



INDUCTO
STEEL LTD

March 20, 2026

To,
The BSE Limited
Corporate Relations Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001

Scrip Code: 532001
Script Name: INDCTST
ISIN: INE146H01018

Sub: Intimation of Credit Rating under Regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Dear Sir/Madam,

Pursuant to Regulation 30 and any other applicable Regulations read with Part A and Part B of Schedule III of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that Acuite Rating and Research Limited, vide its press release dated March 19, 2026 has reaffirmed its rating assigned to long term bank facilities of the company to "ACUITE BB+" for facilities amounting to Rs. 20.00 crore.

Further, the rating agency has reaffirmed the rating of the Company's short-term bank facilities at 'ACUITE A4+' for facilities amounting to Rs. 80.00 crore

Rating rationale published by Acuite Ratings & Research Limited, is enclosed herewith for kind reference.

A copy of this intimation is also being made available on the website of the Company www.hariyanagroup.com

You are requested to kindly take the same on your records.

Thanking you.
Yours faithfully,
For **INDUCTO STEEL LIMITED**

Diana Palia
Company Secretary & Compliance Officer
(Membership No. A40554)



Press Release

March 19, 2026

INDUCTO STEEL LIMITED Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.00	ACUITE BB+ Stable Reaffirmed	-
Bank Loan Ratings	80.00	-	ACUITE A4+ Reaffirmed
Total Outstanding	100.00	-	-
Total Withdrawn	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of 'ACUITE BB+' (read as ACUITE double B plus) on the Rs.20.00 Cr. bank facilities and its short-term rating of 'ACUITE A4+' (read as ACUITE A four plus) on the Rs.80.00 Cr. bank facilities of Inducto Steel Limited (ISL). The outlook is 'Stable'.

Rationale for rating

The rating reaffirmation factors ISL's established presence in the ship breaking and steel trading business, supported by the promoters' extensive industry experience. The reaffirmation reflects significant improvement in the operating revenues in FY2025 while profitability moderated significantly due to the downtrend in steel realisations and increase in trading sales. The financial risk profile remains moderate, with a comfortable capital structure but weakened coverage indicators in FY25. Working capital requirements remain moderately intensive due to increased inventory and receivable levels. Liquidity remains adequate, aided by the absence of long term debt. The rating continues to remain sensitive to the company's ability to improve profitability, maintain cost discipline, and efficiently manage its working capital cycle amid volatile ship breaking and scrap price conditions.

About the Company

Incorporated in 1988, Inducto Steel Limited (ISL) is public limited company listed at BSE, engaged in ship breaking and steel processing activities in the Alang-Sosiya belt of Bhavnagar, Gujarat. It operates on a 2,385 sq. m plot with a 45 m frontage, leased from Gujarat Maritime Board. The company also trades in steel products. The board comprises Mr. Rajeev Shantisarup Reniwal, Mrs. Sweety Rajeev Reniwal, Mr. Manohar Hanumants Wagh, and Mr. Tejasbhai Himmatbhai Thakker. The registered office is in Mumbai (MCA), with Bhavnagar listed under GSTIN.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered standalone business and financial risk profile of Inducto Steel Limited (ISL). The change in approach from earlier consolidation with Hariyana Ship Demolition Private Limited (HSDPL) & Hariyana Ship Breakers Limited (HSBL) is due to change in management of the company post-split between the promoter family.

Key Rating Drivers

Strengths

Established presence of promoters in ship recycling industry

The promoters have over three decades of experience in the ship-recycling business, providing the company with established industry relationships and an understanding of pricing and procurement dynamics. Their longstanding presence at Alang, a key ship-breaking hub, supports operational familiarity and market access.

Improving revenues albeit volatile profitability

ISL demonstrated robust revenue growth in FY2025, with operating income rising to Rs.158.57 Cr. from Rs.104.05 Cr. in FY2024, reflecting a strong topline expansion. The improvement was primarily supported by the availability of vessels for breaking and a sharp increase in traded sales of Steel, which surged to Rs.109.09 Cr. in FY2025 from Rs.31.51 Cr. in FY2024. However, with increased trading sales and lowering of steel realisations, the operating profitability moderated significantly in FY25, reporting EBITDA loss of Rs 2.31 Cr. Further, the company currently has two vessels named Kosta and Bodha, dismantling of which provides revenue visibility in near term. Moreover, profitability is also expected to improve with stabilisation of steel prices.

Weaknesses

Moderate financial risk profile:

ISL's financial risk profile remains moderate, supported by a low and reduced net worth of Rs.39.49 Cr. as on March 31, 2025, compared with Rs.43.21 Cr. in FY2024. Gearing increased to 0.42 times in FY2025 from 0.08 times in FY2024 due to higher short-term debt utilisation for funding inventory and trading operations. Coverage indicators weakened significantly due to negative operating performance. The TOL/TNW ratio remained comfortable at 0.41 times in FY2025 versus 0.10 times in FY2024, supported by a largely net-worth-funded balance sheet. However, majority of the networth is invested in group companies (Rs.22.01 Cr. as on March 31, 2025). While the capital structure remains moderate, sustained improvement in profitability is essential to restore cash-flow-based credit protection metrics.

Moderately intensive working capital operations:

ISL's working capital operations remained moderately intensive in FY2025. The gross current asset days stood at 62 days in FY2025 compared to 61 days in FY2024. Inventory days stood at 31 days in FY2025 against 44 days in FY24, due to higher holding of traded steel and ship-breaking scrap associated with the increased operating scale. Debtor days also increased to 24 days from 11 days, aligned with higher billing volumes.

Creditor days remained negligible, indicating limited supplier financing. Short-term borrowings increased to Rs.16.41 Cr. in FY2025 from Rs.3.48 Cr. in FY2024, reflecting higher reliance on bank lines to support inventory procurement and trading activity. The average bank limit utilization stood low at ~18.00% for the past 12 months ending December 2025.

Acuité believes the working capital cycle will remain sensitive to procurement timing, scrap price fluctuations, and the scale of future ship-breaking and trading operations.

Susceptibility of operations to ship availability and volatile steel prices

ISL's operations are exposed to risks from ship availability and volatile steel prices. Geopolitical factors often restrict vessel inflow, while competitive bidding and sharp price swings erode margins. Although the company is in discussions with brokers to purchase more ships, cash flows remain cyclical and uncertain.

Rating Sensitivities

Potential triggers (individual or collective) for an upward rating action:

- Increase in operating income and margins
- Generation of net cash accruals above Rs 7 Cr

Potential triggers (individual or collective) for a downward rating action:

- Absence of revival of operations with net cash accruals falling below Rs.2.5-3 Cr
- Any further significant investments in group companies

Liquidity Position

Adequate

ISL's liquidity position remains adequate, though impacted by negative cash accruals during FY2025. The company reported net cash accruals of Rs.(3.38) Cr. compared with Rs.0.45 Cr. in FY2024, owing to operating losses. Liquidity is supported by the absence of long-term repayment obligations and adequate working-capital banking facilities. Going ahead, the company the cash accruals are expected to be in the range Rs.1.88-2.56 Cr. over the medium term. The reliance on working capital limits is low with average bank limit utilization for fund based limits at ~18.00% for the past 12 months ending Dec 25. The current ratio stood moderate at 1.58 times as on March 31, 2025. ISL maintained unencumbered cash and bank balance of Rs.0.31 Cr. as on March 31, 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	158.57	104.05
PAT	Rs. Cr.	(3.72)	0.16
PAT Margin	(%)	(2.35)	0.16
Total Debt/Tangible Net Worth	Times	0.42	0.08
PBDIT/Interest	Times	(1.01)	1.15

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>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.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
19 Dec 2024	Letter of Credit	Short Term	25.00	ACUITE A4+ (Downgraded from ACUITE A3)
	Letter of Credit	Short Term	55.00	ACUITE A4+ (Downgraded from ACUITE A3)
	Cash Credit	Long Term	20.00	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Negative)
21 Sep 2023	Letter of Credit	Short Term	25.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	55.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	20.00	ACUITE BBB- Negative (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE BB+ Stable Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A4+ Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	55.00	Simple	ACUITE A4+ Reaffirmed

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.