

October 13, 2026

## Amalgam Steel & Power Limited: Ratings reaffirmed with change in outlook to Stable from Negative

### Summary of rating action

| Instrument*                          | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating action                                                                  | Financial Sector Regulator# |
|--------------------------------------|-----------------------------------|----------------------------------|--------------------------------------------------------------------------------|-----------------------------|
| Long Term – Fund Based – Term Loans  | 39.56                             | 24.00                            | [ICRA]BBB+ (Stable); reaffirmed with change in outlook to Stable from Negative | RBI                         |
| Long Term – Fund Based – Cash credit | 110.00                            | 110.00                           | [ICRA]BBB+ (Stable); reaffirmed with change in outlook to Stable from Negative | RBI                         |
| Short Term Non-fund based            | 148.00                            | 148.00                           | [ICRA]A2; reaffirmed                                                           | RBI                         |
| Short term interchangeable/WCDL**    | (110.00)                          | (110.00)                         | [ICRA]A2; reaffirmed                                                           | RBI                         |
| <b>Total</b>                         | <b>297.56</b>                     | <b>282.00</b>                    |                                                                                |                             |

\*Instrument details are provided in Annexure I; \*\* sub-limit of fund-based limit

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

### 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), given their common management, and the close financial and operational linkages among these companies.

The reaffirmation of the ratings and the revision in the outlook to Stable from Negative factor in an improvement in the Group's operating performance in FY2026 and the expected strengthening of its credit profile in FY2027. The revision in the outlook is supported by the recovery in pellet realisations, sustained healthy profitability of CSPPL and TSPPL, and the expectation of improved earnings across Group entities in FY2027. Further, the absence of any significant debt-funded capex in the near term and the scheduled repayment of the existing debt are expected to support an improvement in the leverage metrics, with the total external debt/OPBDITA improving to less than 3x, going forward. On a consolidated basis, the Group reported an operating profit of around Rs. 230 crore in FY2026.

In the current fiscal, the Group's earnings are expected to improve, supported by a recovery in pellet prices over the past two to three months and a sequential improvement in realisations across its key products, including sponge iron, billets and structural steel. ICRA expects the prices to sustain in the coming months, aided by a pick-up in demand in the seasonally strong months, as reflected in the recent uptick in prices.

Besides, the Group's Chhattisgarh operations have a sizeable share of DRI coal-based sponge iron (DRCLO), which commands higher realisations and contribution margins than pellet-based sponge iron (PDRI). The Chhattisgarh units also have rolling mills which can manufacture structural steel with higher cross section, which attract premium pricing. Collectively, these factors are expected to lead to an improvement in the consolidated earnings in FY2027. While ICRA does not expect any material decrease in the company's total external debt levels in the current fiscal, the anticipated improvement in operating profits is likely to strengthen the leverage profile.

ICRA notes that the proposed expansion project at CSPPL has been put on hold pending the receipt of regulatory approvals, including environmental clearance. Accordingly, ICRA, in its base estimates, has not considered the envisaged 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 of ASPL, AS&PL, CSPPL and TSPPL in the recent past 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 inherent cyclicity of the steel industry and the commoditised nature of its product portfolio, which limit pricing flexibility and render the profitability vulnerable to fluctuations in raw material costs and steel realisations. While the Group's operating performance improved in FY2026 with the total external debt/OPBDITA reducing to around 3.0x from 3.7x in FY2025, the leverage and debt protection metrics continue to be moderate, given the sizeable consolidated external debt at ~Rs. 669 crore as on March 31, 2026. Besides, the Group has extended sizeable advances and investments to its holding company and other group entities, 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 acquired ASPL, AS&PL, CSPPL and TSPPL under the Insolvency and Bankruptcy Code (IBC) 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, which is 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, bringing down 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 reduces the freight cost for these two units.

### Credit challenges

**Moderate profitability due to the commoditised nature of product** - The Group's profitability remains constrained by the commoditised nature of its products, which limits the pricing flexibility and exposes the earnings to fluctuations in market prices. While the profitability improved in FY2026 supported by better prices and improved performance of the acquired entities, the operating margins continue to be susceptible to movements in steel and raw material prices.

**Leverage and coverage indicators remain moderate, despite improving in FY2026** – Although the Group’s credit metrics improved in FY2026 on account of higher earnings and scheduled debt repayments, the leverage and debt protection metrics remain moderate. The consolidated external debt stood at ~Rs. 669 crore as on March 31, 2026, while the operating earnings improved during the year, resulting in a moderation of the leverage indicators. Consequently, the total external debt/OPBDITA improved to around 3.0x in FY2026 from 3.7x witnessed in FY2025. ICRA’s expects the overall earnings of the Group to improve meaningfully in FY2027, leading to an improvement in the leverage indicator.

**Exposed to cyclicalities inherent in steel industry** – The Group is exposed to the cyclicalities inherent in the steel industry, resulting in volatility in revenues and the cash flow. The cash flow and profitability would remain sensitive to the fluctuation in price spreads between raw material costs and end product prices. Any adverse movement in these spreads could exert pressure on the Group’s operating performance and cash accruals.

**Large investments/advances extended to holding company/group entities/other entities affect business return indicators**– The Group has extended large advances and other investments as on March 31, 2026 to a few of its holding/group companies, 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. 123 crore as of July 2026-end and healthy fund flow from operations expected over the medium term. Against these sources of cash, the Group has a total capex commitment of Rs. 90-100 crore and debt repayment obligations of around Rs. 140 crore in FY2027. 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** – ICRA may upgrade the ratings if the Group is able to significantly improve its consolidated earnings on a sustained basis, leading to an improvement in the credit metrics. A specific metric for upgrade includes a total external debt/OPBITDA of less than 2.0 times on a sustained basis.

**Negative factors** – Pressure on the ratings may emerge in case the Group’s earnings fail to materially improve, exerting continued pressure on the credit metrics. 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. A specific metric for downgrade would be a total external debt-to-operating profit ratio of above 3.0 times on a sustained basis.

### Analytical approach

| Analytical approach             | Comments                                                                                                                                                                                                                                                             |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Applicable rating methodologies | <a href="#">Corporate Credit Rating Methodology Iron &amp; Steel</a>                                                                                                                                                                                                 |
| 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

AS&PL (erstwhile Adhunik Alloys & Power Limited) was earlier a part of the Adhunik Group. It has a 2,31,000-metric-tonnesper annum (mtpa) sponge iron plant, 1,58,400-mtpa billet plant and 30-megawatt captive power plant near Jamshedpur in Jharkhand. AS&PL, along with three other Adhunik Group companies, viz. Adhunik Metaliks Limited, Orissa Manganese &

Minerals Limited and Zion Steel Limited, were referred to the Kolkata bench of the National Company Law Tribunal (NCLT) in 2017. In FY2023, ASPL acquired a 47.5% equity stake in CSPPL through the IBC route, while the balance 47.5% stake was held by AS&PL and 5% by the consortium banks. CSPPL has a DRI plant of 0.23 mt per annum, a steel melt shop (SMS) of 0.07 mt per annum, and a waste-heat recovery based captive power plant (CPP) of 12 MW. In addition, it has an unfinished capital work-in-progress comprising a 1.5-mt-per-annum pellet plant, 0.25-mt-per-annum DRI plant, 0.08-mt-per-annum billet unit and 35 MW of CPP. In December 2023, the Group concluded the acquisition of Topworth Steels and Power Private Limited, through the IBC route.

#### Key financial indicators (audited)

|                                                      | AS&PL (Standalone) |        | ASPL + AS&PL + CSPPL + TSPPL (Consolidated*) |         |
|------------------------------------------------------|--------------------|--------|----------------------------------------------|---------|
|                                                      | FY2025             | FY2026 | FY2025                                       | FY2026  |
| Operating income                                     | 887.7              | 718.0  | 2,822.0                                      | 2,823.0 |
| PAT                                                  | 10.7               | 1.8    | 194.35                                       | 89.58   |
| OPBDIT/OI                                            | 4.8%               | 4.0%   | 6.1%                                         | 7.8%    |
| PAT/OI                                               | 1.2%               | 0.3%   | 6.9%                                         | 3.2%    |
| Total outside liabilities/Tangible net worth (times) | 0.4                | 0.3    | 0.6                                          | 0.6     |
| Total debt/OPBDIT (times)                            | 3.9                | 5.6    | 4.4                                          | 3.8     |
| Total External Debt/OPBDITA (times)                  | 3.9                | 0.0    | 3.7                                          | 3.0     |
| Interest coverage (times)                            | 1.7                | 1.8    | 2.0                                          | 2.7     |

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; 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

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for past three years

| Current (FY2027)                 |            |                          | Chronology of rating history for the past 3 years |              |                       |              |                       |              |                     |
|----------------------------------|------------|--------------------------|---------------------------------------------------|--------------|-----------------------|--------------|-----------------------|--------------|---------------------|
|                                  |            |                          | FY2027                                            | FY2026       |                       | FY2025       |                       | FY2024       |                     |
| Instrument                       | Type       | Amount rated (Rs. crore) | October 13, 2026                                  | Date         | Rating                | Date         | Rating                | Date         | Rating              |
| Term Loans                       | Long term  | 24.00                    | [ICRA]BBB+ (Stable)                               | Nov 05, 2025 | [ICRA]BBB+ (Negative) | Dec 17, 2024 | [ICRA]BBB+ (Negative) | Dec 22, 2023 | [ICRA]BBB+ (Stable) |
| Fund Based Limits                | Long term  | 110.00                   | [ICRA]BBB+ (Stable)                               | Nov 05, 2025 | [ICRA]BBB+ (Negative) | Dec 17, 2024 | [ICRA]BBB+ (Negative) | Dec 22, 2023 | [ICRA]BBB+ (Stable) |
| Non Fund Based Facilities        | Short term | 148.00                   | [ICRA]A2                                          | Nov 05, 2025 | [ICRA]A2              | Dec 17, 2024 | [ICRA]A2              | Dec 22, 2023 | [ICRA]A2            |
| Short term interchangeable/WCDL* | Short Term | (110.00)                 | [ICRA]A2                                          | Nov 05, 2025 | [ICRA]A2              | Dec 17, 2024 | [ICRA]A2              | Dec 22, 2023 | [ICRA]A2            |

\* sub-limit of fund-based limit

## Complexity level of the rated instruments

| Instrument                      | Complexity indicator |
|---------------------------------|----------------------|
| Term Loans                      | Simple               |
| Fund Based Limits               | Simple               |
| Non Fund Based Facilities       | Simple               |
| Short term interchangeable/WCDL | 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 | Financial Sector Regulator <sup>#</sup> |
|------|----------------------------------|------------------|-------------|----------|--------------------------|----------------------------|-----------------------------------------|
| NA   | Term Loans                       | FY2020           | NA          | FY2026   | 24.00                    | [ICRA]BBB+ (Stable)        | RBI                                     |
| NA   | Fund Based Limits                | NA               | NA          | NA       | 110.00                   | [ICRA]BBB+ (Stable)        | RBI                                     |
| NA   | Non Fund-Based Facilities        | NA               | NA          | NA       | 148.00                   | [ICRA]A2                   | RBI                                     |
| NA   | Short term interchangeable/WCDL* | NA               | NA          | NA       | (110.00)                 | [ICRA]A2                   | RBI                                     |

Source: Company

<sup>#</sup>SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

\*sub-limit of fund-based limit

[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 |
|--------------------------------------------------|-----------------------------------------------------------------|------------------------|
| <b>Amalgam Steel Private Limited</b>             | Group company                                                   | Full consolidation     |
| <b>Crest Steel and Power Private Limited</b>     | 26.0% owned by TSPPL, 4% owned by ASPL and 65.1% owned by AS&PL | Full consolidation     |
| <b>Topworth Steels and Power Private Limited</b> | 100% owned by AS&PL                                             | Full consolidation     |

Source: Company; ^as on March 31, 2026

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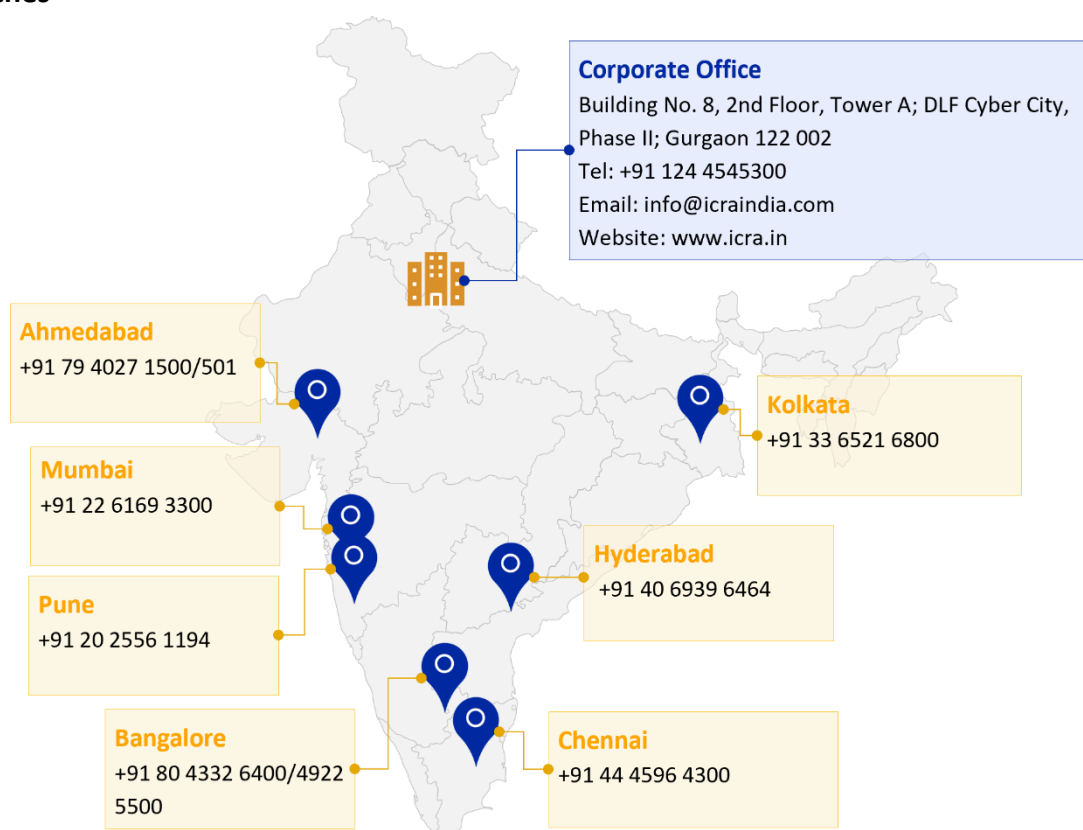
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### Branches



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