Ironmart Private Limited

September 09, 2025

Facilities	Amount (₹ crore)	Ratings[1]	Rating Action
Long-term bank facilities	41.48 (Reduced from 42.50)	CARE BB+; Stable	Reaffirmed
Long-term / Short-term bank facilities	4.00	CARE BB+; Stable / CARE A4+	Reaffirmed
Short-term bank facilities	6.00	CARE A4+	Reaffirmed

Details of facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of Ironmart Private Limited (IPL) continues to remain constraint by its moderate capital structure and weak debt protection metrics, exposure of profitability to volatility in steel prices and fragmented nature of the industry with many regional unorganized players.

The aforesaid constraints are partially offset by its experienced promoters, renowned suppliers and network of customers and stable financial performance in FY25 (refers to the period April 1 to March 31).

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustenance of scale of operations (with total operating income (TOI) above Rs.350 crore) and improvement in operating margin above 3.00% on a sustained basis.
- Improvement in capital structure with overall gearing below 2x on a sustained basis.

Negative factors

- Deterioration in capital structure with TOL/TNW going above 4x on a sustained basis.
- Increase in operating cycle above 60 days on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings believes that the entity shall sustain its moderate financial risk profile over the medium term.

Detailed description of key rating drivers:

Key weaknesses

Moderate capital structure and weak debt protection metrics

The company's capital structure stood leveraged, as marked by an overall gearing of 2.71x as on March 31, 2025 (3.12x as on March 31, 2024) with high reliance on external debt. The total outside liabilities to net worth stood high at 3.00x as on March 31, 2025 (improved from 3.27x as on March 31, 2024). The improvement in capital structure was on account of accretion of profits to reserves and repayment of term debt and reduction in working capital utilisation.

The interest coverage ratio improved from 1.24x in FY24 to 1.30x in FY25, driven by an improvement in PBILDT. TDGCA improved significantly from 47.66x as of March 31, 2024, to 22.48x as of March 31, 2025, primarily due to a reduction in debt and an increase in gross cash accruals (GCA), however, continues to remain weak.

Profitability exposed to volatility in steel prices

Steel is a cyclical industry, strongly correlated to economic cycles since its key users viz., construction, infrastructure, automobiles and capital goods are heavily dependent on the state of the economy. Also, the companies procure material from larger steel players such as Steel Authority of India (SAIL) and Jindal Steel and Power Limited (JSPL) and neither they enjoy pricing power nor follow any formal hedging policy. The company stock up inventory when they expect the prices to increase and vice-versa to

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

gain from volatile prices. Any adverse movement in prices of its traded goods may expose the companies to the risk of volatility in profitability.

Fragmented nature of the industry with many regional unorganized players
The steel industry in Raipur is characterized by existence of large number of small and medium sized steel trading players working at a regional level. Accordingly, there is stiff competition from the unorganized players.

Key strengths

Experienced promoter
IPL is promoted by Ritesh Agrawal, Director, who has over 7 years of industry experience and looks after marketing and banking operations. Nikita Agrawal, Director has 5 years of experience and oversees hr operations.

Stable financial performance in FY25
The total operating income (TOI) of the company has remained stable at Rs.379.21 crore in FY25 (prov.) as against Rs. 370.98 crore in FY24. The operating margin has improved from 1.17% in FY24 to 1.50% in FY25. This improvement is attributable to the offering value-added services in addition to pure trading model, following the installation of a cut-to-length machine in March 2024.

Renowned suppliers and network of customers
IPL purchases products from well-known companies like SAIL and JSPL. IPL have an MOU with SAIL and JSPL for purchasing goods which provides stability in procurement. Although IPL has a low customer concentration risk, the company is largely a regional player selling its products majorly in the state of Chhattisgarh.

Liquidity: Stretched

The liquidity profile of the company is marked stretched on account of low cash accruals of Rs.1.44 crore against debt repayment obligation of Rs.0.53 crore in FY25. In FY26, the company has debt repayment obligation of around Rs.0.51 crore against which it is expected to generate sufficient cash accruals. The average utilization of the working capital limits stood moderate at around 73.18% during last 12 months ended Jun 2025.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments
Wholesale Trading

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals & Mining	Metals & Minerals Trading	Trading - Metals

IPL was incorporated on January 19, 2022, and is engaged in the trading of iron and steel products such as MS plates and sheets etc (flat products). The company is promoted by Raipur-based Mr. Ritesh Agrawal and family.
IPL have warehousing facilities located at Chhattisgarh. The company's products cater to end users like construction companies and fabricators along with sales to other traders mainly in the state of Chhattisgarh. The day-to-day operations are looked after by Ritesh Agarwal along with his wife Nikita Agarwal. Ritesh Agarwal is a Chartered Accountants and have around 7 years of experience while Nikita Agarwal is a graduates and have around 5 years of experience.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (Prov.)
Total operating income	370.98	379.21
PBILDT	4.34	5.68

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (Prov.)
PAT	0.43	0.57
Overall gearing (times)	3.12	2.71
Interest coverage (times)	1.24	1.30

A: Audited Prov.: Provisional; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	40.50	CARE BB+; Stable
Fund-based - LT-Term Loan		-	-	January 2028	0.98	CARE BB+; Stable
Fund-based - ST-Vendor financing		-	-	-	6.00	CARE A4+
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	4.00	CARE BB+; Stable / CARE A4+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	4.00	CARE BB+; Stable / CARE A4+	-	1)CARE BB+; Stable / CARE A4+ (06-Sep-24)	1)CARE BBB-; Stable / CARE A3 (28-Aug-23)	-
2	Fund-based - LT-Cash Credit	LT	40.50	CARE BB+; Stable	-	1)CARE BB+; Stable (06-Sep-24)	1)CARE BBB-; Stable (28-Aug-23)	-
3	Fund-based - ST-Vendor financing	ST	6.00	CARE A4+	-	1)CARE A4+ (06-Sep-24)	-	-
4	Fund-based - LT-Term Loan	LT	0.98	CARE BB+; Stable	-	1)CARE BB+; Stable (06-Sep-24)	-	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - ST-Vendor financing	Simple
4	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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