

November 26, 2025

Topworth Steels & Power Private Limited: Ratings reaffirmed and assigned for enhanced amount

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Based – Term Loans	158.00	158.00	[ICRA]BBB+ (Negative); reaffirmed
Short term- Non fund based	110.00	129.00	[ICRA]A2; reaffirmed and assigned for enhanced amount
Long Term – Fund Based - Others	83.00	102.00	[ICRA]BBB+ (Negative); reaffirmed and assigned for enhanced amount
Total	351.00	389.00	

**Instrument details are provided in Annexure-1*

Rationale

For arriving at the ratings, ICRA has taken a consolidated view of Amalgam Steel Private Limited (ASPL), Amalgam Steel & Power Limited (AS&PL), Crest Steel and Power Private Limited (CSPPL) and Topworth Steels and Power Private Limited (TSPPL). For arriving at its ratings, ICRA has noted the common management, and the close financial and operational linkages among these companies.

The ratings action factors in the subdued financial performance of the Group during FY2025. The operating profits of the Group in FY2025 have been weaker-than-expected due to lower product spreads emanating from industry wide demand-supply mismatch. In particular, the pellet operations of the Group, which is the most impacted and located in Jharkhand, continued to witness a supply glut leading to pressure on pellet realisations which coupled with firm iron ore prices had led to this segment making losses. In addition, the high debt levels of the Group have kept the leverage indicator subdued albeit some improvement witnessed (Total external debt/OPBDITA of 3.9 times in FY2025 vis-a-vis 4.8 times in FY2024) aided by reduction in working capital borrowings and scheduled debt repayments.

In the current fiscal, however, the pellet segment has shown improvement, supported by a recovery witnessed in pellet prices over the past 2-3 months. While realisations of other products (Sponge iron, billets and Structural steel) manufactured by the Group have witnessed sequential declines until October 2025 end in the current fiscal, ICRA expects prices to witness recovery in the coming months aided by a pickup in demand in the seasonally strong months, early signs of which is visible in the recent price uptick. Besides, the group's operations in Chhattisgarh manufactures a sizeable portion of DRCLD Sponge iron where realisations are higher than PDRI (sponge iron manufactured from pellets) and leads to higher contribution margins. Also, the rolling mill in of the Chhattisgarh units of the Group can manufacture structural steel with higher cross section, which commands premium. A combination of the above factors is expected to lead to a recovery in the consolidated earnings in FY2026 over FY2025. While ICRA does not expect any material decrease in the company's total external debt levels in the current fiscal, the leverage profile is likely to benefit from an expected improvement in the operating profits.

ICRA has noted that regulatory clearances (environmental clearance) for the expansion project planned at CSPPL has not been received and the matter is sub-judice currently which has led to the project being put on hold for the time being. Accordingly, ICRA, in its base estimates has not considered the said capex in its analysis. ICRA will continue to monitor the developments in this regard and take appropriate action once there is more clarity.

The ratings also factor in the extensive experience of the promoters, who have around five decades of experience in the iron ore mining and steel businesses. The promoter groups operate iron ore mines in Odisha and have approval to cumulatively

mine 4.2 million tonnes per annum (mtpa) of iron ore, annually. Besides, they operate steel plants independently, having facilities to manufacture sponge iron, billets and rebars. The ratings also consider the acquisitions made in the recent past, which include ASPL, AS&PL, CSPPL and TSPPL, at competitive capital costs, which support the business return indicators. The Group has also demonstrated a successful track record of quickly turning around the operations of ASPL, AS&PL, CSPPL & TSPPL. The ratings also factor in the location-specific advantages of the Group's plants, which aid in operational efficiency.

The ratings remain constrained by the Group's exposure to the cyclicity inherent in the steel industry and the susceptibility of the Group's profitability to the volatility in raw material prices and end-product realisations. Besides, the Group has extended large advances to one of its holding companies, Transform Steel Private Limited, which adversely impacted the business return indicators.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters – The Group is promoted by the Kolkata-based Atha and Misra Groups. The promoters have around five decades of experience in the iron ore mining and steel businesses. At present, they operate iron ore mines in Odisha and have approval to cumulatively mine 4.2 mtpa of iron ore, annually. Besides, they operate steel plants independently, having facilities to manufacture sponge iron, billets and rebars.

Recent acquisitions made at competitive capital costs support business return indicators – The Group has made four acquisitions in the recent past, which include ASPL, AS&PL, CSPPL and TSPPL through the IBC process, at competitive capital costs. ICRA draws comfort from the competitive acquisition prices of these assets, which support the business return indicators.

Successful track record of turning around operations of acquired entities – The Group has demonstrated a successful track record of quickly turning around the operations of ASPL, AS&PL, CSPPL and TSPPL and hence remains a credit positive for the Group.

Location-specific advantage of the plants – ASPL and AS&PL are both located in the same premises near Jamshedpur in Jharkhand, which is in proximity to the iron ore mines, thus ensuring regular supply of iron ore fines (key raw material for pellet manufacturing) and low transportation costs. The pellets manufactured by ASPL are consumed by AS&PL, which are used to make sponge iron and the balance is sold in the open market. AS&PL also has a railway siding, which enables it to procure imported thermal coal via the railway network from nearby ports and reduces its overall freight costs substantially. Besides, AS&PL's proximity to the rolling mills in Jharkhand and West Bengal provides it with a ready access to the end-user industries for the billets manufactured. Moreover, ICRA notes that CSPPL and TSPPL are located at adjacent plots, which along with the presence of a railway siding at CSPPL, brings in operational efficiencies and reduce the freight cost for these two units.

Credit challenges

Leverage indicators remain under pressure; some recovery expected in the current fiscal – The Group's weaker-than-expected financial performance along with its high debt levels, a large part of which was taken to fund the acquisitions of CSPPL and TSPPL, has kept the leverage indicator subdued albeit some improvement witnessed (Total external debt/OPBDITA of 3.9 times in FY2025 vis-a-vis 4.8 times in FY2024) aided by reduction in working capital borrowings and scheduled debt repayments. However, with early signs of recovery being witnessed in the pellet segment which had remained a drag on the overall earnings of the Group in the last two fiscals, ICRA's expects the overall earnings of the Group to improve meaningfully in FY2026 leading to improvement in the leverage indicator.

Exposed to cyclical inherent in steel industry – The Group is exposed to the cyclical inherent in the steel industry, making the revenue and cash flow of the industry players volatile, including that of the Group. The Group’s cash flow and profitability would remain volatile largely because of the fluctuation in the price spreads between raw materials and the end products.

Large advances extended to holding company affect business return indicators – The Group has extended large advances of around Rs. 181 crore as on March 31, 2025 to one of its holding companies, Transform Steel Private Limited, which adversely impacted the business return indicators.

Liquidity position: Adequate

The Group’s liquidity position has been assessed as adequate with undrawn working capital lines of around Rs. 78 crore as of August-end 2025 and healthy fund flow from operations expected over the medium term. Against these sources of cash, the Group has a total capex commitment of around Rs.35-40 crore and debt repayment obligations of around Rs. 64 crore in FY2026. Overall, ICRA expects the group to be able to comfortably meet its capex commitments and service its debt obligations through internal as well as external sources of cash.

Rating sensitivities

Positive factors – The outlook could be revised to Stable if the group is able to significantly improve consolidated earnings on a sustained basis leading to improvement in credit metrics. Specific metrics that can lead to a rating upgrade includes Total external debt/OPBITDA being lower than 2.0 times on a sustained basis.

Negative factors – Pressure on the ratings may emerge in case the group earnings fail to materially improve going forward leading to continued pressure on credit metrics. Specific metrics that could lead to ratings downgrade include total external debt-to-operating profit ratio remaining above 3.0 times on a sustained basis. The ratings could also come under pressure in case of any large debt funded capex and/or any major cash outflow to group entities, resulting in a deterioration in the liquidity profile.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Iron & Steel
Parent/Group Support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has consolidated the business and financial risk profiles of ASPL, AS&PL, CSPPL and TSPPL and has taken a consolidated rating view owing to the common management, close financial and operational linkages among these companies.

About the company

Topworth Steels and Power Private Limited (TSPPL) was acquired by Amalgam Steel & Power Limited (AS&PL) in December 2023 through an insolvency resolution process. TSPPL has a DRI plant of 0.19 mt per annum, a steel melt shop (SMS) of 0.14 mt per annum, rolling mill of 0.12 mt per annum and captive power plant of 15.3 MW. The manufacturing facility of the company is in Chhattisgarh.

Key financial indicators (Audited)

	TSPPL (Standalone)		ASPL + AS&PL + CSPPL +TSPPL (Consolidated***)	
	FY2024	FY2025	FY2024	FY2025
Operating Income (Rs. crore)	606.6	696.2	2,904.5	2,995.5
PAT (Rs. crore)	-82.6	34.5	-23.9	195.3
OPBDITA/OI (%)	1.9%	12.1%	6.7%	5.7%
PAT/OI (%)	-13.6%	5.0%	-0.8%	6.5%
Total Outside Liabilities/Tangible Net Worth (times)	-4.7	-8.8	0.9	0.6
Total Debt/OPBDIT (times)	NM	3.9	6.2	4.5
Total External Debt/OPBDIT	NA	NA	4.8	3.9
Interest Coverage (times)	1.5	2.8	2.2	2.0

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; ***Consolidation done by ICRA based on elimination of important inter-group transactions based on public disclosures; TSPPL acquired in December 2023; NM – Not Meaningful

Status of non-cooperation with previous CRA – Not Applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount Rated (Rs Crore)	Current (FY2026)		Chronology of rating history for the past 3 years							
			November 26, 2025	FY2026		FY2025		FY2024		FY2023		
				Date	Rating	Date	Rating	Date	Rating	Date	Rating	
Term Loans	Long term	158.00	[ICRA]BBB+ (Negative)	Nov 05, 2025	[ICRA]BBB+ (Negative)	Dec 13, 2024	[ICRA]BBB+ (Negative)	-	-	-	-	
Non fund based	Short term	129.00	[ICRA]A2	Nov 05, 2025	[ICRA]A2	Dec 13, 2024	[ICRA]A2	-	-	-	-	
Fund Based - Others	Long term	102.00	[ICRA]BBB+ (Negative)	Nov 05, 2025	[ICRA]BBB+ (Negative)	Dec 13, 2024	[ICRA]BBB+ (Negative)	-	-	-	-	

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term – Fund Based – Term Loans	Simple
Short term- Non fund based	Very Simple
Long Term – Fund Based - Others	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, are available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long Term – Fund Based – Term Loans	FY2025	NA	FY2033	158.00	[ICRA]BBB+ (Negative)
NA	Short term- Non fund based	NA	NA	NA	129.00	[ICRA]A2
NA	Long Term – Fund Based – Others	NA	NA	NA	102.00	[ICRA]BBB+ (Negative)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-II: List of entities considered for consolidated analysis:

Company Name	Ownership	Consolidation Approach
Amalgam Steel & Power Limited	-	Full consolidation
Amalgam Steel Private Limited	-	Full consolidation
Crest Steel and Power Private Limited	47.5% owned by ASPL and 47.5% owned by AS&PL	Full consolidation

Source: Company; ^as on March 31, 2025

ANALYST CONTACTS

Girishkumar Kadam

+91 22 6114 3441

girishkumar@icraindia.com

Sumit Jhunjunwala

+91 33 6521 6814

sumit.jhunjunwala@icraindia.com

Ankit Jain

+91 124 4545 865

ankit.jain@icraindia.com

Deepayan Ghosh

+91 33 6521 6804

deepayan.ghosh@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



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