



## Press Release

### Maiden Forgings Limited

April 29, 2025

#### Ratings

Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	9.87 <sup>#</sup>	IVR BB/ Stable (IVR Double B with stable outlook) withdrawn	IVR BB/ Negative ISSUER NOT COOPERATING* (IVR Double B with Negative Outlook Issuer Not Cooperating)	Rating reaffirmed; outlook revised and removed from Issuer Not Cooperating category and withdrawn	<a href="#">Simple</a>
Short Term Bank Facilities	-	-	IVR A4 ISSUER NOT COOPERATING* (IVR A Four Issuer Not Cooperating)	Rating withdrawn	<a href="#">Simple</a>
<b>Total</b>	<b>9.87 (INR Nine crore eighty- seven lakh only)</b>				

<sup>#</sup>The term loan, business loan, equipment loan, covid loan and cash credit facility rated in the previous year amounting Rs. 51.30 crore have been withdrawn based on No Due Certificate from the respective lenders bank and at the request of the company and is in line with Infomerics' policy on withdrawal.

*\*Issuer not cooperating; Based on best available information*

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

#### Detailed Rationale

Earlier Infomerics had moved the ratings of Maiden Forgings Limited (MFL) into Issuer Not Cooperating category vide its press release dated December 10, 2024, due to non-submission of information required for detailed review of the company.

Infomerics has removed the long-term rating from Issuer Not Cooperating category, reaffirm the outstanding long-term rating and revised the long-term rating outlook and simultaneously withdrawn the long-term rating of 'IVR BB/ Stable (IVR double B with Stable outlook)' with immediate effect. Also, Infomerics has withdrawn the outstanding long-term rating of 'IVR BB/ Negative ISSUER NOT COOPERATING (IVR Double B with Negative Outlook Issuer Not Cooperating)' and short-term rating of 'IVR A4 ISSUER NOT COOPERATING (IVR A Four Issuer Not Cooperating)' assigned to the bank facilities of MFL with immediate effect.



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The reaffirmation of the long-term rating assigned to the bank facilities of MFL continues to derive comfort from its experienced promoters with long track record of operations and moderate financial risk profile. These rating strengths are, however, constrained by exposure to intense competition and susceptibility of margins to fluctuations in raw material prices.

The long-term rating outlook revised from Negative to Stable on the back of satisfactory demand outlook of the industry coupled with increase in scale of operation and improvement in financial risk profile of the company.

The withdrawal has been taken at the request of Maiden Forgings Limited and 'No Objection Certificate' received from Tata Capital, State Bank of India, SIDBI and 'No Due Certificate' received from Yes Bank, HDFC Bank, Tata Capital, Fed Bank Financial Service, Aditya Birla Finance, Hero FinCorp, Edelweiss Retail Fin, Piramal Finance (formerly DHFL), Northern ARC and IndusInd Bank that have extended the facility rated by Infomerics. The rating is withdrawn in accordance with Infomerics' policy on withdrawal. Link to the withdrawal policy is provided below.

### **Key Rating Sensitivities:**

#### **Upward Factors**

- Not applicable

#### **Downward Factors**

- Not applicable

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths**

- **Experienced promoters with long track record of operations**

MFL is promoted by Late Sanjay Garg having an experience of more than three decades in the steel industry. Currently, his son, Mr. Nishant Garg is looking after day-to-day affairs of the company who has an experience of around a decade in the industry. The company started operation from 2005, thus, long presence in the industry underpins its business risk to an extent.



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- **Moderate financial risk profile**

Financial risk profile of the company has been moderate over the years marked by moderate overall gearing and satisfactory debt coverage indicators. Long-term debt equity ratio was 0.26x and overall gearing was at 0.88x as on March 31, 2024, which has improved from 0.54x and 1.66x as on March 31, 2023, on the back of repayment of loan and regular accretion of reserves. Further, the company also has adequate debt protection metrics marked by adequate interest coverage at 3.87x as on March 31, 2024 and Total debt/NCA at 4.38x in FY24 (refers to period April 1st, 2023, to March 31, 2024). On the other hand, total indebtedness of the company as reflected by the Total Outside Liabilities/Tangible Net worth remained adequate at 1.09x as on March 31, 2024.

### **Key Rating Weaknesses**

- **Exposure to intense competition**

The industry is characterized by high fragmentation with a large number of unorganised players, constraining the pricing power of organised sector players. Apart from the unorganized sector, MFL also faces competition from the organized sector players.

- **Susceptibility of margins to fluctuations in raw material prices**

The main raw materials used by MFL are steel bars and rods etc. Raw material cost is a major contributor to its total operating cost, thereby making profitability sensitive to raw material prices. Further, the major raw material price of the company is prone to witness frequent price fluctuations. Thus, any adverse change in the prices of the raw material may affect the profitability margins of the MFL.

**Analytical Approach:** Standalone

### **Applicable Criteria:**

[Policy on Withdrawal of ratings](#)

[Rating Methodology for Manufacturing Companies.](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

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

**Liquidity** – Adequate



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MFL has earned a gross cash accrual of Rs. 14.32 crore in FY24. Further, the company is expected to earn a gross cash accrual in the range of ~Rs. 16 crore to Rs. 23 crore as against its debt repayment obligations around ~Rs. 4 crore per year during FY25-27. Accordingly, the liquidity position of the company is expected to remain adequate in the near to medium term.

### **About the Company**

Delhi based Maiden Forgings Limited (MFL) was incorporated in February 2005 by Late Mr. Sanjay Garg as Maiden Forgings Private Limited (MFPL) and later on during 2023, the company converted into a public limited company and rechristened as MFL. The company got listed on stock exchange on April 06, 2023. MFL is currently being managed by Mr. Nishant Garg, director and son of Mr. Sanjay Garg and Mrs. Nivedita Garg, director and wife of Mr. Sanjay Garg. MFL is engaged in the manufacturing of various types of bright steel bars and wires which is used for manufacturing of automotive components like Axle, clutch etc. MFL is primarily a Tier 2 supplier of automotive components and supplying to various tier 1 suppliers. The company has three manufacturing facility based in Ghaziabad with total installed capacity of around 53000 metric tons per annum of bright bars and wires.

### **Financials (Standalone):**

	<b>(Rs. crore)</b>			
<b>For the year ended/ As on*</b>	<b>31-03-2023</b>	<b>31-03-2024</b>	<b>30-09-2023</b>	<b>30-09-2024</b>
	<b>Audited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Unaudited</b>
Total Operating Income	220.82	236.10	115.50	109.09
EBITDA	21.97	22.86	10.50	9.67
PAT	9.61	9.72	4.18	4.05
Total Debt	67.54	62.67	61.66	75.92
Tangible Net Worth	40.72	70.97	68.73	75.01
EBITDA Margin (%)	9.95	9.68	9.09	8.86
PAT Margin (%)	4.34	4.10	3.59	3.71
Overall Gearing Ratio (x)	1.66	0.88	0.90	1.01
Interest Coverage (x)	4.01	3.87	3.52	3.43

\* Classification as per Infomerics' standards.

**Status of non-cooperation with previous CRA: Nil**

**Any other information: Nil**

**Rating History for last three years:**



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Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 (Dec. 10, 2024)	Date(s) & Rating(s) assigned in 2023-24 (Nov. 10, 2023)	Date(s) & Rating(s) assigned in 2022-23 (Oct. 20, 2022)
1.	Term Loan	Long Term	-	Withdrawn	IVR BB/ Negative ISSUER NOT COOPERATING*	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable
2.	Cash Credit (incl. FBWC)	Long Term	4.90	IVR BB/ Stable Withdrawn	IVR BB/ Negative ISSUER NOT COOPERATING*	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable
3.	Covid Loans	Long Term	-	Withdrawn	IVR BB/ Negative ISSUER NOT COOPERATING*	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable
4.	Business Loans	Long Term	-	Withdrawn	IVR BB/ Negative ISSUER NOT COOPERATING*	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable
5.	Equipment Loans	Long Term	4.97	IVR BB/ Stable Withdrawn	IVR BB/ Negative ISSUER NOT COOPERATING*	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB-/ Stable
6.	Letter of Credit	Short Term	-	Withdrawn	IVR A4 ISSUER NOT COOPERATING*	IVR A4+ ISSUER NOT COOPERATING*	IVR A3

*\*Issuer did not cooperate; based on best available information*

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### About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt





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Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

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### 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
Term Loan 1	-	-	-	-	-	Withdrawn
Term Loan 2	-	-	-	-	-	Withdrawn
Business Loan 1	-	-	-	-	-	Withdrawn
Business Loan 2	-	-	-	-	-	Withdrawn
Business Loan 3	-	-	-	-	-	Withdrawn
Equipment Loan 1	-	-	-	-	-	Withdrawn
Equipment Loan 2	-	-	-	-	-	Withdrawn
Equipment Loan 3	-	-	-	-	-	Withdrawn
Equipment Loan 4	-	-	-	-	-	Withdrawn
Equipment Loan 5	-	-	-	March 2027	3.00	IVR BB/ Stable Withdrawn
Equipment Loan 6	-	-	-	-	-	Withdrawn
Equipment Loan 7	-	-	-	June 2027	1.97	IVR BB/ Stable Withdrawn
Equipment Loan 8	-	-	-	-	-	Withdrawn
Covid Loan 1	-	-	-	-	-	Withdrawn
Covid Loan 2	-	-	-	-	-	Withdrawn
Covid Loan 3	-	-	-	-	-	Withdrawn



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Covid Loan 4	-	-	-	-	-	Withdrawn
Cash Credit 1	-	-	-	-	-	Withdrawn
Cash Credit 2	-	-	-	-	-	Withdrawn
FBWC (eDFS)	-	-	-	-	4.90	IVR BB/ Stable Withdrawn
LC 1	-	-	-	-	-	Withdrawn
LC 2	-	-	-	-	-	Withdrawn

**Annexure 2: Facility wise lender details: Not Applicable**

**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**

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).