

Madhur Iron & Steel (India) Limited

September 16, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 148.48 Crore (Enhanced from Rs. 139.87 crore)	Regulator[^]
Long Term Rating	IVR BBB+ /Stable (Rating Upgraded)	RBI
Short Term Rating	IVR A2 (Rating Upgraded)	RBI

[^]Kindly note that for activities or 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.

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics 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.

Rationale

The upgrade in the ratings assigned to the bank facilities of Madhur Iron & Steel (India) Limited (MISIL) derives comfort from improvement in business performance of the company in FY26 (Prov.) [FY refers to the period from April 1 to March 31] marked by improvement in revenue, operating profit and cash accruals. The ratings are further supported by MISIL's comfortable financial risk profile, diversified and reputed customer base and experienced promoters. These rating strengths are, however, constrained by susceptibility of profitability to fluctuation in raw material prices, exposure to cyclicalities in the steel industry and working capital intensive nature of operations.

Outlook: Stable

The stable outlook reflects the expected stable business performance of the company marked by improvement in the company's scale of operations and profitability in the near term.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not Applicable

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

Strengths

- Improvement in business performance marked by improvement in revenue, operating profit and cash accruals

The total operating income (TOI) has increased from Rs. 340.36 crore in FY25 to Rs. 444.23 crore in FY26 (Prov.) registering a Y-o-Y growth of 30.52%. The growth is backed by higher sales volume (increased by ~27%) due to improved demand coupled with an increase in sales realisation (increased by ~3%) for re-rolled steel products. The revenue from the manufacturing segment has moderated from ~71% in FY25 to ~66% in FY26 and from the trading segment it has increased from ~29% in FY25 to ~34% in FY26. The operating profitability of the company moved in line with the revenue and witnessed gradual improvement. EBITDA margin has improved from 10.43% in FY25 to 10.60% in FY26 (Prov.) largely due to decline in cost of raw material. However, the PAT margin though moderated due to rise in interest expenses but remained satisfactory at 5.24% in FY26 (Prov.) (5.42% in FY25). Further, the net cash accrual has increased from Rs.20.75 crore in FY25 to Rs. 25.74 crore in FY26 (Prov.). In Q1FY27, the company has achieved a revenue of Rs. 145.55 crore (Rs.93.35 crore in Q1FY26). MISIL has started forward integration through fabrication and galvanization which will help in generating better profit margins. Infomerics expects that the company will achieve a revenue of more than Rs.500 crore in FY27.

- **Comfortable financial risk profile**

The capital structure of the company is comfortable underpinned by a healthy net worth base of Rs.117.71 crore. The overall gearing ratio though moderated due to elevated debt level but remained satisfactory at 1.15x as on March 31, 2026 (Prov.) (0.95x as on March 31, 2025). The total indebtedness marked by TOL/TNW has moderated from 1.60x as on March 31, 2025, to 1.84x as on March 31, 2026 (Prov.). The debt protection parameters marked by interest coverage continue to remain satisfactory at 3.54x in FY26 (Prov.) (3.81x in FY25). The marginal moderation is due to a rise in interest expenses attributable to an elevated debt level. Total debt/EBITDA and total debt/NCA stood moderate at 2.89x and 5.28 years respectively in FY26 (Prov.). Going forward, the leverage ratios are expected to witness improvement, driven by the continued accretion of profits to reserves, which is expected to strengthen the group's net worth base supported by scheduled repayment of long-term debt.

- **Diversified and reputed customer base**

The company's major clientele includes one of the major players of the domestic T&D sector, which contributed ~22% of the total revenue generated by MISIL in FY26. Further top five customers contribute only ~42% of the total revenue indicating low customer concentration and Pan India presence of the company implies a diversified portfolio.

- **Experienced promoters**

The company is presently managed by Mr. Jayant Agrawal (Son of Mr. Virendra Kumar Agrawal). Mr. Jayant Agrawal is a management graduate with 6 years of relevant experience, and another

director is Mr. Rajesh Modha who has over 30 years of experience in company finance and management. The directors are well supported by a team of qualified professionals.

Weaknesses

- **Susceptibility of profitability to fluctuation in raw material prices**

The price of steel is volatile in nature and the same exposes the company to input price fluctuation risk. Furthermore, the prices and supply of the main raw materials (iron ore, billets and coal) directly impact the realisations of finished goods. Besides, the steel sector also remains exposed to global steel demand supply scenarios. Hence, the profit margins are susceptible to the volatility in the input prices and the movement in input prices will remain a key rating monitorable.

- **Exposure to cyclical nature in the steel industry**

The domestic steel industry is cyclical in nature and is likely to impact the cash flows of the steel players, including MISIL. The steel industry is cyclical in nature and witnessed prolonged periods where it faced a downturn due to excess capacity leading to a downtrend in the prices. Furthermore, the key end user industries of steel products are civil construction, real estate and engineering industries, etc.

- **Working capital intensive nature of operations**

The operation of the company is working capital intensive in nature with operating cycle of 146 days in FY26 (Prov.) as compared to 128 days in FY25. The elongation in working capital cycle is due to increase in debtors' collection days to 53 days in FY26 (Prov.) as compared to 26 days in FY25. The company has high inventory days of 148 days in FY26 (Prov.) since MISIL has order-based model and in FY26, it has finished goods ready for dispatch, where customer has taken dispatch in April 2026.

Liquidity – Adequate

MISIL's liquidity position is expected to remain adequate marked by minimal long-term debt obligations, moderate capex plans and adequate headroom in average undrawn working capital limits. The average utilisation of the working capital limits remained moderate at ~84% for the past 12 months ended June 2026. Though, the cash flow from operations in FY26 (Prov.) was negative largely due to increase in inventory level leading to increase in working capital requirements. However, the cash flow from operation is expected to remain comfortable in FY27, with no major increase in working capital requirement in the current fiscal. The company has a satisfactory capital structure with overall gearing of 1.15x as on March 31, 2026 (Prov.), indicating adequate gearing headroom. Further, the current ratio also stood comfortable at 1.34x as on March 31, 2026 (Prov.). Overall, the company's liquidity is expected to remain adequate in the near term.

Rating Sensitivities

Upward Factors

- Growth in scale of business with improvement in profitability metrics thereby leading to overall improvement in cash accruals on a sustained basis.
- Sustained improvement in the capital structure with improvement in debt service coverage indicators marked by improvement in Total debt to EBITDA to below 2x
- Improvement in operating cycle

Downward Factors

- Decline in revenue and profitability leading to deterioration in gross cash accruals on a sustained basis
- Moderation in overall gearing ratio to over 2x and/or moderation in interest coverage ratio to below 3x
- Further elongation in operating cycle impacting the liquidity

About the Company

Madhur Iron & Steel (India) Limited (Erstwhile Madhur Iron & Steel (India) Private Limited) (MISIL) was incorporated in February 2012. Initially the company was operated by one Mr. Madhur Agarwal & family but in April 2018, MISIL was taken over by one Mr. Virendra Kumar Agrawal. MISIL is engaged into manufacturing & fabrication, re-rolling for all kinds of structural products and is based in Chhattisgarh with an installed capacity of 56700 MTPA. The company has fabrication shop, machine shop, physical & chemical testing Labs. The hot re-rollers of steel are required for Transmission Line Towers, Substation Structures (Lattice & Pipe types) and Railway Electrification (OHE structures/TSS & SPS). MISIL is also involved in trading of all types of steel.

Key Financial Indicators (Standalone):

(Rs.cr)		
For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Provisional
Total Operating Income	340.36	444.23
EBITDA	35.50	47.08
PAT	18.51	23.31
Total Debt	89.65	135.90
Tangible Net Worth (TNW)	94.42	117.71
EBITDA Margin (%)	10.43	10.60
PAT Margin (%)	5.42	5.24
Overall Gearing (times)	0.95	1.15
Interest Coverage (times)	3.81	3.54

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Applicable Criteria

[Rating Methodology for Manufacturing Companies.](#)

[Rating Methodology for Trading Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years

Sr. No.	Instruments/Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years			
		Type (Long Term/ Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25		Date(s) & Rating(s) assigned in 2023-24
					Mar 23, 2026	Mar 31, 2025	Mar 10, 2025	Dec 14, 2023
1.	Fund based facilities	LT/ST	148.48	IVR BBB+/ Stable/ IVR A2	IVR BBB/ Stable/ IVR A3+	IVR BBB/ Stable/ IVR A3+	IVR BBB/ Stable/ IVR A3+	IVR BBB-/ Stable/ IVR A3
2.	Non-fund-based facilities	ST	-	-	Withdrawn	IVR A3+	IVR A3+	IVR A3

Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator ^	Complexity Indicator
Term Loan	-	-	-	FY28	8.47	IVR BBB+/ Stable	NA	RBI	Simple
Cash Credit	-	-	-	-	48.00	IVR BBB+/ Stable	NA	RBI	Simple
Cash Credit	-	-	-	-	15.00	IVR BBB+/ Stable	NA	RBI	Simple
Proposed Cash Credit	-	-	-	-	10.00	IVR BBB+/ Stable	NA	RBI	Simple
OD against FD	-	-	-	-	0.01	IVR BBB+/ Stable	NA	RBI	Simple
Bill Discounting	-	-	-	-	25.00	IVR A2	NA	RBI	Simple
Channel Finance	-	-	-	-	15.00	IVR A2	NA	RBI	Simple
Channel Finance	-	-	-	-	10.00	IVR A2	NA	RBI	Simple



Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator ^	Complexity Indicator
Revolving Limit	-	-	-	-	17.00	IVR A2	NA	RBI	Simple

^Kindly note that for activities or 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.

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/Len_Madhur_Iron_and_Steel16_Sep26_4beaaa9723.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for Consolidated/Combined analysis: Not Applicable

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* \$	RBI
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 Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11a	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-

Sr. No.	Instrument / activity Name	Regulator of the instrument
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts \$	RBI
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)	+
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 @

Footnotes:

* 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 PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited 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 Feb 10, 2026 and the investor side regulators have accordingly been included.

\$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

+ To be finalized following a discussion with the regulatory authorities.

Note: For activities or 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.

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