Press Release
NEW LAXMI STEEL AND POWER PRIVATE LIMITED
November 19, 2025
Rating Upgraded & Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	110.00	ACUITE BBB | Upgraded & Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	110.00	-	-

Rating Rationale

Acuité has upgraded and withdrawn the long-term rating to **'ACUITE BBB' (read as ACUITE triple B)** from **'ACUITE BB+' (read as ACUITE double B plus)** on Rs. 110.00 Cr. bank facilities of New Laxmi Steel and Power Private Limited (NLSPPL).

The rating has been withdrawn on account of the request received from the company and No Objection Certificate (NOC) received from the bankers. The rating has been withdrawn as per Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility.

Rationale for Rating Upgrade:

The rating upgrade considers migration from 'Issuer Not-Cooperating' status. The rating also takes into cognizance the company's stable business risk profile along with stable operating performance albeit volatile revenues. Further, the rating continues to draw comfort from the company's experienced management, established track record of operations, moderate financial risk profile and adequate liquidity position. However, the rating is constrained on account of moderately intensive working capital operations and susceptibility of profitability to volatility in raw material prices in an intensely competitive steel industry.

About the Company

Orissa Based, New Laxmi Steel and Power Private Limited (NLSPPL) was incorporated in 2007. The company is engaged in manufacturing and selling of sponge iron, billet, ingot, TMT and re-rolled products. The board of directors of this company are Mr. Pawan Kumar Gupta, Mr. Hemant Gupta and Mr. Rahul Agarwal.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profile of New Laxmi Steel and Power Private Limited (NLSPPL) while arriving at the rating.

Key Rating Drivers

Strengths

Experienced promoters and long track record of operations

The company has an established track record in the iron and steel industry for more than 17 years. Further, the key promoter of the company, Mr. Pawan Kumar Gupta has an experience of around two decades in the iron and steel industry, leading to better understanding of the local market dynamics and healthy relationships with customers and suppliers. Currently, day to-day operations are being managed by Pawan Kumar Gupta, Hemant Gupta and Rahul Agarwal, supported by a team of experienced professionals. Acuite believes that the long track record of operations will benefit the company going forward, resulting in steady growth in the scale of operations.

Stable operating performance albeit volatile revenues

The revenues stood at Rs. 358.35 crore in FY2025(Prov.) as against Rs. 468.63 crore in FY24 and Rs. 388.43 Cr. in FY2023. The volatility in revenue is due to a decline in the quantity sold and low-price realisations. In H1FY2026, the company recorded the revenue of Rs. 167.00 Cr. The EBITDA margins of the company stood at 5.86 percent in FY2025 (Prov.) as compared to 5.67 percent in FY24. The slight improvement was on account of a moderation in the raw material prices. The PAT margin stood at 2.16 per cent in FY2025(Prov.) as compared to 2.71 per cent in FY2024. The operating performance would remain steady on the back of improvement in operating environment. In addition to this, the company has a locational advantage as the plants are located in the industrial area of Odisha, which is near various steel plants and sources of raw materials. Going forward, improvement in production & sales volumes coupled with realisation growth shall be a key rating monitorable.

Moderate financial risk profile

The financial risk profile of the company remained moderate marked by moderate net worth, average debt protection metrics and moderate gearing ratio. The net worth of the company stood at Rs. 73.91 crore as on March 31, 2025 (Prov.) as against Rs. 66.17 crore in as on March 31, 2024. The increase in net worth is majorly due to accretion of profit to the reserves. The gearing (debt-equity) stood at 1.14 times in FY2025 (Prov.) as against 1.08 times in FY2024. The company has total debt increased to Rs. 84.17 crore as on March 31, 2025 (Prov.) as compared to Rs. 71.77 crore as on March 31, 2024. The debt protection metrics of the company remained moderate with Interest Coverage Ratio (ICR) of 2.62 times and Debt Service Coverage Ratio (DSCR) at 1.96 times in FY2025 (Prov.) as compared to 3.78 times and 2.77 times in FY2024 respectively. Acuite believes that going forward the financial risk profile of the company will remain in similar levels over the medium term, in the absence of any major debt funded capex plans.

Weaknesses

Moderately intensive working capital operations

The company's working capital operations remains highly intensive, as reflected in the deteriorated Gross Current Assets (GCA) of 138 days in FY25 (Prov.) as against 88 days in FY24. The inventory days stood at 103 days in FY25 (Prov.) and 66 day in FY24. Further, the debtor days stood at around 13 days in FY25 (Prov.) against 12 days in FY24. The creditor days of the firm stood at 18 days for FY25 (Prov.) compared against 10 days for FY24. The average bank limit utilisation for fund-based limits stood at ~77.63 percent (IndusInd Bank Limited) and ~36.95 percent for the last six months ended September 2025. Acuite believes that the working capital operations of the company will remain at the same level in near to medium term due to nature of operations.

Susceptibility of profitability to volatility in raw material prices, Intense competition and inherent cyclical nature of the steel industry

The downstream steel industry remains heavily fragmented and unorganized. The firm 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. Moreover, the government's emphasis on steel-intensive sectors like railways and infrastructure increases vulnerability; any prolonged drop in demand would negatively affect the company's performance. Furthermore, the fluctuation in prices of raw materials and goods is considerably unstable. While any major fluctuation in prices can be passed on to the customers with a lag, the company would remain exposed to volatility in raw material prices in case of weak demand. Acuite believes that the company remains exposed to such cyclicality and competition in the steel industry is reflected from volatility to its operating margins.

Rating Sensitivities

Not Applicable

Liquidity Position

Adequate

The liquidity position of the company remains adequate with net cash accruals (NCA) of Rs. 10.49 crore in FY 25(Prov.) against the maturing debt obligations of Rs. 0.85 Cr. for the same period. The company had a cash balance of Rs. 0.11 crore as on March 31, 2025 (Prov.). The current ratio stood at 1.33 times in FY25 (Prov.) as against 1.28 times in FY24. The average bank limit utilisation for fund-based limits stood at ~77.63 percent (IndusInd Bank Limited) and ~36.95 percent for the last six months ended September 2025. Acuite believes that the liquidity of the company is likely to remain adequate over the medium term on account of steady cash accruals and absence of any major debt funded capex.

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	358.35	468.63
PAT	Rs. Cr.	7.75	12.71
PAT Margin	(%)	2.16	2.71
Total Debt/Tangible Net Worth	Times	1.14	1.08
PBDIT/Interest	Times	2.62	3.78

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
18 Aug 2025	Cash Credit	Long Term	40.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB | Stable)
	Cash Credit	Long Term	70.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB | Stable)
24 May 2024	Cash Credit	Long Term	55.00	ACUITE BBB | Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE BBB | Stable (Assigned)
	Cash Credit	Long Term	35.00	ACUITE BBB | Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB | Stable (Assigned)
30 Apr 2024	Cash Credit	Long Term	55.00	ACUITE BBB | Stable (Reaffirmed)
	Cash Credit	Long Term	35.00	ACUITE BBB | Stable (Reaffirmed)
01 Feb 2023	Cash Credit	Long Term	25.00	ACUITE BBB | Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB | Stable (Assigned)
	Cash Credit	Long Term	38.00	ACUITE BBB | Stable (Reaffirmed)
	Cash Credit	Long Term	17.00	ACUITE BBB | Stable (Assigned)
15 Jun 2022	Cash Credit	Long Term	33.00	ACUITE BBB | Stable (Assigned)
	Cash Credit	Long Term	25.00	ACUITE BBB | Stable (Assigned)
	Covid Emergency Line.	Long Term	5.00	ACUITE BBB | Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	70.00	Simple	ACUITE BBB | Upgraded & Withdrawn (from ACUITE BB+)
INDUSIND BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE BBB | Upgraded & Withdrawn (from ACUITE BB+)

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations Ritika Lalwani Analyst-Rating Operations	**Contact details exclusively for investors and lenders** Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit https://www.acuite.in/faqs.htm to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.