

October 13, 2026

Topworth Steels & Power Private 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	158.00	152.00	[ICRA]BBB+ (Stable); reaffirmed with change in outlook to Stable from Negative	RBI
Short term- Non fund based	129.00	101.00	[ICRA]A2; reaffirmed	RBI
Long Term – Fund Based	102.00	130.00	[ICRA]BBB+ (Stable); reaffirmed with change in outlook to Stable from Negative	RBI
Total	389.00	383.00		

*Instrument details are provided in Annexure I;

#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 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

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

Leverage and coverage indicators remains moderate, despite improvement witnessed in FY2026 – Although the group's credit metrics improved during FY2026 on account of higher earnings and scheduled debt repayments, the leverage and debt protection metrics continue to remain moderate. Consolidated external debt stood at ~ Rs. 669 crore as on March 31, 2026, while operating earnings improved during the year, resulting in moderation in 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 improvement in the leverage indicator.

Exposed to cyclicalities inherent in steel industry – The Group is exposed to the cyclicalities 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 investments/advances extended by the group to holding company/group entities/other entities affects business return indicators– The Group has extended large advances and other investments as on March 31, 2026 to 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-end 2026 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.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 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. 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. 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.

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*)	
	FY2025	FY2026	FY2025	FY2026
Operating income	696.24	772.63	2,822.0	2,823.0
PAT	34.48	28.98	194.35	89.58
OPBDIT/OI	12.1%	9.1%	6.1%	7.8%
PAT/OI	5.0%	3.8%	6.9%	3.2%
Total outside liabilities/Tangible net worth (times)	-8.8	-45.5	0.6	0.6
Total debt/OPBDIT (times)	3.7	7.8	4.4	3.8
Total External Debt/OPBDITA (times)	2.4	3.3	3.7	3.0
Interest coverage (times)	2.76	2.37	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	152.00	[ICRA]BBB+ (Stable)	Nov 26, 2025	[ICRA]BBB+ (Negative)	Dec 13, 2024	[ICRA]BBB+ (Negative)	-	-
				Nov 05, 2025	[ICRA]BBB+ (Negative)				
Non fund based	Short term	101.00	[ICRA]A2	Nov 26, 2025	[ICRA]A2	Dec 13, 2024	[ICRA]A2	-	-
				Nov 05, 2025	[ICRA]A2				
Fund Based - Others	Long term	130.00	[ICRA]BBB+ (Stable)	Nov 26, 2025	[ICRA]BBB+ (Negative)	Dec 13, 2024	[ICRA]BBB+ (Negative)	-	-
				Nov 05, 2025	[ICRA]BBB+ (Negative)				

Complexity level of the rated instruments

Instrument	Complexity indicator
Term Loans	Simple
Non fund based	Simple
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	Financial Sector Regulator [#]
NA	Long Term – Fund Based – Term Loans	FY2025	NA	FY2033	152.00	[ICRA]BBB+ (Stable)	RBI
NA	Short term- Non fund based	NA	NA	NA	101.00	[ICRA]A2	RBI
NA	Long Term – Fund Based	NA	NA	NA	130.00	[ICRA]BBB+ (Stable)	RBI

Source: Company

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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	26.0% owned by TSPPL, 4% owned by ASPL and 65.1% owned by AS&PL	Full consolidation

Source: Company; ^as on March 31, 2026

ANALYST CONTACTS

Girishkumar Kadam

+91 22 6114 3441

girishkumar@icraindia.com

Ankit Jain

+91 124 4545 865

ankit.jain@icraindia.com

Sumit Jhunjunwala

+91 33 6521 6814

sumit.jhunjunwala@icraindia.com

Soumya Satapathy

+91 33 6521 6809

soumya.satapathy@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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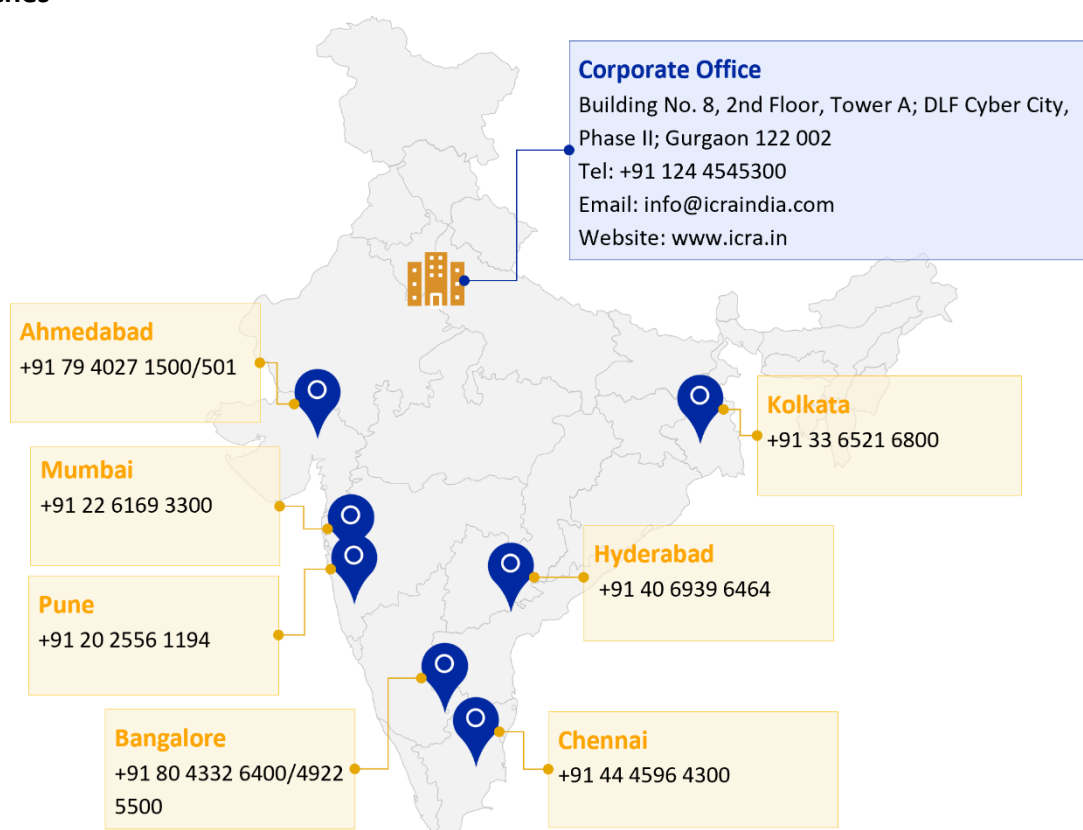
Registered Office

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

Tel: +91 11 23357940-45



Branches



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