The company has not paid any dividend in fiscal 2025. Debt protection metrics are expected to remain strong over the medium term; interest cover is estimated at more than 90 times and total outside liabilities to tangible networth (TOL/TNW) ratio at 0.9 time for fiscal 2025.

Also, the company has capital expenditure (capex) of Rs 5,000 crore for the next 4-5 years for a greenfield manufacturing facility at Sri City (Andhra Pradesh) for ACs, AC compressor, washing machines and refrigerators in a phased manner. This phased investment is expected at Rs 1,000-1,200 crore per year and will be funded via internal cash accrual. Liquidity has been strong, with cash and cash equivalents of Rs 3,741 crore as on Marsh 31, 2025, which increased to Rs 4,284 crore as of September 2025. Further, unutilised fund-based limit will aid liquidity.

The ratings continue to reflect the company's leading position across diversified product portfolio, robust financial risk profile, strong operating capabilities and operational and technological links with LG Electronics Inc (South Korea; rated 'BBB/Positive' by S&P Global). These strengths are partially offset by exposure to intense competition in the consumer durables segment and susceptibility to volatility in raw material prices and foreign exchange (forex) rates.

Analytical Approach

Crisil Ratings has considered the standalone business and financial risk profiles of LG India.

Key Rating Drivers - Strengths

Leading position in major product categories

LG India is a leading player in the domestic consumer durables industry. The company has sustained its market leadership in the washing machine and refrigerator segments and enjoys a strong position in the panel TV and AC segments.

Robust financial risk profile

The financial risk profile is marked by strong capital structure, with networth of Rs 5,961 crore against nil debt as on March 31, 2025. Debt protection metrics have been strong, with interest coverage of more than 90 times and TOL/TNW ratio of 0.9 time for fiscal 2025 and are expected to remain strong over the medium term. Cash accrual will be sufficient to fund the strong capex and incremental working capital requirement. Further, the company has strong cash equivalents of Rs 4,284 crore as of September 2025.

Strong operating capabilities
The company has manufacturing facilities in Greater Noida and Pune and a pan-India distribution and after-sales service network. Further, the company plans to set up greenfield manufacturing facility at Sri City for ACs, AC compressor, washing machines and refrigerators in a phased manner. This will lead to expansion of capacity with logistical benefits, reduced delivery time and better geographical coverage.

Operational and technical linkages with the parent
LG India benefits from the strong international brand and technological capabilities of its parent, LG Electronics Inc (South Korea). With India being a key growth market, contributing nearly 4% to the revenue of LG Electronics Inc (South Korea), LG India should continue to benefit from its strong linkages with the parent.

Key Rating Drivers - Weaknesses
Susceptibility to volatility in raw material prices and forex rates
Raw material and traded goods form 65-70% of the operating income and 40-50% of the inputs are imported. Prices of primary raw materials (including aluminium, copper, plastic and steel, etc) have been volatile over the past few years. Though LG India hedges its forex exposure, the operating margin remains susceptible to volatility in raw material prices and forex rates.

Exposure to intense competition
The company faces intense competition from other multinational corporations, such as Samsung India Electronics Ltd, Whirlpool of India Ltd ('Crisil AA+/Stable/Crisil A1+') and Sony India Pvt Ltd ('Crisil AA+/Stable'), and domestic players, such as Voltas Ltd. Ability to maintain market leadership amid intense competition remains a key monitorable.

Liquidity Superior
LG India had cash equivalents of Rs 3,741 crore as of March 2025, which improved to Rs 4,284 crore as of September 2025. Internal cash accrual will be sufficient to fund the strong capex plans and incremental working capital requirement. Further, the unutilised working capital limit enhances liquidity.

Outlook Stable
LG India will maintain a healthy business risk profile, backed by its strong market position. The financial risk profile will be supported by healthy cash accrual, nil debt and strong liquidity.

Rating Sensitivity Factors
Downward Factors
- Steep decline in revenue and operating margin sustaining below 7% amid increased competition
- Sizeable dividend outflow to the parent, resulting in total outside liabilities to adjusted networth ratio sustaining above 1.5 times.

About the Company
LG India was incorporated in 1997 as a wholly owned subsidiary of LG Electronics Inc (South Korea). The company has one of the widest product portfolios among consumer durables players in India. It manufactures various products such as panel displays, refrigerators, washing machines, ACs (room and commercial), microwave ovens, water purifiers and air purifiers and has a leading market position in most of these segments. The manufacturing facilities were set up in Greater Noida in 1998 and in Pune in 2004.

Key Financial Indicators

Particulars	Unit	2025	2024
Operating revenue	Rs crore	24371	21355
Profit after tax (PAT)	Rs crore	2203	1511
PAT margin	%	9.0	7.1
Adjusted debt/adjusted networth	Times	0.00	0.00
Interest coverage	Times	92.1	75.1

Note: These are Crisil Ratings-adjusted figures

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	177.57	NA	Crisil A1+
NA	Overdraft Facility*	NA	NA	NA	210.00	NA	Crisil AAA/Stable
NA	Overdraft Facility	NA	NA	NA	100.40	NA	Crisil AAA/Stable
NA	Proposed Working Capital Facility	NA	NA	NA	130.30	NA	Crisil AAA/Stable

**Interchangeable with bank guarantee and letter of credit*
^Combined limit for Bank guarantee and letter of Credit

Annexure - Rating History for last 3 Years

	Current			2025 (History)		2024		2023		2022		Start of 2022
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	440.7	Crisil AAA/Stable	10-04-25	Crisil AAA/Stable / Crisil A1+	08-10-24	Crisil AAA/Stable / Crisil A1+	24-08-23	Crisil AAA/Stable / Crisil A1+	30-05-22	Crisil AAA/Stable / Crisil A1+	Crisil AAA/Stable / Crisil A1+
			--		--	04-10-24	Crisil AAA/Stable / Crisil A1+		--		--	--
Non-Fund Based Facilities	ST	177.57	Crisil A1+	10-04-25	Crisil A1+	08-10-24	Crisil A1+	24-08-23	Crisil A1+	30-05-22	Crisil A1+	Crisil A1+
			--		--	04-10-24	Crisil A1+		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Bank Guarantee^	**37.5**	**Bank of America N.A.**	**Crisil A1+**
Bank Guarantee^	**35**	**Shinhan Bank**	**Crisil A1+**
Bank Guarantee^	**30.07**	**Citibank N. A.**	**Crisil A1+**
Bank Guarantee^	**75**	**ICICI Bank Limited**	**Crisil A1+**
Overdraft Facility	**40**	**Bank of America N.A.**	**Crisil AAA/Stable**
Overdraft Facility	**30**	**Shinhan Bank**	**Crisil AAA/Stable**
Overdraft Facility*	**60**	**State Bank of India**	**Crisil AAA/Stable**
Overdraft Facility*	**60**	**Standard Chartered Bank**	**Crisil AAA/Stable**
Overdraft Facility	**30**	**Citibank N. A.**	**Crisil AAA/Stable**
Overdraft Facility*	**65**	**The Hongkong and Shanghai Banking Corporation Limited**	**Crisil AAA/Stable**
Overdraft Facility	**0.1**	**DBS Bank Limited**	**Crisil AAA/Stable**
Overdraft Facility*	**25**	**ICICI Bank Limited**	**Crisil AAA/Stable**
Overdraft Facility	**0.1**	**HDFC Bank Limited**	**Crisil AAA/Stable**
Overdraft Facility	**0.1**	**Emirates NBD Bank PJSC**	**Crisil AAA/Stable**

Overdraft Facility	**0.1**	**JP Morgan Chase Bank N.A. India**	**Crisil AAA/Stable**
Proposed Working Capital Facility	**130.3**	**Not Applicable**	**Crisil AAA/Stable**

**Interchangeable with bank guarantee and letter of credit*
^Combined limit for Bank guarantee and letter of Credit

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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For more information, visit www.crisilratings.com

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It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

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