Crisil Ratings

Rating Rationale

January 30, 2026 | Mumbai

Vanya Steels Private Limited

Rating downgraded to 'Crisil BBB/Stable'

Rating Action

Total Bank Loan Facilities Rated	**Rs.125 Crore**
Long Term Rating	**Crisil BBB/Stable (Downgraded from 'Crisil BBB+/Negative')**

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 rating on the long-term bank facilities of Vanya Steels Pvt Ltd (VSPL) to **'Crisil BBB/Stable'** from 'Crisil BBB+/Negative'.

The downgrade reflects the weakening of the overall credit profile of VSPL and downgrade in the rating of the parent company, A-One Steels India Ltd (ASIL). Revenue moderated in fiscal 2025 to Rs 447 crore from Rs 608 crore in fiscal 2024, while operating margin weakened to 0.56% from 5.98%. Sales grew 5% during April-December 2025 compared with the same period previous fiscal, while operating margin improved to ~2.25% during the same period; however, it continues to be lower than past levels. Due to stretch in working capital cycle, the overall liquidity remains stretched with fully utilised bank limit. Furthermore, the rating of the parent entity was downgraded from 'Crisil A-/Negative' to 'Crisil BBB+/Stable'.

The rating reflects the extensive experience of the promoters in the steel industry, strong support from the parent, strategic location and backward integration. These strengths are partially offset by modest financial risk profile and susceptibility to fluctuations in raw material prices and cyclicality in the industry.

Analytical Approach
Crisil Ratings has factored in the support from its parent, ASIL (formerly, A-One Steel and Alloys Pvt Ltd) by applying the parent notch-up criteria.

Key Rating Drivers - Strengths
Extensive experience of the promoters: The promoters have more than three decades of experience 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.

Strong support from the parent: The company benefits financially, operationally, and in the form of managerial support from its parent.

Strategic location and backward integration: One of the advantages of VSPL is its strategic location around the steel belts of Karnataka and Maharashtra, which have ready offtake for its produce. VSPL also reduces the supplier risk for ASIL because of backward integration.

Key Rating Drivers - Weaknesses
Leveraged financial risk profile and weak debt protection metrics: The company's capital structure has been moderate, with gearing of 1.64 times and total outside liabilities to adjusted networth ratio of 2.73 times, as on March 31, 2025. Due to decline in operating margin, the interest coverage and net cash accrual to total debt ratios also weakened to 0.21 time and negative 0.02 time, respectively, in fiscal 2025 from 3.67 time and 0.17 time respectively in fiscal 2024. Though the operating margin improved in the current fiscal to ~ 2.25%, the overall debt protection metrics are likely to remain below expectation over the medium term.

Susceptibility to cyclicality and fluctuations in raw material prices: VSPL operates in the cyclical steel industry, making it vulnerable to downturns in industry demand and leading to decline in realisation and profitability. Cost of production and operating margin are heavily dependent on raw material prices (iron ore). Furthermore, profitability is linked to the fortunes of the inherently cyclical steel industry, which has a strong correlation with the overall growth in the gross domestic product. The operating performance will remain susceptible to volatility in raw material prices, and offtake by key user sectors.

Liquidity Stretched

Bank limit was almost fully utilised (99%) for the 12 months through November 2025. Net cash accrual is expected to be over Rs 4-10 crore against annual term debt obligation of Rs 3 crore over the medium term. Six months' cushion in prepayment on an ongoing basis and availability of cash and bank balance of Rs 79.10 crore as on December 31, 2025, should support liquidity. Current ratio was moderate at 1.1 times as on March 31, 2025. The promoters are likely to extend equity and unsecured loans to meet working capital requirement and debt obligation.

Outlook Stable

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

Rating sensitivity factors

Upward factors

- Steady revenue growth and operating margin of 3-4% leading to higher-than-expected cash accrual
- Improvement in the financial risk profile, especially liquidity

Downward factors

- Steep decline in revenue or operating margin dropping to less than 2%, resulting in lower-than-expected cash accrual
- Further stretch in the working capital cycle or any large, debt-funded capital expenditure
- Any change in the support philosophy of ASIL leading to downward revision in the quantum and timing of support and hence, in the rating of VSPL; or any weakening of the credit risk profile of the parent

About the Company

Incorporated in 2005, VSPL manufactures sponge iron at its facility in Koppal (Karnataka), which has an installed capacity of 150,000 tonne per annum. ASIL owns 95.70% stake in VSPL.

About the Group

ASIL is the flagship company of the A-one group. The company was incorporated in 2012 in Bengaluru, and is promoted by Mr Sunil Kumar Jallan and Mr Sandeep Kumar Jallan. The promoters started ASIL with a rolling mill in 2008 and expanded operations thereon. The company has two manufacturing units in Gauribidanur and Ballari (both in Karnataka). ASIL also has a 34-megawatt captive power plant. It sells products under the brand, A One Gold.

Key Financial Indicators- VSPL

As on / for the period ended March 31		2025	2024
Operating income	Rs crore	447.47	608.90
Reported profit after tax (PAT)	Rs crore	-9.85	16.20
PAT margin	%	-2.20	2.66
Adjusted debt/adjusted networth	Times	1.64	1.15
Interest coverage	Times	0.21	3.67

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	81.00	NA	Crisil BBB/Stable
NA	Proposed Working Capital Facility	NA	NA	NA	40.00	NA	Crisil BBB/Stable
NA	Term Loan	NA	NA	31-Mar-27	4.00	NA	Crisil BBB/Stable

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	125.0	Crisil BBB/Stable		--	28-03-25	Crisil BBB+/Negative		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	20	YES Bank Limited	Crisil BBB/Stable
Cash Credit	61	Axis Bank Limited	Crisil BBB/Stable
Proposed Working Capital Facility	40	Not Applicable	Crisil BBB/Stable
Term Loan	4	Axis Bank Limited	Crisil BBB/Stable

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for factoring parent, group and government linkages
Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)

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