# Manaksia Steels Limited

August 17, 2026

| Facilities | Name of the Regulator[1] | Amount (₹ crore) | Rating[2] | Rating Action |
|---|---|---|---|---|
| Long-term bank facilities | RBI | - | - | Reaffirmed at CARE A-; Stable and Withdrawn |
| Short-term bank facilities | RBI | - | - | Reaffirmed at CARE A2+ and Withdrawn |

Details of facilities in Annexure-1.

## Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed and withdrawn the outstanding ratings of 'CARE A-; Stable/ CARE A2+' (A Minus; Outlook: Stable / A Two Plus) assigned to bank facilities of Manaksia Steels Limited (MSL) with immediate effect. This action has been taken at the request of MSL and 'No Objection Certificate' received from the lenders that have extended the facilities rated by CareEdge Ratings.

Reaffirmation of ratings assigned to bank facilities of MSL consider the significant improvement in its operational and financial performance in FY26 (refers to April 1 to March 31), supported by the ramp-up of the Galvalume facility and higher utilisation across the manufacturing chain. Ratings continue to derive strength from the promoters' extensive experience in the steel industry, strategic location of the plant, comfortable capital structure, and improved debt-protection metrics. Ratings also factor in the company's adequate liquidity position, supported by cash and liquid investments of ₹72.19 crore as on March 31, 2026.

However, ratings are constrained by the company's modest scale of operations relative to larger industry participants, geographical and client concentration risks, profitability susceptible to volatility in raw material and finished-goods prices, exposure to foreign-exchange fluctuation risk, and cyclicality associated with the steel industry. Ratings also factor in lower reported cash flow from operations in FY26 due to working-capital deployment, primarily through higher advances to vendors.

**Analytical approach:** Standalone.

**Outlook:** Stable

The Stable outlook reflects MSL's ability to sustain the improvement in operating performance and profitability over the near-to-medium term while maintaining a comfortable capital structure.

## Detailed description of key rating drivers

## Key strengths

### Experienced promoters

MSL is promoted by Suresh Kumar Agrawal and family. Suresh Kumar Agrawal (chemical engineer) has an experience of about four decades in steel manufacturing industry. His son, Varun Agrawal, manages the company's day-to-day affairs with the support of experienced professionals.

### Strategic location of the plant

In manufacturing steel products, freight cost constitutes a significant portion as large amount of bulky raw material is required to be sourced to the manufacturing site. The company needs to procure HR coils and zinc from domestic and overseas supplier. The plant's proximity to Haldia port helps the company to save logistics cost.

### Comfortable capital structure and improved debt-protection metrics

The company's capital structure remained comfortable and improved in FY26. Total debt, comprising primarily of LC-backed creditors, declined to ₹151.38 crore as on March 31, 2026, from ₹205.54 crore as on March 31, 2025. Overall gearing improved to 0.45x as on March 31, 2026 from 0.67x as on March 31, 2025, supported by lower debt and an increase in net worth due to profit accretion. Debt-protection metrics also improved materially following the increase in profitability. Total debt to gross cash accruals (TD/GCA) improved to 3.06x as on March 31, 2026 from 12.89x as on March 31, 2025, while PBILDT interest coverage improved to 4.58x in FY26 from 1.47x in FY25. Total debt/PBILDT improved to 2.10x from 17.06x.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

**Significant improvement in operational and financial performance in FY26**
MSL's production and sales volumes increased significantly in FY26 with higher capacity utilisation across its facilities. Aggregate production increased to 250,284 MT in FY26 from 89,042 MT in FY25, while reported overall capacity utilisation improved to 80% from 46%. Sales volume increased by ~72% to 119,961 MT from 69,641 MT in FY25. Consequently, income from operations increased by ~80% on y-o-y basis to ₹1,053.19 crore from ₹584.18 crore. The PBILDT margin improved to 6.86% in FY26 compared to 2.06% in FY25, supported by higher volumes, a greater contribution from value-added coated products and improved absorption of fixed overheads. Profit after tax (PAT) increased to ₹38.17 crore in FY26 from ₹11.70 crore in FY25.

**Improved capacity utilisation in FY26**
MSL's manufacturing process involves re-rolling HR coils at room temperature to achieve precise shapes and improved surface quality, producing CR coils that are subsequently galvanised/galvalume-coated and colour coated. The total installed capacity increased by 1,22,200 metric tonne per annum (MTPA) during FY26 backed by commencement of operation of galvalume unit and capacity enhancement in colour coating facility. Overall capacity utilisation improved to 80% in FY26 from 46% in FY25 backed by removal of bottleneck. Utilisation stood at 68% for cold rolling and 96% for galvanising. The Galvalume facility, which started operation from Q1FY26, with installed capacity of 110,800 MTPA, achieved production of 85,283 MT with capacity utilisation of 77% in FY26. The ramp-up also supported higher activity in the downstream colour-coating line, where production increased to 60,206 MT from 26,244 MT and capacity utilisation reached 100% due to removal of bottleneck. This reflects improved integration and value addition across the production chain. MSL is also adding 72,000 MTPA enhanced capacity for colour coating unit in current year, which will further improve the operation flow.

## Key weaknesses

**Moderate scale of operations despite significant growth**
MSL continues to operate at a moderate scale compared to larger integrated and downstream steel manufacturers, although its scale improved materially in FY26. Income from operations increased to ₹1,053.19 crore in FY26 from ₹584.18 crore in FY25.

**Geographical and client concentration risk**
MSL's customer base remained concentrated albeit improvement with top 10 customers contributing ~33% of its sales in FY26 (52% in FY25). The company generated revenue of ~77% in FY25 from selling its products in domestic market and rest through exports. In FY25, ~18% of sales includes supply of HR coils and trading of aluminum sheets to its group companies based in Nigeria (MINL Limited & Sumo Steel Limited).

**Profitability susceptible to volatility in raw material and finished goods prices**
Raw material expense is the major cost driver for MSL. The principal raw materials include HR coils, zinc, and coating inputs. Prices of both raw materials and finished steel products are highly volatile because of their commodity nature and are determined by global and domestic demand-supply dynamics. Given the volatility in prices and the lack of backward integration, the company's profitability remains susceptible to fluctuations in raw material and finished goods prices.

**Exposure to foreign exchange fluctuation risk**
The company procures part of its raw material requirements from overseas and is therefore exposed to foreign-exchange fluctuation risk to the extent of unhedged imports. The company reported forex loss of ₹4.40 crore in FY26 against ₹3.37 crore in FY25. The company also exports its products to countries, such as Bhutan and Nigeria. However, majority of these sales are made on advanced basis.

**Cyclicality associated with the steel industry**
Steel is a cyclical industry and is strongly correlated with economic cycles, since its key end-user sectors, including construction, infrastructure, automobiles, and capital goods, depend on the state of the economy. A decline in demand in any of these sectors directly affects demand for steel products. The industry is sensitive to changes in business cycles, interest rates, and seasonal demand-supply conditions.

## **Liquidity**: Adequate
The company's liquidity position is adequate, characterised by GCA of ₹49.40 crore in FY26, and nil debt repayment obligations and cash and liquid investments of ₹72.19 crore as on March 31, 2026. The company also had lien-marked margin money of ₹20.34 crore as on March 31, 2026. The average collection period improved to 17 days from 20 days and inventory holding improved to 53 days from 85 days; creditor days reduced to 77 days from 126 days with reduction in imports and major sourcing

being done from domestic companies. Consequently, operating cycle remained favourable, though it reduced to negative seven days in FY26 from negative 21 days in FY25.

## Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Withdrawal Policy
Short Term Instruments
Iron & Steel

## About the company and industry

## Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|---|---|---|---|
| Industrials | Capital goods | Industrial products | Iron & steel products |

MSL was incorporated on June 07, 2001, by Kolkata-based Suresh Kumar Agrawal and family. It was a dormant company till October 01, 2013, before the demerger of steel division of Manaksia Ltd. (ML) to MSL. MSL is engaged in manufacturing cold rolled sheets, galvanised plain and corrugated sheets and colour-coated sheets.

The company has a manufacturing capacity of 120,000 metric tonne per annum (MTPA) of steel cold rolling products, 24,000 MTPA galvanizing plant and 60,000 MTPA colour coating line at Haldia. The company also has a 30,000 MTPA galvanizing plant at Bankura. However, the Bankura plant is not operational from FY14 onwards. From June 2025 onwards, the company has started operating a galvalume unit of 110,800 MTPA capacity.

| Brief Financials (₹ crore) | March 31, 2025 (A) | March 31, 2026 (A) |
|---|---|---|
| Total operating income | 584.18 | 1,053.19 |
| PBILDT* | 12.05 | 72.24 |
| Profit after tax (PAT) | 11.70 | 38.17 |
| Overall gearing (x) | 0.67 | 0.45 |
| Interest coverage (x) | 1.47 | 4.58 |

A: Audited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation, and tax.

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

**Any other information:** Not applicable.

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**For complexity level of instruments rated refer to Annexure-1**

**Lender details**: Annexure-4

**Disclosure on facilities/instruments and name of the regulators:**
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

## Annexure-1: Details of instruments/facilities

| Name of the Instrument | Name of the Regulator | Complexity Level | ISIN | Date of Issuance | Coupon Rate (%) | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|---|---|---|---|---|---|---|---|---|
| Fund-based - LT-Cash Credit | RBI | Simple | - | | - | - | 0.00 | Withdrawn |
| Non-fund-based - ST-BG/LC | RBI | Simple | - | | - | - | 0.00 | Withdrawn |

## Annexure-2: Rating history for last three years

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings | | | Rating History | | | |
|---|---|---|---|---|---|---|---|---|
| | | Type | Amount Outstanding (₹ crore) | Rating | Date(s) and Rating(s) assigned in 2026-2027 | Date(s) and Rating(s) assigned in 2025-2026 | Date(s) and Rating(s) assigned in 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 |
| 1 | Fund-based - LT-Cash Credit | LT | - | - | 1)CARE A-; Stable (August 17, 2026) | 1)CARE A-; Stable (21-Jul-25)<br>2)CARE A-; Stable (03-Jul-25) | 1)CARE A-; Stable (05-Jul-24) | 1)CARE A-; Stable (07-Jul-23) |
| 2 | Non-fund-based - ST-BG/LC | ST | - | - | 1)CARE A2+ (August 17, 2026) | 1)CARE A2+ (21-Jul-25)<br>2)CARE A2+ (03-Jul-25) | 1)CARE A2+ (05-Jul-24) | 1)CARE A2+ (07-Jul-23) |

LT: Long term; ST: Short term.

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable.

## Annexure-4: Lender details

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|---|
| To view lender-wise details of bank facilities please click here |

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

## Contact us

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**About us:**
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