



**Press Release**  
**Maan Steel and Power Limited**  
**October 29, 2024**  
**Rating Reaffirmed and Withdrawn**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	100.00	ACUITE A   Reaffirmed & Withdrawn	-
Bank Loan Ratings	35.90	Not Applicable   Withdrawn	-
Bank Loan Ratings	43.00	-	ACUITE A1   Reaffirmed & Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	178.90	-	-

**Rating Rationale**

Acuite has reaffirmed and withdrawn its long-term rating to 'ACUITE A' (read as ACUITE Aa) and short-term rating to 'ACUITE A1' (read as ACUITE A one) on bank facilities of Rs.143 Cr. of Maan Steel and Power Limited.

Acuite has also withdrawn the proposed long-term loan of Rs.35.90 Cr. without assigning any rating as it is a proposed long term loan of Maan steel and power limited.

The rating has been withdrawn as per Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility. The rating has been withdrawn on account of the request received from the company and NOCs (No Objection Certificates) received from the respective bankers.

**Rating rationale for reaffirmation**

The rating factors steady business risk profile marked by decline in revenue due to low price realizations for finished products but partially offset by increase in sales volume. The rating also draws comfort from the moderate financial risk profile, efficient working capital management and adequate liquidity. These strengths are however constrained by the inherent cyclical nature in the steel business and the intense competition in the industry, which makes margins and cash flows vulnerable to fluctuations in prices and demand.

**About the Company**

Maan Steel and Power Limited was incorporated in 2003 by Kolkata based Binod Kumar Agarwal and is engaged in the manufacturing of sponge iron, billet and TMT. The Company has installed capacity of 177,000 MT per annum for sponge iron, 192,000 MT per annum for MS billet, 150,000 MT per annum of rolling mill and 12 MW captive power plant. Company sells TMT bar under its brands i.e. 'Durgapur star TMT' and 'Maan Shakti'. The manufacturing facility is located at Jamuria, West Bengal.

**About the Group**

**Nageshwar Vintrade Private Limited**

Incorporated in 2011, Nageshwar Vintrade Private Limited is engaged in wholesale variety of goods. The directors of the company are Mr. Sandeep Agarwal and Mr. Amit Agarwal. The registered office is located at Kolkata.

**Jagdish Commotrade Private Limited**

Incorporated in 2010, Jagdish Commotrade Private Limited is engaged in wholesale variety of goods. The Directors of the company are Mr. Sandeep Agarwal and Mr. Amit Agarwal. The registered office is located at

Kolkata.

**Maan Metaliks Private Limited**

Incorporated in 2005, Maan Metaliks Private Limited is engaged in Manufacturing of Basic Iron & Steel. The Directors of the company are Mr. Amit Agarwal and Mr. Shyam Sunder Agarwal. The registered office is located at West Bengal. It is a non-operational unit.

## Unsupported Rating

Not Applicable

## Analytical Approach

### Extent of Consolidation

- Full Consolidation

### Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has taken a consolidated view of Maan Steel and Power Limited, Nageshwar Vintrade Private Limited (NVPL), Jagdish Commotrade Private Limited (JCPL) and Maan Metaliks Private Limited (MMPL) as all the 4 companies have a common management. Nageshwar Vintrade Private Limited & Jagdish Commotrade Private Limited holds 50 percent stake in MSPL. NVPL and JCPL have extended corporate guarantee to MSPL. Besides, the management is planning to merge all three entities with MSPL, on receipt of No Objection Certificate (NOC) from the existing lenders. The entities being consolidated are currently non-operational. The group herein is referred to as Maan Group.

## Key Rating Drivers

### Strengths

#### Moderate Financial Risk Profile

The Company has a moderate financial risk profile marked by its healthy net worth, gearing below unity, and comfortable debt protection metrics. The tangible net worth of the Company increased to Rs.250.72 Cr. as on March 31, 2024, from Rs.217.97 Cr. as on March 31, 2023, due to accretion of reserves. Gearing of the Company stood at 0.37 times as on March 31, 2024, as against 0.22 times as on March 31, 2023. The debt protection metrics remained comfortable with Interest Coverage Ratio (ICR) at 10.37 times and Debt Service Coverage Ratio at 7.96 times, as on March 31, 2024. Acuite believes that the financial risk profile of the Company will remain similar over the medium term.

#### Efficient working capital management

The Company has a working capital cycle as reflected from 73 days of GCA days in FY24 as against 60 days in FY23. The Company has improved its inventory days to 39 days in FY24 from 40 days in FY23. This has mainly been a result of better inventory management policies adopted by the Company. The Company's debtor days stood comfortable at 9 days during FY24 as Company sell end products against advance payments. The creditor days stood at 7 days in FY24 as against 3 days in FY23. Acuite believes working capital requirement is likely to remain similar in medium term.

### Weaknesses

#### Steady scale of operations

The company has achieved an operating income of Rs.875.44 Cr. in FY24 as compared to Rs.972.50 Cr. in FY23. The decline in revenue is due to lower price realizations for finished products impacting approximately 4000-5000 tons. However, efficient operations have partially offset the decline through significant increase in capacity utilizations. The company has reported revenues of ~Rs.388 Cr. till September 2024. The EBITDA margin stood at 6.52 percent in FY24 as against 8.55 percent in FY23. The decrease in margin is due to substantial volatility in raw material prices. The PAT margin stood at 3.74 percent in FY24 as against 3.44 percent in FY23. Acuite believes that the scale of operations will improve over the medium term due to capacity additions.

#### Cyclical nature of the industry

The group's performance remains vulnerable to cyclicity in the steel sector as demand for steel depends on performance of end user segments such as construction and real estate. Indian steel sector is highly competitive due to presence of large number of players. The operating margin of the group is exposed to fluctuations in the prices of raw materials (coal and iron ore) as well as realization from finished goods.

#### Limited raw material linkages

The group has limited captive linkages for key raw materials, iron ore and coal. The group procures coking coal from both from domestic and international sources. However, group has a fuel supply agreement with Eastern Coalfield Limited for supply 27600 MT of coal per annum which is around 24 percent of total coal requirement. The group procures iron ores from domestic market. Hence, the profitability margins of the group is exposed towards any volatility in raw material prices.

## Rating Sensitivities

Not Applicable

### **Liquidity Position**

#### **Adequate**

The liquidity profile of the Company remained adequate reflected by steady cash accruals, moderate bank limit utilisation and comfortable current ratio. The average working capital limit utilisation remained at ~68 percent during last 12 months ended June 2024. Furthermore, the net cash accrual stood at Rs 43.78 Cr. in FY24 vis-à-vis debt repayments of Rs. 0.43 Cr. during that period. The current ratio stood comfortable at 1.37 times and Cash & Bank balance stood at Rs.0.99 Cr. as on March 31, 2024. Acuite expects liquidity profile of the Company to remain adequate due to sufficient accruals, improved current ratio and absence of any debt funded capex plan.

### **Outlook: Not Applicable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	875.44	972.50
PAT	Rs. Cr.	32.74	33.45
PAT Margin	(%)	3.74	3.44
Total Debt/Tangible Net Worth	Times	0.37	0.22
PBDIT/Interest	Times	10.37	12.77

**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. Acuité'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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
22 Sep 2023	Cash Credit	Long Term	17.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	56.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	22.00	ACUITE A   Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	35.90	ACUITE A   Stable (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	11.50	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	11.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	9.50	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	6.00	ACUITE A1 (Reaffirmed)
29 Jun 2022	Cash Credit	Long Term	17.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	56.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	5.75	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	3.07	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	10.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	2.70	ACUITE A   Stable (Reaffirmed)
	Cash Credit	Long Term	22.00	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	0.87	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	3.63	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	2.87	ACUITE A   Stable (Assigned)
	Term Loan	Long Term	4.31	ACUITE A   Stable (Reaffirmed)
	Term Loan	Long Term	2.70	ACUITE A   Stable (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	11.50	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	11.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	9.50	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	6.00	ACUITE A1 (Assigned)
	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A1 (Upgraded from ACUITE A2+)

14 Jun 2022	Letter of Credit	Short Term	11.50	ACUITE A1 (Upgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	11.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Proposed Letter of Credit	Short Term	7.19	ACUITE A1 (Upgraded from ACUITE A2+)
	Cash Credit	Long Term	10.00	ACUITE A   Stable (Upgraded from ACUITE A-   Stable)
	Cash Credit	Long Term	5.00	ACUITE A   Stable (Upgraded from ACUITE A-   Stable)
	Cash Credit	Long Term	56.00	ACUITE A   Stable (Upgraded from ACUITE A-   Stable)
	Proposed Cash Credit	Long Term	20.00	ACUITE A   Stable (Upgraded from ACUITE A-   Stable)
	Term Loan	Long Term	3.07	ACUITE A   Stable (Upgraded from ACUITE A-   Stable)
	Term Loan	Long Term	19.80	ACUITE A   Stable (Upgraded from ACUITE A-   Stable)
	Term Loan	Long Term	7.89	ACUITE A   Stable (Upgraded from ACUITE A-   Stable)
	Cash Credit	Long Term	9.00	ACUITE A   Stable (Upgraded from ACUITE A-   Stable)
	Term Loan	Long Term	0.87	ACUITE A   Stable (Upgraded from ACUITE A-   Stable)
	Term Loan	Long Term	3.63	ACUITE A   Stable (Upgraded from ACUITE A-   Stable)
23 Mar 2021	Cash Credit	Long Term	5.00	ACUITE A-   Stable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE A-   Stable (Assigned)
	Cash Credit	Long Term	9.00	ACUITE A-   Stable (Assigned)
	Proposed Cash Credit	Long Term	26.00	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	23.73	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	11.03	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	4.11	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	20.37	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	8.81	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	0.97	ACUITE A-   Stable (Assigned)
	Term Loan	Long Term	8.43	ACUITE A-   Stable (Assigned)
	Bank Guarantee (BLR)	Short Term	1.00	ACUITE A2+ (Assigned)
	Letter of Credit	Short Term	11.50	ACUITE A2+ (Assigned)
	Proposed Letter of Credit	Short Term	30.00	ACUITE A2+ (Assigned)

## 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 Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A1   Reaffirmed & Withdrawn
Axis Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.00	Simple	ACUITE A1   Reaffirmed & Withdrawn
ICICI Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE A1   Reaffirmed & Withdrawn
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	17.00	Simple	ACUITE A   Reaffirmed & Withdrawn
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A   Reaffirmed & Withdrawn
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A   Reaffirmed & Withdrawn
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	22.00	Simple	ACUITE A   Reaffirmed & Withdrawn
Yes Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	31.00	Simple	ACUITE A   Reaffirmed & Withdrawn
Axis Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.50	Simple	ACUITE A1   Reaffirmed & Withdrawn
ICICI Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.50	Simple	ACUITE A1   Reaffirmed & Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.90	Simple	Not Applicable Withdrawn

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

Sr. No	Name of the companies
1	Maan Steel and Power Limited
2	Nageshwar Vintrade Private Limited
3	Jagdish Commotrade Private Limited
4	Maan Metaliks Private Limited



## 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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