Steel Cast Limited

August 05, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	100.90	CARE A-; Stable / CARE A2+	Reaffirmed

Details of facilities in Annexure-1

Rationale and key rating drivers

Ratings assigned to bank facilities of Steel Cast Limited (SCL) continue to derive strength from its promoters' vast experience in the casting business, established manufacturing setup, and reputed despite concentrated clientele in domestic and export markets. Ratings also take cognisance of SCL's moderate scale of operations with healthy profitability, strong solvency position as well as debt coverage indicators in FY26 (FY refers to April 01 to March 31) and its adequate liquidity.

However, ratings are constrained by volatility associated with SCL's operations due to concentrated revenue profile, susceptibility of its profitability to volatility associated with raw material prices and foreign exchange rates, and its presence in a competitive and cyclical industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Volume-backed growth with total operating income (TOI) exceeding ₹600 crore while maintaining profit before interest, lease rentals, depreciation and tax (PBILDT) margin above 20% on a sustained basis.
- Diversifying revenue profile resulting in significantly reducing end-user industry concentration and achieving greater stability to its revenue and profitability.

Negative factors:

- Substantial volume-driven decline in the scale of operations and moderating PBILDT margin below 15% on a sustained basis.
- Deterioration in overall gearing to over 0.60x and total debt to gross cash accruals (TD/GCA) to over 2x on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

The 'Stable' outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that the entity will continue to benefit from its established presence in the steel alloy casting industry and long-term relationship with reputed clientele which shall enable the company to sustain its comfortable financial risk profile over the medium term.

Detailed description of key rating drivers

Key strengths

Experienced promoters and strong presence in castings industry for over six decades

SCL is one of the established manufacturers of steel and alloy steel castings in India with over six-decade long track record of operations and has an established marketing arrangement in domestic and international markets. The company's promoters, family of late M F Tamboli, have vast experience in the casting business, which is evident from SCL's satisfactory operations over the years through economic cycles. The promoters have infused need-based funds to support the company's operations in business downturns. Chetan Tamboli, Chairman and Managing Director, manages the company's overall business and the operations are supported by experienced professionals.

Established operations with ability to manufacture wide range of castings

SCL's manufacturing facility is at Bhavnagar (Gujarat) with total casting capacity of 29,000 metric tonnes per annum (MTPA) as on March 31, 2026. The company uses 'no bake', 'no bake automated fast loop', and 'shell moulding' casting processes for manufacturing carbon steel, low/high alloy steel, hadfield manganese steel, and other superior grades of wear and abrasion

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

resistant steel castings, mainly catering the requirement of earth-moving equipment manufacturers, mining/mineral processing equipment manufacturers, ground engaging tools, locomotive, construction, transport and other end-user industries, such as railways, cement and steel plants. It possesses the capability to produce over 300 parts used in various industries.

Reputed despite concentrated clientele

SCL's customers comprise some reputed and large-sized players in the mining and earth-moving equipment manufacturing industry. SCL's long-standing relationship with its customers as a preferred vendor for various parts has been able to secure repeat orders from its customers.

While SCL continued to have high customer concentration risk with top three customer groups accounting for ~75-88% of its net sales in past, this is mitigated to a large extent by supply of product to over 17 companies under these three groups across geographies with each having its separate approval process in place.

The company has diversified its revenue stream as a part of de-risking initiative with addition of four to five new industries and 30-35 new customers in last few years, which is expected to safeguard its performance in economic slowdowns.

Moderate scale of operations with healthy profitability in FY26

SCL's TOI grew by 14% year-over-year (y-o-y) from ₹376 crore in FY25 to ₹432 crore in FY26 with recovery in export sales volume (with increased demand from long-term marquee customers). Going forward, CareEdge Ratings expects SCL's TOI to remain moderate over the near-to-medium term.

The company reported relatively stable and healthy profitability marked by PBILDT margin and profit after tax (PAT) margin of 28.46% and 20.12%, respectively, in FY26 (PY: 28.25% and 19.19%, respectively) due to continued benefit in the last few years from its process improvement/debottlenecking initiatives and renewable energy (RE) power projects. Going forward, CareEdge Ratings expects operating profitability to sustain at healthy level considering its product profile and benefit of cost optimisation initiatives taken by the company in the recent past.

Strong capital structure and debt coverage indicators

SCL's capital structure remained comfortable with 'Nil' overall gearing as on March 31, 2026, owing to zero outstanding borrowings against its tangible net worth (TNW) of ₹395 crore. Consequentially, debt coverage indicators also remained strong with PBILDT interest coverage ratio of 348x (PY: 126x) in FY26. Going forward, SCL plans on undertaking expansion capex and it is expected to be entirely funded from internal accruals and hence, CareEdge Ratings expects SCL to sustain its strong financial risk profile.

Key weaknesses

Higher revenue concentration from mining and earth-moving equipment resulting in volatility in performance

SCL continues to have high dependence on the mining and earth-moving equipment industry (76% TOI derived from these segments in FY26), which derives demand from the cyclical mining and infrastructure/construction sectors. This has resulted in volatility in the scale of operations over the years with impact on SCL's scale of operations during times of decline in demand from these industries. However, this is mitigated to some extent by its long-term association with key customers across diverse geographies who are major players in these industries.

Susceptibility of profitability to raw material price volatility and foreign exchange rates

Steel scrap and ferro alloys form key raw materials required for manufacturing castings. The prices of steel scrap and ferro alloys, being commodity items, are volatile in nature, which exposes SCL's profitability to adverse movement in raw material prices. However, SCL has price variation clause in majority orders and hence it is able to pass on movement in the raw material and fuel price fluctuations to its customers quarterly, which mitigates the risk associated with volatility in the raw material prices to certain extent. Exports formed ~60% SCL's net sales in FY26 (PY: 53%), exposing the company to adverse movement in forex rates. SCL has a natural hedge by way of imports. However, this is a very small portion compared to its exports. Absence of active hedging policy makes SCL's profitability susceptible to adverse forex movement. In FY26, SCL reported forex gain of ₹8 crore against gain of ₹3 crore in FY25.

Liquidity: Adequate

SCL's liquidity position remained adequate marked by healthy cash accruals, cash flow from operations (CFO), and availability of liquid funds against nil debt repayment obligation and low utilisation of working capital limits.

SCL reported healthy net cash accruals (NCA) of ₹83 crore in FY26 and expected to generate NCA of ~₹88-108 crore in FY27-FY29 against nil scheduled debt repayment obligation over the same period. The company's CFO increased from ₹74 crore in

FY25 to ₹84 crore in FY26 in tandem with increased operating profit. With healthy cash accruals and absence of major capex in FY26, SCL's liquid funds stood at ₹98 crore as on March 31, 2026 (PY: ₹74 crore). Average working capital utilisation remained low at ~1% in the last 12 months ended March 2026. SCL's operating cycle remained relatively stable at 106 days in FY26 (PY: 107 days).

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](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Industrial products	Castings & forgings

SCL (CIN: L27310GJ1972PLC002033) was established as a partnership firm in 1960 by the Tamboli family based out of Bhavnagar, Gujarat. Subsequently, it was converted to a private limited company in 1972 and public limited company in 1994. SCL is engaged in manufacturing castings of various components mainly for the earth-moving equipment manufacturers through sand casting process. It had total casting capacity of 29,000 metric tons per annum (MTPA) as on March 31, 2026, at its unit at Bhavnagar, Gujarat.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	376.17	431.63
PBILDT	106.27	122.85
PAT	72.20	86.86
Overall gearing (times)	0.00	0.00
Interest coverage (times)	125.91	347.63

A: Audited; 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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

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

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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/ ST-EPC/PSC	RBI	Simple	-		-	-	84.65	CARE A-; Stable / CARE A2+
Non-fund-based - LT/ ST-BG/LC	RBI	Simple	-		-	-	16.25	CARE A-; Stable / CARE A2+

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-EPC/PSC	LT/ST	84.65	CARE A-; Stable / CARE A2+	-	1)CARE A-; Stable / CARE A2+ (08-Aug-25)	1)CARE A-; Stable / CARE A2+ (21-Aug-24)	1)CARE A-; Stable / CARE A2+ (06-Oct-23)
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	16.25	CARE A-; Stable / CARE A2+	-	1)CARE A-; Stable / CARE A2+ (08-Aug-25)	1)CARE A-; Stable / CARE A2+ (21-Aug-24)	1)CARE A-; Stable / CARE A2+ (06-Oct-23)

LT/ST: Long term/Short term

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

Annexure-4: Lender details

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

Annexure-5: List of entities consolidated: Not applicable

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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About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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