

Press Release
MAITHAN STEEL AND POWER LIMITED
November 14, 2025
Rating Reaffirmed and Upgraded



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	334.73	ACUITE AA- Stable Upgraded	-
Bank Loan Ratings	170.27	-	ACUITE A1+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	505.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded the long-term rating to '**ACUITE AA-**' (read as **ACUITE double A minus**) from '**ACUITE A+**' (read as **ACUITE A plus**) and reaffirmed the short-term rating of '**ACUITE A1+**' (read as **ACUITE A one plus**) on the Rs. 505.00 Cr. bank facilities of Maithan Steel and Power Limited (MSPL). The outlook is '**Stable**'.

Rationale for rating

The rating upgradation considers the higher-than-expected improvement in the operating performance in FY2025 and H1FY2026, expected to continue due to ramping up of the capex. The rating further factors in the efficient working capital management and overall healthy financial risk profile. The rating continues to draw comfort from the company's experienced management, established track record of operations and strong liquidity position which is maintained despite of increase in the overall debt towards the capex. However, the rating is constrained on account of susceptibility of profitability to volatility in raw material prices in an intensely competitive steel industry.

About the Company

Maithan Steel and Power Limited (MSPL) is incorporated in 2001, is a West Bengal based semi-integrated steel plant, promoted by Mr. Binod Kumar Agarwalla. The company is headed by the second-generation promoters, Mr. Madhur Agarwalla and Mr. Kaushal Agarwalla. The company has two manufacturing units located in Neturia, West Bengal for Sponge iron, ferro alloy and captive power plant and in Salanpur, West Bengal for billet and TMT bars. MSPL has a capacity of 1,76,000 MTPA of sponge iron, 5,39,000 MTPA of billets, 4,20,000 MTPA of TMT bars, 30,000 MTPA of ferro alloy plant and captive power plant of 20MW. The company sells its TMT bars in the name of 'Maithan TMT 600' to more than 800 dealers spread in the regions of West Bengal, Jharkhand, Bihar, Uttar Pradesh and north-eastern states.

Unsupported Rating

Not applicable

Analytical Approach

Acuite has taken a standalone view of the business and financial risk profile of MSPL to arrive at the rating,

Key Rating Drivers

Strengths

Experienced management and established track record of operations

MSPL has an operational track record of over two decades in the iron and steel industry. The company is headed by the second-generation promoters, Mr. Madhur Agarwalla and Mr. Kaushal Agarwalla, who possess an extensive experience of more than a decade and are actively involved in day-to-day operations of the company. The extensive experience of the promoters has enabled MSPL to establish a healthy relationship with its customers and suppliers. Acuité believes that MSPL will continue to benefit from its experienced management and established track record of operations.

Improvement in scale of operations and profitability margins

MSPL reported a revenue of Rs. 1873.68 Cr. for FY2025 as against Rs. 1645.89 Cr. for FY2024 reflecting a Y-OY growth of 13.84%, further the company reported revenue of Rs. 993.80 Cr. in H1FY2026 as against Rs. 873.00 Cr reported in H1FY2025. Also, the company has been able to increase its operating margins to ~8% in H1FY2026 (PY: 7% in H1FY2025) due to the benefits that the company derived from the installation of power plant from September 24. The company has majority shifted its focus towards TMT Bars due to their high market demand and profitability. On the other hand, Spong Iron and Billets are intermediate products which are being primarily used for captive consumption within the company's manufacturing process to produce TMT bars. The company has channelled these intermediate products for in-house TMT bar production to meet market demands and maximize the profits. The operating margin of the company improved and stood at 7.08 percent in FY2025 as against 5.03 percent in FY2024. The net profit margin of the company stood at 3.35 percent in FY2025 as against 3.09 percent in FY2024. Acuité believes that the ability of MSPL to improve consistently its scale of operations while maintaining the profitability margins will remain a key rating sensitivity factor.

Healthy financial risk profile

Financial risk profile of MSPL is healthy marked by healthy net worth, low gearing and comfortable debt protection metrics. The tangible net worth of the company stood healthy at Rs. 416.08 Cr. as on 31 March 2025 as against Rs. 353.38 Cr. as on 31 March 2024 due to healthy accretion of profits to reserves. Despite of increase in the company's overall debt profile during the year for the purpose of its capex, the gearing (debt-equity) however stood healthy at 0.59 times as on 31 March 2025 as against 0.63 times as on 31 March 2024. The total debt of Rs. 246.19 Cr. as on 31 March 2025 consists of long-term bank borrowings of Rs. 209.57 Cr. and the short-term debt of Rs.0.42 Cr. and CPLTD of Rs. 36.20 Cr. The interest coverage ratio (ICR) and debt service coverage ratio (DSCR) improved and remained comfortable at 8.52 times and 4.30 times for FY2025 as against 15.03 times and 4.42 times for FY2024. The Net Cash Accruals to Total debt (NCA/TD) stood at 0.40 times for FY2025 as against 0.29 times for FY2024. The Total outside liabilities to Tangible net worth (TOL/TNW) stood at 0.80 times for FY2025 as against 0.82 times for FY2024. The Debt-EBITDA ratio stood increased at 1.82 times for FY2025 as against 2.53 times for FY2024. Acuité believes that the financial risk profile of MSPL will remain healthy over the medium term due to steady accruals and no debt funded capex.

Efficient working capital operations

The working capital operations of MSPL remained efficient marked by Gross Current Assets (GCA) of 68 days for FY2025 as against 60 days for FY2024. The inventory days stood at 41 days for FY2025 as against 27 days for FY2024. The receivable days stood at 19 days and 20 days respectively for FY2025 and FY2024. The average fund-based bank limit utilization for 6 months' period ended July 2025 stood lowest at 0.68 percent and non-fund-based limit stood utilization stood at 64.07 percent. Acuité believes that the ability of MSPL to maintain the efficient working capital cycle over the medium term will remain a key rating sensitivity factor.

Weaknesses

Intense competition and inherent cyclicality in the steel industry

The company is operating in competitive and fragmented nature of industry in steel

producing industry. There are several players who are engaged in the manufacturing business in organized and unorganized sector. Moreover, the profit margins and sales of the company remain exposed to inherent cyclicalities in the steel industry.

Susceptibility of profitability to volatility in raw material prices

The company's profitability is highly susceptible to volatility in prices of the key raw material. Any sharp upward movement in the raw material prices and the inability of the group to pass on the increased cost of raw materials may result in further dip in operating margins. Acuite believes, the profit margins of the group likely to remain exposed to volatility in raw material prices.

Rating Sensitivities

Ability to consistently improve the scale of operations and the profitability margins

Ability to maintain the efficient working capital cycle

Deterioration in financial risk profile owing to debt funded capex impacting liquidity

Liquidity Position

Strong

MSPL has strong liquidity position marked by strong net cash accruals (NCA) to its maturing debt obligations. The company generated cash accruals of Rs. 97.66 Cr. against its debt repayment obligation of Rs. 10.51 Cr. in FY2025. Going forward, the company is expected to generate net cash accruals of ~Rs. 120-130 Cr. as against debt repayment obligations of ~Rs. 36-37 Cr. in FY26 and FY27 respectively. The working capital operations of the company are efficient marked by its gross current asset (GCA) days of 68 days for FY2025. The average fund-based bank limit utilization for 6 months' period ended July 2025 stood lowest at 0.68 percent and non-fund-based limit stood utilization stood at 64.07 percent. Current ratio stands at 3.56 times as on 31 March 2025. The company has cash & bank balance of Rs. 16.82 Cr. in FY2025. Acuite believes that the liquidity of MSPL is likely to remain strong over the medium term on account of healthy cash accruals against its maturing debt obligations.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	1873.68	1645.89
PAT	Rs. Cr.	62.77	50.85
PAT Margin	(%)	3.35	3.09
Total Debt/Tangible Net Worth	Times	0.59	0.63
PBDIT/Interest	Times	8.52	15.03

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
24 Dec 2024	Term Loan	Long Term	89.00	ACUITE A+ Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE A+ Stable (Reaffirmed)
	Cash Credit	Long Term	26.40	ACUITE A+ Stable (Reaffirmed)
	Term Loan	Long Term	27.91	ACUITE A+ Stable (Reaffirmed)
	Cash Credit	Long Term	63.00	ACUITE A+ Stable (Reaffirmed)
	Term Loan	Long Term	74.37	ACUITE A+ Stable (Reaffirmed)
	Term Loan	Long Term	13.40	ACUITE A+ Stable (Reaffirmed)
	Term Loan	Long Term	40.00	ACUITE A+ Stable (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	32.00	ACUITE A1+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	33.00	ACUITE A1+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	21.53	ACUITE A1+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	9.39	ACUITE A1+ (Reaffirmed)
	Letter of Credit	Short Term	20.00	ACUITE A1+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	40.00	ACUITE A1+ (Reaffirmed)
29 Sep 2023	Term Loan	Long Term	37.73	ACUITE A+ Stable (Upgraded from ACUITE A Stable)
	Cash Credit	Long Term	63.00	ACUITE A+ Stable (Upgraded from ACUITE A Stable)
	Term Loan	Long Term	75.00	ACUITE A+ Stable (Upgraded from ACUITE A Stable)
	Term Loan	Long Term	100.00	ACUITE A+ Stable (Upgraded from ACUITE A Stable)
	Cash Credit	Long Term	15.00	ACUITE A+ Stable (Upgraded from ACUITE A Stable)
	Cash Credit	Long Term	26.40	ACUITE A+ Stable (Upgraded from ACUITE A Stable)
	Term Loan	Long Term	16.34	ACUITE A+ Stable (Upgraded from ACUITE A Stable)
	Term Loan	Long Term	45.00	ACUITE A+ Stable (Upgraded from ACUITE A Stable)
	Bank Guarantee/Letter of Guarantee	Short Term	32.00	ACUITE A1+ (Upgraded from ACUITE A1)
	Bank Guarantee/Letter of Guarantee	Short Term	33.00	ACUITE A1+ (Upgraded from ACUITE A1)
	Proposed Short Term Bank Facility	Short Term	21.53	ACUITE A1+ (Upgraded from ACUITE A1)
	Proposed Short Term Bank Facility	Short Term	40.00	ACUITE A1+ (Assigned)
		Long		

03 Oct 2022	Term Loan	Term	43.62	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	23.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	16.40	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE A Stable (Assigned)
	Term Loan	Long Term	18.79	ACUITE A Stable (Reaffirmed)
	Proposed Term Loan	Long Term	220.00	ACUITE A Stable (Assigned)
	Proposed Cash Credit	Long Term	35.00	ACUITE A Stable (Assigned)
	Letter of Credit	Short Term	12.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	23.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	10.00	ACUITE A1 (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	20.00	ACUITE A1 (Assigned)
	Proposed Short Term Bank Facility	Short Term	13.19	ACUITE A1 (Reaffirmed)
22 Sep 2022	Cash Credit	Long Term	23.00	ACUITE A Stable (Reaffirmed)
	Term Loan	Long Term	55.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	16.40	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE A Stable (Reaffirmed)
	Term Loan	Long Term	20.00	ACUITE A Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	0.60	ACUITE A Stable (Reaffirmed)
	Letter of Credit	Short Term	12.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	23.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	10.00	ACUITE A1 (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.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	32.00	Simple	ACUITE A1+ Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	33.00	Simple	ACUITE A1+ Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A1+ Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	63.00	Simple	ACUITE AA- Stable Upgraded (from ACUITE A+)
H D F C Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE AA- Stable Upgraded (from ACUITE A+)
H D F C Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	26.40	Simple	ACUITE AA- Stable Upgraded (from ACUITE A+)
H D F C Bank Limited	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A1+ Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.88	Simple	ACUITE A1+ Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.39	Simple	ACUITE A1+ Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	07 Dec 2028	11.28	Simple	ACUITE AA- Stable Upgraded (from ACUITE A+)
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H D F C Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2032	39.08	Simple	AA- Stable Upgraded (from ACUITE A+)
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2028	22.00	Simple	ACUITE AA- Stable Upgraded (from ACUITE A+)
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2032	71.86	Simple	ACUITE AA- Stable Upgraded (from ACUITE A+)
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2032	86.11	Simple	ACUITE AA- Stable Upgraded (from ACUITE A+)

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