Amur Steel Private Limited

June 22, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	48.00	CARE BB; Stable	Assigned
Long Term / Short Term Bank Facilities	17.00	CARE BB; Stable / CARE A4	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Amur Steel Private Limited (AMPL's) are constrained by its modest profitability margins, expected moderation in capital structure on account of ongoing debt funded solar capex, also exposure to execution risk. Ratings are also constrained on account of highly competitive and cyclical nature of industry. Ratings, however, draw the strength from the company's experienced promoters and improvement in scale of operations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in scale of operations with PBILDT margin above 6.5% on a sustained basis.
- Improvement in capital structure with overall gearing below 2.00x.

Negative factors

- Decline in TOI below Rs. 100 crore and/or dip in PBILDT margins to below 4.5%.
- Any material time or cost overrun leading to significant delay in commissioning of the capex project, adversely impacting overall financial profile.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that the company will continue to grow owing to experienced promoters along with long standing relations with the customers.

Detailed description of key rating drivers:

Key weaknesses

Moderate capital structure:

As on March 31, 2026, the overall gearing ratio remained moderate at 1.63x, as against 2.37x as on March 31, 2025. However, with availment of entire project debt pertaining to ongoing IPP (Independent Power producer) solar capex, gearing is further expected to moderate around 2.35x in near future. The debt coverage indicators, though improved, remained moderate marked by total debt to gross cash accruals (TD/GCA) and interest coverage of 4.85x and 4.71x, respectively, in FY26 (PY: 8.10x and 2.26x, respectively). However, the debt coverage indicators are expected to moderate further in the medium term due to addition of new term loans for capex.

Moderate profitability, susceptible to raw material prices:

The steel industry is inherently cyclical and remains highly susceptible to volatility in raw material prices and price realisations. Key raw materials coils, sheets, and plates account for approximately 90–93% of total raw material costs. The company is also maintaining inventory equivalent to 30-34 days requirement, exposing its margins to any wide fluctuation in steel prices. Further, increase in trading sales volumes led to a decline in operating margins from 5.98% in FY25 to 5.22% in FY26. However, the company's strategic focus on high value-added products, coupled with healthy offtake, is expected to support operating margins in the range of 5.5–5.75% over the medium term.

Execution risk associated with Solar Capex:

During FY27, the company plans to incur capital expenditure of approximately ₹36.65 crore for the setting up of a 10.40 MW solar power project, to be funded through debt (~75%) and the balance from internal accruals and fresh equity infusion. The

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

company has entered into long term PPA of 25 years with Pashchim Gujarat Vij Company Limited (PGVCL) at fixed tariff of Rs. 2.76 per unit (subject to non-availment of accelerated depreciation). The project is expected to commence operations in October 2026. While funding tie-ups are in place, timely execution of the project without cost overruns remains a key monitorable.

Highly competitive and cyclical nature of industry:
The steel industry is highly competitive due to the presence of organised and unorganised players and limited product diversity due to the commodity nature of products. Although over the years, the industry has become more organised with decline in the share of unorganised players, margins continue to be under pressure due to fragmentation of the industry. Steel is a cyclical industry, strongly correlated to economic cycles since its key users, construction, infrastructure, automobiles, and capital goods heavily depend on the economy. Fall in demand in these sectors directly impacts the demand of steel products. The steel industry is sensitive to shifting business cycles, including changes in the general economy, interest rates and seasonal changes in the demand and supply conditions in the market. Low level of product differentiation in the downstream steel segment further intensifies competition, leading to lower bargaining power with customers.

Key strengths

Moderate albeit growing scale of operations:
Total operating income (TOI) grew at a compound annual growth rate (CAGR) of ~34% for three fiscals ending FY26. The company reported TOI of ₹ 170 crore in FY26 (FY refers to April 01 to March 31) compared to ₹50.83 crore in FY25. This growth has been primarily driven by higher sales volumes from Coil & Sheets (incl. slit coils), supported by improved capacity utilisation to 70% in the year. The company witnessed year-on-year volume growth of 212% in steel products with sales volume rising to 26,073 MT (incl. trading sales) for FY26 (PY: 8,360 MT). Increase in share of value-added products coupled with higher utilisation of existing capacities and steady demand from construction and real estate activities are expected to further accelerate growth in the future.

Experienced promoter
The company is promoted by Mr. Ashish Patel who has more than two decades of experience of in trading and manufacturing of Steel Products earlier managed under the firm name "Anand Traders" subsequently incorporated company ASPL for manufacturing of Steel Products such as Coil, sheets, HR pipe and other similar products. The management team is well-experienced their expertise ensures efficient and effective management of the company's operations.

Liquidity: Stretched
The liquidity position of the company is stretched due to substantial portion of funds parked in inventory and debtors, resulting in high average utilisation of its working capital limits which stood ~76% for past 12 months ending March 2026. However, company's expected Gross Cash Accruals (GCA) of ~Rs. 6.75 crore remain adequate against repayment obligations of of ~Rs. 1.20 crores for FY27. The current ratio and quick ratio stood modest at 1.22x and 0.66x respectively as on March 31, 2026, (vis-à-vis 1.15x and 0.72x as on March 31, 2025). The cash flow from operation stood at negative at ₹ 14.28 crores in FY26 (vis-à-vis negative ₹2.85 crore in FY25). The company had low free cash and liquid investments of Rs. 0.64 crores as March 31, 2026.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

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
Iron & Steel

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals & Mining	Ferrous Metals	Iron & Steel

Incorporated in 2020 by Mr. Ashish Patel and Mrs. Mona Patel, Amur Steel Private Limited is engaged in the manufacturing of Steel products such as HR Pipes, HR Coil, HR Sheet and Slit Coil and Slit Sheets. The manufacturing facility is located in Rajkot, Gujarat, with an installed capacity of 15,000 metric tonnes per annum (MTPA) as on March 31, 2026.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	42.55	50.83	170.94
PBILDT*	2.49	3.04	8.93
Profit after tax (PAT)	1.15	1.36	5.78
Overall gearing (x)	2.28	2.37	1.63
Interest coverage (x)	2.34	2.26	4.71

A: Audited UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

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 instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	28-02-2041	30.72	CARE BB; Stable
Fund-based - LT-Working Capital Limits		-	-	-	17.28	CARE BB; Stable
Fund-based - LT/ ST-Cash Credit		-	-	-	17.00	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 2026-2027	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
1	Fund-based - LT/ ST-Cash Credit	LT/ST	17.00	CARE BB; Stable / CARE A4				
2	Fund-based - LT-Term Loan	LT	30.72	CARE BB; Stable				
3	Fund-based - LT-Working Capital Limits	LT	17.28	CARE BB; Stable				

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

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT-Working Capital Limits	Simple
3	Fund-based - LT/ ST-Cash Credit	Simple

Annexure-5: Lender details

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

Annexure-6: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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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[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

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