Press Release
SHREE STEEL CASTING PRIVATE LIMITED
October 16, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	7.70	ACUITE BB+ | Stable | Reaffirmed	-
Bank Loan Ratings	3.30	-	ACUITE A4+ | Reaffirmed
Total Outstanding Quantum (Rs. Cr)	11.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of **'ACUITE BB+' (read as ACUITE double B plus)** and short-term rating of **'ACUITE A4+' (read as ACUITE A four plus)** on the Rs. 11.00 crore bank facilities of Shree Steel Casting Private Limited (SSCPL). The outlook is **'Stable'**.

Rationale for Rating

The rating reaffirmation considers the steady business risk profile marked by improvement in revenues amidst modest scale of operations. The rating also derives comfort from the experienced management, above average financial risk profile and adequate liquidity position of the company. The rating however remains constrained by the moderately intensive working capital operations, susceptible of profitability to volatility in raw material price fluctuations in an intensely competitive industry.

About the Company

Shree Steel Casting Private Limited (SSCPL) is Incorporated in 1984 and located at Nagpur, Maharashtra. SSCPL manufactures castings for the engineering and automotive sectors. The promoters Mr. Manoj Maheshwari and Mr. Ramniwas Daga have extensive industry experience of about two decades. The manufacturing facilities are located in MIDC & Nagpur, Maharashtra. Capacity for manufacturing steel casting is 4800 metric tons per annum.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has taken a standalone view of the business and financial risk profile of Shree Steel Casting Private Limited (SSCPL) to arrive at the rating.

Key Rating Drivers

Strengths

Established track record and experienced management

The company has a long operational track record in the manufacture of castings for around four decades. Further, the promoters of the company including Mr. Manoj Shrikrishna

Maheshwari and Mr. Ram Niwas Daga, Mr. Sajid Abbas Kothawala, and Mr. Lakshya Manoj Maheshwari have more than two decades of experience in the castings industry. The company has been able to maintain healthy relationship with both its customers and suppliers. The team believes that the long operational track record of the company coupled with the extensive experience of the management will continue to benefit the company going forward, resulting in steady growth in the scale of operations.

Steady business risk profile amidst modest scale of operations

The revenue of the company has increased moderately to Rs. 52.06 crore in FY2025 (Prov.) as compared to Rs. 46.09 crore in FY2024 due to steady demand in the domestic market. In Q1FY2026 the company has reported revenue of Rs. 12.72 crore. The operating margin of the company stood similar at 13.07 percent in FY2025 (Prov.) as against 13.09 percent in FY2024. PAT margins improved and stood at 9.02 percent in FY2025 (Prov.) against 7.66 percent in FY2024. Acuite believes that revenue and profitability margins of the company will sustain at similar levels in near to medium term.

Above-average financial risk profile

The financial risk profile of the company remained above average marked by modest net worth, healthy debt protection metrics and comfortable gearing ratio. The net worth of the company stood at Rs. 15.76 crore as on March 31, 2025 (Prov.) as against Rs. 11.06 crore in as on March 31, 2024. The increase in net worth is majorly due to accretion of profit to the reserves. The gearing (debt-equity) stood at 0.64 times in FY2025 (Prov.) as against 0.43 times in FY2024. The company has total debt increased to Rs.10.05 crore as on March 31, 2025 (Prov.) as compared to Rs. 4.76 crore as on March 31, 2024, due to debt funded capital expenditure. The healthy debt protection metrics of the company are marked by healthy Interest Coverage Ratio (ICR) of 14.28 times and Debt Service Coverage Ratio (DSCR) at 4.48 times in FY2025 (Prov.) as compared to 6.34 times and 2.32 times in FY2024 respectively. Acuite believes that going forward the financial risk profile of the company will I remain in similar levels over the medium term, in the absence of any major debt funded capex plans.

Weaknesses

Moderately intensive working capital operations

The company's working capital operations has improved, however remained intensive as reflected in Gross Current Assets (GCA days) of 99 days in FY2025 (Prov.) as against 104 days in FY2024. The debtor days stood at similar level at 71 days in FY2025 (Prov.) and FY2024. Because the company is currently improving the inventory conversion time, inventory days have improved and stood at 17 days in FY2025 (Prov.) as opposed to 25 days in FY2024. The creditor days stood at 48 days in FY2025 (Prov.) and 43 days in FY2024. Acuite believes that the working capital requirement is likely to sustain at the similar level over the medium term.

Intense competition and susceptible to price fluctuations

The castings industry remains fragmented and unorganized. The company is exposed to intense competitive pressures from large number of organized and unorganized players along with its exposure to inherent cyclical nature of the steel industry. Further, prices of raw materials and products are highly volatile in nature. Hence, the profitability margins are susceptible to volatility in raw material price fluctuations.

Rating Sensitivities

Significant improvement in revenues and profitability.
Change in financial risk profile
Deterioration in working capital cycle

Liquidity Position

Adequate

Liquidity of SSCPL is adequate, marked by steady net cash accruals of Rs. 5.24 crore in FY2025 (Prov.) as against a long-term debt repayment of only Rs. 0.77 crore over the same period. Further, the company is expected to generate sufficient net cash accruals to repay its debt obligation in near to medium term. The unencumbered cash and bank balances stood at Rs. 0.51 crore as on March 31st, 2025 (prov.). The current ratio stood at 1.49 times in FY2025 (Prov.). Further, the fund-based limits utilization stood at 33.80 percent twelve months ended

June 2025. Acuite believes that the company is likely to maintain adequate liquidity position on account of steady accruals.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	52.06	46.09
PAT	Rs. Cr.	4.70	3.53
PAT Margin	(%)	9.02	7.66
Total Debt/Tangible Net Worth	Times	0.64	0.43
PBDIT/Interest	Times	14.28	6.34

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- https://www.acuite.in/view-rating-criteria-52.htm
- Manufacturing Entities: https://www.acuite.in/view-rating-criteria-59.htm
- Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
22 Jul 2024	Letter of Credit	Short Term	2.50	ACUITE A4+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	0.80	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BB+ | Stable (Upgraded from ACUITE BB | Stable)
	Term Loan	Long Term	1.90	ACUITE BB+ | Stable (Upgraded from ACUITE BB | Stable)
	Term Loan	Long Term	0.80	ACUITE BB+ | Stable (Upgraded from ACUITE BB | Stable)
02 May 2023	Letter of Credit	Short Term	2.50	ACUITE A4+ (Assigned)
	Bank Guarantee (BLR)	Short Term	0.80	ACUITE A4+ (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BB | Stable (Assigned)
	Term Loan	Long Term	1.90	ACUITE BB | Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.80	ACUITE BB | Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Dombivli Nagari Sahakari Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.80	Simple	ACUITE A4+ | Reaffirmed
Dombivli Nagari Sahakari Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BB+ | Stable | Reaffirmed
Dombivli Nagari Sahakari Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.50	Simple	ACUITE A4+ | Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.16	Simple	ACUITE BB+ | Stable | Reaffirmed
Dombivli Nagari Sahakari Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 May 2027	1.42	Simple	ACUITE BB+ | Stable | Reaffirmed
Dombivli Nagari Sahakari Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Mar 2028	0.12	Simple	ACUITE BB+ | Stable | Reaffirmed

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About Acuité Ratings & Research

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