Supershakti Metaliks Limited

July 09, 2026

Facilities	Amount (₹ crore)	Ratings[1]	Rating Action
Long-term bank facilities	62.50 (Enhanced from 62.00)	CARE BBB+; Stable	Reaffirmed
Short-term bank facilities	50.30 (Reduced from 50.80)	CARE A2	Reaffirmed

Details of facilities in Annexure-1.

The list of facilities / Instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6

Rationale and key rating drivers

The reaffirmation in the ratings assigned to the bank facilities of Supershakti Metaliks Limited (SML) derives strength from the extensive experience of its promoters in the iron and steel industry, strategic location of plant having satisfactory capacity utilization, comfortable capital structure and debt coverage indicators, marked by low reliance on external debt.
The ratings also factor in the satisfactory financial performance of SML in FY26 (refers to the period April 1 to March 31) characterized by stable scale of operations albeit moderation in profitability margins.
The ratings also derive comfort from the significant reduction in exposure to group companies by recovery of unsecured loans which were advanced to the tune of Rs.102 crore. This has led to improvement in the liquidity profile of the company with company having free cash and liquid investments of Rs.85 crore as on March 31, 2026 and reduction in debt to negligible levels. However, the exposure in the form of equity investments having book value of Rs.58.39 crore and market value of Rs.141.92 crore (as per fair valuation) as on March 31, 2026 along with the extended unconditional and irrevocable corporate guarantee of Rs.49.30 crore towards the bank facilities availed by Giridhan Metals Private Limited (GMPL) continues.
The ratings are however, constrained by its cyclical nature of the steel industry and profitability susceptible to volatility in the prices of raw materials and finished goods.
CareEdge Ratings has withdrawn the entire facility sanctioned by Bank of Baroda and the working capital limits sanctioned by Union Bank of India, as the company has repaid and closed its sanctioned limits and No Dues Certificate/ banker confirmation has also been received from the lender.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustenance of scale of operations with improvement in operating margins on sustained basis.
- Reduction in exposure to group company along with maintenance of liquidity.

Negative factors

- Any major debt-funded capex leading to deterioration in the capital structure, as marked by an overall gearing ratio above 0.50x.
- Any further increase in fund-based exposure (other than increase due to MTM) to group companies exerting pressure on credit profile of SML.
- Moderation in profitability levels on a sustained basis.

Analytical approach: Standalone, factoring linkages with Sai group

Outlook: Stable

The company is expected to sustain its operational performance amidst robust demand of steel products in the domestic market. Further, negligible debt repayment obligations coupled with absence of debt funded capex in the medium term is expected to support its comfortable capital structure and debt coverage indicators.

[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

Extensive experience of promoters in the iron and steel industry

SML is part of Sai Group promoted by Sitaram Agarwal who has an experience of more than three decades in the iron and steel industry. The day-to-day operations of SML are looked after by Deepak Kumar Agarwal (son of Sitaram Agarwal), having experience of over two decades in the steel industry. Further, they are supported by a team of professionals.

Strategic location of plant

The plant location of SML remains favorable, with proximity to key raw material sources in neighbouring states such as Jharkhand and Odisha, which are rich in iron ore resources. This provides the company with easy availability of raw materials and helps in optimizing logistics costs. During FY26, SML sourced around 0.06% (FY25: 10%) and 64% (FY25: 54%) of its raw material requirements, primarily sponge iron, from its group entities, Super Smelters Limited (SSL) and GMPL, respectively. The facilities of these entities are located within a distance of around 35–40 km from SML's plant, ensuring operational synergies and lower inbound logistics costs. Further, the company's customer base is largely concentrated in West Bengal, enabling efficient product delivery and maintaining lower outbound transportation costs.

Satisfactory capacity utilization

The company had enhanced its billet and rolled product capacities in FY25 through the upgradation of existing machinery, which supported higher production capabilities. During FY26, capacity utilization of billets moderated to 79% from 84% in FY25 due to normalization of operations after the additional capacity was commissioned in FY25. However, capacity utilization of rolled products improved to 79% in FY26 from 75% in FY25. Overall production remained stable at around 3.67 lakh MT in FY26 compared to 3.65 lakh MT in FY25, indicating stable operational performance.

Satisfactory financial performance albeit moderation in operating profitability margin

The financial performance of the company continues to remain satisfactory with total operating income (TOI) of Rs.705 crore in FY26 (Rs.737 crore in FY25). The slight moderation is on account of lower sales realisation, particularly in rolled products. While the overall capacity utilization improved to 79% in FY26 from 78% in FY25 and production remained largely stable, average realization for rolled products declined to Rs.43,383/MT in FY26 from Rs.45,206/MT in FY25 and for billets it declined to Rs.37,909/MT in FY26 from Rs.39,799/MT in FY25 leading to lower overall revenue.
Consequently, PBILDT margin moderated from 2.32% in FY25 to 1.62% in FY26 and remained low as the company could not fully gain out of the decline in raw material prices during the year given the decline in finished goods prices were more than the decline in raw material prices.

Comfortable capital structure & debt protection metrics

SML's capital structure remained comfortable, with overall gearing improving to nil as on March 31, 2026 from 0.12x as on March 31, 2025, on account of negligible debt levels. The company's debt profile continues to comprise primarily working capital borrowings, with total debt declining sharply to Rs.0.03 crore as on March 31, 2026 from Rs.19.24 crore as on March 31, 2025. Consequently, TD/GCA improved to nil as on March 31, 2026 from 1.76x as on March 31, 2025.

Significant reduction in exposure to group entities

During FY26, the company recovered its unsecured loans aggregating approximately Rs.102 crore from its group entities, including GMPL and Promotional Equity Services Pvt Ltd (PESPL), resulting in nil outstanding loans and advances to related parties as on March 31, 2026. The recovered funds were deployed in diversified investment portfolio, working capital requirements and debt reduction. The recovery of group exposures has strengthened the company's liquidity profile and financial flexibility.
Consequently, the Company's exposure to group entities is now largely restricted to its investment in GMPL as its associate, wherein the investment carries book value of Rs.58.39 crore and a market value of Rs.141.92 crore (as per fair valuation) as on March 31, 2026.
Considering the book value of investments in GMPL, the fund-based exposure reduced significantly to around 21% of tangible net worth as on March 31, 2026, following the receipt of all unsecured loans extended to GMPL during the year. Further, SML has extended an unconditional and irrevocable corporate guarantee of Rs.49.30 crore towards the bank facilities availed by GMPL.
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Key weaknesses

Cyclical nature of the steel industry

Steel is a cyclical industry, strongly correlated to economic cycles since its key users i.e., construction, infrastructure, automobiles and capital goods are heavily dependent on the state of the economy. Fall in demand in any of these sectors directly impacts the demand of steel products. The steel industry is sensitive to the shifting business cycles, including changes in the general economy, interest rates and seasonal changes in the demand and supply conditions in the market.

Profitability susceptible to volatility in raw-material and finished good prices

Raw material and power continue to remain the major cost drivers for SML. Raw material cost accounted for around 75% of the total cost of sales in FY26 as against 76% in FY25, while power cost accounted for around 13% of the total cost of sales in FY26, remaining at a similar level compared to FY25. The major raw materials consumed by the company include sponge iron, pig iron and scrap. SML procures sponge iron and pig iron from the domestic market, while scrap is primarily imported through letters of credit. The company sources its power requirements from West Bengal State Electricity Development Corporation Ltd (WBSEDCL) amid absence of captive power impacting profitability margin. Given the significant contribution of raw materials to the overall cost structure and the inherent volatility in input prices, the company's profitability remains exposed to fluctuations in raw material and finished goods prices. However, the risk is partly mitigated as SML sources a significant portion of its sponge iron requirement from group entities, ensuring stable availability of key inputs and reducing exposure to raw material price volatility to some extent.

Liquidity: Adequate

The liquidity position of the company remained adequate, supported by gross cash accruals of Rs.13.71 crore vis-a-vis negligible debt repayment obligations in FY26 and free cash and liquid investments to the tune of Rs.84 crore as on March 31, 2026. The average month-end utilization of fund-based and non-fund-based limits stood at 9.65% and 50.52%, respectively, during the 12 months ended May 2026, indicating adequate liquidity cushion. Further, during FY26, the company recovered unsecured loans aggregating approximately Rs.102 crore from group entities, resulting in nil outstanding loans and advances to related parties as on March 31, 2026. The recovered funds were deployed in diversified investment portfolio, working capital requirements and debt reduction. Accordingly, the company does not have any long-term debt repayment obligation in FY27.

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
Factoring Linkages Parent Sub JV Group
Withdrawal Policy

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals & Mining	Ferrous Metals	Iron & Steel

Incorporated on December 12, 2012; SML is part of Sai Group promoted by Sitaram Agarwal. The company has installed capacities for manufacturing 1,97,550 tonnes per annum (TPA) of billets and 2,65,550 TPA of rolled products at Durgapur, West Bengal. Two other manufacturing group companies, Super Smelters Limited and GMPL are located at Jamuria (West Bengal) while third group company Sai Electrocasting Private Limited (SEPL) is located at Koderma (Jharkhand). All the four companies in the group use 'Super Shakti' brand to market their products.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	737.38	705.11
PBILDT*	17.12	11.45
Profit after tax (PAT)	12.43	8.57
Overall gearing (x)	0.12	0.00
Interest coverage (x)	7.76	6.92

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 instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/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		-	-	-	62.50	CARE BBB+; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	6.00	CARE A2
Non-fund-based - ST-BG/LC		-	-	-	44.00	CARE A2
Non-fund-based - ST-Forward Contract		-	-	-	0.30	CARE A2

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	62.50	CARE BBB+; Stable	-	1)CARE BBB+; Stable (09-Jul-25)	1)CARE BBB+; Stable (02-Jul-24)	1)CARE BBB+; Stable (06-Jul-23)
2	Non-fund-based - ST-BG/LC	ST	44.00	CARE A2	-	1)CARE A2 (09-Jul-25)	1)CARE A2 (02-Jul-24)	1)CARE A2 (06-Jul-23)
3	Non-fund-based - ST-Bank Guarantee	ST	6.00	CARE A2	-	1)CARE A2 (09-Jul-25)	1)CARE A2 (02-Jul-24)	1)CARE A2 (06-Jul-23)
4	Non-fund-based - ST-Forward Contract	ST	0.30	CARE A2	-	1)CARE A2 (09-Jul-25)	1)CARE A2 (02-Jul-24)	1)CARE A2 (06-Jul-23)

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

Annexure-3: Detailed explanation of covenants of rated instruments/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 - ST-Bank Guarantee	Simple
3	Non-fund-based - ST-BG/LC	Simple
4	Non-fund-based - ST-Forward Contract	Simple

Annexure-5: Lender details

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

Annexure-6: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, Fis	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only

[2] 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

be determined upon issuance. In the rating notes subsequent to issuance(s), CARE Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

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

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

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Punit Singhania Director **CARE Ratings Limited** Phone: + 91-33-40181620 E-mail: punit.singhania@careedge.in
Relationship Contact Ankur Sachdeva Senior Director **CARE Ratings Limited** Phone: +91-22-67543444 E-mail: Ankur.sachdeva@careedge.in	Kamal Mahipal Associate Director **CARE Ratings Limited** Phone: +91-33-4018 1628 E-mail: kamal.mahipal@careedge.in Puja Agarwal Analyst **CARE Ratings Limited** E-mail: Puja.agarwal@careedge.in

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