



Press Release
CAPTAIN STEEL INDIA LIMITED (erstwhile BMA STAINLESS LIMITED)
December 31, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	230.00	ACUITE AA- Stable Reaffirmed	-
Bank Loan Ratings	40.00	-	ACUITE A1+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	270.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of **"ACUITE AA-" (read as ACUITE double A minus)** and short-term rating of **"ACUITE A1+" (read as ACUITE A one plus)** on the Rs.270.00 Cr. bank loan facilities of Captain Steel India Limited (erstwhile BMA Stainless Limited). The Outlook is **"Stable"**.

Rationale for Rating

The rating takes into account the operating income of the company, which stood at Rs.2106.27 crore in FY2025 as against Rs.1834.79 crore in FY2024 on the back of increase in sales volume in FY2025 as compared to FY2024. Moreover, the company has registered revenue of Rs.1116.91 Cr. till H1 FY2026. The EBITDA and PAT margin stood at 4.61% and 4.11% respectively in FY2025. In addition, the financial risk profile of the company is healthy, marked by low gearing and healthy net worth and debt protection metrics and the working capital management is efficient marked by GCA days of 85 days for FY2025. Furthermore, the company has ongoing capex for the expansion of existing manufacturing facilities and the same is expected to support the topline and margins of the company over the medium term. The rating also draws comfort from the strong liquidity profile marked by steady net cash accruals. However, Acuite notes that any large infusion of funds by the company in group or subsidiary companies as well as any large debt-funded capex, which is higher than current anticipated plans, might impact the liquidity and key financial metrics of the company and the same will remain a key rating sensitivity. The rating further remains constrained by the intense competition and vulnerability of the operating margins owing to the inherent cyclicity of the industry.

About the Company

Kolkata based, Captain Steel India Limited (Erstwhile BMA Stainless Limited) was established in the year 2003. The company is engaged in the manufacturing of MS Billets and TMT bars. The company sells TMT bars under the brand name "Captain." The company is managed by Mr. Avinash Agarwalla and Mr. Vijay Gupta. Over the years, the company has been able to establish its brand in states such as West Bengal, Bihar, Jharkhand, parts of Uttar Pradesh, etc.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profile of Captain Steel India Limited (CSIL) while arriving at the rating.

Key Rating Drivers

Strengths

Long track record of operation and experienced management

CSIL was established in 2003 and the company sells TMT Bars made from billets under the brand name "Captain". Over the years, the company has been able to establish its brand in states such as West Bengal, Bihar, Jharkhand, parts of Uttar Pradesh, etc. Furthermore, to cater to the market of Bihar and adjacent states, the company entered into an agreement with JMD Alloys Limited, a Patna-based company, for conversion of the billets to TMT bars as per its product specifications. The TMT bars are sold through various distribution channels in the market and the company currently has around 6,000 dealers across the country. CSIL is currently managed by Mr. Avinash Agarwalla and Mr. Vijay Gupta having more than two decades of experience in the same line of business, which has benefitted the company to have established relationship with customers and suppliers. Acuite believes that the company will continue to derive benefit from the long track record of operations and experienced management's strong understanding of market dynamics.

Increase in the revenue and profitability

The operating income of the company stood at Rs.2106.27 crore in FY2025 as against Rs.1834.79 crore in FY2024 on the back of increase in sales volume by 17.96% in FY2025 as compared to FY2024. Moreover, the company has registered revenue of Rs.1116.91 Cr. till H1 FY2026. Further, the EBITDA margin stood at 4.61% as against 3.29% in FY2024 supported by decrease in raw material procurement prices and other operating expenses in FY2025 as against FY2024. Likewise, the PAT margin stood at 4.11% in FY2025 as against 3.15% in FY2024. Acuite expects the scale of operations of the company to remain healthy in the near to medium term supported by higher sales volume of TMT Bars and billets coupled with efficient sales and marketing team of the company, focusing on spreading to new geographies, thereby elevating the overall revenue of the company.

Ongoing Capacity Expansion Project

The company is currently undergoing capex for expansion of its existing facilities at the Asansol unit by setting up a new rolling mill of 1,50,000 MTPA, a galvanizing plant of 72,000 MTPA along with a billet manufacturing unit of 79,200 MTPA for captive consumption in the rolling mill unit. The total cost of the project is expected to be around Rs.160.00 Cr. and will be funded by a mix of promoter contribution, internal cash accruals and external debt. The project has incurred a cost of Rs.23.20 Cr. as on 30th November, 2025 which was funded from promoter contribution and internal accruals. The ongoing project is expected to be completed by FY2028 and is expected to boost the topline and margins of the company over the medium term. Acuite will keep the capex a monitorable on execution for any cost and time overruns.

Healthy Financial Risk Profile

The financial risk profile of the company is healthy, marked by net worth which stood at Rs.663.76 Cr. in FY2025 as against Rs. 576.63 Cr. in FY2024. The increase in net worth is on account of accretion of profits into reserves. The capital structure of the company is marked by gearing ratio which stood at 0.21 times as on March 31, 2025. The coverage indicators of the company are reflected by interest coverage and debt service coverage ratio at 13.04 and 10.67 times respectively in FY2025 as against 11.22 and 8.64 times in FY2024. The TOL/TNW ratio of the company stood at 0.45 times as on 31st March 2025 as against 0.30 times as on 31st March 2024 and DEBT/EBITDA stood at 1.12 times as on 31st March 2025 as against 0.32 times as on 31st March 2024. Moreover, the company is undergoing debt-funded capex for

expansion of their existing facilities and is expected to be funded by a mix of internal cash accruals of the company and external debt. Consequently, going forward, the financial risk profile of the company is expected to slightly moderate on account of the ongoing debt-funded capex, yet it is expected to remain healthy in the near to medium term.

Prudent working capital management

The working capital management of the company is marked by comfortable GCA days of 85 days in FY2025 as compared to 61 days in FY2024. The increase in GCA days is on account of higher inventory holding which stood at 22 days in FY2025 as compared to 16 days in FY2024 along with increase in other current assets, which stood at Rs.87.36 Cr. in FY2025 as against Rs.23.29 Cr. in FY2024 which includes other loans and advances, advances to suppliers, retention money, etc. Further, debtor days of the company stood at 39 days in FY2025 against 35 days in FY2024 supported by the debtor management strategy of the company wherein dealers have to clear their payments till March end, failing which the incentive of dealers gets impacted. Acuite expects the working capital operations of the company to remain at similar levels in the near to medium term.

Weaknesses

Intense competition and inherent cyclicity in the steel industry

The company is operating in a competitive and fragmented industry due to the presence of a large number of unorganized players and low entry barriers. Moreover, demand for steel products predominantly depends on the construction and infrastructure sectors. Thus, the profit margins and sales of the company remain exposed to the inherent cyclicity in these sectors. Furthermore, the fluctuation in prices of raw materials and goods is considerably unstable, making this a crucial aspect to watch in the near to medium term.

Rating Sensitivities

- Movement in topline and profitability margins.
- Any large debt-funded capex that might impact the liquidity and key financial metrics of the company.
- Larger than expected infusion of funds in the group or subsidiary companies.

Liquidity Position

Strong

The company has strong liquidity position marked by net cash accruals of Rs.93.67 Cr. as on 31st March, 2025 against nil debt repayment obligations in the same period. Additionally, the cash and bank balance stood at Rs.58.20 Cr. on 31st March 2025 as against Rs.29.51 Cr. on 31st March 2024 and the investments of the company stood at Rs.252.94 Cr. on 31st March 2025. The current ratio of the company stood at 2.36 times in FY2025. Moreover, average fund-based bank limits stood utilized at 68.97% for the last six months ended October, 2025. Further, the company has also extended loans to associate and subsidiary companies as general-purpose loans, to fund capacity expansions, etc. Acuite expects that the company will maintain its liquidity position supported by steady cash accruals however, any larger infusion of funds in group or subsidiary companies as well as any large debt-funded capex, which is higher than current anticipated plans, might impact the liquidity and key financial metrics of the company and the same will remain a key rating sensitivity.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	2,106.27	1,834.79
PAT	Rs. Cr.	86.59	57.86
PAT Margin	(%)	4.11	3.15
Total Debt/Tangible Net Worth	Times	0.21	0.05
PBDIT/Interest	Times	13.04	11.22

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
03 Oct 2024	Proposed Bank Guarantee	Short Term	20.00	ACUITE A1+ (Reaffirmed)
	Proposed Bank Guarantee	Short Term	20.00	ACUITE A1+ (Reaffirmed)
	Proposed Cash Credit	Long Term	10.00	ACUITE AA- Stable (Assigned)
	Cash Credit	Long Term	40.00	ACUITE AA- Stable (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE AA- Stable (Reaffirmed)
	Cash Credit	Long Term	65.00	ACUITE AA- Stable (Reaffirmed)
	Cash Credit	Long Term	85.00	ACUITE AA- Stable (Reaffirmed)
18 Sep 2024	Proposed Bank Guarantee	Short Term	20.00	ACUITE A1+ (Reaffirmed)
	Proposed Bank Guarantee	Short Term	20.00	ACUITE A1+ (Reaffirmed)
	Cash Credit	Long Term	85.00	ACUITE AA- Stable (Reaffirmed)
	Cash Credit	Long Term	65.00	ACUITE AA- Stable (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE AA- Stable (Reaffirmed)
	Cash Credit	Long Term	40.00	ACUITE AA- Stable (Reaffirmed)
21 Jun 2023	Bank Guarantee (BLR)	Short Term	20.00	ACUITE A1+ (Reaffirmed)
	Proposed Bank Guarantee	Short Term	10.00	ACUITE A1+ (Reaffirmed)
	Cash Credit	Long Term	85.00	ACUITE AA- Stable (Reaffirmed)
	Cash Credit	Long Term	60.00	ACUITE AA- Stable (Assigned)
	Cash Credit	Long Term	45.00	ACUITE AA- Stable (Reaffirmed)
	Cash Credit	Long Term	40.00	ACUITE AA- Stable (Reaffirmed)
24 Mar 2022	Bank Guarantee (BLR)	Short Term	20.00	ACUITE A1+ (Reaffirmed)
	Cash Credit	Long Term	75.00	ACUITE AA- Stable (Upgraded from ACUITE A+ Positive)
	Cash Credit	Long Term	45.00	ACUITE AA- Stable (Upgraded from ACUITE A+ Positive)
	Cash Credit	Long Term	40.00	ACUITE AA- Stable (Upgraded from ACUITE A+ Positive)
	Proposed Long Term Bank Facility	Long Term	20.00	ACUITE AA- Stable (Upgraded from ACUITE A+ Positive)
	Cash Credit	Long Term	20.00	ACUITE AA- Stable (Upgraded & Withdrawn from ACUITE A+ Positive)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
YES BANK LIMITED	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A1+ Reaffirmed
YES BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE AA- Stable Reaffirmed
AXIS BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	65.00	Simple	ACUITE AA- Stable Reaffirmed
ICICI BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE AA- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	85.00	Simple	ACUITE AA- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE AA- Stable Reaffirmed

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About Acuité Ratings & Research

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