

Agrasen Iron And Steels Private Limited

December 02, 2025

Facilities	Amount (₹ crore)	Ratings ¹	Rating Action
Long-term bank facilities	59.00	CARE BB+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BBB-; Stable and moved to ISSUER NOT COOPERATING category
Long-term / Short-term bank facilities	9.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	Downgraded from CARE BBB-; Stable / CARE A3 and moved to ISSUER NOT COOPERATING category
Short-term bank facilities	15.00	CARE A4+; ISSUER NOT COOPERATING*	Downgraded from CARE A3 and moved to ISSUER NOT COOPERATING category

Details of facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information and no default statement (NDS) from Agrasen Iron And Steels Private Limited (AISPL) to monitor the ratings vide e-mail communications dated June 18, 2025, November 05, 2025, among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. Further, AISPL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on AISPL's bank facilities will now be denoted as CARE BB+/CARE A4+; ISSUER NOT COOPERATING*.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings have been revised on account of lack of clarity on future growth strategy and inability to monitor the performance of the company, which is critical for assessing the credit risk profile of the company. The ratings continue to remain constrained by its moderate capital structure and debt protection metrics, exposure of profitability to volatility in steel prices and fragmented nature of industry with many regional unorganized players.

The aforesaid constraints are partially offset by its experienced promoter, growth in scale of operation albeit moderation in profitability margin in FY24 (refers to April 1 to March 31) and renowned suppliers and large network of customers though not very strong customer base.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on September 09, 2024, the following were the rating strengths and weaknesses (updated for the information available from the company):

Key weaknesses

Moderate capital structure and debt protection metrics

The capital structure of the company has moderated marked by moderation in overall gearing from 1.03x as on March 31, 2023, to 1.38x as on March 31, 2024. The moderation has been on account of increase in utilisation of fund-based limit along with availing of GECL loans for funding working capital requirement.

Further, the debt protection metrics has also moderated marked by moderation in Interest coverage ratio and TD/GCA. Interest coverage ratio has moderated from 3.58x in FY23 to 2.72x in FY24 on account of increase in interest cost while TD/GCA moderated from 5.58x as on March 31, 2023, to 8.45x as on March 31, 2024, on account of increase in total debt.

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

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

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 SAIL and JSPL, and do not enjoy pricing power and nor follow any formal hedging policy. The companies stock up on inventory when they expect the prices to increase and vice-versa to 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 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 promoters

The day-to-day operations of AISPL is looked after by Nilesh Agrawal who is a Chartered Accountants having around a decade of experience in the trading of iron and steel products along his wife Shweta Agarwal.

Renowned suppliers and network of customers albeit not a very strong customer base

AISPL purchases products from well-known companies like Steel Authority of India Limited (SAIL; rated CARE AA; Stable/CARE A1+) and Jindal Steel and Power Limited (JSPL; rated CARE AA; Stable/CARE A1+). AISPL has an MOU with SAIL for purchasing goods which provides stability in procurement. Although AISPL has a low customer concentration risk, the customer base is not very strong. The company sells to both, end users like construction companies and fabricators (around 70%) and to traders (around 30%). It has a network of around 300 brokers which helps in the recovery of any bad debts. However, the company is largely a regional player selling its products in the state of Chhattisgarh. The company currently have one warehouses in Chhattisgarh. However, the company is setting up another warehouse in Durgapur which is expected to be complete by September 2024. This will help company diversify its presence in West Bengal as well.

Growth in scale of operations albeit moderation in operating margin in FY24

Total operating income (TOI) of the company has increased from Rs.359.87 crore in FY23 to Rs.493.88 crore in FY24 on account of volume growth led by expansion in geographical areas. However, the PBILDT margin, though moderated, remained satisfactory at 2.25% in FY24 (P.Y.: 2.74%) considering the trading nature of business. The company earned PAT of Rs.5.46 crore in FY24 vis-à-vis Rs.5.41 crore in FY23.

The company earned TOI of Rs.270 crore till August 23, 2024.

Liquidity: Adequate

The liquidity of the company is marked adequate with company earning GCA of Rs.5.80 crore vis-à-vis debt repayment obligation of Rs.1.53 crore in FY24. In FY25, the company has debt repayment obligation of Rs.1.00 crore against which it is expected to generate sufficient cash accruals. The average monthly fund-based working capital utilisation stood at around 51% during the last 12 months period ended March 2024. The operating cycle of the company has improved from 45 days in FY23 to 36 days in FY24.

Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[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

AISPL, incorporated in 2010, belongs to Raipur based Agrawal family. AISPL was engaged in the trading of both flat products (MS plates and sheets) and long products (MS Channels, Beams etc). Subsequently, Ironmart Pvt. Ltd. (IPL) was incorporated in January 2022 to trade in flat steel products while AISPL continued to deal in long steel products. Currently, AISPL is engaged in the trading of MS Channels, MS Beams, MS Angles, MS joist etc (long products). The company was originally promoted by Mr. Nilesh Kumar Agrawal and Mr. Pradeep Dayakishan Goel. In FY21, the shares held by Mr. Goel were transferred to Mr. Nilesh Kumar Agrawal and family.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	5MFY25 (UA) *
Total operating income	359.87	493.88	270.00
PBILDT	9.85	11.12	NA
PAT	5.41	5.46	NA
Overall gearing (times)	1.03	1.38	NA
Interest coverage (times)	3.58	2.72	NA

*Till August 23, 2024

A: Audited; UA: Unaudited; NA: No available; 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		-	-	-	59.00	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - ST- Others		-	-	-	15.00	CARE A4+; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	9.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*

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

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	Fund-based - LT-Cash Credit	LT	59.00	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BBB-; Stable (09-Sep-24)	1)CARE BBB-; Stable (24-Aug-23)	1)CARE BBB-; Stable (06-Oct-22)
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	9.00	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE BBB-; Stable / CARE A3 (09-Sep-24)	1)CARE BBB-; Stable / CARE A3 (24-Aug-23)	1)CARE BBB-; Stable / CARE A3 (06-Oct-22)
3	Fund-based - ST- Others	ST	15.00	CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE A3 (09-Sep-24)	1)CARE A3 (24-Aug-23)	-

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

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 - ST-Others	Simple
3	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.

Contact us

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