



Press Release
P D INDUSTRIES PRIVATE LIMITED
November 18, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	25.00	ACUITE BBB+ Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	25.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long term rating of '**ACUITE BBB+**' (read as **ACUITE triple B plus**) on Rs.25.00 crore bank facilities of P D Industries Private Limited. The outlook remains '**Stable**'.

Rationale for Rating

The rating takes into cognizance the stable business risk profile supported by increase in sales volume albeit moderation in the prices of steel. The healthy financial risk profile of the company characterized by moderate net worth and comfortable capital structure. The rating considers the adequate liquidity position of the group marked by sufficient net cash accruals against nil debt repayment obligations, low bank limit utilization, unencumbered fixed deposits, infusion of unsecured loans and moderate current ratio. These strengths are, however, partly offset by decline in profitability margins due to volatility in raw material prices, moderate working capital cycle and presence in a competitive and fragmented steel business.

About the Company

P D Industries Private Limited (PDIPL) was incorporated in 1992 by Agarwal family and taken over by the promoters of LN Group in 2015. The company is engaged in manufacturing of sponge iron and MS billet with an installed capacity of 60,000 MTPA and 50,400 MTPA respectively. In addition to that, the company also has its own 5 MW power plant installed. The manufacturing facility located in Raipur, Chhattisgarh. The directors are Mr. Nitish Kumar Agrawal and Mr. Abhishek Agrawal.

About the Group

L N Metallica Limited (LNML) was incorporated in 2003 by Mr. Ramesh Agarwal & Mr. Girdharilal Agarwal. The company is engaged in manufacturing of sponge iron with an installed capacity of 60,000 MTPA. The company has its manufacturing facility located in Jharsuguda, Orissa.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has consolidated the financial and business risk profile of L N Metallica Limited (LNML) and P D Industries Private Limited (PDIPL). The group is herein referred to as the LN Group on account of common management, similar line of operations, operational and financial linkages.

Key Rating Drivers

Strengths

Healthy Financial Risk Profile

The financial risk profile of the group is marked by moderate net worth, gearing below unity and healthy debt protection metrics. The net worth of the group stood at Rs.115.03 Cr in FY25 as against Rs.100.58 crore in FY 2024 due to accretion of reserves. At a group level, buyback of shares has been undertaken within the family held groups to simplify the holding structure. The gearing stood below unity at 0.37 times in FY25 as compared to 0.20 times in FY2024. Interest coverage ratio stood at 13.73 times and debt service coverage ratio stood at 10.81 times during FY25. Acuite believes the financial risk profile of the group will remain on similar levels on account of no major debt funded capex plan.

Moderate Working Capital Cycle

The group has a moderate working capital cycle as reflected from Gross Current Assets (GCA days) of 104 days in FY25 as against 80 days in FY2024. The inventory days stood at 54 days in FY25 as against 48 days in FY2023. The group maintains minimum inventory of 30 days of raw material. Additionally, the inventory levels are adjusted in response to the fluctuations in market prices.

The debtor days stood at 12 days in FY25 as against 10 days in FY24. The group offers credit terms to its customers ranging from 2 to 15 days and depending upon the nature of the relationship with each party and market demand. The creditor days stood at 10 days in FY25 as against 8 days in FY24. Iron ore is purchased through NMDC (National Mineral Development Corporation Ltd), and coal is purchased through Coal India Limited via long term linkages and auctions. These are backed by 100 percent advance payment. Acuite believes that the working capital cycle of the group will remain at similar levels over the medium term.

Weaknesses

Stable operating income albeit decline in profitability margins during FY25

The operating income stood stable at Rs. 317.43 crore in FY2025 as against Rs. 309.89 crore in FY2024 backed by increase in sales volume albeit moderation in price realization. There has been downward trend in prices, which the group has effectively managed by increasing sales volume to support its topline growth. This approach demonstrates the adaptability in responding to market fluctuations while maintaining revenue stability. The EBITDA margin stood to 7.88 percent in FY2025 as against 8.55 percent in FY2024. This margin depends upon the fluctuations in raw material prices and increase in power costs. The PAT margin stood at 5.41 percent in FY2025 as against 5.53 percent in FY2024. Acuite believes that the group will achieve on similar levels over the medium term depending on the fluctuations of market price.

Intense competition and inherent cyclical nature of the steel industry

The downstream steel industry remains heavily fragmented and unorganized. Raw material consumption is the single largest cost component for the secondary players in iron and steel industry. The group does not have backward integration for its raw materials which are purchased from manufacturers and traders located in Orissa and Chattisgarh. 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. Additionally, prices of raw materials and products are highly volatile in nature. Acuite believes that the group remains exposed to such cyclical nature and competition in the steel industry is reflected from volatility to its operating margins.

Rating Sensitivities

Movement in operating income and profitability margins
Working capital cycle
Debt funded capex plan

Liquidity Position

Adequate

The group has adequate liquidity as reflected from net cash accruals of Rs.20.27 Cr. in FY25 against a nil repayment of debt obligations over the same period. The group has maintained a debt free status with no external borrowings. The unsecured loans of the group stood at Rs.13.27 Cr. in FY25 as against Rs.6.77 Cr. in FY24. The group maintains significant unencumbered fixed deposits of Rs.26.65 Cr. in FY25 as against Rs.21.74 Cr. in FY24. The current ratio stood moderate at 2.60 times in FY25. The average bank limit utilization of PD IPL has been ~7.00 per cent utilized during the last seven months ended September 2025. Acuite believes that the liquidity of the group is likely to remain adequate over the medium term on account of healthy cash accruals, unencumbered fixed deposits, flexibility to infuse unsecured loan and low bank limit utilization over the medium term.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	317.43	309.89
PAT	Rs. Cr.	17.18	17.15
PAT Margin	(%)	5.41	5.53
Total Debt/Tangible Net Worth	Times	0.37	0.20
PBDIT/Interest	Times	13.74	12.63

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

Not Applicable

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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
21 Aug 2024	Cash Credit	Long Term	25.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Proposed Long Term Bank Facility	Long Term	13.25	ACUITE Not Applicable (Withdrawn)
24 May 2023	Cash Credit	Long Term	25.00	ACUITE BBB Stable (Upgraded from ACUITE BB+)
	Proposed Long Term Bank Facility	Long Term	13.25	ACUITE BBB Stable (Upgraded from ACUITE BB+)
22 Dec 2022	Cash Credit	Long Term	20.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Working Capital Demand Loan (WC DL)	Long Term	3.25	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Term Loan	Long Term	15.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
H D F C Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE BBB+ Stable Reaffirmed

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No.	Company Name
1	L N Metallica Limited
2	P D Industries Private Limited

Contacts

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About Acuité Ratings & Research

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