Maithan Alloys Limited

December 16, 2025

Facilities	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	90.00	CARE AA; Stable	Reaffirmed
Long-term / Short-term bank facilities	15.00	CARE AA; Stable / CARE A1+	Reaffirmed
Short-term bank facilities	435.00	CARE A1+	Reaffirmed

Details of facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Maithan Alloys Limited (MAL) continue to derive strength from its strong business and financial risk profile marked by large scale of operations, established presence in the ferro-alloys industry, and sizeable presence in the export market, which provides revenue diversification. Ratings also derive significant comfort from the company's extensive investment portfolio. A sharp decline in the investment portfolio's value remains a key rating monitorable. The capital structure is expected to remain robust, supported by the absence of significant debt-funded capex plans. However, debt coverage indicators moderated in H1FY26 due to elevated finance costs. Ratings also take note of improvement in profitability margin in FY25 and H1FY26 over FY24, though it remained lower than previous years due to lower average sales realisations following industry-wide price corrections.

Ratings continue to be constrained by the ferro alloy industry's dependence on the cyclical steel sector, susceptibility of margins to volatility in raw material and finished goods prices, working capital intensive operations, and exposure to foreign exchange risks.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Substantial increase in the consolidated operating income and improvement in return on capital employed (ROCE) above 25% on sustained basis.
- Improvement in operating cycle to below 70 days on a sustained basis.

Negative factors

- Decline in consolidated operating income below ₹1,500 crore and profit before interest, lease rentals, depreciation and taxation (PBILDT) per tonne below ₹6,000 on a sustained basis.
- Decline in value of its investments to debt cover below 6x on a sustained basis.
- Sizeable investments / loans for unrelated business activities.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has considered consolidated analytical approach considering operational and financial linkages of MAL with its subsidiaries. The entities considered in consolidation of MAL are placed at **Annexure – 6**.

Outlook: Stable

Stable outlook reflects that despite moderation in operating profitability margin from earlier years, the entity is likely to sustain its financial risk profile given strong competitive advantages and access to exports. The absence of significant debt-funded capex or acquisition plans in the medium term, low debt profile and large investment portfolio are expected to support its robust capital structure and liquidity profile.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

Established presence in the ferro alloys industry

MAL's promoter, Subhas Chandra Agarwalla has an experience of around three decades in the ferro alloys industry. He is supported by his sons, Subodh Agarwalla (Whole-time Director and CEO) and Sudhanshu Agarwalla (CFO), who have sound technical and managerial qualifications and experience. The promoters' experience and technical expertise have contributed to MAL establishing its strong foothold in a highly volatile ferro alloy industry. The company has large manufacturing capacity of 3,11,500 metric tonne per annum (MTPA), including 50,000 MTPA added in September 2024 with commencement of facility by Maithan Ferrous Private Limited (MFPL). MAL sold its Byrnihat (Meghalaya) unit (capacity: 21,000 MTPA) in October 2025 due to adverse market conditions for ferro silicon and a steep increase in power cost in Meghalaya.

Diversified operations with strategic location of manufacturing facilities

MAL's manufacturing facilities are in Kalyaneshwari and Bankura (West Bengal), Visakhapatnam and Bobbili (Andhra Pradesh). Manganese ore requirements are met through imports from South Africa, Gabon and Australia. Coke is imported from South Africa and Columbia for Visakhapatnam unit and purchased from Jharkhand and Assam for Kalyaneshwari unit. The company primarily caters to the domestic market through its plants in West Bengal, while the Visakhapatnam plant serves the international market due to its proximity to the port. Strategic location near steel clusters in East India and ports for exports and raw material imports helps to optimise freight and inventory costs, supporting competitive pricing and better margins.

Established and reputed clientele and presence in the export market

The company has a sizeable presence in export markets with 59% of its consolidated total operating income (TOI) in FY25 (56% in FY24) being derived from exports. In FY25, MAL's share in the bulk ferro alloys exports from India was ~5% (4% in FY24). In export market, MAL caters to reputed global players, some are also state-controlled entities. MAL gets repeat orders from its clients due to its established relationship with them. In the domestic market, MAL caters to reputed clients, including Steel Authority of India Limited (SAIL; rated 'CARE AA; Stable/CARE A1+') and Tata Steel Limited (rated 'CARE AA+; Stable'), which are large steel producers with comfortable credit profile.

Strong financial risk profile, with improvement in operating margin in FY25 and H1FY26

Operating income grew by 4.55% in FY25, driven by a substantial increase in trading manganese ore and ferro alloys, which contributed 11.45% of TOI in FY25 compared to 3.57% in FY24. Realisations improved in FY25 and remained largely stable in H1FY26. On the raw material front, coke and coal prices moderated, while manganese ore prices increased slightly. Power cost per tonne also reduced in FY25, supporting cost efficiency. The gross margin reduced from 47% in FY24 to 44% in FY25 owing to increase in revenue from trading business which carries lower gross margin of ~2-4%.

Robust capital structure and debt coverage indicators, though moderated in FY25

The company maintained a strong capital structure with an overall gearing of 0.17x as on March 31, 2025, compared to 0.02x as on March 31, 2024. Debt coverage indicators moderated, with total debt/PBILDT increasing to 3.17x as on March 31, 2025, from 0.45x in FY24. Moderation was primarily due to a demand loan availed in Q4FY25 for land purchase in its real estate business and buyer's credit for expansion of trading operations.

The demand loan was subsequently repaid from sale of investments. MAL currently has no term debt and maintains low utilisation of fund-based limits, providing adequate liquidity cushion. The company has no major capex plans in FY26–FY28, except ₹125 crore for renewable energy projects and expansion of capacity in MFPL, which will be funded from internal accruals and available liquidity.

CareEdge Ratings expects overall gearing to remain comfortable and debt coverage indicators to improve in FY26, supported by absence of major debt-funded capex and healthy liquidity. Maintenance of low gearing and operational efficiency will remain critical given the volatility in the ferro alloys industry and its dependence on steel cycles.

Liquidity: Strong

Liquidity is supported by strong accruals, nil term debt repayment obligations, and sizeable investments of ₹3,105 crore as on March 31, 2025 (comprising of cash, mutual funds, debentures, quoted equity shares, unquoted equity shares, portfolio management services, alternate investment fund), increasing to ₹3,483 crore as on September 30, 2025, on a consolidated basis. Utilisation of fund-based working capital limits remained low at ~30% for the 12 months ended September 2025. Overall gearing was comfortable at 0.17x as on March 31, 2025. CareEdge Ratings expects liquidity to remain strong in the near term, aided by healthy cash flows, absence of major debt-funded capex, and significant investments. Any material decline in value of its investments would be critical going forward.

Key weaknesses

Dependence of the ferro alloy industry on the cyclical steel sector

The bulk ferro alloy market segment is categorised into alloy steel, carbon steel, stainless steel and others. Around 17%-23% chromium is required for every tonne of stainless steel manufactured and ~0.7% manganese is required for every tonne of steel. This is met through alloys of chromium and manganese. Thus, there exists a strong co-relation between growth of ferro alloy industry and steel industries.

Profitability vulnerable to price volatility

Manganese ore, coal, and coke are the major raw materials, accounting for ~47% of total cost of sales in FY25 (51% in FY24). It purchases power from state power sector utilities and the power costs have seen an increase since FY24. However, the same has moderated slightly in FY25. Manganese ore and coke prices are highly volatile and realisation of the ferro alloys is also governed by performance of the end-user steel industry. Thus, MAL's profitability is highly susceptible to fluctuation in raw materials and finished goods prices. PBILDT/tonne, which was ₹25,198 in FY23 significantly declined to ₹5,985 in FY24, however the same improved to ₹10,057 in FY25 with slight moderation to ₹8,687 in H1FY26. CareEdge Ratings expects PBILDT per tonne to remain range-bound in FY26, supported by cost optimisation measures, though raw material price volatility and steel demand will continue to pose risks.

Working capital intensive nature of operation

MAL's operations are working capital intensive as it offers credit period of around two months to its customers, as it sells products directly to its end-customers instead of routing through intermediaries, resulting in better customer relation, stable order flow and higher realisation. The company maintains around one month of inventory at its Visakhapatnam unit and two months at its Kalyaneshwari unit, apart from inventory in transit, to ensure smooth operations. MAL has entered real estate business for which it had bought land of ~₹580 crore in Q4FY25 leading to increase in inventory holding period. The working capital cycle increased to 195 days in FY25 from 135 days in FY24 and is expected to remain elevated until commencement of operations in the real estate segment. Total receivables declined as on March 31, 2025 compared to March 31, 2024, reducing collection period to 53 days in FY25 from 84 days in FY24.

Foreign exchange fluctuation risk

MAL imports manganese ore from South Africa and Gabon (~80%) and Australia (~20%). The company imports over 80% of its raw material requirement (mainly manganese ore). The company has a strong presence in export market with exports contributing to ~59% of its TOI in FY25. Hence, the company enjoys natural hedge to an extent and for the remaining portion, it hedges net foreign currency exposure through forward contracts, mitigating foreign currency fluctuation risk to a large extent.

Plans to enter into unrelated line of businesses

MAL has incorporated two wholly owned subsidiaries namely Maithan Fresh Private Limited and Maithan Nutrition Private Limited for exploring opportunities in Agriculture (including food processing). It is also planning to diversify into real estate business through its subsidiaries, where it has purchased land in FY25. The company has entered partnership with Unicorn India Ventures Services LLP through its subsidiary Maiuni ventures LLP (LLP) for investment activities. Any significant exposure to these unrelated businesses would be key monitorable going forward.

Environment, social, and governance (ESG) risks

Risk factors	Compliance and action by company
Environmental	1. All manufacturing locations have a business continuity and a disaster management plan in place. The main objective is to maintain business continuity under disruptive incidents with an aim to minimise impact on- - Human life and other living beings - Environment and related eco systems - Economic losses 2. The entire power requirement, which is ~25-30% of total input cost, is sourced sustainably through long-term "Power Purchase Agreements", whereby high standards of social and environment are maintained.

Social	1. The company has systems relating to occupational health and safety management in place and covers three manufacturing units of the company. 2. The company spent ₹19.98 crore towards Corporate Social Responsibility (CSR) activities in FY25 (₹12.72 crore in FY24), which is in line with the amount required to be expended.
Governance	1. The Board of Directors of the company comprises eight directors, two Executive Directors, five Independent Directors, including one Woman Director and one Non-Executive director. 2. The company has a robust grievance redressal system, and it solved all complaints received in FY25 and no complaint was pending for redressal as on March 31, 2025.

Applicable criteria

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

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals and Mining	Ferrous Metals	Ferro and Silica Manganese

Incorporated in 1985, MAL is engaged in manufacturing ferro alloys, having an installed capacity of 154 MVA (3,11,500 MT of ferro Alloys) at four locations 49 MVA (94,600 MTPA) at Kalyaneshwari, West Bengal, 72 MVA (1,20,000 MTPA) at Visakhapatnam, Andhra Pradesh, 46,900 MTPA at Bobbili, Andhra Pradesh, and 50,000 MTPA at Bankura, West Bengal. The Meghalaya unit was sold in October 2025. MAL is also engaged in trading metal and mineral products and wind power generation. The company's day-to-day operations are managed by S.C. Agarwalla with support from his sons, Subodh Agarwalla and Sudhanshu Agarwalla.

Brief Consolidated Financials (₹ crore)	FY24 (A)	FY25 (A)	H1FY26 (UA)
Total operating income	1,737.17	1,815.96	1,123.13
PBILDT	118.26	185.76	97.51
PAT	347.10	630.91	418.88
Overall gearing (times)	0.02	0.17	0.11
Interest coverage (times)	39.03	7.70	3.69

A: Audited UA: Unaudited; 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 facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

CareEdge RATINGS

Annexure-1: Details of facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	90.00	CARE AA; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	15.00	CARE AA; Stable / CARE A1+
Non-fund-based - ST-Bank Guarantee		-	-	-	35.00	CARE A1+
Non-fund-based - ST-Letter of credit		-	-	-	400.00	CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	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	Date(s) and Rating(s) assigned in 2022-2023
1	Non-fund-based - ST-Letter of credit	ST	400.00	CARE A1+	-	1)CARE A1+ (31-Dec-24)	1)CARE A1+ (05-Jan-24)	1)CARE A1+ (05-Dec-22)
2	Non-fund-based - ST-Bank Guarantee	ST	35.00	CARE A1+	-	1)CARE A1+ (31-Dec-24)	1)CARE A1+ (05-Jan-24)	1)CARE A1+ (05-Dec-22)
3	Fund-based - LT-Cash Credit	LT	90.00	CARE AA; Stable	-	1)CARE AA; Stable (31-Dec-24)	1)CARE AA; Stable (05-Jan-24)	1)CARE AA; Stable (05-Dec-22)
4	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	15.00	CARE AA; Stable / CARE A1+	-	1)CARE AA; Stable / CARE A1+ (31-Dec-24)	1)CARE AA; Stable / CARE A1+ (05-Jan-24)	1)CARE AA; Stable / CARE A1+ (05-Dec-22)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated facilities – Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - LT/ ST-Bank Guarantee	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple
4	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	AXL Explorations Pvt Ltd	Full	Subsidiary
2	Anjaney Minerals Limited	Full	Subsidiary
3	Salanpur Sinters private Limited	Full	Subsidiary
4	Maithan Ferrous Private Limited	Full	Subsidiary
5	Impex Metal & Ferro Alloys Ltd	Full	Subsidiary
6	Ramagiri Renewable Energy Limited	Full	Subsidiary
7	Dadhichi Rail & Defence Operations Ltd.	Full	Subsidiary
8	Eloise Builders & Constructions (P) Ltd.	Full	Subsidiary
9	Goldtree Impex Private Limited (w.e.f. May 12, 2025)	Full	Subsidiary
10	Maithan Fresh Private Limited (w.e.f. June 06, 2025)	Full	Subsidiary
11	Maithan Nutrition Private Limited (w.e.f. July 25, 2025)	Full	Subsidiary
12	Maiuni Ventures LLP (w.e.f. April 08, 2025)	Full	Subsidiary

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.

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About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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