Rating Rationale

January 30, 2026 | Mumbai

A-One Steels India Limited

Ratings downgraded to 'Crisil BBB+/Stable/Crisil A2'

Rating Action

Total Bank Loan Facilities Rated	**Rs.774 Crore**
Long Term Rating	**Crisil BBB+/Stable (Downgraded from 'Crisil A-/Negative')**
Short Term Rating	**Crisil A2 (Downgraded from 'Crisil A2+')**

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has downgraded its ratings on the bank facilities of A-One Steels India Ltd (ASIL; part of the A-One group) to '**Crisil BBB+/Stable/Crisil A2**' from 'Crisil A-/Negative/Crisil A2+'.

The rating downgrade reflects the moderation in the financial risk profile. Increase in working capital requirement along with decline in profitability, has led to subdued debt protection metrics. Interest coverage ratio weakened to 1.57 times in fiscal 2025 (1.84 times in fiscal 2024). Leverage has increased on-year in fiscal 2026 and is expected to remain high due to higher working capital requirement. With heightened leverage levels and moderate profitability; debt protection metrics are likely to remain constrained over medium term.

Revenue fell by 8% to Rs 3,542 crore in fiscal 2025 owing to lower realisation, but grew 15% during the first nine months of fiscal 2026. Operating margin improved to 6.16% in the first nine months of fiscal 2026 from 5.41% in the corresponding period of the previous fiscal. Sustenance of healthy operating margin and improvement in the working capital cycle, resulting in lower debt, are monitorables.

The ratings reflect the extensive experience of the promoters in the steel industry, and the established market position and strong networth and moderate capital structure of the group. These strengths are partially offset by stretched working capital cycle, modest debt protection metrics and susceptibility to fluctuations in raw material prices, regulatory changes and cyclicality.

Analytical Approach

Crisil Ratings has combined the business and financial risk profiles of ASIL, Vanya Steels Pvt Ltd (VSPL), A-One Gold Pipes And Tubes Pvt Ltd (AGPTPL), A-One Gold Steels India Pvt Ltd (AGSIPL), A-One Gold Singapore Pte Ltd (AGSPL) and Basai Steels and Power Pvt Ltd (BSPPL). This is because these entities, collectively referred to as the A-One group, have common management and operational and financial linkages.

Unsecured loan of Rs 155.41 crore as on March 31, 2025, from the promoters has been treated as neither debt nor equity as the loan is expected to be retained in the business over the medium term.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers - Strengths

Extensive experience of the promoters and established market position

The promoters have experience of more than three decades in the steel industry; their strong understanding of the market dynamics and healthy relationships with customers and suppliers will continue to support the business. Their expertise has been instrumental in strengthening the market position, backed by strategic investment in capacity expansion and integration, and will enable the group to navigate industry downturns over the medium term.

Though revenue moderated by 8% to Rs 3,542 crore in fiscal 2025 owing to lower realisation, it grew 15% during the first nine months of fiscal 2026. Diversified product offerings and established market position will continue to support the business.

Strong networth and moderate capital structure

Networth was strong at Rs 707 crore as on March 31, 2025. The promoters have infused unsecured loan/equity to cover the working capital requirement and capital expenditure (capex). Backed by capital infusion, gearing and total outside liabilities to adjusted networth (TOLANW) ratio improved to 1.14 times and 2.17 times, respectively, in fiscal 2025 (2.08 times and 4.12 times, respectively, as on March 31, 2024). Leverage has increased on-year in fiscal 2026 and is expected to remain moderately high due to higher working capital requirement. However, the capital structure will likely be sustained over the medium term with healthy cash accrual and absence of any major debt-funded capex plans.

Key Rating Drivers - Weaknesses

Large working capital requirement and modest debt protection metrics

At the group level, operations are working capital intensive, as reflected in gross current assets of 188 days as on March 31, 2025, driven by receivables and inventory of 45 days and 86 days, respectively. Considering the adverse market conditions and increased capacities, inventory increased to 91 days and receivables to 54 days as on December 31, 2025. Operations will likely remain working capital intensive over the medium term.

Debt has increased in the past three fiscals amid capacity addition and increased working capital requirement and is expected to remain high over the medium term. This, along with moderation in profitability, has led to subdued debt protection metrics. Interest coverage ratio weakened to 1.57 times in fiscal 2025 from 1.84 times in fiscal 2024. Leverage has increased on-year in fiscal 2026 and is expected to remain high due to higher working capital requirement.

Susceptibility to cyclicality and fluctuations in raw material prices

The group is vulnerable to downturns in the steel industry, leading to decline in realisation and profitability. Bulk of the revenue comes from domestic end-user industries, wherein demand depends on economic growth and consumer sentiments.

The operating margin of the group was volatile at 4-7% for the five fiscals through 2025. Increase in prices can be passed on to customers, albeit with lag. Adverse volatility in input cost can impact profitability. While the operating margin improved to 6.16% in the first nine months of fiscal 2026 (April to December period), sustenance of the operating margin is a key monitorable.

Liquidity Adequate

Bank limit utilisation was high at 93% on average for the 12 months through November 2025. Cash accrual, expected over Rs 120 crore per fiscal, will sufficiently cover annual term debt obligation of Rs 87-89 crore over the medium term. Furthermore, six months cushion in prepayment and cash and bank balance of Rs 2.95 crore as on December 31, 2025, will support the liquidity. The promoters will likely extend need-based funds (equity and unsecured loans) to aid operations.

Current ratio was moderate at 1.03 times as on March 31, 2025.

Outlook Stable

Crisil Ratings believes the A-One group will continue to benefit from the extensive experience of the promoters and its established relationships with clients.

Rating sensitivity factors

Upward factors

- Steady revenue growth and stable operating margin over 6% leading to higher cash accrual
- Significant reduction in leverage, with the TOLANW ratio of 2 times or below, and improvement in the working capital cycle and overall financial flexibility

Downward factors

- Decline in revenue or fall in operating margin to less than 4% leading to lower cash accrual
- Further stretch in the working capital cycle or any large, debt-funded capex or any weakening of liquidity profile

About the Group

The A-One group is promoted by Mr Krishna Kumar Jalan, Mr Sunil Kumar Jalan and Mr Sandeep Kumar Jalan. The group manufactures mild steel billets, thermo-mechanically treated bars and mild steel pipes, among others.

Key Financial Indicators (Consolidated)

As on / for the period ended March 31		2025	2024
Operating income	Rs crore	3,542.60	3,841.13
Reported profit after tax (PAT)	Rs crore	9.89	38.21
PAT margin	%	0.28	0.99
Adjusted debt / adjusted networth	Times	1.14	2.08
Interest coverage	Times	1.57	1.84

Any other information: Not applicable

Note on complexity levels of the rated instrument:

Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Cash Credit	NA	NA	NA	392.50	NA	Crisil BBB+/Stable
NA	Non-Fund Based Limit	NA	NA	NA	282.00	NA	Crisil A2
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	49.80	NA	Crisil BBB+/Stable
NA	Term Loan	NA	NA	31-Mar-28	9.50	NA	Crisil BBB+/Stable
NA	Term Loan	NA	NA	31-Mar-28	40.20	NA	Crisil BBB+/Stable

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
A-One Steels India Ltd	Full	Common management
Vanya Steels Pvt Ltd	Full	Common management
A-One Gold Pipes and Tubes Pvt Ltd	Full	Common management
A-One Gold Steels India Pvt Ltd	Full	Common management
A-One Gold Singapore Pte Ltd	Full	Common management
Basai Steels and Power Pvt Ltd	Full	Common management

Annexure - Rating History for last 3 Years

	Current			2026 (History)		2025		2024		2023		Start of 2023
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	492.0	Crisil BBB+/Stable		--	29-04-25	Crisil A-/Negative	31-05-24	Crisil A-/Stable	06-03-23	Crisil A-/Stable	Crisil A-/Stable
			--		--	11-03-25	Crisil A-/Negative		--		--	Crisil A-/Stable
Non-Fund Based Facilities	ST	282.0	Crisil A2		--	29-04-25	Crisil A2+	31-05-24	Crisil A2+	06-03-23	Crisil A2+	Crisil A2+
			--		--	11-03-25	Crisil A2+		--		--	Crisil A2+

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	**155**	**HDFC Bank Limited**	**Crisil BBB+/Stable**
Cash Credit	**172.5**	**State Bank of India**	**Crisil BBB+/Stable**
Cash Credit	**25**	**ICICI Bank Limited**	**Crisil BBB+/Stable**
Cash Credit	**40**	**Axis Bank Limited**	**Crisil BBB+/Stable**
Non-Fund Based Limit	**60**	**Axis Bank Limited**	**Crisil A2**
Non-Fund Based Limit	**100**	**ICICI Bank Limited**	**Crisil A2**
Non-Fund Based Limit	**60**	**State Bank of India**	**Crisil A2**
Non-Fund Based Limit	**62**	**HDFC Bank Limited**	**Crisil A2**
Proposed Long Term Bank Loan Facility	**49.8**	**Not Applicable**	**Crisil BBB+/Stable**
Term Loan	**9.5**	**Tata Capital Limited**	**Crisil BBB+/Stable**
Term Loan	**40.2**	**HDFC Bank Limited**	**Crisil BBB+/Stable**

Criteria Details

Links to related criteria
[Basics of Ratings (including default recognition, assessing information adequacy)]
[Criteria for consolidation]
[Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)]

Media Relations	Analytical Contacts	Customer Service Helpdesk
Ramkumar Uppara Media Relations **Crisil Limited** M: +91 98201 77907 B: +91 22 6137 3000 ramkumar.uppara@crisil.com **Kartik Behl** Media Relations **Crisil Limited** M: +91 90043 33899 B: +91 22 6137 3000 **kartik.behl@crisil.com** **Divya Pillai** Media Relations **Crisil Limited** M: +91 86573 53090 B: +91 22 6137 3000 **divya.pillai1@ext-crisil.com**	Jayashree Nandakumar Director **Crisil Ratings Limited** D:+91 44 6656 3466 jayashree.nandakumar@crisil.com Athul Unnikrishnan Sreelatha Associate Director **Crisil Ratings Limited** B:+91 22 4040 5800 athul.sreelatha@crisil.com NEERAJ CHAND Manager **Crisil Ratings Limited** B:+91 44 6656 3100 neeraj.chand@crisil.com **For Analytical queries** Toll Free Number: 1800 266 6550 ratingsinvestordesk@crisil.com	Timings: 10.00 am to 7.00 pm Toll Free Number: 1800 267 3850 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com

Note for Media:
This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper/magazine/agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to Crisil Ratings. However, Crisil Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites and portals.

About Crisil Ratings Limited (A subsidiary of Crisil Limited, an S&P Global Company)

Crisil Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

Crisil Ratings Limited ('Crisil Ratings') is a wholly-owned subsidiary of Crisil Limited ('Crisil'). Crisil Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.crisilratings.com

About Crisil Limited

Crisil is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India’s foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: TWITTER | LINKEDIN | YOUTUBE | FACEBOOK

DISCLAIMER

This disclaimer is part of and applies to each credit rating report and/or credit rating rationale ('report') provided by Crisil Ratings Limited ('Crisil Ratings'). For the avoidance of doubt, the term 'report' includes the information, ratings and other content forming part of the report. The report is intended for use only within the jurisdiction of India. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as Crisil Ratings provision or intention to provide any services in jurisdictions where Crisil Ratings does not have the necessary licenses and/or registration to carry out its business activities. Access or use of this report does not create a client relationship between Crisil Ratings and the user.

The report is a statement of opinion as on the date it is expressed, and it is not intended to and does not constitute investment advice within meaning of any laws or regulations (including US laws and regulations). The report is not an offer to sell or an offer to purchase or subscribe to any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way.

Crisil Ratings and its associates do not act as a fiduciary. The report is based on the information believed to be reliable as of the date it is published, Crisil Ratings does not perform an audit or undertake due diligence or independent verification of any information it receives and/or relies on for preparation of the report. THE REPORT IS PROVIDED ON “AS IS” BASIS. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS, CRISIL RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE. In no event shall Crisil Ratings, its associates, third-party providers, as well as their directors, officers, shareholders, employees or agents be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

Crisil Ratings or its associates may have other commercial transactions with the entity to which the report pertains or its associates. Ratings are subject to revision or withdrawal at any time by Crisil Ratings. Crisil Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

Crisil Ratings has in place a ratings code of conduct and policies for managing conflict of interest. For more detail, please refer to: https://www.crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html. Public ratings and analysis by Crisil Ratings, as are required to be disclosed under the Securities and Exchange Board of India regulations (and other applicable regulations, if any), are made available on its websites, www.crisilratings.com and https://www.ratingsanalytica.com (free of charge). Crisil Ratings shall not have the obligation to update the information in the Crisil Ratings report following its publication although Crisil Ratings may disseminate its opinion and/or analysis. Reports with more detail and additional information may be available for subscription at a fee. Rating criteria by Crisil Ratings are available on the Crisil Ratings website, www.crisilratings.com. For the latest rating information on any company rated by Crisil Ratings, you may contact the Crisil Ratings desk at crisilratingdesk@crisil.com, or at (0091) 1800 267 3850.

Crisil Ratings shall have no liability, whatsoever, with respect to any copies, modifications, derivative works, compilations or extractions of any part of this [report/ work products], by any person, including by use of any generative artificial intelligence or other artificial intelligence and machine learning models, algorithms, software, or other tools. Crisil Ratings takes no responsibility for such unauthorized copies, modifications, derivative works, compilations or extractions of its [report/ work products] and shall not be held liable for any errors, omissions of inaccuracies in such copies, modifications, derivative works, compilations or extractions. Such acts will also be in breach of Crisil Ratings' intellectual property rights or contrary to the laws of India and Crisil Ratings shall have the right to take appropriate actions, including legal actions against any such breach.

Crisil Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on Crisil Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: **https://www.crisilratings.com/en/home/our-business/ratings/credit-ratings-scale.html**