



Press Release

Mahamaya Steel Industries Limited

December 30, 2025

Ratings

Security/ Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	53.07 (Reduced from Rs.57.00 crore)	IVR BBB/Stable (IVR Triple B with Stable Outlook).	IVR BBB/Stable (IVR Triple B with Stable Outlook).	Rating Reaffirmed	Simple
Total	53.07 (Rupees Fifty- three crore and seven lakhs only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The reaffirmation of the ratings assigned to the bank facilities of Mahamaya Steel Industries Limited (MSIL) continues to derive comfort from the company's long track record of operations under experienced promoters, which has supported business stability over the years. The company benefits from locational advantage which facilitates easy access to raw materials and key markets. Further, MSIL has demonstrated stable business performance, reflected in stable operational and financial metrics, a comfortable capital structure with low reliance on debt and adequate debt coverage indicators. However, these rating strengths are partly offset by thin profit margins of the company, which leave limited room to absorb increases in raw material costs or declines in selling prices. Profitability is sensitive to fluctuations in raw material prices, as the company has limited ability to pass on cost in a highly competitive market. The company also faces strong competition from other steel manufacturers, while its exposure to group and associate companies impacts the financial risk profile of the company to an extent. In addition, the steel industry is cyclical in nature, which can lead to fluctuations in demand and realisations and affect overall business performance.

The stable outlook reflects expected stable business performance of the company in the near to medium term underpinned by stable demand outlook for steel products.

Key Rating Sensitivities:

Upward Factors:

- Growth in scale of operations with improvement in profit margin on a sustained basis



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- Sustenance of the capital structure with improvement in the debt protection metrics
- Reduction in exposure to group entities

Downward Factors:

- Dip in operating income and/or profitability impacting the debt coverage indicators on a sustained basis
- Deterioration in working capital management impacting the overall liquidity position of the company
- Any unplanned debt funded capex leading to deterioration in capital structure with moderation in overall gearing to over 1.0x and/or moderation in interest coverage to below 2x

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Long track record of operations under experienced promoters**

MSIL, having commenced operation in the year 1988 has a track record of being engaged in steel manufacturing business for over three decades. Over the years the company has established its presence in the steel manufacturing segment in Raipur, Chhattisgarh. The Managing Director of the company, Mr. Rajesh Agrawal has an experience of over two decades in the steel industry. He is ably supported by the other directors and a team of experienced and qualified professionals to support the smooth operations on a day-to-day basis. Established presence of the promoters helps in building long term relationships with customers and suppliers.

- **Locational advantage**

The manufacturing facility of MSIL is located in Raipur, Chhattisgarh which is known as a steel hub and is in close proximity to various manufacturers of sponge iron, pig iron and iron scrap, the key raw materials for manufacturing of its products. Accordingly, availability and sourcing of raw materials is not an issue for the company.

- **Stable business performance**

The company has witnessed stable business performance in FY2025, marked by growth in its total operating income (TOI) coupled with modest improvement in net profitability. The TOI of the company witnessed a marginal y-o-y growth of ~2% to Rs.801.76 crore in FY25 from Rs.783.83 crore in FY24, primarily driven by consistent demand for steel structures across end-user segments such as infrastructure, automotive, consumer durables, and capital goods.



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Despite growth in topline, the operating margin of the company remained thin due to the low value-additive nature of the business. EBITDA increased from Rs.16.31 crore in FY24 to Rs.18.72 crore in FY25, with a marginal improvement in EBITDA margin from 2.08% in FY24 to 2.33% in FY25. Consequently, PAT improved from Rs.6.72 crore in FY24 to Rs.7.60 crore in FY25. Net cash accruals also witnessed a modest increase during the period, reflecting steady financial performance.

MSIL reported a total operating income of Rs. 395.62 crore during H1FY2026, improved from Rs. 365.77 crore in H1FY2025. PAT increased significantly from Rs. 1.10 crore in H1FY2025 to Rs. 3.62 crore in H1FY2026, supported by higher sales volumes and operational efficiencies. The company's ability to sustain the growth in scale of operations without any adverse impact on margins will remain a key rating monitorable going forward.

- **Comfortable capital structure and adequate debt coverage indicators**

The debt profile of the company comprises terms loans from banks and financial institutions, preference shares, and working capital borrowings. The capital structure continued to remain healthy with long term debt equity ratio of 0.09x and overall gearing of 0.38x as on March 31, 2025, as against a long-term debt equity ratio of 0.18x and overall gearing of 0.35x as on March 31, 2024. Although the overall gearing moderated marginally during the year, the company's capital structure continues to remain comfortable, supported by low reliance on long-term borrowings and adequate net worth. The debt protection parameters were comfortable in FY25 with interest coverage ratio of 4.82x (3.17x in FY24). Total debt/EBITDA and Total debt/GCA also improved marginally from 2.50x and 3.28x respectively as on March 31, 2024, to 2.46x and 3.13x respectively as on March 31, 2025. Infomerics expects that the financial risk profile of the company will continue to remain comfortable in the near term. Overall gearing as on September 30, 2025, stood comfortable at 0.40x, while the debt coverage indicators, as reflected by the interest coverage ratio, also remained comfortable at 4.53x in FY25.

Key Rating Weaknesses

- **Thin profit margins**

The profit margins of the company remained thin over the years mainly due to its low value additive volume driven business coupled with high competitive pressure from unorganized players. The EBITDA margin of the company stood thin in the range of ~2%-3% while the PAT margin hovered ~0.80%-1% over the past three fiscals.



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- **Profitability susceptible to volatility in raw material prices**

Raw material consumption is the major cost component for MSIL. Since, the prices of key raw materials (sponge iron, pig iron & steel scrap) is highly volatile, it is likely to impact the profit margins of the company. Any increase in raw material prices without a commensurate increase in the prices of finished goods is likely to create pressure on margins.

- **Exposure to intense competition**

The steel manufacturing businesses is characterised by intense competition across the value chain due to low product differentiation which limits the pricing flexibility of the players, including MSIL.

- **Significant exposure to Group and associate companies**

MSIL has high amount of exposure towards its group companies in the form of non-current investments. The exposure towards group companies continues to remain high and further increased from Rs. 25.98 crore as on March 31, 2024, to Rs. 27.38 crore as on March 31, 2025. Any adverse performance/development in group companies can impact the surplus liquidity position and net worth position of MSIL.

- **Cyclicality in the steel industry**

The domestic steel industry is highly cyclical in nature and has witnessed prolonged periods of downturn due to excess capacity leading to a downtrend in the prices. Further, the company's operations are vulnerable to any adverse change in the global demand-supply dynamics.

Analytical Approach: Consolidated

For arriving at the ratings, Infomerics has considered the Consolidated financial statement of MSIL and its associate – Abhishek Steel Industries Private Limited (ASIPIL; MSIL holds 31.75% shareholding in ASIL). The consolidation is based on common promoters/management, similar line of business, cash flow fungibility and strong financial linkages between these entities. List of companies considered for consolidated analysis is given at Annexure 4.

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)



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[Complexity Level of Rated Instruments/Facilities](#)

[Consolidation of companies](#)

Liquidity – Adequate

The liquidity profile of the company is likely to remain adequate marked by sufficient cash accruals vis-à-vis its debt repayment obligation of Rs.2.32 crore in FY2026, Rs.1.89 crore in FY2027 and nil debt repayment in FY2027. The overall gearing stood comfortable at 0.40x as on September 30, 2025, providing adequate gearing headroom. The average working capital utilisation for the last twelve months ended November 30, 2025, remained satisfactory at ~56% resulting in sufficient cushion in its working capital limits.

About the Company

Incorporated in 1988, Mahamaya Steel Industries Limited is engaged in the business of running a heavy steel structural mill, steel melting shop and a gas plant at Raipur, Chhattisgarh. The company manufactures heavy and light steel structures such as strips, joists, beams, channels, girders, and railway sleeper bars in various ranges for the construction, automobile, railway, and power industries. The present installed capacity of S.S. Mill is 2,55,000 MTPA, Steel Melting Shop is 2,00,000 TPA and Gas Plant is 900000 Cubic Meter. The gas plant is primarily used for captive consumption and the excess is sold to outside parties. The products are sold under the brand name “MAHAMAYA”.

Financials (Consolidated):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	783.83	801.76
EBITDA	16.31	18.72
PAT	6.72	7.60
Total Debt	40.84	46.03
Tangible Net Worth	141.26	148.98
Adjusted Tangible Net Worth	115.05	120.86
EBITDA Margin (%)	2.08	2.33
PAT Margin (%)	0.85	0.94
Overall Gearing Ratio (x)	0.35	0.38
Interest Coverage (x)	3.17	4.82

* Classification as per Infomerics' standards.



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Status of non-cooperation with previous CRA:

CARE Edge Ratings vide its press release dated November 27, 2025, continued the rating under issuer not cooperating category due to non-submission of information by the company. ICRA vide its press release dated June 26, 2025, maintained the rating under issuer not cooperating category due to non-submission of information by the company.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Rating (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					October 08, 2024	-	-
1	Term Loan	Long Term	3.07* (Reduced from Rs.7.00 crore)	IVR BBB/ Stable	IVR BBB/ Stable	-	-
2	Cash Credit	Long Term	50.00	IVR BBB/ Stable	IVR BBB/ Stable	-	-

* Outstanding as on September 30, 2025

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit



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ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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Annexure 1: Instrument/Facility Details

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	November 2026	3.07*	IVR BBB/Stable
Cash Credit	-	-	-	50.00	IVR BBB/Stable

* Outstanding as on September 30, 2025

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/len_mahamaya_dec25_de333dbba6.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis:

Name of the Entity	Consolidation/Combined Approach
Mahamaya Steel Industries Limited	Full Consolidation
Abhishek Steel Industries Limited	Partial Consolidation



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Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

